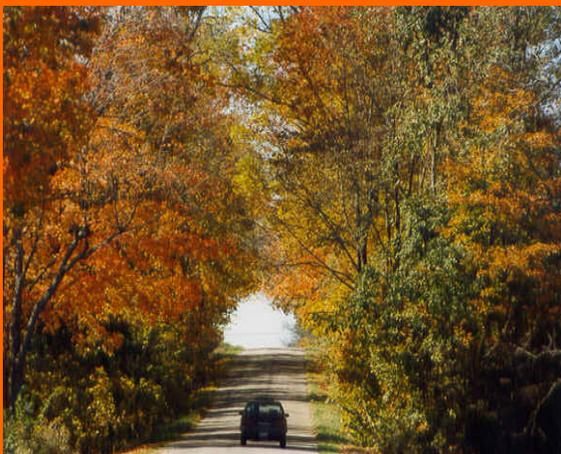


INGHAM COUNTY, MICHIGAN



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012



About the Cover:

On June 1, 2012, Ingham County merged with the Ingham County Road Commission and established the Department of Transportation and Roads. We are proud to display photos of our new department and their operations on this cover.

**INGHAM COUNTY, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

BOARD OF COMMISSIONERS

Dale Copedge
Chairperson

Victor Celentino
Vice-Chairperson

Vince Dragonetti
Vice-Chairperson Pro Tem

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Randy Schafer
Andy Schor
Todd Tennis
Penelope Tsernoglou
Steve Dougan

Prepared by:
Financial Services Division

Controller/Administrator:
Mary A. Lannoye

INGHAM COUNTY, MICHIGAN

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INTRODUCTORY SECTION

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June 6, 2013

To the Board of Commissioners and the Citizens of Ingham County:

Transmitted herewith is Ingham County's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. Ingham County's financial reporting requirements are mandated by Michigan Act 2 of the Public Acts of 1968, as amended. This Act requires that Ingham County issue an annual financial report, and that this report be audited by certified public accountants.

This report consists of management's representations concerning the finances of Ingham County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Ingham County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, our framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Ingham County's financial statements have been audited by Rehmann Robson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Ingham County for the fiscal year ended December 31, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Ingham County's financial statements for the fiscal year ended December 31, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The county is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The auditors' report related specifically to the single audit is not included in this document, but is issued under separate cover.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Ingham County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF INGHAM COUNTY GOVERNMENT

Ingham County, 576 square miles and with a current population of approximately 280,000, is located in the south-central portion of Michigan's Lower Peninsula. The county is a focal point for Michigan's highway system, with major highways providing easy access to and from Detroit, Grand Rapids, Flint, Kalamazoo, Battle Creek, Jackson and Ann Arbor. Commercial air service is provided from Lansing, and there is a network of rail freight service as well as Amtrak. The City of Lansing, located in the northwest corner, is the County's major population and business center and is home to Michigan's State Capitol.

Ingham County is governed by a sixteen-member Board of Commissioners (which was decreased to 14 in 2013). Each Commissioner is elected on a partisan basis for terms of two years from single-member districts that are approximately equal in population. The Board annually elects from its ranks a Chairperson, Vice Chairperson and Vice Chairperson Pro Tem by majority vote. The administration of the county, other than as delegated to elected officials, is guided by the County Controller who is appointed by a two-thirds vote of the Board of Commissioners and serves at its pleasure. Primary functions of the Board include determination of the type and level of county services, adoption of the county Budget, equalization of county property values, legislative oversight of county services and the appointment of various boards, commissions and county officials.

Judges of the 30th Judicial Circuit and the Probate Court are elected at large for six-year terms, while the judges of the 55th District Court are elected from the area of the county outside of Lansing and East Lansing. (Lansing and East Lansing both have their own district courts.) Operation of the court system is under the auspices of the Michigan Supreme Court and the respective presiding judges, while the county government primarily provides financial support.

Administration of the County is divided by the Michigan Constitution among various County officials. These include the constitutional offices of County Treasurer, County Clerk, Register of Deeds, Prosecuting Attorney and Sheriff. The statutory office of Drain Commissioner joins these five and all are elected at-large for four-year terms. The County Treasurer is the custodian of all funds, administers the collection of delinquent property taxes, and performs other duties concerned with interrelated fiscal affairs of county departments and agencies. The duties of the County Clerk include keeping and maintaining records of births, deaths, marriages and discharges of military personnel, and serving as Clerk of the Board of Commissioners. The duties of the Register of Deeds include the recording of deeds, mortgages, surveys, plats, notices of liens and bills of sales. The Prosecuting Attorney prosecutes violations of state criminal law within the county. The Drain Commissioner administers the location, construction and maintenance of drains in the county. The Sheriff's duties involve the charge and custody of the county jail, the serving of processes and primary law enforcement response in areas of the County without local police functions.

In addition, the Board of Commissioners appoints several county officials, including the Board Coordinator, the Controller, Health Officer, Medical Examiner, Equalization Director, Fair Director and Animal Control Director with responsibilities as defined by statute, county ordinance or resolution. The Controller's responsibilities include direction of central administrative functions of the county government and acting as a liaison on behalf of the Board of Commissioners between county offices, appointed officials and the general public. The Health Officer directs the operation of the County Health Department in accordance with Board of Commissioner's directions and as authorized by state law. The Health Officer appoints the Medical Director and the medical examiner services are provided through a contract with Sparrow Hospital. The Equalization Director oversees the equalization process of the county as prescribed by law. The Animal Control Director enforces appropriate state law and the Ingham County Animal Control Ordinance with respect to insuring the public safety in animal-related matters.

The Board of Commissioners also appoints various boards and commissions to oversee specific County services and to advise the Board on certain matters of interest. Appointments to boards overseeing specific county functions include the Department of Human Services Board, the Board of Park Trustees, the Capital Area District Library Board, the Economic Development Corporation Board, the Ingham Medical Center Board of Trustees and the Housing Commission. Appointments to advisory committees include the Women's Commission, the Equal Opportunity Commission, the Youth Commission, and the Board of Health. Finally, the Board also appoints representatives to regional bodies overseeing programs in the areas of airport operations, aging, manpower training, planning and substance abuse.

The 1,185 employees of the county are located on several different campuses throughout the county. Primary locations are downtown Lansing, south Lansing, and Mason, the county seat.

County government provides a diverse array of services in the areas of human services, law enforcement, justice administration, recreation, education, elections, and record keeping. In any one day, hundreds of people access county services:

- . They may be utilizing one of the many public health, sanitation or disease control services provided by the Health Department, the support services of County Veteran Affairs, or the residential services of the Medical Care Facility or the Ingham County Housing Commission. They may be utilizing one of the many other human service programs supported by county funds in mental health, substance abuse, aging, special transportation, or youth violence prevention.
- . They may be utilizing the services of the County Prosecutor, County Sheriff, or the courts, or anticipating the arrival of the law enforcement, fire, or emergency medical personnel dispatched by Ingham County 911 Central Dispatch Center.
- . They may be obtaining birth, death, tax or property information from the Offices of the County Clerk, Treasurer, or Register of Deeds; participating in elections; or getting assistance in drainage-related problems from the Drain Commissioner.
- . They may be attending educational events sponsored by Cooperative Extension, enjoying one of the many county parks including Potter Park Zoo, or visiting the County Fairgrounds.

LONG-TERM FINANCIAL PLANNING

Ingham County, through Board Resolution, has adopted a policy on financial available resources. The purpose of the policy is to maintain financial fund balances appropriate to providing for the stable operation of the county government; to assure that the County's financial obligations will be met; and to assure continuation of a strong credit rating.

The County's goal for the general fund is an unassigned fund balance of at least 5% of the general fund expenditures of the preceding year. The goal for the budget stabilization restricted fund balance is to maintain the legal maximum balance of 15% of the average of the last five years' budget or 15% of the current year's budget, whichever is less, but not less than 13%. The current reserves for the General Fund are at 25%, well above the policy limit. The goal for the public improvement fund assigned fund balance is to maintain sufficient reserves to address annual needs for maintaining county facilities in an appropriate state of repair. The desired level for the funding for public improvements was set at 1/10 mill of the property tax levy. The County Controller provides an annual status report to the Finance Committee and provides recommendations for maintaining the balances at appropriate levels.

Ingham County's strategic plan provides the foundation for budgetary decisions by establishing a vision, mission and long-range objectives. In addition to the strategic plan, the Board of Commissioners adopts a resolution each year which sets priorities for the development of the budget. The principles in the resolution are consistent with the objectives in the strategic plan, but detail specific priorities which reflect current issues.

The priorities identified by the Board of Commissioners over the past several years have consistently included maintaining and expanding access to health care; providing recreational opportunities; and supporting the continuum of sanctions and placements for youth and adults.

Other priorities have included encouraging the participation of youth in county government, assuring an appropriate level of services to victims of domestic violence and sexual assault, exploring ways to expand and improve services for seniors, improving the overall jury selection system, finding more equitable ways of governing and financing the Capital Region International Airport, and examining the implications of regional land use on the region's future. Through its discussions and actions, each new Board of Commissioners will determine what priorities it wishes to continue and what new ones to establish.

The County maintains real-time budgetary controls using an integrated financial management software package. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. Activities of the general and special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amounts) is established by defined cost categories within an activity or individual fund. Budgetary transfers are permitted in accordance with board-adopted budget policies. The county also maintains an encumbrance accounting system as one of its techniques of accomplishing budgetary control. Encumbered amounts lapse at year-end; however, they generally are re-appropriated as part of the following year's budget.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Ingham County is proud to be the home of both the State Capitol and Michigan State University, as well as having a significant presence from General Motors Corporation (GM). GM's Lansing Grand River Assembly plant (a 2,000,000 square foot facility) was opened in 2001. Its Lansing Regional Stamping Plant was opened in Delta Township (just outside the county in neighboring Eaton County) in 2003 and an assembly plant was added there in 2006.

Ingham County is also the site of several large industrial firms, two major hospital organizations and several other educational institutions including Lansing Community College and Cooley Law School. Also of economic importance is agriculture, including dairy, livestock and general farming.

Manufacturing, government, education, insurance and health care occupations represent the major employment sources. The triad of Michigan State University, General Motors Corporation and state government has served as a catalyst to give the area a well-educated, well-trained and highly skilled work force.

The stable and diverse economic base has made Ingham County an attractive employment and consumer market. Unemployment rates have been consistently below State averages, resident income levels are above regional norms for counties, and the labor force is bolstered by a sizeable student population with the presence of Michigan State University and Cooley Law School.

Downtown Lansing has and will continue to experience many changes. The Lansing Board of Water and Light has begun construction of a new \$180 million co-generation plant. At the site of the former Knapp's Department store, a \$36 million rehabilitation project, which will create 100 jobs as well as redevelop an entire city block, began construction in late 2012.

Emergent Biosolutions has announced plans to build a \$108 million expansion to its facilities located in the City of Lansing.

While not in the County but located just outside its borders is the Capital Region International Airport. The Airport has completed a 55,000 square foot export/import manufacturing facility which should attract several new manufacturers to the greater Lansing region.

General Motor's presence in the area still remains strong. The Company is currently considering bringing additional lines of vehicles to its existing Lansing area plants.

Dart Container Corporation of Mason, purchased Solo Cup Company in May 2012. Construction will begin on a \$47,000,000 expansion in 2013. The project is expected to bring 325 jobs to the region. Apex Precision Solutions, an aerospace manufacturer moved to a facility in Mason. They expect to create 25 to 30 jobs over the next two years.

Construction of The Heights of Eastwood, in Lansing Township began this year. It is a \$47,000,000 project which when completed will include restaurants, retail and luxury apartments. Tony Sacco's Coal Oven Pizza opened in May of 2012. The five story building which will contain 124 apartments is expected to be ready in the fall of 2013.

The Eli and Edythe Broad Art Museum, on the campus of Michigan State University, opened on November 10, 2012. This \$45,000,000, 46,000 square foot project is expected to draw over 150,000 visitors a year to the region.

Property values for the County totaled \$14.8 billion based on the 2012 County Equalization Report. The values of real property decreased by 6.7% while the value of personal property increased by 3.7% resulting in an overall decrease of 6%. The total estimated "true cash value" translates to a state equalized value of \$7.4 billion. A 1994 amendment to the Michigan Constitution limits increases in the taxable value of most property to the lower of the rate of inflation or 5% until the property is sold. Upon sale, the taxable value is set to the equalized value. The 2012 taxable value, used for the 2012 summer and winter tax levies, was \$7 billion. This is a 4.3% decrease over the 2011 taxable value.

In spite of significant financial challenges associated with declining property and state tax revenues, Ingham County's excellent employees continue to provide high quality of services to our 280,000 residents.

Major Initiatives

In 2010, Ingham County entered into agreements with the cities of Lansing and East Lansing for the purpose of creating a consolidated 911 Center. The cities of Lansing and East Lansing 911 operations were consolidated into a single county-managed operation. After years of planning, the County began construction of a new the facility in 2011. The facility opened and the consolidation of the services became effective in June, 2012 with the addition of 70 county employees.

On April 24, 2012, the Ingham County Board of Commissioners passed a resolution which authorized the county to absorb the Ingham County Road Commission (currently a component unit) as of June 1, 2012. The Road Commission will cease to exist and will become the Department of Transportation and Roads within the County. The activity for this department will be accounted for in a special revenue fund.

In late 2012, the County opened for operations a snowboarding and tubing hill in the county's Hawk Island Park. Much of the funding for the project was provided by a Land and Water Conservation grant. This facility provides a unique recreational opportunity to the residents of Ingham County.

Ingham County Medical Care Facility (ICMCF) added an outpatient therapy program during 2012 to enhance the continuity of therapy services for patients who are discharged from the facility back to the community. Additionally, the program provides outpatient therapy services not currently offered in the Ingham County area, including the expanded use of ICMCF's warm water therapy pool.

Ingham County Medical Care Facility, along with a collaboration of other capital area health care providers, was recognized by the Journal of American Medical Association (JAMA) and the Michigan Peer Review Organization (MPRO) for successfully reducing hospitalizations and rehospitalizations amongst Lansing area Medicare patients. The collaborative coordinated interventions that engaged the community to improve care transitions, when patients move from one care setting to another, such as from a hospital to their home or a nursing facility.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ingham County for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2011. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, Ingham County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning January 1, 2013. In order to qualify for the Distinguished Budget Presentation Award, the budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Financial Services Division of the Controller's Office, the various other County departments, and the elected and appointed officials. Our appreciation is extended to all those who assisted in and contributed to the preparation of this report. We would also like to thank the Ingham County Board of Commissioners for their continued support in planning and conducting the financial operations of Ingham County in a responsible and progressive manner.

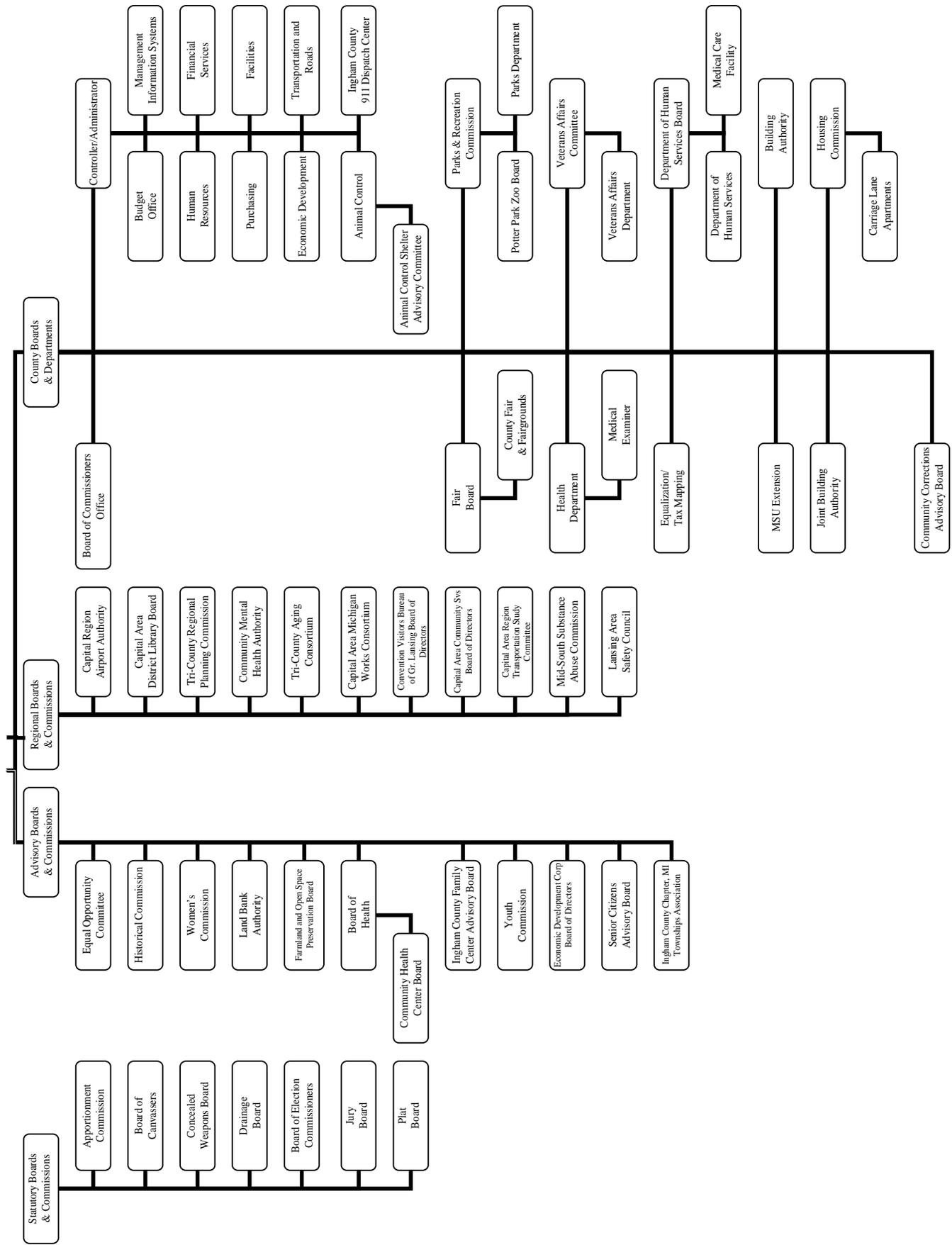
Respectfully submitted,



Mary Lannoy
Controller/Administrator



Jill Rhode
Director of Financial Services



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ingham County
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moivre

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 6, 2013

To the Board of Commissioners
of Ingham County, Michigan
Mason, Michigan**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Ingham County, Michigan* (the "County"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ingham County Housing Commission discretely presented component unit, which represents 1.9%, 3.8%, and 6.6%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Ingham County Housing Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of 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 Ingham County, Michigan, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2013, on our consideration of Ingham County, Michigan's internal control over financial reporting and 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* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rehmann Lohorn LLC". The signature is written in a cursive style with a large, prominent 'R' at the beginning.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

INGHAM COUNTY, MICHIGAN

Management's Discussion and Analysis

As management of Ingham County we offer readers of Ingham County's financial statements this narrative overview and analysis of the financial activities of Ingham County for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

Financial Highlights

- The assets of Ingham County exceeded its liabilities at the close of the most recent fiscal year by nearly \$221.1 million (*net position*). Of this amount, \$36.7 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors. Governmental activities contain \$13.7 million of the unrestricted net position.
- The County governmental activities showed a increase of \$100.9 million in total net position. This is a direct result of merging with the Ingham County Road Commission and establishing the road and transportation fund which had substantial capital assets. The actual decrease in total net position based upon operations was \$4.3 million.
- At the close of 2012, Ingham County's governmental funds (this includes the general fund, special revenue, debt service and capital projects funds) reported a combined ending fund balance of \$61.1 million. Of the total amount, approximately \$24.7 million is *available for spending* at the County's discretion (*unassigned and assigned fund balance*). In addition, \$10.6 in restricted fund balance is available for future budget stabilization.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$18.5 million or 24.8 percent of total general fund expenditures and transfers out. Total fund balance for the general fund was \$42.5 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Ingham County basic financial statements. The Ingham County basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of Ingham County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Ingham County include general government, public safety, judicial, public works, health, welfare, education, economic development, and culture and recreation. The business-type activities of Ingham County include a medical care facility that provides long-term skilled nursing care, delinquent tax collections and property foreclosures, clinical fee-based health service to Medicaid eligible individuals and the operations of the county fair, inmate concession and parks enterprise.

INGHAM COUNTY, MICHIGAN

Management's Discussion and Analysis

The government-wide financial statements include not only Ingham County itself, but also legally separate entities for which the County is financially accountable including the Housing Commission, Drain Commission, Brownfield Redevelopment Authority, and Land Bank. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The Ingham County Building Authority, Medical Care Facility, and Fair Board, although also legally separate, function for all practical purposes as departments of Ingham County, and therefore have been included as integral parts of the primary government.

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike those statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term 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*.

Ingham County maintains 41 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, transportation and roads, health, emergency telephone and county transportation system funds which are considered to be major funds. Data from the other 36 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 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. Ingham County uses eight enterprise funds to account for its business-type activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Ingham County's various functions. Ingham County uses internal service funds to account for its equipment, employee fringe benefits, liability and workers' compensation insurances, and its management information systems. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the medical care facility, delinquent tax revolving and community health center network funds, which are considered to be major funds of Ingham County. Data from the other five enterprise funds are combined into a single aggregated presentation. Detailed financial information for each of the nonmajor enterprise funds is provided in the form of *combining statements* elsewhere in this report. 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.

INGHAM COUNTY, MICHIGAN

Management's Discussion and Analysis

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Ingham County's own programs. 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.

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

County-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following schedule is a summary presentation of Ingham County's assets, liabilities, and net position at December 31, 2012. 2012 beginning net position balances have been restated. See note 18 of notes to the financial statements for more information. The schedule shows the County's assets exceeded liabilities by \$221.1 million at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 105,516,069	\$ 106,462,811	\$ 46,224,971	\$ 47,962,971	\$ 151,741,040	\$ 154,425,782
Capital assets, net	159,062,554	50,598,220	12,302,250	14,148,831	171,364,804	64,747,051
Total assets	<u>264,578,623</u>	<u>157,061,031</u>	<u>58,527,221</u>	<u>62,111,802</u>	<u>323,105,844</u>	<u>219,172,833</u>
Long-term liabilities	23,483,834	25,261,516	12,603,697	15,054,412	36,087,531	40,315,928
Other liabilities	61,532,924	53,528,184	4,367,809	5,132,924	65,900,733	58,661,108
Total liabilities	<u>85,016,758</u>	<u>78,789,700</u>	<u>16,971,506</u>	<u>20,187,336</u>	<u>101,988,264</u>	<u>98,977,036</u>
Net position:						
Net investment in						
capital assets	140,627,465	30,001,307	12,302,250	14,148,831	152,929,715	44,150,138
Restricted	25,236,830	29,508,680	6,288,043	11,787,711	31,524,873	41,296,391
Unrestricted	13,697,570	18,761,344	22,965,422	15,987,924	36,662,992	34,749,268
Total net position	<u>\$ 179,561,865</u>	<u>\$ 78,271,331</u>	<u>\$ 41,555,715</u>	<u>\$ 41,924,466</u>	<u>\$ 221,117,580</u>	<u>\$ 120,195,797</u>

The County has a \$152.9 million net investment in capital assets. This represents 69 percent of total net position. The investment in capital assets (e.g., land, buildings, machinery and equipment) is shown net of any related outstanding debt used to acquire those assets. Ingham County uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending.

Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The net investment in capital assets increased by about \$108.8 million. The primary increase in the total value was due to the merger with the Ingham County Road Commission which had substantial capital assets. This was the only material change in the net investment in capital assets.

An additional portion of Ingham County's net position of \$31.5 million represents resources that are subject to external restrictions on how they may be used. Ingham County's *unrestricted net position*, amounting to \$36.7 million represent 17 percent of total net position. These assets may be used to meet the County's ongoing obligations to citizens and creditors.

INGHAM COUNTY, MICHIGAN

Management's Discussion and Analysis

At the end of the 2012 fiscal year, Ingham County is able to report positive balances in all three net position categories (net investment in capital assets, restricted, and unrestricted) both for the government as a whole, as well as for its separate governmental and business-type activities.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program revenues:						
Charges for services	\$ 19,509,254	\$ 18,174,417	\$ 41,565,174	\$ 43,235,251	\$ 61,074,428	\$ 61,409,668
Operating grants and contributions	57,418,802	38,382,458	3,331,046	4,561,519	60,749,848	42,943,977
Capital grants and contributions	-	-	24,484	333,300	24,484	333,300
General revenues:						
Property taxes	59,810,566	62,709,630	-	-	59,810,566	62,709,630
Other	2,767,886	3,589,352	68,083	261,094	2,835,969	3,850,446
Total revenues	139,506,508	122,855,857	44,988,787	48,391,164	184,495,295	171,247,021
Expenses:						
General government	20,138,241	21,593,170	-	-	20,138,241	21,593,170
Public safety	29,483,870	30,515,056	-	-	29,483,870	30,515,056
Judicial	15,086,911	14,862,350	-	-	15,086,911	14,862,350
Public works	19,740,215	3,571,228	-	-	19,740,215	3,571,228
Health	29,360,127	29,021,032	-	-	29,360,127	29,021,032
Welfare	18,988,969	17,973,134	-	-	18,988,969	17,973,134
Education	39,953	39,416	-	-	39,953	39,416
Economic development	1,558,458	1,234,899	-	-	1,558,458	1,234,899
Culture and recreation	8,731,848	8,719,245	-	-	8,731,848	8,719,245
Interest on long-term debt	875,789	969,532	-	-	875,789	969,532
Medical care facility	-	-	22,521,287	21,304,537	22,521,287	21,304,537
Delinquent tax collection	-	-	2,331,463	1,952,260	2,331,463	1,952,260
Community health center network	-	-	16,753,790	15,753,239	16,753,790	15,753,239
Housing	-	-	-	1,256,804	-	1,256,804
Inmate stores	-	-	334,035	305,208	334,035	305,208
Parks	-	-	327,610	-	327,610	-
County fair	-	-	863,110	801,932	863,110	801,932
Total expenses	144,004,381	128,499,062	43,131,295	41,373,980	187,135,676	169,873,042
Change in net position, before transfers						
	(4,497,873)	(5,643,205)	1,857,492	7,017,184	(2,640,381)	1,373,979
Transfers	222,143	1,402,576	(178,496)	(1,468,266)	43,647	(65,690)
Change in net position	(4,275,730)	(4,240,629)	1,678,996	5,548,918	(2,596,734)	1,308,289
Net position:						
Beginning of year	183,837,595	82,511,960	39,876,719	36,375,548	223,714,314	118,887,508
End of year	\$ 179,561,865	\$ 78,271,331	\$ 41,555,715	\$ 41,924,466	\$ 221,117,580	\$ 120,195,797

INGHAM COUNTY, MICHIGAN

Management's Discussion and Analysis

The County's total net position decreased by \$2.6 million during the year. The governmental activities decreased by \$4.3 million primarily due to the budgeted use of fund balance by the general and transportation and roads funds. The business-type activities increased \$1.7 million. The Medical Care Facility accounted for \$.98 million of the increase.

Governmental Activities. An analysis of the governmental activities revenues and expenses shows a \$16.7 million increase in revenues. The addition of the transportation and roads fund increased revenue by \$17.5 million. Expenses increased by \$15.5 million. Again, the addition of the transportation and roads fund accounted for \$17.8 million. The offset was due to planned budgeted general fund expense reductions. The net transfers decreased from \$1.4 million to \$.2 million. The change in transfers was due to additional general fund funding being needed by the community health center enterprise fund.

Business-type Activities. Business-type activities increased Ingham County's net position by \$1.7 million down from \$5.5 million in 2011. Transfers between the governmental and business-type activities are not equal because of timing differences between funds with different fiscal year ends.

Financial Analysis of the Government's Funds

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

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

As of the end of the fiscal year, Ingham County's governmental funds reported combined ending fund balances of \$61.1 million, a decrease of \$7.1 million in comparison with the prior year. Of this total amount (\$18.5 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, committed or assigned and therefore is not available for new spending because it has already been committed for advances to other funds or component units (\$1.5 million), health services (\$2.1 million), and other restricted purposes.

The general fund is the chief operating fund of Ingham County. At the end of the fiscal year, the unassigned fund balance of the general fund was \$18.5 million. In addition, \$10.6 in restricted fund balance is available for future budget stabilization. The total fund balance totals \$42.5 million. The transportation and roads fund reported a \$1.5 million reduction in fund balance due to several large budgeted capital outlay purchases bringing its year end restricted fund balance to \$2.7 million. The capital project fund used \$3.4 million in fund balance to complete the construction of the County's Centralized 911 Dispatch Center, therefore depleting its fund balance.

The fund balance of Ingham County's general fund decreased by \$1.5 million during the fiscal year. Revenues increased between years by \$.6 million. The \$2 million decrease in tax revenue was made up with a \$2.5 million increase in intergovernmental revenue primarily due to the reinstatement of state revenue sharing. Expenditures decreased by nearly \$1.5 million. The expenditure reduction was a planned budget reduction and was throughout the entire fund. The transfers in decreased \$5.2 million from 2011. This is the result of the elimination of the annual transfer from the revenue sharing reserve fund. Transfers out were \$2.3 million more than 2011. The material difference is \$1 million more was needed to fund the health department operations for the health fund and community health center network funds. In addition, more money was transferred to the capital improvement fund in 2012.

INGHAM COUNTY, MICHIGAN

Management's Discussion and Analysis

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

The delinquent tax revolving fund ended 2012 with a unrestricted net position of \$9.2 million following an increase in net position for the year of \$100,000 after transferring the annual \$2.7 million appropriation to the general fund.

The Medical Care Facility's unrestricted net position was \$11.5 million after an increase in net position for the year of \$.9 million, which resulted from additional usage and cost control measures. It should be noted that the Medical Care Facility fully funded its portion of the County's pension plan in 2012 which resulted in the generation of a \$4.8 million net pension asset.

The Community Health Center Network Enterprise Fund accounts for the fee-based activity of the County Health Department's clinics. Revenues in 2012 were \$1.3 million less than 2011 due to the first year implementation of the records management system. Expenses increased by \$1.1 million from 2011 due to an increase in overall operating costs. The deficiency in the operations was subsidized by the County's general fund.

General Fund Budgetary Highlights

Transfers out were under budget by \$.7 million. This was due to the health fund not needing as large of a subsidy as anticipated. General government expenses were under budget by \$.5 million due to budgeted maintenance projects which were delayed until 2013.

Capital Asset and Debt Administration

Capital Assets. Ingham County's investment in capital assets for its governmental and business-type activities as of December 31, 2012, amounts to \$171.3 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, construction in progress, intangible assets, buildings, machinery and equipment and infrastructure. This \$108.4 million increase to capital assets was primarily due to the merger with the Ingham County Road Commission which reports substantial infrastructure and the completion and capitalization of the County's Centralized 911 Dispatch Center.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 8,957,625	\$ 6,920,354	\$ 137,912	\$ 464,990	\$ 9,095,537	\$ 7,385,344
Land improvements	23,406,244	-	-	-	23,406,244	-
Construction in progress	191,353	2,811,953	-	2,074,011	191,353	4,885,964
Intangible assets	1,772,275	827,932	-	-	1,772,275	827,932
Buildings	41,395,160	35,815,818	10,856,937	11,036,340	52,252,097	46,852,158
Machinery and equipment	6,498,744	4,222,163	1,307,401	573,490	7,806,145	4,795,653
Infrastructure	76,841,153	-	-	-	76,841,153	-
Total capital assets, net	\$ 159,062,554	\$ 50,598,220	\$ 12,302,250	\$ 14,148,831	\$ 171,364,804	\$ 64,747,051

Additional information on Ingham County's capital assets can be found in note 6 of the notes to the financial statements.

INGHAM COUNTY, MICHIGAN

Management's Discussion and Analysis

Long-Term Debt. At the end of the 2012 fiscal year, Ingham County had total general obligation debt of \$29.8 million. The entire amount is backed by the full faith and credit of the County.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$18,245,000	\$21,010,000	\$ -	\$ -	\$18,245,000	\$21,010,000
Delinquent tax notes	-	-	11,600,000	14,000,000	11,600,000	14,000,000
Total	\$18,245,000	\$21,010,000	\$11,600,000	\$14,000,000	\$29,845,000	\$35,010,000

The County retired \$2.8 million in Go bonds during 2012. Tax notes of \$14.0 million were issued in 2012 and \$16.4 million were retired resulting in a decrease of \$2.4 million.

Ingham County maintains an AA+ rating from Standard and Poor's for its general obligation debt and an Aa3 rating from Moody's Investors Services.

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 Ingham County is \$789 million, which is significantly in excess of Ingham County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note 10 of the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

In order to maintain financial stability over the long term, the budgeting practice at Ingham County is to not only adopt a balanced budget as required by law, but to manage its budget in a manner such that actual expenses/expenditures do not erode the accumulated fund balance. This policy, along with a nearly fully funded budget stabilization reserve, has given Ingham County the resources necessary to address difficult economic times without resorting to a crisis-management approach. It has permitted the County Board to utilize its annual budget process as the primary vehicle to make decisions on the type and level of county services to be provided. When unexpected revenue losses or expenditure increases occur during the year, they are generally addressed through short-term expenditure reduction measures such as reductions in controllable expenses, hiring delays, or deferrals of capital expenditures. In 2013, it is anticipated that reductions similar to ones made in the most recent two years along with a reasonable use of fund balance will be required to properly match current resources with current expenditures.

While property tax revenues have traditionally shown steady growth in the past, the housing crisis and the Michigan economy are having a detrimental impact on property values for the past several years. Taxable values for 2012 decreased 4.3% over the prior year. In addition, the County is dependent upon the State of Michigan's determination of revenue sharing revenue which in recent years has been uncertain.

Steps have been taken to address the unfunded liability for retiree health insurance costs. Ingham County has begun to address this issue by continuing to commit \$3.2 million of fund balance in the general fund for this purpose and setting aside 0.5% of payroll in 2006 and 1% in 2007 through 2012 which has accumulated to \$3.9 million as of December 31, 2012. During 2013, the County increased the contribution to 1.75% of payroll.

INGHAM COUNTY, MICHIGAN

■ Management's Discussion and Analysis

Requests for Information

The financial report is designed to provide a general overview of the Ingham County's finances for all those with an interest. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, Ingham County Courthouse, Mason, MI. 48854.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

INGHAM COUNTY, MICHIGAN

Statement of Net Position

December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Pooled cash and investments	\$ 64,735,623	\$ 14,376,881	\$ 79,112,504	\$ 10,048,294
Pooled cash and investments - restricted	348,409	5,787,729	6,136,138	-
Receivables, net	36,845,124	21,692,329	58,537,453	36,506,899
Internal balances	1,449,681	(531,621)	918,060	-
Other assets	2,137,232	131,012	2,268,244	9,826,738
Net pension asset	-	4,768,641	4,768,641	-
Capital assets not being depreciated	34,327,497	137,912	34,465,409	13,287,672
Capital assets being depreciated, net	124,735,057	12,164,338	136,899,395	41,263,274
Total assets	264,578,623	58,527,221	323,105,844	110,932,877
Liabilities				
Accounts payable and accrued liabilities	10,228,582	2,264,263	12,492,845	8,410,384
Accrued interest payable	247,978	6,065	254,043	344,758
Unearned revenue	21,572,869	24,505	21,597,374	478,846
Long-term liabilities:				
Due within one year	4,554,938	12,238,539	16,793,477	15,458,387
Due in more than one year	18,928,896	365,158	19,294,054	36,453,129
Other noncurrent liability - net other postemployment benefit liability	29,483,495	2,072,976	31,556,471	-
Total liabilities	85,016,758	16,971,506	101,988,264	61,145,504
Net position				
Net investment in capital assets	140,627,465	12,302,250	152,929,715	10,855,349
Restricted for:				
Budget stabilization	10,562,365	-	10,562,365	-
General government	303,184	-	303,184	-
Public health services	1,218,890	-	1,218,890	-
Public safety	3,290,536	-	3,290,536	-
Transportation	914,157	-	914,157	-
Culture and recreation	2,069,921	-	2,069,921	-
Welfare	3,975,822	-	3,975,822	-
Education	14,230	-	14,230	-
Economic development	2,724,279	-	2,724,279	-
Statutory fees	-	503,385	503,385	-
Debt service	10,883	-	10,883	36,025,832
Scholarships	-	16,188	16,188	-
Capital improvements	-	5,768,470	5,768,470	-
Retiree premium share	152,563	-	152,563	-
Unrestricted	13,697,570	22,965,422	36,662,992	2,906,192
Total net position	\$ 179,561,865	\$ 41,555,715	\$ 221,117,580	\$ 49,787,373

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

INGHAM COUNTY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2012

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 20,138,241	\$ 2,998,459	\$ 11,027,989	\$ -	\$ (6,111,793)
Public safety	29,483,870	5,372,979	4,831,537	-	(19,279,354)
Judicial	15,086,911	3,405,479	2,485,413	-	(9,196,019)
Public works	19,740,215	-	17,555,108	-	(2,185,107)
Health	29,360,127	6,513,323	10,072,843	-	(12,773,961)
Welfare	18,988,969	136,743	9,090,817	-	(9,761,409)
Education	39,953	-	45,218	-	5,265
Economic development	1,558,458	-	561,831	-	(996,627)
Culture and recreation	8,731,848	1,082,271	111,889	-	(7,537,688)
Interest on long-term debt	875,789	-	1,636,157	-	760,368
Total governmental activities	144,004,381	19,509,254	57,418,802	-	(67,076,325)
Business-type activities:					
Medical care facility	22,521,287	23,220,565	288,578	-	987,856
Delinquent tax collection	2,331,463	5,414,885	-	-	3,083,422
Community health center	16,753,790	11,497,874	2,993,734	24,484	(2,237,698)
Inmate stores	334,035	432,269	-	-	98,234
Parks	327,610	307,552	13,691	-	(6,367)
County fair	863,110	692,029	35,043	-	(136,038)
Total business-type activities	43,131,295	41,565,174	3,331,046	24,484	1,789,409
Total primary government	\$ 187,135,676	\$ 61,074,428	\$ 60,749,848	\$ 24,484	\$ (65,286,916)
Component units					
Housing Commission	\$ 1,247,489	\$ 252,467	\$ 631,268	\$ -	\$ (363,754)
Land Bank	7,728,314	1,097,464	4,117,025	-	(2,513,825)
Drain Commission	7,323,435	1,288,254	436,624	4,144,343	(1,454,214)
Brownfield Redevelopment	326,720	-	154,938	-	(171,782)
Total component units	\$ 16,625,958	\$ 2,638,185	\$ 5,339,855	\$ 4,144,343	\$ (4,503,575)

continued...

INGHAM COUNTY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (67,076,325)	\$ 1,789,409	\$ (65,286,916)	\$ (4,503,575)
General revenues:				
Property taxes	59,810,566	-	59,810,566	72,217
Taxes restricted for tourism programs	2,256,096	-	2,256,096	-
Unrestricted investment earnings	511,790	67,015	578,805	151,664
Other	-	-	-	2,535,195
Gain on sale of capital assets	-	1,068	1,068	-
Transfers - internal activities	222,143	(178,496)	43,647	-
Total general revenues and transfers	62,800,595	(110,413)	62,690,182	2,759,076
Change in net position	(4,275,730)	1,678,996	(2,596,734)	(1,744,499)
Net position, beginning of year, as restated	183,837,595	39,876,719	223,714,314	51,531,872
Net position, end of year	\$ 179,561,865	\$ 41,555,715	\$ 221,117,580	\$ 49,787,373

concluded.

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

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FUND FINANCIAL STATEMENTS

INGHAM COUNTY, MICHIGAN

Balance Sheets

Governmental Funds
December 31, 2012

	General	Transportation and Roads	Health	Emergency Telephone
Assets				
Pooled cash and investments	\$ 38,522,799	\$ 320,893	\$ -	\$ 2,738,679
Property taxes receivable	1,148,403	-	-	5,223,460
Accounts receivable	201,886	3,948	969,755	316,838
Accrued interest receivable	59,941	1,539	-	10,337
Lease receivable	-	-	-	-
Interfund receivable	2,428,910	-	743,130	-
Due from other funds	2,525,083	-	1,756,273	90,874
Due from component unit	77,399	-	-	-
Due from other governmental units	2,548,989	3,171,182	-	151,280
Prepaid items	24,436	169	10,592	-
Inventories	-	1,159,896	317,259	-
Rehabilitation loans receivable	-	-	-	-
Advances to other funds	475,751	-	-	-
Advances to component unit	1,000,000	-	-	-
Total assets	\$ 49,013,597	\$ 4,657,627	\$ 3,797,009	\$ 8,531,468
Liabilities				
Accounts payable	\$ 1,177,914	\$ 244,511	\$ 659,889	\$ 15,842
Salaries and related withholdings	1,537,768	287,871	237,932	206,663
Interfund payable	-	-	-	-
Due to other funds	3,278,782	18,789	1,061,467	117,604
Due to component unit	93	-	-	-
Due to other governmental units	25,956	12,126	15,273	-
Deposits payable	-	263,157	-	-
Deferred revenue	515,174	-	489,646	5,505,570
Total liabilities	6,535,687	826,454	2,464,207	5,845,679
Fund balances				
Nonspendable	1,500,187	1,160,065	113,912	-
Restricted	10,562,365	2,671,108	1,218,890	2,685,789
Committed	5,705,000	-	-	-
Assigned	6,216,206	-	-	-
Unassigned	18,494,152	-	-	-
Total fund balances	42,477,910	3,831,173	1,332,802	2,685,789
Total liabilities and fund balances	\$ 49,013,597	\$ 4,657,627	\$ 3,797,009	\$ 8,531,468

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



County Transportation System	Other Governmental Funds	Total Governmental Funds
\$ 2,088,914	\$ 10,758,171	\$ 54,429,456
3,707,409	10,308,337	20,387,609
-	281,139	1,773,566
5,210	18,613	95,640
-	2,199,711	2,199,711
-	-	3,172,040
-	1,793,890	6,166,120
-	-	77,399
-	2,655,587	8,527,038
-	109,466	144,663
-	-	1,477,155
-	2,162,115	2,162,115
-	-	475,751
-	-	1,000,000
<u>\$ 5,801,533</u>	<u>\$ 30,287,029</u>	<u>\$ 102,088,263</u>

\$ 951,124	\$ 1,494,528	\$ 4,543,808
-	261,809	2,532,043
-	2,192,674	2,192,674
28,082	770,932	5,275,656
-	-	93
-	170,244	223,599
-	-	263,157
<u>3,908,170</u>	<u>15,511,585</u>	<u>25,930,145</u>
<u>4,887,376</u>	<u>20,401,772</u>	<u>40,961,175</u>

-	109,466	2,883,630
914,157	9,703,066	27,755,375
-	72,725	5,777,725
-	-	6,216,206
-	-	18,494,152
<u>914,157</u>	<u>9,885,257</u>	<u>61,127,088</u>
<u>\$ 5,801,533</u>	<u>\$ 30,287,029</u>	<u>\$ 102,088,263</u>

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INGHAM COUNTY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
To Net Position of Governmental Activities
December 31, 2012

Fund balances - total governmental funds	\$ 61,127,088
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	328,169,942
Accumulated depreciation	(170,625,009)
Other long-term assets are not available to pay for current-period expenditures and therefore are not recorded in the funds.	
Long-term receivables included in deferred revenue	4,361,826
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable and other debt	(18,704,599)
Accrued interest on bonds payable	(247,978)
Accrued compensated absences	(4,792,608)
Other postemployment benefit liability	(29,483,495)
Premiums and discounts on bonds are reported as other financing sources or uses in governmental funds, whereas they are capitalized and amortized for net position.	
Unamortized bond premium	(225,109)
Deferred charges for bond issuance costs are currently expensed in the governmental funds, whereas they are capitalized and amortized for net position.	
	200,609
Losses on bond refundings are not reported in the governmental funds, whereas they are capitalized and amortized for net position.	
	398,377
Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Net position of governmental activities accounted for in internal services funds	9,596,042
Net position allocated to business-type activities related to governmental activity in internal service funds	(213,221)
Net position of governmental activities	<u>\$ 179,561,865</u>

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

INGHAM COUNTY, MICHIGAN

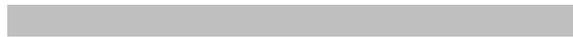
Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2012

	General	Transportation and Roads	Health	Emergency Telephone
Revenues				
Taxes	\$ 42,601,945	\$ -	\$ -	\$ 5,812,179
Licenses and permits	457,713	125,080	-	-
Intergovernmental	12,508,790	17,290,811	8,240,488	211,322
Charges for services	11,906,790	11,403	6,483,424	-
Fines and forfeits	502,972	-	-	-
Interest	328,838	9,840	-	31,898
Other	1,373,263	116,700	407,240	1,975,795
Total revenues	69,680,311	17,553,834	15,131,152	8,031,194
Expenditures				
Current:				
General government	14,085,329	-	-	-
Public safety	20,280,914	-	-	7,060,666
Judicial	14,215,863	-	-	-
Public works	299,991	17,819,961	-	-
Health	3,373,116	-	23,623,406	-
Welfare	412,599	-	-	-
Education	-	-	-	-
Economic development	203,580	-	-	-
Culture and recreation	2,217,403	-	-	-
Capital outlay	551,239	1,209,156	-	550,436
Debt service:				
Principal retirement	187,203	-	-	-
Interest and fiscal charges	21,644	-	-	-
Total expenditures	55,848,881	19,029,117	23,623,406	7,611,102
Revenues over (under) expenditures	13,831,430	(1,475,283)	(8,492,254)	420,092
Other financing sources (uses)				
Transfers in	3,470,682	-	8,484,860	57,616
Transfers out	(18,788,646)	-	(24,592)	(210,169)
Proceeds from sales of capital assets	1,275	6,075	-	-
Total other financing sources (uses)	(15,316,689)	6,075	8,460,268	(152,553)
Net change in fund balances	(1,485,259)	(1,469,208)	(31,986)	267,539
Fund balances, beginning of year, as restated	43,963,169	5,300,381	1,364,788	2,418,250
Fund balances, end of year	\$ 42,477,910	\$ 3,831,173	\$ 1,332,802	\$ 2,685,789

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



County Transportation System	Other Governmental Funds	Total Governmental Funds
\$ 3,312,759	\$ 10,339,779	\$ 62,066,662
-	-	582,793
11,114	13,207,216	51,469,741
-	1,308,669	19,710,286
-	-	502,972
18,484	81,291	470,351
-	1,854,376	5,727,374
<u>3,342,357</u>	<u>26,791,331</u>	<u>140,530,179</u>
-	5,228,659	19,313,988
-	818,169	28,159,749
-	-	14,215,863
3,363,241	-	21,483,193
-	-	26,996,522
-	17,904,695	18,317,294
-	39,953	39,953
-	323,242	526,822
-	5,319,506	7,536,909
-	4,468,489	6,779,320
-	2,765,000	2,952,203
-	854,348	875,992
<u>3,363,241</u>	<u>37,722,061</u>	<u>147,197,808</u>
<u>(20,884)</u>	<u>(10,930,730)</u>	<u>(6,667,629)</u>
-	12,185,465	24,198,623
(109,409)	(5,547,708)	(24,680,524)
-	2,695	10,045
<u>(109,409)</u>	<u>6,640,452</u>	<u>(471,856)</u>
(130,293)	(4,290,278)	(7,139,485)
<u>1,044,450</u>	<u>14,175,535</u>	<u>68,266,573</u>
<u>\$ 914,157</u>	<u>\$ 9,885,257</u>	<u>\$ 61,127,088</u>

INGHAM COUNTY, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
To Changes in Net Position of Governmental Activities
For the Year Ended December 31, 2012

Net change in fund balances - total governmental funds \$ (7,139,485)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	15,391,902
Depreciation expense	(9,965,088)
Net book value of disposed capital assets	(79,360)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred long-term receivable	(1,065,110)
Change in rehabilitation loans receivable	(82,531)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds.

Principal payments on long-term bonds and other debt	2,952,203
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Accrued interest expense on debt and the amortization of bond issuance costs, discounts, premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net positions.

Accrual for accrued interest payable	14,601
Amortization of premium on bonds	37,518
Amortization of deferred loss on bond refunding	(51,916)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrual for compensated absences	(709,439)
Obligation for other postemployment benefits	(4,695,693)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of those funds is reported with governmental activities.

Net operating income in internal service funds	507,957
Portion of net operating income allocated to business-type activities	(146,559)
Investment earnings in governmental internal services funds	41,439
Gain on sale of governmental internal service fund capital assets	9,787
Transfers received in governmental internal service funds	1,656,198
Transfers made from governmental internal service funds	(952,154)

Change in net position of governmental activities \$ (4,275,730)

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

INGHAM COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues					
Taxes	\$ 42,132,253	\$ 42,672,253	\$ 42,601,945	\$ (70,308)	\$ 44,767,736
Licenses and permits	448,725	457,435	457,713	278	487,393
Intergovernmental	11,274,655	12,426,744	12,508,790	82,046	9,892,226
Charges for services	11,486,019	11,778,453	11,906,790	128,337	11,212,697
Fines and forfeits	580,000	580,000	502,972	(77,028)	504,445
Interest	350,000	350,000	328,838	(21,162)	760,559
Other	1,534,203	1,332,026	1,373,263	41,237	1,421,715
Total revenues	67,805,855	69,596,911	69,680,311	83,400	69,046,771
Expenditures					
Current:					
Public safety	19,391,349	20,426,675	20,280,914	(145,761)	20,246,182
Public works	348,595	348,595	299,991	(48,604)	356,007
Judicial	14,588,409	14,435,866	14,215,863	(220,003)	14,245,048
Culture and recreation	2,231,231	2,386,731	2,217,403	(169,328)	2,739,144
General government	15,160,096	14,634,484	14,085,329	(549,155)	15,261,542
Health	2,691,378	3,503,101	3,373,116	(129,985)	2,703,030
Welfare	439,445	443,771	412,599	(31,172)	456,596
Economic development	197,519	215,018	203,580	(11,438)	328,747
Capital outlay	246,140	719,940	551,239	(168,701)	809,892
Debt service:					
Principal retirement	-	187,203	187,203	-	181,243
Interest and fiscal charges	-	21,851	21,644	(207)	27,810
Total expenditures	55,294,162	57,323,235	55,848,881	(1,474,354)	57,355,241
Revenues over expenditures	12,511,693	12,273,676	13,831,430	(1,557,754)	11,691,530
Other financing sources (uses)					
Transfers in	3,482,438	3,516,097	3,470,682	(45,415)	8,641,525
Transfers out	(18,093,724)	(19,528,609)	(18,788,646)	(739,963)	(16,452,603)
Proceeds from sales of capital assets	23,500	37,003	1,275	(35,728)	-
Total other financing sources (uses)	(14,587,786)	(15,975,509)	(15,316,689)	658,820	(7,811,078)
Net change in fund balance	(2,076,093)	(3,701,833)	(1,485,259)	2,216,574	3,880,452
Fund balance, beginning of year, as restated	43,963,169	43,963,169	43,963,169	-	40,153,012
Fund balance, end of year	\$ 41,887,076	\$ 40,261,336	\$ 42,477,910	\$ 2,216,574	\$ 44,033,464

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

INGHAM COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Transportation and Roads Special Revenue Fund

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues					
Intergovernmental	\$ 16,610,036	\$ 16,549,436	\$ 17,290,811	\$ 741,375	\$ -
Charges for services	2,796,700	120,000	11,403	(108,597)	-
Interest	6,000	6,000	9,840	3,840	-
	125,080	125,080	125,080	-	-
Other	55,000	123,000	116,700	(6,300)	-
Total revenues	19,592,816	16,923,516	17,553,834	630,318	-
Expenditures					
Public works:					
Personnel services	10,833,158	6,780,343	6,780,130	(213)	-
Controllable	8,061,425	10,941,553	10,679,085	(262,468)	-
Noncontrollable	366,000	363,740	360,746	(2,994)	-
Capital outlay	1,429,500	1,219,800	1,209,156	(10,644)	-
Total expenditures	20,690,083	19,305,436	19,029,117	(276,319)	-
Revenues under expenditures	(1,097,267)	(2,381,920)	(1,475,283)	(906,637)	-
Other financing sources					
Proceeds from sales of capital assets	-	7,000	6,075	(925)	-
Net change in fund balance	(1,097,267)	(2,374,920)	(1,469,208)	905,712	-
Fund balance, beginning of year	5,300,381	5,300,381	5,300,381	-	-
Fund balance, end of year	\$ 4,203,114	\$ 2,925,461	\$ 3,831,173	\$ 905,712	\$ -

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

INGHAM COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Health Department Special Revenue Fund

For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues					
Intergovernmental	\$ 7,336,647	\$ 7,894,442	\$ 8,240,488	\$ 346,046	\$ 8,729,001
Charges for services	6,561,488	6,420,914	6,483,424	62,510	5,873,774
Other	721,651	1,103,804	407,240	(696,564)	579,848
Total revenues	14,619,786	15,419,160	15,131,152	(288,008)	15,182,623
Expenditures					
Health:					
Personnel services	13,678,971	13,523,653	13,515,168	(8,485)	13,578,284
Controllable	11,289,822	10,968,262	9,654,430	(1,313,832)	10,300,131
Noncontrollable	801,529	613,689	453,808	(159,881)	564,790
Capital outlay	-	16,995	-	(16,995)	5,861
Total expenditures	25,770,322	25,122,599	23,623,406	(1,499,193)	24,449,066
Revenues under expenditures	(11,150,536)	(9,703,439)	(8,492,254)	(1,211,185)	(9,266,443)
Other financing sources (uses)					
Transfers in	10,933,976	9,412,657	8,484,860	(927,797)	8,246,806
Transfers out	(108,440)	(121,218)	(24,592)	(96,626)	(108,438)
Total other financing sources	10,825,536	9,291,439	8,460,268	(831,171)	8,138,368
Net change in fund balance	(325,000)	(412,000)	(31,986)	380,014	(1,128,075)
Fund balance, beginning of year	1,364,788	1,364,788	1,364,788	-	2,492,863
Fund balance, end of year	\$ 1,039,788	\$ 952,788	\$ 1,332,802	\$ 380,014	\$ 1,364,788

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

INGHAM COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Emergency Telephone Special Revenue Fund

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues					
Taxes	\$ 5,771,475	\$ 5,771,475	\$ 5,812,179	\$ 40,704	\$ 6,067,995
Intergovernmental	-	185,000	211,322	26,322	-
Interest	90,000	90,000	31,898	(58,102)	227,349
Other	1,886,500	1,886,500	1,975,795	89,295	1,987,854
Total revenues	7,747,975	7,932,975	8,031,194	98,219	8,283,198
Expenditures					
Public safety	7,280,340	7,351,601	7,060,666	(290,935)	7,973,709
Capital outlay	-	658,632	550,436	(108,196)	360,496
Total expenditures	7,280,340	8,010,233	7,611,102	(399,131)	8,334,205
Revenues over (under) expenditures	467,635	(77,258)	420,092	(497,350)	(51,007)
Other financing sources (uses)					
Transfers in	-	-	57,616	57,616	-
Transfers out	(209,919)	(244,908)	(210,169)	(34,739)	(2,668,173)
Total other financing sources (uses)	(209,919)	(244,908)	(152,553)	92,355	(2,668,173)
Net change in fund balance	257,716	(322,166)	267,539	589,705	(2,719,180)
Fund balance, beginning of year	2,418,250	2,418,250	2,418,250	-	5,137,430
Fund balance, end of year	\$ 2,675,966	\$ 2,096,084	\$ 2,685,789	\$ 589,705	\$ 2,418,250

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

INGHAM COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - County Transportation System Special Revenue Fund For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues					
Taxes	\$ 3,277,787	\$ 3,296,087	\$ 3,312,759	\$ 16,672	\$ 3,433,174
Intergovernmental	7,100	7,100	11,114	4,014	4,520
Interest	40,000	40,000	18,484	(21,516)	50,506
Total revenues	3,324,887	3,343,187	3,342,357	(830)	3,488,200
Expenditures					
Public works	3,216,451	3,363,751	3,363,241	(510)	3,215,221
Revenues over (under) expenditures	108,436	(20,564)	(20,884)	320	272,979
Other financing (uses)					
Transfers out	(108,436)	(109,436)	(109,409)	(27)	(106,514)
Net change in fund balance	-	(130,000)	(130,293)	(293)	166,465
Fund balance, beginning of year	1,044,450	1,044,450	1,044,450	-	877,985
Fund balance, end of year	\$ 1,044,450	\$ 914,450	\$ 914,157	\$ (293)	\$ 1,044,450

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

INGHAM COUNTY, MICHIGAN

Statement of Net Position
 Proprietary Funds
 December 31, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities
	Medical Care Facility	Delinquent Tax Revolving	Community Health Center Network	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets						
Current assets:						
Pooled cash and investments	\$ 8,229,289	\$ 5,632,359	\$ -	\$ 1,494,599	\$ 15,356,247	\$ 8,259,068
Cash on deposit with agents	-	-	-	-	-	1,067,733
Delinquent real property taxes receivable	-	14,794,686	-	-	14,794,686	-
Accounts receivable, net	2,888,037	72,186	951,994	53,127	3,965,344	162,686
Accrued interest receivable	26,955	14,415	-	880	42,250	3,776
Due from other funds	-	7,614	2,945,485	23,791	2,976,890	661,766
Due from other governmental units	-	2,742,160	-	147,889	2,890,049	224,296
Inventories	7,595	-	-	-	7,595	12,300
Prepaid items	36,012	22,214	64,496	695	123,417	302,505
Total current assets	11,187,888	23,285,634	3,961,975	1,720,981	40,156,478	10,694,130
Noncurrent assets:						
Pooled cash and investments - restricted	5,787,729	-	-	-	5,787,729	348,409
Long-term accounts receivable	-	-	-	-	-	231,288
Net pension asset	4,768,641	-	-	-	4,768,641	-
Capital assets not depreciated	132,832	-	-	5,080	137,912	-
Capital assets depreciated, net	9,991,580	82,103	872,048	1,218,607	12,164,338	1,517,621
Total noncurrent assets	20,680,782	82,103	872,048	1,223,687	22,858,620	2,097,318
Total assets	31,868,670	23,367,737	4,834,023	2,944,668	63,015,098	12,791,448
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	1,000,552	127,828	191,761	23,582	1,343,723	1,377,525
Salaries and related withholdings	-	13,706	192,932	16,370	223,008	96,739
Interfund payable	-	-	979,366	-	979,366	-
Due to other funds	79,880	1,776,242	1,572,914	48,233	3,477,269	133,791
Due to component units	-	-	-	6,218	6,218	-
Due to other governments	-	-	-	-	-	9,834
Accrued interest payable	-	6,008	-	57	6,065	-
Compensated absences, current	265,845	10,683	345,686	16,325	638,539	159,895
Bonds/notes payable, current	-	11,600,000	-	-	11,600,000	-
Unearned revenue	-	-	5,000	19,505	24,505	4,550
Claims payable, current	261,397	-	-	-	261,397	590,891
Deposits payable	-	-	-	29,158	29,158	-
Payable from restricted assets - Patient trust liability	19,259	-	-	-	19,259	-
Total current liabilities	1,626,933	13,534,467	3,287,659	159,448	18,608,507	2,373,225
Noncurrent liabilities:						
Claims payable, net	-	-	-	-	-	590,893
Compensated absences, net	177,229	13,615	174,314	-	365,158	-
Provision for contractual losses	381,500	-	-	-	381,500	-
Net other postemployment benefit liability	2,072,976	-	-	-	2,072,976	-
Advances from other funds	244,463	-	-	-	244,463	231,288
Total noncurrent liabilities	2,876,168	13,615	174,314	-	3,064,097	822,181
Total liabilities	4,503,101	13,548,082	3,461,973	159,448	21,672,604	3,195,406
Net position						
Net investment in capital assets	10,124,412	82,103	872,048	1,223,687	12,302,250	1,517,621
Restricted for:						
Statutory delinquent tax administration fee	-	503,385	-	-	503,385	-
Scholarships	-	-	-	16,188	16,188	-
Capital improvements	5,768,470	-	-	-	5,768,470	-
Retiree premium share	-	-	-	-	-	152,563
Unrestricted	11,472,687	9,234,167	500,002	1,545,345	22,752,201	7,925,858
Total net position	\$ 27,365,569	\$ 9,819,655	\$ 1,372,050	\$ 2,785,220	41,342,494	\$ 9,596,042
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					213,221	
Net position of business-type activities					\$ 41,555,715	

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

INGHAM COUNTY, MICHIGAN

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities
	Medical Care Facility	Delinquent Tax Revolving	Community Health Center Network	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues						
Charges for services	\$23,220,565	\$ 129,473	\$ 11,497,874	\$ 2,025,002	\$ 36,872,914	\$ 27,696,206
Intergovernmental	-	-	2,990,361	2,531	2,992,892	8,628
Sales	-	-	-	432,269	432,269	-
Interest on taxes	-	2,781,269	-	23,202	2,804,471	-
Collection fees	-	1,455,520	-	-	1,455,520	-
Other	13,192	-	3,373	46,203	62,768	4,705,579
Total operating revenues	23,233,757	4,366,262	14,491,608	2,529,207	44,620,834	32,410,413
Operating expenses						
Administrative	-	1,386,954	-	2,268,446	3,655,400	7,211,091
Fees, insurance, current and contingent claim	-	-	-	-	-	16,165,921
Retirement contributions	-	-	-	-	-	7,514,037
Depreciation	744,227	32,018	345,530	95,799	1,217,574	464,436
Other operating expenses	21,725,968	-	16,541,947	-	38,267,915	546,971
Total operating expenses	22,470,195	1,418,972	16,887,477	2,364,245	43,140,889	31,902,456
Operating income (loss)	763,562	2,947,290	(2,395,869)	164,962	1,479,945	507,957
Nonoperating revenues (expenses)						
Investment earnings (loss)	(28,272)	66,407	-	608	38,743	41,439
Intergovernmental revenue	303,658	-	-	-	303,658	-
Maintenance of effort	(47,058)	-	-	-	(47,058)	-
Interest and fiscal charges	(4,034)	(85,542)	-	(331)	(89,907)	-
Gain on sale of capital assets	-	-	-	1,068	1,068	9,787
Total nonoperating revenue	224,294	(19,135)	-	1,345	206,504	51,226
Income (loss) before contributions and transfers	987,856	2,928,155	(2,395,869)	166,307	1,686,449	559,183
Capital contributions	-	-	24,484	-	24,484	-
Transfers in	-	-	2,129,908	653,672	2,783,580	1,656,198
Transfers out	-	(2,823,018)	-	(139,058)	(2,962,076)	(952,154)
Change in net position	987,856	105,137	(241,477)	680,921	1,532,437	1,263,227
Net position, beginning of year, as restated	26,377,713	9,714,518	1,613,527	2,104,299	39,810,057	8,332,815
Net position, end of year	\$27,365,569	\$ 9,819,655	\$ 1,372,050	\$ 2,785,220	\$ 41,342,494	\$ 9,596,042
Change in net position - enterprise funds					\$ 1,532,437	
Adjustment for consolidation of internal service fund activities related to enterprise funds					146,559	
Change in net position - business-type activities					\$ 1,678,996	

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

INGHAM COUNTY, MICHIGAN

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities
	Medical Care Facility	Delinquent Tax Revolving	Community Health Center Network	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 23,006,150	\$ 26,363,400	\$ 21,118,220	\$ 2,519,286	\$ 73,007,056	\$ 4,808,786
Receipts from interfund services	-	-	-	-	-	27,648,657
Payments to suppliers and claimants	(14,733,938)	(21,471,835)	(11,587,988)	(1,821,865)	(49,615,626)	(29,232,018)
Payments to employees	(11,396,928)	(376,211)	(11,580,572)	(516,841)	(23,870,552)	(2,713,466)
Other receipts	-	-	-	-	-	40,269
Payments for maintenance of effort	(47,058)	-	-	-	(47,058)	-
Net cash provided (used) by operating activities	(3,171,774)	4,515,354	(2,050,340)	180,580	(526,180)	552,228
Cash flow from noncapital financing activities						
Issuance of delinquent tax notes	-	14,000,000	-	-	14,000,000	-
Repayments on delinquent tax notes	-	(16,400,000)	-	-	(16,400,000)	-
Repayment of advances from other funds	(79,880)	-	-	-	(79,880)	-
Intrafund loan repayments received	-	-	-	-	-	21,678
Intrafund loan made or repaid	-	-	-	-	-	(21,678)
Transfers in	-	-	2,129,908	653,672	2,783,580	1,656,198
Transfers out	-	(2,823,018)	-	(139,058)	(2,962,076)	(952,154)
Net cash provided (used) by noncapital financing activities	(79,880)	(5,223,018)	2,129,908	514,614	(2,658,376)	704,044
Cash flow from capital and related financing activities						
Capital grants received	-	-	24,484	-	24,484	-
Acquisition and construction of capital assets	(1,036,014)	-	(104,052)	(95,570)	(1,235,636)	(333,181)
Proceeds from sale of capital assets	-	-	-	1,068	1,068	125,649
Interest and fiscal charges paid on debt	(4,034)	(85,542)	-	-	(89,576)	-
Net cash used by capital and related financing activities	(1,040,048)	(85,542)	(79,568)	(94,502)	(1,299,660)	(207,532)
Cash flow from investing activities						
Interest and dividends received	-	75,745	-	321	76,066	42,410
Purchase of investments	(17,694)	-	-	-	(17,694)	-
Net cash provided (used) by financing activities	(17,694)	75,745	-	321	58,372	42,410
Net change in pooled cash and investments	(4,309,396)	(717,461)	-	601,013	(4,425,844)	1,091,150
Pooled cash and investments, beginning of year	18,326,414	6,349,820	-	893,586	25,569,820	8,584,060
Pooled cash and investments, end of year	\$ 14,017,018	\$ 5,632,359	\$ -	\$ 1,494,599	\$ 21,143,976	\$ 9,675,210
Reconciliation to statement of net position						
Pooled cash and investments	\$ 8,229,289	\$ 5,632,359	\$ -	\$ 1,494,599	\$ 15,356,247	\$ 8,259,068
Cash on deposit with agents	-	-	-	-	-	1,067,733
Restricted pooled cash and investments	5,787,729	-	-	-	5,787,729	348,409
Pooled cash and investments, end of year	\$ 14,017,018	\$ 5,632,359	\$ -	\$ 1,494,599	\$ 21,143,976	\$ 9,675,210

continued...

INGHAM COUNTY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds					Governmental
	Medical Care Facility	Delinquent Tax Revolving	Community Health Center Network	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 763,562	\$ 2,947,290	\$ (2,395,869)	\$ 164,962	\$ 1,479,945	\$ 507,957
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	744,227	32,018	345,530	95,799	1,217,574	464,436
Intergovernmental revenue	256,600	-	-	-	256,600	-
Changes in assets and liabilities:						
Taxes receivable	-	3,132,711	-	-	3,132,711	-
Accounts receivable	(224,832)	1,379,150	9,053,970	124,375	10,332,663	411,053
Due from other funds	-	(6,818)	(2,432,358)	(18,428)	(2,457,604)	(219,319)
Due from other governmental units	-	(2,742,160)	-	(134,581)	(2,876,741)	(79,399)
Inventories	7,693	-	-	-	7,693	(2,934)
Prepaid items	(19,507)	(2,632)	(32,213)	(305)	(54,657)	(27,528)
Net pension asset	(4,768,641)	-	-	-	(4,768,641)	-
Accounts payable	(439,502)	(16,555)	(524,263)	(43,923)	(1,024,243)	206,038
Salaries and related withholdings	100,311	1,752	12,240	2,493	116,796	4,007
Interfund payable	-	-	(7,014,941)	-	(7,014,941)	-
Patient trust liability	1,531	-	-	-	1,531	-
Due to other funds	(2,775)	(205,895)	983,903	(6,778)	768,455	(87,862)
Due to other governmental units	-	-	-	-	-	9,834
Due to component units	-	-	-	6,218	6,218	-
Accrued interest payable	-	(2,826)	-	(51)	(2,877)	-
Compensated absences	53,600	(681)	(51,339)	(406)	1,174	(12,746)
Unearned revenue	-	-	5,000	285	5,285	(31,416)
Provision for contractual losses	(150,000)	-	-	-	(150,000)	-
Claims payable	172,610	-	-	(9,080)	163,530	(589,893)
Net other postemployment benefit liability	333,349	-	-	-	333,349	-
Net cash provided (used) by operating activities	<u>\$ (3,171,774)</u>	<u>\$ 4,515,354</u>	<u>\$ (2,050,340)</u>	<u>\$ 180,580</u>	<u>\$ (526,180)</u>	<u>\$ 552,228</u>

concluded.

Noncash investing, capital, and financing activities - None

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

INGHAM COUNTY, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2012

	Other Employee Benefits Trust Fund	Agency Funds
Assets		
Pooled cash and investments	\$ 3,806,176	\$ 4,326,076
Accounts receivable	107,000	53,353
Accrued interest receivable	-	643
	<u>3,913,176</u>	<u>\$ 4,380,072</u>
Total assets		
	<u>3,913,176</u>	<u>\$ 4,380,072</u>
Liabilities		
Undistributed receipts	-	\$ 2,228,635
Due to other governmental units	-	2,151,437
	<u>-</u>	<u>\$ 4,380,072</u>
Total liabilities		
	<u>-</u>	<u>\$ 4,380,072</u>
Net position		
Held in trust for other employee benefits	<u>\$ 3,913,176</u>	

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

INGHAM COUNTY, MICHIGAN

Statement of Changes in Fiduciary Net Position

Other Employee Benefits Trust Fund

For the Year Ended December 31, 2012

Additions	
Interest revenue	\$ 184,248
Employer contributions	<u>2,601,365</u>
Total additions	2,785,613
Deductions	
Participant benefits	<u>1,939,189</u>
Net additions to net position held in trust	846,424
Net position held in trust for benefits, beginning of year	<u>3,066,752</u>
Net position held in trust for benefits, end of year	<u><u>\$ 3,913,176</u></u>

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

INGHAM COUNTY, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

December 31, 2012

	Housing Commission	Land Bank	Drain Commission	Brownfield Redevelopment Authority	Total
Assets					
Pooled cash and investments	\$ 175,619	\$ 52,704	\$ 8,570,765	\$ 1,249,206	\$ 10,048,294
Special assessments receivable	-	-	33,013,862	68,320	33,082,182
Accounts receivable	180,685	2,642,534	45,931	-	2,869,150
Accrued interest receivable	-	-	9,816	2,028	11,844
Due from other governmental units	-	-	506,254	37,469	543,723
Other assets	-	9,102,584	584,123	140,031	9,826,738
Capital assets not being depreciated	327,078	-	12,960,594	-	13,287,672
Capital assets being depreciated, net	1,404,207	-	39,859,067	-	41,263,274
Total assets	2,087,589	11,797,822	95,550,412	1,497,054	110,932,877
Liabilities					
Accounts payable and accrued expenses	163,940	6,006,420	715,681	-	6,886,041
Advances from primary government	-	-	1,071,088	-	1,071,088
Due to other governmental units	-	-	453,255	-	453,255
Accrued interest payable	-	-	265,595	79,163	344,758
Unearned revenue	679	395,500	82,667	-	478,846
Long-term liabilities:					
Due within one year	40,765	3,675,000	11,657,622	85,000	15,458,387
Due in more than one year	5,061	-	32,098,610	4,349,458	36,453,129
Total liabilities	210,445	10,076,920	46,344,518	4,513,621	61,145,504
Net position					
Net investment in capital assets	1,731,285	-	9,124,064	-	10,855,349
Restricted for debt service	-	-	36,025,832	-	36,025,832
Unrestricted (deficit)	145,859	1,720,902	4,055,998	(3,016,567)	2,906,192
Total net position	\$ 1,877,144	\$ 1,720,902	\$ 49,205,894	\$ (3,016,567)	\$ 49,787,373

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

INGHAM COUNTY, MICHIGAN

Combining Statement of Activities Discretely Presented Component Units For the Year Ended December 31, 2012

	Housing Commission	Land Bank	Drain Commission	Brownfield Redevelopment Authority	Total
Expenses					
Public works	\$ -	\$ -	\$ 7,323,435	\$ -	\$ 7,323,435
Economic development	-	7,728,314	-	326,720	8,055,034
Housing	1,247,489	-	-	-	1,247,489
Total expenses	1,247,489	7,728,314	7,323,435	326,720	16,625,958
Program revenues					
Charges for services	252,467	1,097,464	1,288,254	-	2,638,185
Operating grants and contributions	631,268	4,117,025	436,624	154,938	5,339,855
Capital grants and contributions	-	-	4,144,343	-	4,144,343
Total program revenues	883,735	5,214,489	5,869,221	154,938	12,122,383
Net program expense	(363,754)	(2,513,825)	(1,454,214)	(171,782)	(4,503,575)
General revenues					
Property taxes	-	-	-	72,217	72,217
Unrestricted investment earnings	536	115,915	29,462	5,751	151,664
Other general revenues	96,687	2,438,508	-	-	2,535,195
Total general revenues	97,223	2,554,423	29,462	77,968	2,759,076
Change in net position	(266,531)	40,598	(1,424,752)	(93,814)	(1,744,499)
Net position (deficit), beginning of year, as restated	2,143,675	1,680,304	50,630,646	(2,922,753)	51,531,872
Net position (deficit), end of year	\$ 1,877,144	\$ 1,720,902	\$ 49,205,894	\$ (3,016,567)	\$ 49,787,373

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

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NOTES TO FINANCIAL STATEMENTS

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

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INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Ingham 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 governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

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 Unit

Ingham County Building Authority - The Building Authority is governed by a three-member board appointed by the Ingham County Board of Commissioners. Its sole function is to oversee the financing and construction, if any, of the County’s public buildings; therefore, it is reported as if it were part of the primary government.

Discretely Presented Component Units

Ingham County Housing Commission (the “Housing Commission”) - The Housing Commission is governed by a five-member board appointed by the County for a five-year term. The Housing Commission administrates a subsidized housing complex located in Okemos, Michigan. In addition, they administer the Section 8 voucher system for Ingham County residents. All revenue is provided by federal grants or the operations of the rental facility. No general fund assistance is provided to the Housing Commission.

The Housing Commission has a September 30 year end. Separate financial statements are available for the Ingham County Housing Commission at their offices located at 3882 Dobie Road, Okemos, Michigan. 48864.

Land Bank Fast Track Authority (the “Land Bank”) - The Land Bank was established on November 1, 2005 and began operations subsequent to January 1, 2006 pursuant to Public Act 258 and an intergovernmental agreement entered into between the Land Bank and the County. The Land Bank is governed by a five-member board of which the County Treasurer serves as the chairperson and the other four members are appointed by the County Board of Commissioners for overlapping four-year terms. The County is financially accountable for the Land Bank inasmuch as the County specifically issues debt for the exclusive benefit of Land Bank operations. The Land Bank has a December 31 year-end. Separate financial statements for the Land Bank are available at the office of the Land Bank Fast Track Authority located at 422 Adams Street, Lansing, Michigan 48906.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Ingham County Drain Commission (the "Drain Commission") - All drainage districts established pursuant to the Michigan Drain Code of 1956 are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 20 drainage districts consists of the Drain Commissioner, the Chair of the County Board of Commissioners and one other member of the County Board of Commissioners. The statutory governing board of Chapter 5 and 6 drainage districts consists of the Michigan Director of Agriculture and the drain commissioner of each county involved in the project. The County Drain Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of a drainage district. The nature and significance of the relationship between the primary government and the Drain Commission is such that exclusion would cause the primary government's financial statements to be misleading or incomplete. The Drain Commission has a December 31 year end. Separate financial statements for the Ingham County Drain Commission are available at the office of the Ingham County Drain Commission located at 707 Buhl, Mason, Michigan 48854.

Ingham County Brownfield Redevelopment Authority (the "Authority") - The Authority, which was established pursuant to State statutes and has as its primary purpose to encourage the redevelopment of under-utilized and environmentally contaminated properties in the geographic area, is governed by an 11-member board. The County appoints a voting majority of the Authority's board and is able to impose its will through the ability to approve or disprove the Authority's project plans. The Authority has a December 31 year end. Separate financial statements for the Authority are not prepared, but are included herein.

Joint Ventures

In 1998, the County entered into an agreement with the City of Lansing to form the City of Lansing and County of Ingham Joint Building Authority (JBA) for the purpose of constructing and managing a building in downtown Lansing that houses the courts, prosecuting attorney and other related departments. The JBA is governed by a three-member board composed of one member each appointed by the City and County and one appointed jointly by the two units. Both the County and City contribute cash and/or property to the JBA. Bonds were issued in 1999 by the JBA to provide the funding necessary to construct the building. Because the joint venture agreement does not provide an explicit contractual formula outlining the County's claim to the JBA's assets, it is deemed to be a "joint venture with no equity interest" and, accordingly, no amounts are reported in the accompanying financial statements for an equity interest. Financial information for the JBA may be obtained by writing the Ingham County Financial Services Division, P.O. Box 319, Mason, Michigan 48854.

Jointly Governed Organizations

The County, in conjunction with other local governmental and corporate entities, is responsible for appointing the members of the boards of several other organizations. The County has no significant influence over the management of these organizations. Financial accountability is limited to the extent of any appropriated operating grant. Therefore, these organizations are not included in the County's financial report.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Tri-County Community Mental Health Board. The Tri-County Community Mental Health Board provides comprehensive mental health services to the residents of Ingham, Eaton, and Clinton counties. Operating revenues are derived from federal, state and local governments as well as from fees for services. The organization is governed by a 12-member board appointed by the Board of Commissioners of the three counties it serves. Ingham County's 2012 contribution to the Tri-County Community Mental Health Board was \$1,764,500.

Tri-County Regional Planning Commission. The Tri-County Regional Planning Commission services Ingham, Eaton, and Clinton counties. The Commission's membership includes those counties, the City of Lansing, the City of East Lansing, Delta Township, Meridian Township and the Michigan Department of Transportation. Also included by right are the county road commissions and transit authorities, making a total of 19 voting members. The Commission must adopt a proposed budget at its February meeting and submit the same to the Board of Commissioners of the three counties it serves and to the Lansing City Council with its request for allocation of funds. Each of these units contribute one-quarter of the total annual budget. Ingham County's 2012 contribution was \$103,415.

Capital Region Airport Authority. The Capital Region Airport Authority operates the Capital Region International Airport and Mason Jewett Field. The Airport Authority is administered by a five-member board. The majority of the Board is appointed by the City of Lansing. In addition to a tax levy of up to three-quarters of a mill, the Authority receives operating funds from revenue produced by airport operations and from federal grants. The tax is collected by the County for the Airport Authority. The County provides no funding to the Airport Authority. Additionally, the County does not hold title to any of the Airport Authority's assets, nor does it have any right to the Airport Authority's surplus.

Capital Area District Library. In 1997, Ingham County and the City of Lansing established the Capital Area District Library (CADL). Effective January 1, 1998, the CADL assumed operating responsibility for the 11 County library branches and one library maintained by the Lansing School District. The CADL provides library services for most of Ingham County. Excluded from the District's service areas are the City of East Lansing and other locations where the district libraries were already established. The CADL is administered by a seven-member board. The City of Lansing appoints two board members and the County appoints the remaining five board members. Four of the seven board members must be residents of the City of Lansing or Lansing Township. Although the County appoints a voting majority of the CADL Board, it does not have the authority to remove or censure any appointees. Furthermore, other than the initial financial support agreed to by the County, the CADL does not provide a financial benefit or impose a financial burden on the County. Accordingly, management has concluded that the County is not financially accountable for the CADL and determined that it is not a component unit of the County under guidelines established by GASB Statement No. 14.

Funds With Other Year Ends

The Housing Commission discretely presented component unit, the Community Health Center Network enterprise fund, the Community Development Block Grant Trust agency fund, and Health Department, Family Court Child Care, Social Welfare, DHS Child Care, Community Development Block Grant, Community Corrections, Friend of the Court and Cooperative Reimbursement Prosecuting Attorney special revenue funds are reported on a September 30 fiscal year end.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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.

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. The proprietary and other employee benefits trust funds are reported using the *economic resources measurement focus* and *accrual basis of accounting*. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities. 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.

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.

Property taxes, state revenue, 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.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

The County reports the following major governmental funds:

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

The *transportation and roads special revenue fund* accounts for the operations of the County's department of transportation and roads (formally the Ingham County Road Commission.) Funding is provided by the State of Michigan or local governmental units.

The *health special revenue fund* accounts for the delivery of a vast array of health services to county residents. This fund is accounted for on a September 30 fiscal year end, which coincides with its primary funding source and the primary source of revenues are grants and user fees along with general fund appropriations.

The *emergency telephone special revenue fund* accounts for the operations of the emergency telephone and dispatch system and the primary source of revenues are property taxes and telephone surcharges.

The *county transportation system special revenue fund* accounts for the operations of a transportation service for elderly and disabled county residents. Financing is provided by a specific county tax levy.

The government reports the following major enterprise funds:

The *medical care facility enterprise fund* accounts for the long-term care of elderly residents in a medical care unit owned and operated by the County.

The *delinquent tax revolving enterprise fund* accounts for the County's 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 fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

The *community health center network enterprise fund* accounts for the Health Department's clinical fee-based programs which assure access to primary health care, prevention and support services for vulnerable populations, including uninsured and Medicaid individuals.

Additionally, the government reports the following fund types:

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The *capital projects fund* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

The *enterprise funds* account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The *internal service funds* account for operations that provide services (such as building operations, data processing, employee benefits, and other services) to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

The *agency funds* account for assets held for other governments in an agency capacity, specifically for library penal fines, payroll withholdings and community development block grant funds.

The *other employee benefits trust fund* accounts for the activities of the retiree health care plan.

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.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 funds 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.

Assets, Liabilities and Equity

Deposits and Investments

Cash and cash equivalents include amounts in demand deposits as well as amounts in the County Treasurer's cash management pool. The cash pool has the general characteristics of demand deposits in that deposits and withdrawals may be made at any time without prior notice or penalty. Each fund or opinion unit's portion of this pool is included in the "pooled cash and investments" caption in the accompanying financial statements.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial paper, repurchase agreements, banker acceptances and mutual funds composed of otherwise legal investments.

Investments are stated at fair value.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either *interfund receivables/payables* (i.e., the current portion of interfund loans) or *advances to/from other funds* (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as *due to/from other funds*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as *internal balances*. Advances between funds are offset by a fund balance nonspendable account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable. Medical Care Facility enterprise fund receivables are reported at the estimated net realizable amounts due from patients, third party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Inventories and Prepaid Items

Inventories are valued at cost, which approximates market, using the first in/first out method. The costs of governmental fund type inventories are primarily recorded as expenditures when purchased rather than when consumed. Donated vaccine inventory in the health special revenue fund is fully offset by deferred revenue.

Payments made to vendors for services that will benefit future periods are recorded as prepaid items.

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles 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 County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years; for the transportation and road assets, a \$1,000 threshold is used. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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. Infrastructure has been recorded retrospectively beginning in 1980.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Capital assets are depreciated using the straight-line method over the useful life of the assets as follows:

	Years
Building and improvements	30
Equipment	3-20
Vehicles	3-5
Infrastructure	30

For the transportation and road assets, capital assets are depreciated using the straight-line method (except for road equipment, which is depreciated using the sum-of-the-years' digit method) over the useful life of the assets as follows:

	Years
Building and improvements	40
Equipment	5-10
Infrastructure	8-50

Compensated Absences

The County's policies and/or labor agreements permit regular full-time employees to be eligible for paid leave in varying amounts based on length of service, which may be used for vacation, sickness, personal days, or for other reasons subject to certain policies. Unused paid leave time is paid upon employee termination, but does not accumulate beyond maximums determined by length of service. This leave time is accrued when incurred in the government-wide and proprietary fund financial statements. Accrued vacation, sick leave and other compensated absences are recorded as a governmental fund liability only if these amounts have matured as the 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 position. 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.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Fund Equity

Governmental funds report *nonspendable* fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually require to be maintained intact. *Restricted* fund balance is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the Board of Commissioners. The Board of Commissioners is the highest level of decision-making authority for the government that can, authorize a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. *Assigned* fund balance is reported for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners has by resolution authorized the County Controller and Director of Financial Services to assign fund balance. *Unassigned* fund balance is the residual classification used for a general fund.

When the County incurs an expenditure for purposes for which various fund balance classifications can be used, it is the County's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance, if any.

2. BUDGETARY INFORMATION

Annual appropriated 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 general fund budget and the budgets for the following special revenue funds are adopted on an activity and cost category basis:

- Transportation and Roads
- Health Fund
- Friend of the Court Service
- ROD Automation
- Work Study Program
- Zoo
- Anti-Drug Abuse Grant
- Community Corrections
- Family Court Child Care
- Cooperative Reimbursement Prosecuting Attorney

For purposes of the above, the cost categories include: personnel services, controllable costs, noncontrollable costs, capital outlay, and debt service principal and interest. Budgets for all other special revenue funds are adopted on an activity basis.

Each year prior to October 1, County departments, in conjunction with the Controller's staff, prepare and submit their proposed operating and capital budgets for the calendar year commencing the following January 1. Both the operating and capital budgets include proposed expenditures and the resources to finance them. The budget includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

No later than December 31 of each year, the proposed budget is presented to the County Board of Commissioners. The Board holds public hearings and may add to, subtract from or change appropriations. The budget is then legally enacted through passage of a Board resolution. Any changes in the budget must be within the revenues and reserves estimated as available by the County Controller or the revenue estimates must be changed by an affirmative vote of a majority of the Board of Commissioners.

For internal purposes, budgetary control over expenditures is maintained at the line-item level for most governmental funds. However, the Board of Commissioners has authorized the Controller to make budgetary transfers between all budgeted funds, activities and line-items where determined necessary by the Controller to ensure budgetary compliance at the activity and/or cost category basis. Supplemental budgetary appropriations were made during the year, but were not in amounts considered material for specific disclosure herein.

3. EXCESS OF EXPENDITURES OVER BUDGET

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets for the County were adopted on an activity and cost category level basis for the general fund and certain special revenue funds; budgets for all other special revenue funds were adopted on an activity level basis. Excess expenditures over appropriations (which were funded by available fund balance) in individual funds were as follows:

	Final Budget	Actual	Excess
Friend of the Court Service - transfers out	\$ -	\$ 2,608	\$ 2,608
Veterans Support Millage - transfers out	165,000	168,595	3,595

4. DEPOSITS AND INVESTMENTS

The County Treasurer maintains a cash management pool that is available for use by all funds and component units. Each fund and/or opinion unit's portion of the pool is included in the pooled cash and investments caption in the accompanying financial statements. Interest earned from investments purchased with pooled cash is allocated to all debt service funds and certain special revenue, proprietary and fiduciary funds based on average cash balances. The remaining interest earned is allocated to the general fund.

In addition to the cash management pool, a substantial number of depository accounts are maintained by various county departments for the deposit of fees, fines and other revenues. These monies are transferred to the County Treasurer on a regular basis. Depository accounts are also used, in some instances, where the County acts as a collection agent (e.g., court-ordered child support). Year-end book balances in these depository accounts are included in pooled cash and investments for financial reporting purposes.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Following is a reconciliation of deposits and investments as of December 31, 2012:

	Primary Government	Component Units	Totals
Pooled cash and investments			
Statement of net position	\$ 79,112,504	\$ 10,048,294	\$ 89,160,798
Statement of net position (restricted)	6,136,138	-	6,136,138
Statement of fiduciary net position	8,132,252	-	8,132,252
Total	\$ 93,380,894	\$ 10,048,294	\$ 103,429,188
Deposits and investments			
Bank deposits (checking, savings, and certificates of deposit)			\$ 37,564,609
Investments:			
Treasurer's investment pool			55,895,774
OPEB investments			3,806,176
Cash on hand			22,975
Cash on deposits with agents			1,086,433
Net effect of funds with different fiscal year ends			5,053,221
Total			\$ 103,429,188

Bank Deposits and Treasurer's Investment Pool

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. State law does not require and the County does not have a policy for deposit custodial credit risk.

At year-end, \$29,272,613 of the combined bank balance of \$40,287,448 (total book balance of \$37,564,609) was exposed to custodial credit risk as it was uninsured and uncollateralized. The County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable level are used as depositories.

Custodial Credit Risk - Investments. For an investment, 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. State law does not require and the County does not have a policy for investment custodial credit risk. The County's investments in U.S. agencies are held by the investment's counterparty, not in the name of the County.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Following is a summary of the County's investments as of December 31, 2012:

U.S. agencies	\$ 16,235,294
Commercial paper	11,979,571
Money market	21,014,421
Municipal bonds	<u>6,666,488</u>
Total	<u><u>\$ 55,895,774</u></u>

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy and State law require that commercial paper be rated in the top two ratings by at least two nationally recognized statistical rating organizations. Ratings are not required for U.S. treasuries or money market accounts.

As of December 31, 2011, all of the County's investments in securities of U.S. agencies were rated AAA by Moody's. The County's holdings in municipal bonds in the amounts of \$1,063,421, \$1,215,730, \$286,915, \$2,792,295, \$1,124,354, \$50,499 and \$133,274 were respectively rated AA-, AA-, AA, AAA, AAA, AAA and AA- by S&P. The County's holdings in commercial paper in the amounts of \$1,994,555, \$4,996,625, \$1,998,517, \$1,494,911 and \$1,494,963 were respectively rated A-, BBB+, BBB+, A+ and A by Moody's.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on concentration of credit risk. At December 31, 2012, the County had greater than 5% of its total investments concentrated as follows:

Investment Type	Issuer	% of Portfolio
Federal Home Loan Bank	Various	29.0%
Commercial paper	Devon Energy Corporation	8.9%

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of certain investments. State law limits the allowable investments and the maturities of some investments as identified in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At year-end, maturities of the County's debt securities were as follows:

	Investment Maturities (fair value by years)				
	Total Fair	Less than 1	1-5	6-10	More than 10
U.S. agencies	\$ 16,235,294	\$ -	\$ -	\$ 13,988,992	\$ 2,246,302
Commercial paper	11,979,571	11,979,571	-	-	-
Municipal bonds	<u>6,666,488</u>	-	<u>3,916,649</u>	<u>2,279,151</u>	<u>470,688</u>
Total	<u><u>\$ 34,881,353</u></u>	<u><u>\$ 11,979,571</u></u>	<u><u>\$ 3,916,649</u></u>	<u><u>\$ 16,268,143</u></u>	<u><u>\$ 2,716,990</u></u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Other Postemployment Benefit Trust Fund Investments

The Trusts' investments are primarily held in a bank administered trust fund. Following is a summary of the Trusts' investments as of December 31, 2012:

	Total
Investments at fair value, as determined by quoted market price:	
Mutual funds:	
Mutual funds	\$ 67
Domestic equities	1,609,502
International equities	77,506
Emerging markets equity	467,565
Bond mutual funds	1,586,486
Money market	<u>65,050</u>
 Total investments	 <u><u>\$ 3,806,176</u></u>

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in domestic and foreign stocks, government securities, corporate securities, mortgages, real estate and various other investment instruments, subject to certain limitations.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Trusts' investment policy emphasizes appropriate risk/return parameters and compliance with Public Act 314, and gives discretionary authority to its investment managers as opposed to establishing specific credit rating benchmarks.

As of December 31, 2012, the Trusts' investments in debt securities were rated as follows:

Rating	Bond mutual funds
Aaa	\$ 65,046
Aa	71,392
A	190,378
Baa	177,686
not rated	<u>1,081,983</u>
	<u><u>\$ 1,586,486</u></u>

United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk. Ratings are derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Custodial Credit Risk - investments. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Trusts' investment policy requires that securities be held in trust by a third-party institution in the Trusts' name or its nominee custodian's name or in bearer form. Although uninsured and unregistered, the Trusts' investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the Trusts' name. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Trusts' investment in a single issuer. At December 31, 2012, the Trust had greater than 5% of its total investments concentrated as follows:

Investment Type	Issuer	% of Portfolio
Domestic equities	Russell	42.29%
Emerging market equities	Vanguard	12.28%
Bond mutual funds	Vanguard	41.68%

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Trusts' investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

As of December 31, 2012, weighted average maturities in the bond mutual fund holdings were as follows: \$32,999 mature in less than 1 year, \$821,482 mature in 1-5 years, \$511,642 mature in 5-10 years and \$220,363 mature in greater than 10 years.

Securities Lending. A contract approved by the Trusts' Board permits the Trusts to lend its securities to broker-dealers and banks (borrowers) for collateral that will be returned for the same securities in the future. The Trusts' custodial bank manages the securities lending program and receives cash as collateral. The collateral securities cannot be pledged or sold by the Trusts unless the borrower defaults. Collateral cash is initially pledged 100 percent of the fair value of the securities lent, and may not fall below 100 percent during the term of the loan. The Trusts did not impose any restrictions during the year on the amount of securities that could be loaned. There were no failures by any borrowers to return loaned securities or to pay distributions thereon during the year. At year-end, the Trusts have no credit risk exposure to borrowers because the amounts the borrowers owe the Trusts exceed the amounts the Trusts owe the borrowers. The contract with the Trusts' custodian requires it to indemnify the Trust if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the Trusts for income distributions by the securities' issuers while the securities are on loan.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

5. RECEIVABLES AND UNEARNED/DEFERRED REVENUE

Receivables in the governmental and business-type activities are comprised of the following:

	Governmental Activities	Business-type Activities
Property taxes	\$ 20,387,609	\$ -
Delinquent property taxes	-	14,794,686
Accounts	2,167,540	4,277,344
Allowance for doubtful accounts	-	(312,000)
Leases	2,199,711	-
Due from component unit	77,399	-
Intergovernmental	8,751,334	2,890,049
Rehabilitation loans	2,162,115	-
Advances to component units	1,000,000	-
Interest and other	99,416	42,250
	<u>\$ 36,845,124</u>	<u>\$ 21,692,329</u>

Amounts not expected to be collected within one year for leases and rehabilitation loans receivable are \$1,900,000 and \$2,162,115, respectively.

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 components of deferred revenue and unearned revenue reported in governmental activities were as follows:

	Unavailable	Unearned	Total Deferred
Governmental funds			
Property taxes:			
General fund	\$ -	\$ 316,957	\$ 316,957
Emergency telephone funds	-	5,505,570	5,505,570
County transportation	-	3,908,170	3,908,170
Nonmajor governmental funds:			
Juvenile justice	-	3,903,964	3,903,964
Zoo	-	2,652,709	2,652,709
Farmland preservation	-	900,925	900,925
Veterans support millage	-	7,317	7,317
Health services millage	-	3,400,000	3,400,000
Leases and loans	4,361,826	-	4,361,826
Advances	-	972,707	972,707
	<u>4,361,826</u>	<u>21,568,319</u>	<u>25,930,145</u>
Total governmental funds	4,361,826	21,568,319	25,930,145
Internal service funds			
Advances	-	4,550	4,550
	<u>-</u>	<u>4,550</u>	<u>4,550</u>
Totals	<u>\$ 4,361,826</u>	<u>\$ 21,572,869</u>	<u>\$ 25,934,695</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

6. CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 8,957,625	\$ -	\$ -	\$ -	\$ 8,957,625
Land improvements	22,397,980	1,008,264	-	-	23,406,244
Construction in progress	2,811,953	-	-	(2,620,600)	191,353
Intangible assets	827,932	944,343	-	-	1,772,275
	<u>34,995,490</u>	<u>1,952,607</u>	<u>-</u>	<u>(2,620,600)</u>	<u>34,327,497</u>
Capital assets, being depreciated:					
Buildings and improvements	89,423,996	3,545,164	-	2,260,104	95,229,264
Equipment and furniture	29,606,780	2,719,288	(838,494)	346,208	31,833,782
Infrastructure	164,973,358	7,508,024	-	-	172,481,382
	<u>284,004,134</u>	<u>13,772,476</u>	<u>(838,494)</u>	<u>2,606,312</u>	<u>299,544,428</u>
Less accumulated depreciation for:					
Buildings and improvements	(50,631,184)	(3,202,920)	-	-	(53,834,104)
Equipment and furniture	(24,473,376)	(1,519,220)	643,270	14,288	(25,335,038)
Infrastructure	(89,932,845)	(5,707,384)	-	-	(95,640,229)
	<u>(165,037,405)</u>	<u>(10,429,524)</u>	<u>643,270</u>	<u>14,288</u>	<u>(174,809,371)</u>
Total being depreciated, net	<u>118,966,729</u>	<u>3,342,952</u>	<u>(195,224)</u>	<u>2,620,600</u>	<u>124,735,057</u>
Totals	<u>\$ 153,962,219</u>	<u>\$ 5,295,559</u>	<u>\$ (195,224)</u>	<u>\$ -</u>	<u>\$ 159,062,554</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 137,912	\$ -	\$ -	\$ -	\$ 137,912
Construction in progress	2,074,011	-	-	(2,074,011)	-
	<u>2,211,923</u>	<u>-</u>	<u>-</u>	<u>(2,074,011)</u>	<u>137,912</u>
Capital assets, being depreciated:					
Buildings and improvements	19,810,900	940,438	(150,550)	1,152,817	21,753,605
Equipment and furniture	1,301,924	295,198	(52,723)	935,482	2,479,881
	<u>21,112,824</u>	<u>1,235,636</u>	<u>(203,273)</u>	<u>2,088,299</u>	<u>24,233,486</u>
Less accumulated depreciation for:					
Buildings and improvements	(10,294,946)	(752,272)	150,550	-	(10,896,668)
Equipment and furniture	(745,613)	(465,302)	52,723	(14,288)	(1,172,480)
	<u>(11,040,559)</u>	<u>(1,217,574)</u>	<u>203,273</u>	<u>(14,288)</u>	<u>(12,069,148)</u>
Total being depreciated, net	<u>10,072,265</u>	<u>18,062</u>	<u>-</u>	<u>2,074,011</u>	<u>12,164,338</u>
Totals	<u>\$ 12,284,188</u>	<u>\$ 18,062</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,302,250</u>

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

Depreciation of governmental activities by function

General government	\$ 906,619
Public safety	737,227
Judicial	144,928
Health	803,106
Cultural and recreation	1,157,514
Public works	6,215,694
Capital assets held by internal service funds are charged to various functions based on their usage of the assets	<u>464,436</u>
	<u>\$ 10,429,524</u>

Depreciation of business-type activities by function

Medical care facility	\$ 744,227
Health clinic	345,530
Delinquent tax collection	32,018
Parks	7,287
County fair	86,252
Inmate stores	<u>2,260</u>
	<u>\$ 1,217,574</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Housing Commission Component Unit

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 327,078	\$ -	\$ -	\$ -	\$ 327,078
Capital assets, being depreciated:					
Buildings and improvements	5,096,280	-	-	-	5,096,280
Equipment	200,241	-	-	-	200,241
	<u>5,296,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,296,521</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,570,906)	(142,444)	-	-	(3,713,350)
Equipment	(173,195)	(5,769)	-	-	(178,964)
	<u>(3,744,101)</u>	<u>(148,213)</u>	<u>-</u>	<u>-</u>	<u>(3,892,314)</u>
Total being depreciated, net	<u>1,552,420</u>	<u>(148,213)</u>	<u>-</u>	<u>-</u>	<u>1,404,207</u>
Totals	<u>\$ 1,879,498</u>	<u>\$ (148,213)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,731,285</u>

Drain Commission Component Unit

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, not being depreciated:					
Construction in progress	\$ 16,877,161	\$ 2,397,327	\$ -	\$ (7,313,894)	\$ 11,960,594
Intangible assets	1,000,000	-	-	-	1,000,000
	<u>17,877,161</u>	<u>2,397,327</u>	<u>-</u>	<u>(7,313,894)</u>	<u>12,960,594</u>
Capital assets, being depreciated:					
Equipment	1,399,589	62,488	-	-	1,462,077
Infrastructure	51,840,164	-	-	7,313,894	59,154,058
	<u>53,239,753</u>	<u>62,488</u>	<u>-</u>	<u>7,313,894</u>	<u>60,616,135</u>
Less accumulated depreciation for:					
Equipment	(1,206,734)	(40,654)	-	-	(1,247,388)
Infrastructure	(17,857,274)	(1,652,406)	-	-	(19,509,680)
	<u>(19,064,008)</u>	<u>(1,693,060)</u>	<u>-</u>	<u>-</u>	<u>(20,757,068)</u>
Total being depreciated, net	<u>34,175,745</u>	<u>(1,630,572)</u>	<u>-</u>	<u>7,313,894</u>	<u>39,859,067</u>
Totals	<u>\$ 52,052,906</u>	<u>\$ 766,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,819,661</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Accounts	\$ 5,921,333	\$ 1,343,723
Salaries and related withholdings	2,628,782	223,008
Due to component units	93	6,218
Claims	1,181,784	261,397
Intergovernmental	233,433	-
Deposits	263,157	-
Customer deposits	-	29,158
Patient trust	-	19,259
Provision for contractual losses	-	381,500
	<u>\$ 10,228,582</u>	<u>\$ 2,264,263</u>

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2012, was as follows:

	Receivable	Payable
Due to/from other funds		
General	\$ 2,525,083	\$ 3,278,782
Transportation and roads	-	18,789
Health	1,756,273	1,061,467
Emergency telephone	90,874	117,604
County transportation system	-	28,082
Medical care facility	-	79,880
Delinquent tax revolving	7,614	1,776,242
Community health center network	2,945,485	1,572,914
Nonmajor governmental funds	1,793,890	770,932
Nonmajor enterprise funds	23,791	48,233
Internal service funds	661,766	133,791
Net effect of funds with different fiscal year ends	<u>755,875</u>	<u>1,673,935</u>
	<u>\$ 10,560,651</u>	<u>\$ 10,560,651</u>
Advances to/from other funds		
General	\$ 475,751	\$ -
Medical care facility	-	244,463
Internal service funds	-	231,288
	<u>\$ 475,751</u>	<u>\$ 475,751</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

	Receivable	Payable
Interfund receivable/payable		
General	\$ 2,428,910	\$ -
Health	743,130	-
Community health center network	-	979,366
Nonmajor governmental funds	-	2,192,674
	<u>\$ 3,172,040</u>	<u>\$ 3,172,040</u>

Due to/from balances result primarily from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and/or payments between funds are made. Outstanding advances between funds relate to working capital loans made to various funds. Interfund receivables/payables represent short-term working capital loans for funds with negative balances in the County's cash and investment pool at year-end.

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

Transfer Out	Transfer In				
	General Fund	Health Fund	Emergency Telephone	Community Health Center	Nonmajor Governmental
General	\$ -	\$ 8,274,417	\$ -	\$ 2,129,908	\$ 7,943,477
Health	20,189	-	-	-	5,042
County transportation system	109,409	-	-	-	-
Emergency telephone	-	-	-	-	210,169
Delinquent tax	2,823,018	-	-	-	-
Nonmajor govt funds	254,614	210,443	57,616	-	3,688,226
Nonmajor enterprise funds	79,058	-	-	-	-
Internal services	184,394	-	-	-	338,551
	<u>\$ 3,470,682</u>	<u>\$ 8,484,860</u>	<u>\$ 57,616</u>	<u>\$ 2,129,908</u>	<u>\$ 12,185,465</u>

continued below...

Transfer Out (from above)	Transfer In			
	Nonmajor Enterprise	Internal Services	Timing Difference	Total Transfers In
General fund	\$ -	\$ 484,719	\$ (43,875)	\$ 18,788,646
Health fund	-	-	(639)	24,592
County transportation system	-	-	-	109,409
Emergency telephone	-	-	-	210,169
Delinquent tax	-	-	-	2,823,018
Nonmajor govt funds	172,267	1,160,536	4,006	5,547,708
Nonmajor enterprise funds	60,000	-	-	139,058
Internal services	421,405	10,943	(3,139)	952,154
	<u>\$ 653,672</u>	<u>\$ 1,656,198</u>	<u>\$ (43,647)</u>	<u>\$ 28,594,754</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

9. LEASES

Operating Leases (Lessee). The government leases certain buildings and office space under noncancellable operating leases. Total costs for such leases were \$1,007,795 for the year ended December 31, 2012. Future minimum lease payments under governmental activities for these leases are as follows:

Year Ending December 31,	Joint Building Authority Lease	Other Leases	Total
2013	\$ 500,346	\$ 517,312	\$ 1,017,658
2014	499,053	262,082	761,135
2015	499,515	191,923	691,438
2016	499,330	16,032	515,362
2017	498,500	-	498,500
2018-2022	<u>1,001,377</u>	<u>-</u>	<u>1,001,377</u>
	<u>\$ 3,498,121</u>	<u>\$ 987,349</u>	<u>\$ 4,485,470</u>

Operating Leases (Lessor). The County leases certain buildings and office space to other agencies under cancellable lease agreements. The lease payments are charged to other governmental entities at the pro-rata portion of the related debt service payments plus maintenance costs. The assets leased to other governmental entities under such arrangements were included in governmental activities at December 31, 2012; these assets (i.e., buildings and improvements) cost \$20,790,387 with accumulated depreciation as of December 31, 2012 of \$13,039,479 (for a net book value of \$7,750,908).

10. LONG-TERM DEBT

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental, business-type and component unit activities.

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	Amount
Governmental activities		
Building authority	2.5 - 6.50%	\$ 16,145,000
Local unit infrastructure	4.0 - 6.00%	2,100,000
Brownfield redevelopment	4.0 - 4.25%	<u>4,435,000</u>
		<u>\$ 22,680,000</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

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

Year Ending December 31,	Governmental Activities		Governmental Activities			
	Building Authority		Local Unit Infrastructure		Brownfield Redevelopment	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 1,805,000	\$ 639,984	\$ 200,000	\$ 99,711	\$ 85,000	\$ 190,038
2014	1,865,000	573,224	210,000	89,822	120,000	186,638
2015	1,925,000	503,824	215,000	79,390	150,000	182,138
2016	1,990,000	431,635	225,000	68,416	215,000	176,688
2017	1,685,000	351,384	205,000	57,685	275,000	168,950
2018-2022	5,415,000	937,700	1,045,000	125,087	1,785,000	656,126
2023-2027	865,000	354,064	-	-	1,805,000	227,375
2028-2030	595,000	78,148	-	-	-	-
	<u>\$ 16,145,000</u>	<u>\$ 3,869,963</u>	<u>\$ 2,100,000</u>	<u>\$ 520,111</u>	<u>\$ 4,435,000</u>	<u>\$ 1,787,953</u>

Installment obligations. The government has entered into a long-term installment payment agreement for the upgrade of building energy efficiency systems. The original amount of installment obligations issued during 2004 was \$1,594,754 for the primary government. Installment obligations outstanding at year-end amounted to \$363,357 with interest at 3.43 percent. Annual debt service requirements to maturity for installment obligations are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2013	\$ 178,615	\$ 12,463
2014	184,742	6,336
	<u>\$ 363,357</u>	<u>\$ 18,799</u>

Drain assessments. The government has been assessed for its at-large share of certain drainage district project costs, payable over a multiyear period with interest at 2.25 to 4.6 percent. The original amount of the outstanding drain assessments was \$275,590. Drain assessments outstanding at year-end amounted to \$96,242. Annual debt service requirements to maturity for drain assessments are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2013	\$ 14,511	\$ 2,815
2014	14,972	2,368
2015	15,203	1,908
2016	15,435	1,439
2017	15,665	962
2018-2019	20,456	1,558
	<u>\$ 96,242</u>	<u>\$ 11,050</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

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. During the year ended December 31, 2012, the County issued \$14,000,000 in delinquent tax notes. These notes are reported in the delinquent tax revolving enterprise fund as they are expected to be repaid from 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; accordingly, because of the two year collection and tax note repayment period, the notes are considered long-term debt. Delinquent tax notes totaling \$2,200,000 from the 2011 series and \$9,400,000 from the 2012 series were outstanding at December 31, 2012.

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 December 31, 2012, drain bonds and notes totaling \$43,609,278 were outstanding; \$12,540,800 of new bonds and notes were issued during the current year. Drain bonds and notes carry interest at rates ranging from 2.5 to 5.7 percent.

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

Year Ended December 31,	Drain Commission	
	Principal	Interest
2013	\$ 11,622,901	\$ 1,410,391
2014	4,323,401	1,155,751
2015	2,498,401	1,047,709
2016	2,508,401	955,291
2017	2,153,951	859,727
2018-2022	10,327,483	3,084,204
2023-2027	7,444,765	1,247,054
2028-2032	2,729,975	194,868
	<u>\$ 43,609,278</u>	<u>\$ 9,954,995</u>

Short-term drain notes totaling \$3,122,500 were outstanding at December 31, 2011 and were repaid during 2012.

Land Bank notes payable. The Land Bank obtained two notes through PNC Bank (\$3.0 million authorized and \$2.0 million authorized) during the 2009 fiscal year. The outstanding notes mature on July 1, 2013 and carry variable interest rates based on the 3-month LIBOR rate; at December 31, 2012 the PNC Bank line interest rates was 1.310250%. The outstanding balance of the line of credit at December 31, 2012 was \$3,675,000.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Changes in long-term debt. Long-term debt activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities					
General obligation bonds	\$ 21,010,000		\$ (2,765,000)	\$ 18,245,000	\$ 2,005,000
Installment obligations	536,049	-	(172,692)	363,357	178,615
Drain assessments	110,753	-	(14,511)	96,242	14,511
Deferred amounts for:					
Issuance premiums	262,627	-	(37,518)	225,109	-
Refunding loss	(450,293)		51,916	(398,377)	-
Compensated absences	4,255,810	5,384,015	(4,687,322)	4,952,503	2,356,812
	<u>\$ 25,724,946</u>	<u>\$ 5,384,015</u>	<u>\$ (7,625,127)</u>	<u>\$ 23,483,834</u>	<u>\$ 4,554,938</u>
Business-type activities					
Delinquent tax notes	\$ 14,000,000	\$ 14,000,000	\$ (16,400,000)	\$ 11,600,000	\$ 11,600,000
Compensated absences	1,054,412	1,763,130	(1,813,845)	1,003,697	638,539
	<u>\$ 15,054,412</u>	<u>\$ 15,763,130</u>	<u>\$ (18,213,845)</u>	<u>\$ 12,603,697</u>	<u>\$ 12,238,539</u>
Component Units					
Housing Commission					
Compensated absences	\$ 51,889	\$ -	\$ (6,063)	\$ 45,826	\$ 40,765
	<u>\$ 51,889</u>	<u>\$ -</u>	<u>\$ (6,063)</u>	<u>\$ 45,826</u>	<u>\$ 40,765</u>
Land Bank					
Notes payable	\$ 3,690,000	\$ 1,651,000	\$ (1,666,000)	\$ 3,675,000	\$ 3,675,000
	<u>\$ 3,690,000</u>	<u>\$ 1,651,000</u>	<u>\$ (1,666,000)</u>	<u>\$ 3,675,000</u>	<u>\$ 3,675,000</u>
Drain Commission					
Drain bonds and notes	\$ 38,632,534	\$ 12,540,800	\$ (7,564,056)	\$ 43,609,278	\$ 11,622,901
Deferred amounts for:					
Issuance premiums	128,965	-	(7,245)	121,720	-
Issuance discounts	(21,850)	(14,644)	1,093	(35,401)	-
Purchase agreement	46,280	-	(46,280)	-	-
Compensated absences	62,046	79,832	(81,243)	60,635	34,721
	<u>\$ 38,847,975</u>	<u>\$ 12,605,988</u>	<u>\$ (7,697,731)</u>	<u>\$ 43,756,232</u>	<u>\$ 11,657,622</u>
Brownfield Redevelopment					
General obligation bonds	\$ 4,515,000	\$ -	\$ (80,000)	\$ 4,435,000	\$ 85,000
Deferred amounts for:					
Issuance premiums	15,117	-	(1,008)	14,109	-
Issuance discounts	(15,628)	-	977	(14,651)	-
	<u>\$ 4,514,489</u>	<u>\$ -</u>	<u>\$ (80,031)</u>	<u>\$ 4,434,458</u>	<u>\$ 85,000</u>

For the governmental activities, compensated absences, net pension obligations and net other postemployment benefits obligations are generally liquidated by the general fund.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

11. 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, commercial insurance and excess coverage policies. For risks that are commercially insured, settlements have not exceeded insurance coverage in any of the past three years. Following is a summary of these self insurance programs and risk management pool participation.

Liability. The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages. 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 was as follows:

Type of Risk	Maximum Retention per Occurrence
General and automobile liability	\$150,000
Property damage	\$1,000
Motor vehicle physical damage	\$16,000 per vehicle \$31,000 per occurrence

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from the insurance internal service 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 (i.e., cash on deposit with agent), which amounted to \$898,573 as of December 31, 2012.

Changes in the balances of claims liabilities during the past two years, including provision for incurred but not reported (IBNR) claims, are as follows:

	2012	2011
Unpaid claims, beginning of year	\$ 721,076	\$ 493,958
Incurred claims (including change in IBNR provision)	75,838	410,422
Claim payments	(301,801)	(183,304)
Unpaid claims, end of year	<u>\$ 495,113</u>	<u>\$ 721,076</u>

Employee Benefits. The County purchases fully-insured health insurance for all employees and retirees. The County is self-insured for dental and vision coverage. All of these plans are accounted for in the employee benefits internal service fund. The self-funded plans are administered by third party administrators who provide claims review, processing services and illustrated premium rates.

INGHAM COUNTY, MICHIGAN

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All other funds pay into the employee benefit fund the cost of providing these benefits based upon the actual or illustrated premium rate. These proceeds are used to purchase insurance coverage or pay the claims and administrative costs for the self-insured programs.

Because management anticipates the illustrated self-insured premium rates to approximate actual costs over time and it believes that any liabilities for incurred but not reported (IBNR) claims at year end would be immaterial, no IBNR liability has been recorded.

Workers' Compensation. The government maintains a self-insurance program for workers' compensation coverage which is accounted for in the workers' compensation internal service fund and the medical care facility (MCF) enterprise fund (for MCF employees). The program is administered by a third-party administrator who conducts safety inspections and 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 \$500,000 subject to an annual aggregate limit of \$5 million. Liabilities include an amount for claims that have been incurred but not reported. 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 workers' compensation claims liabilities during the past two years are as follows:

	2012	2011
Workers' compensation fund:		
Unpaid claims, beginning of year	\$ 1,050,601	\$ 871,679
Incurred claims (including IBNR)	(88,537)	482,777
Claim payments	<u>(275,393)</u>	<u>(303,855)</u>
Unpaid claims, end of year	<u>\$ 686,671</u>	<u>\$ 1,050,601</u>
Medical care facility:		
Unpaid claims, beginning of year	\$ 88,787	\$ 38,239
Incurred claims (including IBNR)	345,036	185,407
Claim payments	<u>(172,426)</u>	<u>(134,859)</u>
Unpaid claims, end of year	<u>\$ 261,397</u>	<u>\$ 88,787</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

12. CONTINGENT LIABILITIES

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

The government and its component units, individually or jointly, are defendants in pending or threatened lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government and component unit's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

13. PROPERTY TAXES

County general operating property taxes are levied annually on July 1 (the lien date) to fund operations for the current year. The property taxes are due in full within nine months (prior to March 1), at which time uncollected taxes became delinquent. The assessed value of real and personal property is established by the local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A which requires property taxes to be levied based on the taxable value of the underlying property. Annual increases in taxable value are limited to the lesser of 5% or the rate of inflation. Taxable value reverts to 50% of true cash value when the property is sold. Taxable value is determined by using such factors as equalized, assessed and capped values, along with a value change multiplier.

The taxable value of real and personal property for the July 1, 2012 general operating levy was \$7.04 billion. The general operating tax rate for this levy was 6.3512 mills, which is below the 6.4206 mills allowed by the Headlee Amendment to the Michigan Constitution. The County also had a voter approved tax of 0.4800 mills for operations of the County Transportation System, 0.1200 for public transportation, 0.8431 mills for the Emergency Telephone Service, 0.6000 mills for the Juvenile Justice activity, 0.4100 mills for Potter Park Zoo operations, 0.1400 mills for farmland preservation initiatives, 0.5200 for health services and 0.0230 for veteran relief fund.

By agreement with 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 (\$14.8 million at December 31, 2012) are pledged for repayment of the delinquent tax notes payable; subsequent collection of the receivables, along with interest and collection fees thereon and investment earnings, are used to retire the debt.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

14. DEFINED BENEFIT PENSION PLANS

General (excluding Transportation and Roads Department)

Plan Description. The County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The County participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the Retirement Board of MERS. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

Funding Policy. The County is required to contribute at an actuarially determined rate; the current rate is 0.0% to 61.83% of annual covered payroll, depending on the department or bargaining unit. County employees are required to contribute 0.0% to 19.61% of their annual covered payroll, depending on the department or bargaining unit. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

Annual Pension Cost. For the year ended December 31, 2012, the County's annual required contribution was \$8,526,591 for MERS with actual contributions of \$13,295,232 creating a net pension asset of \$4,768,641. The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected long term salary increases of 4.5% per year compounded annually (1% annually for years 2011-2014), attributable to inflation, (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.0% per year after retirement for certain retirees depending on the benefit option selected. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized over a period of 27 years as a level percentage of projected payroll on an open basis as of December 31, 2011, the date of the latest actuarial valuation.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset)
2010	\$ 7,251,099	100%	\$ -
2011	7,454,399	100%	-
2012	8,526,591	156%	(4,768,641)

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Funded Status and Funding Progress. As of December 31, 2011, the date of the most recent actuarial valuation, the Plan was 72.9 percent funded. The actuarial accrued liability for benefits was \$332,746,120, and the actuarial value of assets was \$235,277,224, resulting in an unfunded actuarial accrued liability (UAAL) of \$87,468,896. The covered payroll (annual payroll of the active employees covered by the Plan) was \$63,117,593 and the ratio of the UAAL to the covered payroll was 138.6 percent.

During 2012, the Ingham County Medical Care Facility fully funded its portion of the County's pension plan. This resulted in a \$4,768,641 net pension asset being reported as of December 31, 2012. This asset is 100% applicable to the Medical Care Facility.

Transportation and Roads Department (Formerly the Ingham County Road Commission)

The transportation and roads department has a separate MERS defined benefit pension plan that provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Transportation and Road department is required to contribute at an actuarially determined rate. Employees are currently not required to contribute to the Plan. Contribution requirements are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Transportation and Road department.

For the year ended December 31, 2012, the annual pension cost of \$1,043,288 was equal to the required and actual contributions. The required contribution was determined as part of the December 31, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually (1% annually for years 2011-2014), attributable to inflation, and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over 27 years, as of December 31, 2011, the date of the latest actuarial valuation.

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 778,406	100%	\$ -
2011	802,947	100%	-
2012	1,043,288	100%	-

Funded Status and Funding Progress. As of December 31, 2011, the date of the most recent actuarial valuation, the Plan was 66.8 percent funded. The actuarial accrued liability for benefits was \$33,882,182, and the actuarial value of assets was \$22,620,761, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,261,421. The covered payroll (annual payroll of the active employees covered by the Plan) was \$3,658,008 and the ratio of the UAAL to the covered payroll was 307.9 percent.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Primary Government (excluding Transportation and Roads Department and Medical Care Facility)

Plan Description. The Ingham County Retiree Health Care Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Retiree Health Care Board (the Board). The Plan was adopted and established by the Ingham County Board of Commissioners. The Plan provides postemployment healthcare and life insurance benefits to eligible retirees of the primary government in accordance with the various labor contracts and personnel policies. At December 31, 2012, 550 retired employees were eligible to participate, of which 390 participated. The assets of the Plan are reported as an other employee benefits trust fund in the accompanying financial statements; a separate, stand-alone report is not issued.

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. Active employee plan members are not required to contribute; however, retiree plan members receiving healthcare benefits pay for half of the health care insurance premium over an annually established level (which was approximately \$365 per month for 2012) and for 100% of the additional premium cost for spousal and dependent coverage.

The County may contribute the annual required contribution (ARC), 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 thirty years.

Annual OPEB Cost and Net OPEB Obligation. For 2012, 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	\$ 6,366,383
Interest on net OPEB obligation	1,333,405
Adjustment to annual required contribution	<u>(1,013,380)</u>
Net OPEB cost	6,686,408
Contributions made	<u>(2,601,365)</u>
Increase in net OPEB obligation	4,085,043
Net OPEB obligation, beginning of year	<u>22,223,413</u>
Net OPEB obligation, end of year	<u><u>\$ 26,308,456</u></u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of December 31, 2012, and the two preceding years, were as follows:

Three-Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 6,843,196	35.5%	\$ 18,190,435
2011	6,906,209	36.8%	22,223,413
2012	6,686,408	38.9%	26,308,456

Funded Status and Funding Progress. As of December 31, 2010, the date of the most recent actuarial valuation, the Plan was 2.9 percent funded. The actuarial accrued liability for benefits was \$84,813,721, and the actuarial value of assets was \$2,480,058, resulting in an unfunded actuarial accrued liability (UAAL) of \$82,333,663. The covered payroll (annual payroll of the active employees covered by the Plan) was \$52,756,718 and the ratio of the UAAL to the covered payroll was 156.1 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The schedule of employer contributions, presented as required supplementary information, presents trend information about the amounts contributed to the plan by employers in comparison with the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumption about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the County are subject to constant changes and modifications as actual results are compared with past expectations and new estimates and assumptions are formed regarding the future. Projections of retiree benefits for financial reporting purposes are based on current plan activities as it is handled by the County and the benefits are received by the eligible plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2010, actuarial valuation, the individual entry age normal actuarial cost method was used. The actuarial assumptions include a 6.0% a year rate of investment return, compounded annually net after investment expense, which is the expected long-term investment return on plan assets, and a base payroll growth rate of 4.5%. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There are no assumed inflationary adjustments. Per the actuarial study, the assumed rate ranges from 9.0% in the short-term to 4.5% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 28 years on a closed basis.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

Medical Care Facility

Facility employees participate in a single employer defined benefit healthcare plan. The Plan provides postemployment healthcare and life insurance benefits to eligible retirees in accordance with labor contracts and personnel policies.

Funding Policy. The contribution requirements of plan members and the Facility are established and may be amended by the Department of Human Services Board, subject to applicable labor contracts. Plan members are not required to contribute; however, plan members receiving healthcare benefits pay for about 40% of the health care insurance premium over an annually established level (which was approximately \$235 per month for 2012) and for 100% of the additional premium cost for spousal and dependent coverage.

The Facility may contribute the *annual required contribution (ARC)*, 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 thirty years.

Annual OPEB Cost and Net OPEB Obligation. For 2012, the components of the Facility's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the Facility's net OPEB obligation to the Plan are as follows:

Annual required contribution	\$ 528,382
Interest on net OPEB obligation	104,378
Adjustment to annual required contribution	<u>(79,337)</u>
Net OPEB cost	553,423
Contributions made	<u>(220,074)</u>
Increase in net OPEB obligation	333,349
Net OPEB obligation, beginning of year	<u>1,739,627</u>
Net OPEB obligation, end of year	<u>\$ 2,072,976</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

The Facility's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

Three-Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 292,326	57%	\$ 1,409,115
2011	527,793	37%	1,739,627
2012	553,423	40%	2,072,976

Funded Status and Funding Progress. As of December 31, 2010, the date of the most recent actuarial valuation, the Plan was 0 percent funded. The actuarial accrued liability for benefits was \$5,655,037, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,655,037. The covered payroll (annual payroll of the active employees covered by the Plan) was \$9,517,974 and the ratio of the UAAL to the covered payroll was 59.4 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedule of employer contributions present trend information about the amounts contributed to the plan by employers in comparison with the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumption about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the Facility are subject to constant changes and modifications as actual results are compared with past expectations and new estimates and assumptions are formed regarding the future. Projections of retiree benefits for financial reporting purposes are based on current plan activities as it is handled by the Facility and the benefits are received by the eligible plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Facility and plan members.

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.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

In the December 31, 2010, actuarial valuation, the individual entry age normal actuarial cost method was used. The actuarial assumptions include a 6.0% a year rate of investment return, compounded annually net after investment expense, which is the expected long-term investment return on plan assets, and a base payroll growth rate of 4.5%. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age, along with an inflationary rate assumption factored into the calculation. Per the actuarial study, the assumed rate ranges from 9.0% in the short-term to 4.5% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 28 years on an open basis.

Transportation and Roads Department (Formerly the Ingham County Road Commission)

Plan Description. The Transportation and Roads Department provides certain retiree health care benefits and life insurance benefits to all applicable employees, in accordance with union agreements and/or personnel policies. In 2008, the Transportation and Roads Department offered the retirees a choice between two plans. One plan was a PPO and the other plan was a HMO, both are health programs that pay for claims (less deductible and co-pay) in accordance with the group from which the employee retired. The Transportation and Roads Department pays for 100% of the health portion of the insurance. Currently, 77 retirees meet plan eligibility requirements.

The Transportation and Roads Department also pays life insurance premiums for those retirees under a \$5,000 or \$10,000 policy. The total monthly premium was \$.71/thousand dollars of coverage. In 2012, 36 retirees were covered at the \$5,000 level and 39 retirees were covered at the \$10,000 level.

Funding Policy. The Transportation and Road Department has no obligation to make contributions in advance of when the insurance premiums are due for payment (i.e., may be financed on a "pay-as-you-go" basis). Administrative costs of the plan are paid for by the Transportation and Road Department.

Funding Progress. For the year ended December 31, 2012, the Transportation and Roads Department has determined an estimated cost of providing retiree post-employment benefits through an actuarial valuation as of December 31, 2010. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to cover the amortization of any unfunded actuarial liabilities from the past, over a period not to exceed thirty years.

The annual OPEB costs, the amount contributed to the plan, and the net OPEB obligation for the year ended December 31, 2012, were as follows:

Annual required contribution	\$ 1,227,616
Interest on net OPEB obligation	102,575
Adjustment to annual required contribution	<u>(164,173)</u>
Net OPEB cost	1,166,018
Contributions made	<u>(555,368)</u>
Increase in net OPEB obligation	610,650
Net OPEB obligation, beginning of year	<u>2,564,389</u>
Net OPEB obligation, end of year	<u>\$ 3,175,039</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

The Transportation and Road Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of December 31, 2012, and the two preceding years, were as follows:

Three-Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 1,115,473	48.6%	\$ 1,988,355
2011	1,150,386	49.9%	2,564,389
2012	1,166,018	47.6%	3,175,039

Funded status and funding progress. As of December 31, 2010, the date of the most recent actuarial valuation, the Plan was 0 percent funded. The actuarial accrued liability for benefits was \$13,679,964, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$13,679,964. The covered payroll (annual payroll of the active employees covered by the Plan) was \$3,658,008 and the ratio of the UAAL to the covered payroll was 374.0 percent.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumption about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the Transportation and Road Department are subject to constant changes and modifications as actual results are compared with past expectations and new estimates and assumptions are formed regarding the future. Projections of retiree benefits for financial reporting purposes are based on current plan activities as it is handled by the Commission and the benefits are received by the eligible plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Transportation and Road Department and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2010, actuarial valuation, the individual entry age normal actuarial cost method was used. The actuarial assumptions include a 4% a year rate of investment return, compounded annually net after investment expense, which is the expected long-term investment returns on plan assets, and a base payroll growth rate of 4.5%. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study the assumed rate ranges from 8% in the short-term to 4.5% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 27 years on an open basis.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

16. NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets, as of December 31, 2012, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets			
Capital assets not being depreciated	\$ 34,327,497	\$ 137,912	\$ 13,287,672
Capital assets being depreciated, net	124,735,057	12,164,338	41,263,274
	<u>159,062,554</u>	<u>12,302,250</u>	<u>54,550,946</u>
Related debt			
Long-term bonds and notes payable	18,245,000	-	43,609,278
Installment obligations	363,357	-	-
Net bond premium/discount	225,109	-	86,319
Unamortized deferred loss on refunding	(398,377)	-	-
	<u>18,435,089</u>	<u>-</u>	<u>43,695,597</u>
Net investment in capital assets	<u>\$ 140,627,465</u>	<u>\$ 12,302,250</u>	<u>\$ 10,855,349</u>

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

17. FUND BALANCES

Following is a summary of the composition of fund balances as of December 31, 2012:

	General Fund	Transportation and Roads	Health Fund	Emergency Telephone Fund	County Transportation System	Other Governmental Funds	Total Governmental Funds
Nonspendable							
Prepaid items	\$ 24,436	\$ 169	\$ 10,592	\$ -	\$ -	\$ 109,466	\$ 144,663
Inventories	-	1,159,896	103,320	-	-	-	1,263,216
Long-term advances	1,475,751	-	-	-	-	-	1,475,751
Total nonspendable	1,500,187	1,160,065	113,912	-	-	109,466	2,883,630
Restricted							
Budget stabilization	10,562,365	-	-	-	-	-	10,562,365
General government	-	-	-	-	-	303,184	303,184
Public health services	-	-	1,218,890	-	-	-	1,218,890
Public safety	-	-	-	2,685,789	-	604,747	3,290,536
Public works	-	2,671,108	-	-	914,157	-	3,585,265
Culture and recreation	-	-	-	-	-	2,069,921	2,069,921
Welfare	-	-	-	-	-	3,975,822	3,975,822
Education	-	-	-	-	-	14,230	14,230
Economic development	-	-	-	-	-	2,724,279	2,724,279
Debt service	-	-	-	-	-	10,883	10,883
Total restricted	10,562,365	2,671,108	1,218,890	2,685,789	914,157	9,703,066	27,755,375
Committed							
Retiree healthcare	3,200,000	-	-	-	-	-	3,200,000
Public health services	860,000	-	-	-	-	-	860,000
Jail medical	945,000	-	-	-	-	-	945,000
Property tax appeals	700,000	-	-	-	-	-	700,000
General government	-	-	-	-	-	50,000	50,000
Economic development	-	-	-	-	-	5,304	5,304
Debt service	-	-	-	-	-	17,421	17,421
Total committed	5,705,000	-	-	-	-	72,725	5,777,725
Assigned							
Next year budget	2,665,000	-	-	-	-	-	2,665,000
Unexpended grants	18,486	-	-	-	-	-	18,486
Drain	41,680	-	-	-	-	-	41,680
Revenue sharing	1,384,000	-	-	-	-	-	1,384,000
Minimum security jail operations	511,223	-	-	-	-	-	511,223
Public improvement	1,393,454	-	-	-	-	-	1,393,454
Parks operation	202,363	-	-	-	-	-	202,363
Total assigned	6,216,206	-	-	-	-	-	6,216,206
Unassigned	18,494,152	-	-	-	-	-	18,494,152
	<u>\$ 42,477,910</u>	<u>\$ 3,831,173</u>	<u>\$ 1,332,802</u>	<u>\$ 2,685,789</u>	<u>\$ 914,157</u>	<u>\$ 9,885,257</u>	<u>\$ 61,127,088</u>

The fund balance reserve for prepaid items and inventories for the Health Fund was reduced by \$213,939 for the portion of inventory that is included in deferred revenue.

INGHAM COUNTY, MICHIGAN

Notes To Financial Statements

18. RESTATEMENT

Beginning governmental activities net position was increased by \$100,336,178. An increase of \$100,810,106 was due to the road commission discretely presented component unit being absorbed by the County when it was dissolved as of June 1, 2012. Additional decreases of \$459,073 were the result of errors in calculations of prior years other postemployment benefits and capital assets related to the road commission, and \$14,855 due to a portion of the parks activity being segregated and now maintained as an enterprise fund. Beginning business-type activities net position was decreased by \$2,047,747. A decrease of \$2,132,897 was due to the housing commission being presented as a component unit rather than as an enterprise fund as it was in 2011. The remaining change was an increase of \$85,150, which was due to parks activity that was segregated into a parks enterprise fund. Beginning fund balance for the general fund was reduced by \$70,295 due to the parks activity that was separated into the parks enterprise fund. Beginning fund balance for the transportation and roads major special revenue fund was established with a beginning balance of \$5,300,381, which was the result of the dissolution of the road commission. Beginning component unit net position increased by \$103,966,812, which was the net result of a decrease of \$106,110,487 related to the transfer of operations of the road commission discretely presented component unit, an increase of \$2,132,897 related to the determination that the housing commission was more appropriately reported as a discretely presented component unit rather than an enterprise fund, and an increase of \$10,778 due to unrecorded prior year payables and receivables in the housing commission.

19. SUBSEQUENT EVENT

In April 2013, Lansing Township filed suit against the Ingham County Drain Commissioner concerning the cost assessment for the Groesbeck Park Drainage District. The amount spent on this project to date is \$5.3 million. The outcome of this litigation is unknown at this time.



REQUIRED SUPPLEMENTARY INFORMATION

INGHAM COUNTY, MICHIGAN

Required Supplementary Information

Municipal Employees' Retirement System of Michigan - County

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2006	\$ 187,358,412	\$ 243,300,405	\$ 55,941,993	77.0%	\$ 56,819,304	98.5%
12/31/2007	202,178,200	260,328,809	58,150,609	77.7%	59,000,421	98.6%
12/31/2008	210,089,101	277,233,448	67,144,347	75.8%	60,699,040	110.6%
12/31/2009	219,217,266	288,190,459	68,973,193	76.1%	62,872,741	109.7%
12/31/2010	227,832,071	304,134,483	76,302,412	74.9%	62,274,692	122.5%
12/31/2011	235,277,224	322,746,120	87,468,896	72.9%	63,117,593	138.6%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2007	\$ 6,418,925	100.0%
2008	6,592,937	100.0%
2009	7,075,811	100.0%
2010	7,251,099	100.0%
2011	7,454,399	100.0%
2012	8,526,591	156.0%

Municipal Employees' Retirement System of Michigan - Transportation and Roads

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2006	\$ 22,424,256	\$ 28,590,161	\$ 6,165,905	78.4%	\$ 4,436,483	139.0%
12/31/2007	23,416,327	29,838,351	6,422,024	78.5%	4,403,503	145.8%
12/31/2008	23,490,096	30,754,991	7,264,895	76.4%	4,349,967	167.0%
12/31/2009	23,269,656	31,956,448	8,686,792	72.8%	4,217,460	206.0%
12/31/2010	23,041,690	32,829,150	9,787,460	70.2%	3,572,716	274.0%
12/31/2011	22,620,761	33,882,182	11,261,421	66.8%	3,658,008	307.9%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2007	\$ 785,661	100.0%
2008	793,065	100.0%
2009	823,566	100.0%
2010	778,406	100.0%
2011	802,947	100.0%
2012	1,043,288	100.0%

INGHAM COUNTY, MICHIGAN

Required Supplementary Information
Retiree Health Care Plan - County

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2006	\$ -	\$ 91,516,399	\$ 91,516,399	0.0%	\$ 49,531,695	184.8%
12/31/2008	-	79,274,189	79,274,189	0.0%	51,746,029	153.2%
12/31/2010	2,480,058	84,813,721	82,333,663	2.9%	52,756,718	156.1%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2010	\$ 6,314,994	36.8%
2011	6,092,233	38.5%
2012	6,366,383	40.9%

Retiree Health Care Plan - Medical Care Facility

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2006	\$ -	\$ 9,268,458	\$ 9,268,458	0.0%	\$ 7,287,609	127.2%
12/31/2008	-	4,290,944	4,290,944	0.0%	8,953,011	47.9%
12/31/2010	-	5,655,037	5,655,037	0.0%	9,517,974	59.4%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2010	\$ 278,821	60.0%
2011	505,629	39.0%
2012	528,382	41.7%

INGHAM COUNTY, MICHIGAN

Required Supplementary Information
 Retiree Health Care Plan - Transportation and Roads Department

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2006	\$ -	\$ 18,970,649	\$ 18,970,649	0.0%	\$ 3,341,110	567.8%
12/31/2008	-	13,377,603	13,377,603	0.0%	4,038,205	331.3%
12/31/2010	-	13,679,964	13,679,964	0.0%	3,658,008	374.0%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2010	\$ 1,145,533	47.4%
2011	1,195,280	48.1%
2012	1,227,616	45.2%

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

INGHAM COUNTY, MICHIGAN

Schedule of Expenditures by Cost Category - Budget and Actual

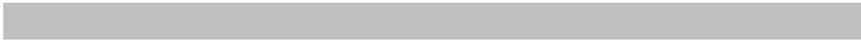
General Fund

For the Year Ended December 31, 2012

	Personnel Services			
	Original Budget	Final Budget	Actual	Variance
Public safety	\$ 16,277,028	\$ 16,967,888	\$ 16,944,504	\$ 23,384
Public works	-	-	-	-
Judicial	9,008,613	9,095,144	8,903,660	191,484
Culture and recreation	1,535,314	1,640,976	1,543,984	96,992
General government	11,040,224	11,087,155	11,086,679	476
Health	7,322	183,071	153,035	30,036
Welfare	356,168	359,106	341,407	17,699
Economic development	81,124	86,202	86,202	-
Total expenditures	\$ 38,305,793	\$ 39,419,542	\$ 39,059,471	\$ 360,071

	Noncontrollable Expenditures			
	Original Budget	Final Budget	Actual	Variance
Public safety	\$ 1,112,802	\$ 1,151,531	\$ 1,142,806	\$ 8,725
Public works	-	-	-	-
Judicial	952,242	962,019	933,710	28,309
Culture and recreation	280,150	297,640	267,504	30,136
General government	745,897	761,665	736,901	24,764
Health	77	3,830	3,829	1
Welfare	21,508	22,096	15,076	7,020
Economic development	10,995	11,163	10,759	404
Total expenditures	\$ 3,123,671	\$ 3,209,944	\$ 3,110,585	\$ 99,359

	Capital Outlay			
	Original Budget	Final Budget	Actual	Variance
Public safety	\$ 213,140	\$ 335,140	\$ 250,851	\$ 84,289
Judicial	3,000	25,602	25,411	191
Culture and recreation	-	95,015	21,400	73,615
General government	30,000	264,183	253,577	10,606
Total expenditures	\$ 246,140	\$ 719,940	\$ 551,239	\$ 168,701



Controllable Expenditures			
Original Budget	Final Budget	Actual	Variance
\$ 2,001,519	\$ 2,307,256	\$ 2,193,604	\$ 113,652
348,595	348,595	299,991	48,604
4,627,554	4,378,703	4,378,493	210
415,767	448,115	405,915	42,200
3,373,975	2,785,664	2,261,749	523,915
2,683,979	3,316,200	3,216,252	99,948
61,769	62,569	56,116	6,453
105,400	117,653	106,619	11,034
<u>\$ 13,618,558</u>	<u>\$ 13,764,755</u>	<u>\$ 12,918,739</u>	<u>\$ 846,016</u>

Total before Capital Outlay			
Original Budget	Final Budget	Actual	Variance
\$ 19,391,349	\$ 20,426,675	\$ 20,280,914	\$ 145,761
348,595	348,595	299,991	48,604
14,588,409	14,435,866	14,215,863	220,003
2,231,231	2,386,731	2,217,403	169,328
15,160,096	14,634,484	14,085,329	549,155
2,691,378	3,503,101	3,373,116	129,985
439,445	443,771	412,599	31,172
197,519	215,018	203,580	11,438
<u>\$ 55,048,022</u>	<u>\$ 56,394,241</u>	<u>\$ 55,088,795</u>	<u>\$ 1,305,446</u>

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Transportation and Roads Fund

For the Year Ended December 31, 2012

	Designated		Undesignated	Total
	Primary Road Fund	Local Road Fund	County Road Fund	
Revenues				
Permits	\$ 62,540	\$ 62,540	\$ -	\$ 125,080
Intergovernmental:				
Federal sources	3,571,137	40	-	3,571,177
State sources	9,327,365	2,909,087	-	12,236,452
Local sources		1,386,181	97,001	1,483,182
Charges for services	8,552	2,851	-	11,403
Interest and rentals	7,380	2,460	-	9,840
Other	86,006	29,175	1,519	116,700
Total revenues	13,062,980	4,392,334	98,520	17,553,834
Expenditures				
Preservation - Structural improvements	5,970,670	2,296,137	-	8,266,807
Maintenance	4,542,648	3,635,262	-	8,177,910
Equipment - net	190,784	220,831	-	411,615
Administrative - net	692,837	390,885	-	1,083,722
Capital outlay - net	525,634	-	175,211	700,845
Drain Assessments	385,403	-	-	385,403
Other	-	-	2,815	2,815
Total expenditures	12,307,976	6,543,115	178,026	19,029,117
Excess of revenues over (under) expenditures	755,004	(2,150,781)	(79,506)	(1,475,283)
Other financing sources				
Interfund transfers	(2,200,000)	2,200,000	-	-
Proceeds from sales of capital assets	6,075	-	-	6,075
Total other financing sources	(2,193,925)	2,200,000	-	6,075
Net change in fund balances	(1,438,921)	49,219	(79,506)	(1,469,208)
Fund balance, beginning of year	3,475,894	245,704	1,578,783	5,300,381
Fund balance, end of year	\$ 2,036,973	\$ 294,923	\$ 1,499,277	\$ 3,831,173

INGHAM COUNTY, MICHIGAN

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual

Transportation and Roads Fund

For the Year Ended December 31, 2012

	Amended Budget	Actual	Actual Over (Under) Final Budget
Permits	\$ 120,000	\$ 125,080	\$ 5,080
Federal sources			
Surface Transportation Program and D funds	3,440,000	3,032,141	(407,859)
Bridge and other	-	539,036	539,036
Total federal sources	3,440,000	3,571,177	131,177
State sources			
Motor Vehicle Highway Funds - Act 51:			
Engineering	10,000	10,000	-
Primary roads allocation	8,008,399	8,054,768	46,369
Local roads allocation	2,477,237	2,452,760	(24,477)
Primary urban roads	1,247,967	1,264,931	16,964
Local urban roads	445,833	453,993	8,160
Total state sources	12,189,436	12,236,452	47,016
Local sources- Township contributions	920,000	1,483,182	563,182
Charges for services - salvage sales	5,000	11,403	6,403
Other	118,000	116,700	(1,300)
Interest	6,000	9,840	3,840
Total revenues	16,798,436	17,553,834	755,398
Other financing sources-			
Proceeds from sales of capital assets	7,000	6,075	(925)
Total revenues and other financing sources	\$ 16,805,436	\$ 17,559,909	\$ 754,473

INGHAM COUNTY, MICHIGAN

Detailed Schedule of Expenditures - Budget and Actual

Transportation and Roads Fund

For the Year Ended December 31, 2012

	Amended Budget	Actual	Actual Over (Under) Final Budget
Heavy maintenance			
Primary roads and structures	\$ 5,330,314	\$ 5,970,670	\$ 640,356
Local roads and structures	3,012,439	2,296,137	(716,302)
Total heavy maintenance	<u>8,342,753</u>	<u>8,266,807</u>	<u>(75,946)</u>
Maintenance			
Primary roads and structures, winter and traffic control	4,491,846	4,542,648	50,802
Local roads and structures, winter and traffic control	3,549,162	3,635,262	86,100
Total maintenance	<u>8,041,009</u>	<u>8,177,910</u>	<u>136,901</u>
Equipment			
Direct	1,081,282	1,057,479	(23,803)
Indirect	1,511,780	1,360,285	(151,495)
Operating	430,100	408,440	(21,660)
Less - equipment rental	(2,228,700)	(2,414,589)	(185,889)
Total equipment, net	<u>794,462</u>	<u>411,615</u>	<u>(382,847)</u>
Administrative	1,075,412	1,083,722	8,310
Total Administrative	<u>1,075,412</u>	<u>1,083,722</u>	<u>8,310</u>
Capital outlay			
Land improvements, building and equipment	1,219,800	1,209,156	(10,644)
Less - depreciation	(568,000)	(508,311)	59,689
Total capital outlay, net	<u>651,800</u>	<u>700,845</u>	<u>49,045</u>
Drain assessments	400,000	385,403	(14,597)
Other	-	2,815	2,815
Total expenditures	<u>\$ 19,305,436</u>	<u>\$ 19,029,117</u>	<u>\$ (276,319)</u>

INGHAM COUNTY, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Fund Types December 31, 2012

	Special Revenue	Debt Service	Capital Project 911 Dispatch Center	Total
Assets				
Pooled cash and investments	\$ 10,564,878	\$ 124,570	\$ 68,723	\$ 10,758,171
Property taxes receivable	10,308,337	-	-	10,308,337
Accounts receivable	281,139	-	-	281,139
Accrued interest receivable	18,560	53	-	18,613
Lease receivable	-	2,199,711	-	2,199,711
Due from other funds	1,793,890	-	-	1,793,890
Due from other governmental units	2,655,587	-	-	2,655,587
Prepaid items	109,466	-	-	109,466
Rehabilitation loans receivable	2,162,115	-	-	2,162,115
Total assets	\$ 27,893,972	\$ 2,324,334	\$ 68,723	\$ 30,287,029
Liabilities				
Accounts payable	\$ 1,481,540	\$ 400	\$ 12,588	\$ 1,494,528
Salaries and related withholdings	261,809	-	-	261,809
Interfund payable	2,192,674	-	-	2,192,674
Due to other funds	680,058	34,739	56,135	770,932
Due to other governmental units	170,244	-	-	170,244
Deferred revenue	13,250,694	2,260,891	-	15,511,585
Total liabilities	18,037,019	2,296,030	68,723	20,401,772
Fund balances				
Nonspendable for prepaid items	109,466	-	-	109,466
Restricted				
General government	303,184	-	-	303,184
Public safety	604,747	-	-	604,747
Welfare	3,975,822	-	-	3,975,822
Education	14,230	-	-	14,230
Economic development	2,724,279	-	-	2,724,279
Culture and recreation	2,069,921	-	-	2,069,921
Debt service	-	10,883	-	10,883
Committed				
General government	50,000	-	-	50,000
Economic development	5,304	-	-	5,304
Debt service	-	17,421	-	17,421
Total fund balances	9,856,953	28,304	-	9,885,257
Total liabilities and fund balances	\$ 27,893,972	\$ 2,324,334	\$ 68,723	\$ 30,287,029

INGHAM COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Fund Types For the Year Ended December 31, 2012

	Special Revenue	Debt Service	Capital Project 911 Dispatch Center	Total
Revenues				
Taxes	\$ 10,339,779	\$ -	\$ -	\$ 10,339,779
Intergovernmental	13,137,737	69,479	-	13,207,216
Charges for services	1,308,669	-	-	1,308,669
Interest	79,363	365	1,563	81,291
Other	218,169	1,636,157	50	1,854,376
Total revenues	25,083,717	1,706,001	1,613	26,791,331
Expenditures				
Current:				
General government	5,228,659	-	-	5,228,659
Public safety	818,169	-	-	818,169
Welfare	17,904,695	-	-	17,904,695
Education	39,953	-	-	39,953
Economic development	323,242	-	-	323,242
Culture and recreation	5,319,506	-	-	5,319,506
Capital outlay	1,113,482	-	3,355,007	4,468,489
Debt service:				
Principal retirement	-	2,765,000	-	2,765,000
Interest and fiscal charges	-	854,348	-	854,348
Total expenditures	30,747,706	3,619,348	3,355,007	37,722,061
Revenues under expenditures	(5,663,989)	(1,913,347)	(3,353,394)	(10,930,730)
Other financing sources (uses)				
Transfers in	10,300,186	1,885,279	-	12,185,465
Transfers out	(5,490,092)	-	(57,616)	(5,547,708)
Proceeds from sales of capital assets	2,695	-	-	2,695
Total other financing sources (uses)	4,812,789	1,885,279	(57,616)	6,640,452
Net change in fund balances	(851,200)	(28,068)	(3,411,010)	(4,290,278)
Fund balance, beginning of year	10,708,153	56,372	3,411,010	14,175,535
Fund balance, end of year	\$ 9,856,953	\$ 28,304	\$ -	\$ 9,885,257

INGHAM COUNTY, MICHIGAN

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Family Counseling Service - This fund is used to account for the operations of a family counseling service. The financing is provided by marriage license fees.

Friend of the Court Service - This fund is used to account for mediation services regarding custody or visitation rights of parties involved in divorce. The financing is provided by state and federal sources which is restricted for this purpose. This fund also receives an annual general fund appropriation. This fund has a September 30 year end.

ROD Automation - The State of Michigan requires that a portion of all property recording fees be used to upgrade the technology associated with the Register of Deed's Office. This fund accounts for this activity.

Hotel/Motel Accommodation Tax - This fund is used to account for the collection and distribution of the five percent hotel room tax. State law limits the use of this revenue for development and promotion of convention and entertainment facilities.

Work Study Program - This fund is used to account for payment of wages and fringe benefits for students working for Ingham County in an effort to supplement their education. Financing is provided through reimbursement from local educational institutions and general fund appropriations.

Farmland Preservation - This fund is used to account of the proceeds from a special millage to protect farmland and other open spaces.

Zoo - This fund is used to account for a special millage for the operation, maintenance and improvement of Potter Park Zoo.

Juvenile Justice Millage - This fund is used to account for a special millage for juvenile care.

Drug Law Enforcement - This fund is used to account for property forfeited pursuant to the Enforcement of Controlled Substances, Public Act 135 of 1985. Financing is provided from the sale of forfeited property. These funds can be used to pay for expense of seizure, court cost, maintenance and expense of sale, as well as drug enforcement activities.

Local Correction Training - This fund is used to account for the collection of the County jail booking fee which is used to fund the training of local corrections officers.

Anti-Drug Abuse Grant - This fund is used to account for the legal cost of drug forfeiture proceedings. Financing is provided through a local grant.

Community Corrections - This fund is used to account for the County's State funded community corrections program. This fund has a September 30 year end.

Law Library - This fund is used to record revenues provided for the maintenance of a law library. Money for the operation of this fund is provided by the statutory transfer of penal fines.

Criminal Justice Training - This fund is used to account for the distribution of criminal justice training funds from the State of Michigan pursuant to Public Acts 301 and 302 of 1982. These proceeds are used to train police officers.

INGHAM COUNTY, MICHIGAN

Nonmajor Governmental Funds

Department of Human Services (DHS) Child Care - This fund is used to account for the operations necessary to provide care and supervision of children requiring out of home placement and to provide support and assistance to families in need. Financing is provided through a state grant and county appropriations.

Social Welfare - This fund is use to account for funds which are provided by county, state and federal governments to administer the social welfare department and assist eligible recipients.

Family Court Child Care - This fund is used to account for the foster care of children. Funding is provided by state and federal governments along with County appropriations.

Veteran's Trust - This fund is used to account for revenue set aside to aid veterans. The funding is provided by state grants.

Community Development Block Grant - This fund is used to account for residential assistance under this federal program.

Health Services Millage - This fund is used to account for the proceeds from the health services tax levy which provides funding for basic health care services to Ingham County residents who are not eligible for Medicaid under the Federal Affordable Care Act, and whose individual income is less than \$28,000 and who do not have medical insurance.

Cooperative Reimbursement Prosecuting Attorney - This fund is used to account for grant monies which are used to provide child support services to eligible recipients. Funding is provided by state and federal sources and through the DHS Office of Child Support.

Veterans Support Millage - This fund is used to account for the proceeds of the special veterans tax levy which provides funding to assist low income veterans.

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INGHAM COUNTY, MICHIGAN

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2012

	Family Counseling Service	Friend of the Court Service	ROD Automation	Hotel/Motel Accommodation Tax	Work Study Program
Assets					
Pooled cash and investments	\$ 14,230	\$ -	\$ 321,511	\$ 581,069	\$ -
Property taxes receivable	-	-	-	-	-
Accounts receivable	-	11,313	-	147,324	4,540
Accrued interest receivable	-	-	759	-	-
Due from other funds	-	-	-	13,727	-
Due from other governmental units	-	625,170	-	-	-
Prepaid items	-	-	54,667	-	-
Rehabilitation loans receivable	-	-	-	-	-
Total assets	\$ 14,230	\$ 636,483	\$ 376,937	\$ 742,120	\$ 4,540
Liabilities					
Accounts payable	\$ -	\$ 17,651	\$ 4,351	\$ 298,301	\$ -
Salaries and related withholdings	-	66,754	11,190	-	-
Interfund payable	-	449,474	-	-	4,369
Due to other funds	-	52,604	3,545	22,976	171
Due to other governmental units	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	586,483	19,086	321,277	4,540
Fund balances					
Nonspendable for prepaid items	-	-	54,667	-	-
Restricted:					
General government	-	-	303,184	-	-
Public safety	-	-	-	-	-
Welfare	-	-	-	-	-
Education	14,230	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	420,843	-
Committed:					
General government	-	50,000	-	-	-
Economic development	-	-	-	-	-
Total fund balances	14,230	50,000	357,851	420,843	-
Total liabilities and fund balances	\$ 14,230	\$ 636,483	\$ 376,937	\$ 742,120	\$ 4,540

Farmland Preservation	Zoo	Juvenile Justice Mileage	Drug Law Enforcement	Local Correction Training	Anti-Drug Abuse Grant	Community Corrections
\$ 2,776,974	\$ 1,903,913	\$ 3,987,186	\$ 137,680	\$ 266,474	\$ 60,170	\$ 18,721
854,086	2,515,523	3,703,197	-	-	-	-
-	15,054	-	-	2,012	-	-
4,646	4,190	8,523	-	429	-	-
-	-	166,357	-	-	130,243	4,190
-	-	-	-	-	8,558	75,689
-	54,799	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 3,635,706</u>	<u>\$ 4,493,479</u>	<u>\$ 7,865,263</u>	<u>\$ 137,680</u>	<u>\$ 268,915</u>	<u>\$ 198,971</u>	<u>\$ 98,600</u>
\$ 10,502	\$ 52,566	\$ -	\$ 5,636	\$ 6,167	\$ -	\$ 23,997
-	78,498	-	-	-	5,270	1,743
-	-	-	-	-	-	-
-	5,429	-	-	-	-	-
-	-	-	-	-	130,244	-
900,925	2,653,109	3,903,964	-	-	-	-
911,427	2,789,602	3,903,964	5,636	6,167	135,514	25,740
-	54,799	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	132,044	262,748	63,457	72,860
-	-	3,961,299	-	-	-	-
-	-	-	-	-	-	-
2,724,279	-	-	-	-	-	-
-	1,649,078	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,724,279	1,703,877	3,961,299	132,044	262,748	63,457	72,860
<u>\$ 3,635,706</u>	<u>\$ 4,493,479</u>	<u>\$ 7,865,263</u>	<u>\$ 137,680</u>	<u>\$ 268,915</u>	<u>\$ 198,971</u>	<u>\$ 98,600</u>

continued...

INGHAM COUNTY, MICHIGAN

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2012

	Law Library	Criminal Justice Training	DHS Child Care	Social Welfare	Family Court Child Care
Assets					
Pooled cash and investments	\$ 14,445	\$ 61,175	\$ -	\$ 29,355	\$ -
Property taxes receivable	-	-	-	-	-
Accounts receivable	17,000	-	698	17,325	10,495
Accrued interest receivable	-	-	-	-	-
Due from other funds	-	-	350,788	3,491	1,038,925
Due from other governmental units	-	-	-	38,256	1,784,145
Prepaid items	-	-	-	-	-
Rehabilitation loans receivable	-	-	-	-	-
Total assets	\$ 31,445	\$ 61,175	\$ 351,486	\$ 88,427	\$ 2,833,565
Liabilities					
Accounts payable	\$ 513	\$ 772	\$ 182,693	\$ 48,427	\$ 755,492
Salaries and related withholdings	-	-	-	-	85,985
Interfund payable	-	-	3,133	-	1,590,952
Due to other funds	-	17,697	165,660	-	395,703
Due to other governmental units	-	-	-	40,000	-
Deferred revenue	-	-	-	-	5,433
Total liabilities	513	18,469	351,486	88,427	2,833,565
Fund balances					
Nonspendable for prepaid items	-	-	-	-	-
Restricted:					
General government	-	-	-	-	-
Public safety	30,932	42,706	-	-	-
Welfare	-	-	-	-	-
Education	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Committed:					
General government	-	-	-	-	-
Economic development	-	-	-	-	-
Total fund balances	30,932	42,706	-	-	-
Total liabilities and fund balances	\$ 31,445	\$ 61,175	\$ 351,486	\$ 88,427	\$ 2,833,565

Veterans' Trust	Community Development Block Grant	Health Services Millage	Cooperative Reimbursement Prosecuting Attorney	Veterans Support Millage	Totals
\$ 9,191	\$ 205,679	\$ 173,999	\$ -	\$ 3,106	\$ 10,564,878
-	-	3,226,005	-	9,526	10,308,337
-	55,378	-	-	-	281,139
-	-	2	-	11	18,560
-	35,000	-	51,169	-	1,793,890
-	-	-	123,769	-	2,655,587
-	-	-	-	-	109,466
-	2,162,115	-	-	-	2,162,115
<u>\$ 9,191</u>	<u>\$ 2,458,172</u>	<u>\$ 3,400,006</u>	<u>\$ 174,938</u>	<u>\$ 12,643</u>	<u>\$ 27,893,972</u>
\$ -	\$ 72,131	\$ -	\$ 2,341	\$ -	\$ 1,481,540
-	791	-	11,578	-	261,809
-	-	-	144,746	-	2,192,674
-	-	-	16,273	-	680,058
-	-	-	-	-	170,244
-	2,379,946	3,400,000	-	7,317	13,250,694
-	2,452,868	3,400,000	174,938	7,317	18,037,019
-	-	-	-	-	109,466
-	-	-	-	-	303,184
-	-	-	-	-	604,747
9,191	-	6	-	5,326	3,975,822
-	-	-	-	-	14,230
-	-	-	-	-	2,724,279
-	-	-	-	-	2,069,921
-	-	-	-	-	50,000
-	5,304	-	-	-	5,304
9,191	5,304	6	-	5,326	9,856,953
<u>\$ 9,191</u>	<u>\$ 2,458,172</u>	<u>\$ 3,400,006</u>	<u>\$ 174,938</u>	<u>\$ 12,643</u>	<u>\$ 27,893,972</u>

concluded.

INGHAM COUNTY, MICHIGAN

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Family Counseling Service	Friend of the Court Service	ROD Automation	Hotel/Motel Accommodation Tax	Work Study Program
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 2,256,095	\$ -
Intergovernmental	-	3,341,835	-	-	18,833
Charges for services	-	188,371	233,936	-	-
Interest	-	-	1,809	-	-
Other	26,385	2,500	-	-	-
Total revenues	26,385	3,532,706	235,745	2,256,095	18,833
Expenditures					
Current:					
General government	-	4,820,185	408,474	-	-
Public safety	-	-	-	-	-
Welfare	-	-	-	-	-
Education	12,250	-	-	-	27,703
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	2,030,487	-
Capital outlay	-	10,066	-	-	-
Total expenditures	12,250	4,830,251	408,474	2,030,487	27,703
Revenues over (under) expenditures	14,135	(1,297,545)	(172,729)	225,608	(8,870)
Other financing sources (uses)					
Transfers in	-	1,300,154	-	-	8,870
Transfers out	(14,135)	(2,608)	-	(172,267)	-
Proceeds from sales of capital assets	-	-	-	-	-
Total other financing sources (uses)	(14,135)	1,297,546	-	(172,267)	8,870
Net change in fund balances	-	1	(172,729)	53,341	-
Fund balances, beginning of year	14,230	49,999	530,580	367,502	-
Fund balances, end of year	\$ 14,230	\$ 50,000	\$ 357,851	\$ 420,843	\$ -

Farmland Preservation	Zoo	Juvenile Justice Mileage	Drug Law Enforcement	Local Correction Training	Anti-Drug Abuse Grant	Community Corrections
\$ 964,797	\$ 2,827,036	\$ 4,136,649	\$ -	\$ -	\$ -	\$ -
285,870	-	19,379	-	-	59,367	247,373
-	695,651	-	-	46,937	-	-
16,558	14,382	44,552	-	1,328	434	271
3,257	42,332	-	951	-	92,866	-
<u>1,270,482</u>	<u>3,579,401</u>	<u>4,200,580</u>	<u>951</u>	<u>48,265</u>	<u>152,667</u>	<u>247,644</u>
-	-	-	-	-	-	-
-	-	-	14,937	58,328	356,602	329,717
-	-	137,203	-	-	-	-
-	-	-	-	-	-	-
148,390	-	-	-	-	-	-
-	3,289,019	-	-	-	-	-
944,343	148,345	-	-	-	-	-
<u>1,092,733</u>	<u>3,437,364</u>	<u>137,203</u>	<u>14,937</u>	<u>58,328</u>	<u>356,602</u>	<u>329,717</u>
<u>177,749</u>	<u>142,037</u>	<u>4,063,377</u>	<u>(13,986)</u>	<u>(10,063)</u>	<u>(203,935)</u>	<u>(82,073)</u>
-	-	-	-	-	211,654	127,382
-	(7,000)	(5,101,035)	-	-	(16,217)	(183)
-	2,695	-	-	-	-	-
-	<u>(4,305)</u>	<u>(5,101,035)</u>	-	-	<u>195,437</u>	<u>127,199</u>
177,749	137,732	(1,037,658)	(13,986)	(10,063)	(8,498)	45,126
<u>2,546,530</u>	<u>1,566,145</u>	<u>4,998,957</u>	<u>146,030</u>	<u>272,811</u>	<u>71,955</u>	<u>27,734</u>
<u>\$ 2,724,279</u>	<u>\$ 1,703,877</u>	<u>\$ 3,961,299</u>	<u>\$ 132,044</u>	<u>\$ 262,748</u>	<u>\$ 63,457</u>	<u>\$ 72,860</u>

continued...

INGHAM COUNTY, MICHIGAN

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Law Library	Criminal Justice Training	DHS Child Care	Social Welfare	Family Court Child Care
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	51,148	1,741,757	478,985	6,097,458
Charges for services	-	-	-	-	143,774
Interest	-	-	-	-	-
Other	16,999	2,780	22,842	-	-
Total revenue	16,999	53,928	1,764,599	478,985	6,241,232
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	58,585	-	-	-
Welfare	-	-	3,373,874	535,677	12,863,706
Education	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	10,728	-	-	-	-
Total expenditures	10,728	58,585	3,373,874	535,677	12,863,706
Revenue over (under) expenditures	6,271	(4,657)	(1,609,275)	(56,692)	(6,622,474)
Other financing sources (uses)					
Transfers in	-	-	1,609,275	56,692	6,622,474
Transfers out	-	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	1,609,275	56,692	6,622,474
Net change in fund balances	6,271	(4,657)	-	-	-
Fund balances, beginning of year	24,661	47,363	-	-	-
Fund balances, end of year	\$ 30,932	\$ 42,706	\$ -	\$ -	\$ -

Veterans' Trust	Community Development Block Grant	Health Services Millage	Cooperative Reimbursement Prosecuting Attorney	Veterans Support Millage	Totals
\$ -	\$ -	\$ -	\$ -	\$ 155,202	\$ 10,339,779
92,760	119,279	-	583,693	-	13,137,737
-	-	-	-	-	1,308,669
-	-	6	-	23	79,363
-	6,721	-	-	536	218,169
<u>92,760</u>	<u>126,000</u>	<u>6</u>	<u>583,693</u>	<u>155,761</u>	<u>25,083,717</u>
-	-	-	-	-	5,228,659
-	-	-	-	-	818,169
82,059	-	-	912,126	50	17,904,695
-	-	-	-	-	39,953
-	174,852	-	-	-	323,242
-	-	-	-	-	5,319,506
-	-	-	-	-	1,113,482
<u>82,059</u>	<u>174,852</u>	<u>-</u>	<u>912,126</u>	<u>50</u>	<u>30,747,706</u>
<u>10,701</u>	<u>(48,852)</u>	<u>6</u>	<u>(328,433)</u>	<u>155,711</u>	<u>(5,663,989)</u>
-	35,000	-	328,685	-	10,300,186
(7,800)	-	-	(252)	(168,595)	(5,490,092)
-	-	-	-	-	2,695
<u>(7,800)</u>	<u>35,000</u>	<u>-</u>	<u>328,433</u>	<u>(168,595)</u>	<u>4,812,789</u>
2,901	(13,852)	6	-	(12,884)	(851,200)
<u>6,290</u>	<u>19,156</u>	<u>-</u>	<u>-</u>	<u>18,210</u>	<u>10,708,153</u>
<u>\$ 9,191</u>	<u>\$ 5,304</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 5,326</u>	<u>\$ 9,856,953</u>

concluded.

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Family Counseling Service

For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	30,000	26,385	(3,615)	28,155
Total revenues	30,000	26,385	(3,615)	28,155
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	-	-	-	-
Education	15,000	12,250	(2,750)	8,925
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	15,000	12,250	(2,750)	8,925
Revenues over (under) expenditures	15,000	14,135	865	19,230
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(15,000)	(14,135)	(865)	(15,000)
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	(15,000)	(14,135)	865	(15,000)
Net change in fund balance	-	-	-	4,230
Fund balance, beginning of year	14,230	14,230	-	10,000
Fund balance, end of year	\$ 14,230	\$ 14,230	\$ -	\$ 14,230

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Friend of the Court Service

For the Year Ended September 30, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,590,342	3,341,835	(248,507)	3,376,583
Charges for services	187,500	188,371	871	185,456
Interest	-	-	-	-
Other	-	2,500	2,500	4,888
Total revenues	3,777,842	3,532,706	(245,136)	3,566,927
Expenditures				
Current:				
General government:				
Personnel services	4,494,922	4,354,188	(140,734)	4,310,573
Controllable	363,468	225,344	(138,124)	231,164
Noncontrollable	240,760	240,653	(107)	238,346
Capital outlay	33,500	10,066	(23,434)	784
Total expenditures	5,132,650	4,830,251	(302,399)	4,780,867
Revenues over (under) expenditures	(1,354,808)	(1,297,545)	(57,263)	(1,213,940)
Other financing sources (uses)				
Transfers in	1,320,808	1,300,154	(20,654)	1,127,122
Transfers out	-	(2,608)	2,608	(13,183)
Total other financing sources (uses)	1,320,808	1,297,546	(23,262)	1,113,939
Net change in fund balance	(34,000)	1	34,001	(100,001)
Fund balance, beginning of year	49,999	49,999	-	150,000
Fund balance, end of year	\$ 15,999	\$ 50,000	\$ 34,001	\$ 49,999

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual
 ROD Automation
 For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	446,457	233,936	(212,521)	224,486
Interest	17,000	1,809	(15,191)	11,522
Other	-	-	-	-
Total revenues	463,457	235,745	(227,712)	236,008
Expenditures				
Current:				
General government:				
Personnel services	346,756	316,120	(30,636)	342,267
Controllable	188,850	55,845	(133,005)	279,192
Noncontrollable	47,998	36,509	(11,489)	41,377
Capital outlay	-	-	-	-
Total expenditures	583,604	408,474	(175,130)	662,836
Revenues over (under) expenditures	(120,147)	(172,729)	52,582	(426,828)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,833)
Total other financing sources (uses)	-	-	-	(1,833)
Net change in fund balance	(120,147)	(172,729)	(52,582)	(428,661)
Fund balance, beginning of year	530,580	530,580	-	959,241
Fund balance, end of year	\$ 410,433	\$ 357,851	\$ (52,582)	\$ 530,580

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Hotel/Motel Accommodation Tax

For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ 2,231,000	\$ 2,256,095	\$ 25,095	\$ 2,136,266
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total revenues	<u>2,231,000</u>	<u>2,256,095</u>	<u>25,095</u>	<u>2,136,266</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	2,181,000	2,030,487	(150,513)	1,922,639
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,181,000</u>	<u>2,030,487</u>	<u>(150,513)</u>	<u>1,922,639</u>
Revenues over (under) expenditures	<u>50,000</u>	<u>225,608</u>	<u>(175,608)</u>	<u>213,627</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(220,000)	(172,267)	(47,733)	(43,880)
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(220,000)</u>	<u>(172,267)</u>	<u>47,733</u>	<u>(43,880)</u>
Net change in fund balance	<u>(170,000)</u>	<u>53,341</u>	<u>223,341</u>	<u>169,747</u>
Fund balance, beginning of year	<u>367,502</u>	<u>367,502</u>	<u>-</u>	<u>197,755</u>
Fund balance, end of year	<u>\$ 197,502</u>	<u>\$ 420,843</u>	<u>\$ 223,341</u>	<u>\$ 367,502</u>

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual
 Work Study Program
 For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	54,413	18,833	(35,580)	20,207
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total revenues	54,413	18,833	(35,580)	20,207
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	-	-	-	-
Education	75,879	27,703	(48,176)	30,524
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	75,879	27,703	(48,176)	30,524
Revenues over (under) expenditures	(21,466)	(8,870)	(12,596)	(10,317)
Other financing sources (uses)				
Transfers in	21,466	8,870	(12,596)	10,317
Transfers out	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	21,466	8,870	(12,596)	10,317
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Farmland Preservation

For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ 958,344	\$ 964,797	\$ 6,453	\$ 1,010,597
Intergovernmental	500,000	285,870	(214,130)	174,729
Charges for services	-	-	-	-
Interest	15,000	16,558	1,558	38,572
Other	-	3,257	3,257	1,327
Total revenues	1,473,344	1,270,482	(202,862)	1,225,225
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	269,256	148,390	(120,866)	425,100
Culture and recreation	-	-	-	-
Capital outlay	1,115,858	944,343	(171,515)	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,385,114	1,092,733	(292,381)	425,100
Revenues over (under) expenditures	88,230	177,749	(89,519)	800,125
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(13,730)	-	(13,730)	-
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	(13,730)	-	13,730	-
Net change in fund balance	74,500	177,749	103,249	800,125
Fund balance, beginning of year	2,546,530	2,546,530	-	1,746,405
Fund balance, end of year	\$ 2,621,030	\$ 2,724,279	\$ 103,249	\$ 2,546,530

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Zoo

For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ 2,844,115	\$ 2,827,036	\$ (17,079)	\$ 2,949,398
Intergovernmental	-	-	-	-
Charges for services	651,800	695,651	43,851	626,733
Interest	30,000	14,382	(15,618)	39,732
Other	55,670	42,332	(13,338)	229,083
Total revenues	3,581,585	3,579,401	(2,184)	3,844,946
Expenditures				
Current:				
Culture and recreation:				
Personnel services	2,006,788	1,999,712	(7,076)	1,962,106
Controllable	1,001,770	992,110	(9,660)	893,977
Noncontrollable	297,212	297,197	(15)	343,879
Capital outlay	389,516	148,345	(241,171)	1,159,464
Total expenditures	3,695,286	3,437,364	(257,922)	4,359,426
Revenues over (under) expenditures	(113,701)	142,037	(255,738)	(514,480)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(7,000)	(7,000)	-	(13,320)
Proceeds from sales of capital assets	1,000	2,695	1,695	-
Total other financing sources (uses)	(6,000)	(4,305)	1,695	(13,320)
Net change in fund balance	(119,701)	137,732	257,433	(527,800)
Fund balance, beginning of year	1,566,145	1,566,145	-	2,093,945
Fund balance, end of year	\$ 1,446,444	\$ 1,703,877	\$ 257,433	\$ 1,566,145

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Juvenile Justice Millage

For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ 4,102,947	\$ 4,136,649	\$ 33,702	\$ 4,318,372
Intergovernmental	11,000	19,379	8,379	11,087
Charges for services	-	-	-	-
Interest	95,000	44,552	(50,448)	167,182
Other	-	-	-	-
Total revenues	4,208,947	4,200,580	(8,367)	4,496,641
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	210,935	137,203	(73,732)	137,382
Education	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	210,935	137,203	(73,732)	137,382
Revenues over (under) expenditures	3,998,012	4,063,377	(65,365)	4,359,259
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(5,322,092)	(5,101,035)	(221,057)	(4,498,371)
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	(5,322,092)	(5,101,035)	221,057	(4,498,371)
Net change in fund balance	(1,324,080)	(1,037,658)	286,422	(139,112)
Fund balance, beginning of year	4,998,957	4,998,957	-	5,138,069
Fund balance, end of year	\$ 3,674,877	\$ 3,961,299	\$ 286,422	\$ 4,998,957

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Drug Law Enforcement

For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	7,300	951	(6,349)	38,538
Total revenues	7,300	951	(6,349)	38,538
Expenditures				
Current:				
General government	-	-	-	-
Public safety	24,000	14,937	(9,063)	4,710
Public works	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	24,000	14,937	(9,063)	4,710
Revenues over (under) expenditures	(16,700)	(13,986)	(2,714)	33,828
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(16,700)	(13,986)	2,714	33,828
Fund balance, beginning of year	146,030	146,030	-	112,202
Fund balance, end of year	\$ 129,330	\$ 132,044	\$ 2,714	\$ 146,030

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Local Correction Training

For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	51,000	46,937	(4,063)	47,335
Interest	4,000	1,328	(2,672)	4,525
Other	-	-	-	-
Total revenues	55,000	48,265	(6,735)	51,860
Expenditures				
Current:				
General government	-	-	-	-
Public safety	59,600	58,328	(1,272)	113,755
Public works	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	59,600	58,328	(1,272)	113,755
Revenues over (under) expenditures	(4,600)	(10,063)	5,463	(61,895)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(4,600)	(10,063)	(5,463)	(61,895)
Fund balance, beginning of year	272,811	272,811	-	334,706
Fund balance, end of year	\$ 268,211	\$ 262,748	\$ (5,463)	\$ 272,811

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Anti-Drug Abuse Grant

For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	62,953	59,367	(3,586)	68,786
Charges for services	-	-	-	-
Interest	-	434	434	1,186
Other	115,063	92,866	(22,197)	144,795
Total revenues	178,016	152,667	(25,349)	214,767
Expenditures				
Current:				
Public safety:				
Personnel services	139,507	139,507	-	135,811
Controllable	229,090	215,824	(13,266)	266,925
Noncontrollable	1,271	1,271	-	1,765
Capital outlay	-	-	-	-
Total expenditures	369,868	356,602	(13,266)	404,501
Revenues over (under) expenditures	(191,852)	(203,935)	12,083	(189,734)
Other financing sources (uses)				
Transfers in	208,069	211,654	3,585	190,035
Transfers out	(16,217)	(16,217)	-	-
Total other financing sources (uses)	191,852	195,437	3,585	190,035
Net change in fund balance	-	(8,498)	(8,498)	301
Fund balance, beginning of year	71,955	71,955	-	71,654
Fund balance, end of year	\$ 71,955	\$ 63,457	\$ (8,498)	\$ 71,955

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Community Corrections

For the Year Ended September 30, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	317,084	247,373	(69,711)	237,978
Charges for services	-	-	-	4,970
Interest	-	271	271	432
Other	-	-	-	-
Total revenues	317,084	247,644	(69,440)	243,380
Expenditures				
Current:				
Public safety:				
Personnel services	102,266	102,196	(70)	106,010
Controllable	327,097	216,881	(110,216)	198,285
Noncontrollable	10,730	10,640	(90)	9,501
Capital outlay	-	-	-	-
Total expenditures	440,093	329,717	(110,376)	313,796
Revenues over (under) expenditures	(123,009)	(82,073)	(40,936)	(70,416)
Other financing sources (uses)				
Transfers in	123,192	127,382	4,190	70,379
Transfers out	(183)	(183)	-	(8,544)
Total other financing sources (uses)	123,009	127,199	4,190	61,835
Net change in fund balance	-	45,126	45,126	(8,581)
Fund balance, beginning of year	27,734	27,734	-	36,315
Fund balance, end of year	\$ 27,734	\$ 72,860	\$ 45,126	\$ 27,734

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Law Library

For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	17,000	16,999	(1)	17,000
Total revenues	17,000	16,999	(1)	17,000
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	17,000	10,728	(6,272)	11,834
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	17,000	10,728	(6,272)	11,834
Revenues over (under) expenditures	-	6,271	(6,271)	5,166
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	6,271	6,271	5,166
Fund balance, beginning of year	24,661	24,661	-	19,495
Fund balance, end of year	\$ 24,661	\$ 30,932	\$ 6,271	\$ 24,661

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual
 Criminal Justice Training Grant
 For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	61,724	51,148	(10,576)	56,276
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	2,780	2,780	-
Total revenues	61,724	53,928	(7,796)	56,276
Expenditures				
Current:				
General government	-	-	-	-
Public safety	61,724	58,585	(3,139)	52,975
Public works	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	61,724	58,585	(3,139)	52,975
Revenues over (under) expenditures	-	(4,657)	4,657	3,301
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(4,657)	(4,657)	3,301
Fund balance, beginning of year	47,363	47,363	-	44,062
Fund balance, end of year	\$ 47,363	\$ 42,706	\$ (4,657)	\$ 47,363

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Department of Human Services Child Care

For the Year Ended September 30, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,908,331	1,741,757	(166,574)	1,625,587
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	35,000	22,842	(12,158)	63,847
Total revenues	1,943,331	1,764,599	(178,732)	1,689,434
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	3,570,499	3,373,874	(196,625)	3,182,790
Education	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	3,570,499	3,373,874	(196,625)	3,182,790
Revenues over (under) expenditures	(1,627,168)	(1,609,275)	(17,893)	(1,493,356)
Other financing sources (uses)				
Transfers in	1,627,168	1,609,275	(17,893)	1,493,356
Transfers out	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	1,627,168	1,609,275	(17,893)	1,493,356
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Social Welfare

For the Year Ended September 30, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	478,985	478,985	-	378,148
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total revenues	478,985	478,985	-	378,148
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	535,677	535,677	-	436,625
Education	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	535,677	535,677	-	436,625
Revenues over (under) expenditures	(56,692)	(56,692)	-	(58,477)
Other financing sources (uses)				
Transfers in	56,692	56,692	-	58,477
Transfers out	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	56,692	56,692	-	58,477
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Family Court Child Care

For the Year Ended September 30, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,845,395	6,097,458	(747,937)	5,924,991
Charges for services	43,750	143,774	100,024	100,968
Interest	-	-	-	-
Other	-	-	-	-
Total revenues	6,889,145	6,241,232	(647,913)	6,025,959
Expenditures				
Current:				
Welfare:				
Personnel services	5,364,849	5,362,623	(2,226)	5,173,216
Controllable	8,205,037	7,222,280	(982,757)	6,886,030
Noncontrollable	279,401	278,803	(598)	196,177
Capital outlay	-	-	-	-
Total expenditures	13,849,287	12,863,706	(985,581)	12,255,423
Revenues over (under) expenditures	(6,960,142)	(6,622,474)	(337,668)	(6,229,464)
Other financing sources (uses)				
Transfers in	6,960,142	6,622,474	(337,668)	6,229,464
Transfers out	-	-	-	-
Total other financing sources (uses)	6,960,142	6,622,474	(337,668)	6,229,464
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Veterans' Trust

For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	90,800	92,760	1,960	87,361
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total revenues	90,800	92,760	1,960	87,361
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	83,000	82,059	(941)	73,504
Education	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	83,000	82,059	(941)	73,504
Revenues over (under) expenditures	7,800	10,701	(2,901)	13,857
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(7,800)	(7,800)	-	(7,800)
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	(7,800)	(7,800)	-	(7,800)
Net change in fund balance	-	2,901	2,901	6,057
Fund balance, beginning of year	6,290	6,290	-	233
Fund balance, end of year	\$ 6,290	\$ 9,191	\$ 2,901	\$ 6,290

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Community Development Block Grant

For the Year Ended September 30, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	40,252	119,279	79,027	695,922
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	104,000	6,721	(97,279)	107,126
Total revenues	144,252	126,000	(18,252)	803,048
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	179,252	174,852	(4,400)	831,224
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	179,252	174,852	(4,400)	831,224
Revenues over (under) expenditures	(35,000)	(48,852)	13,852	(28,176)
Other financing sources (uses)				
Transfers in	35,000	35,000	-	40,000
Transfers out	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	35,000	35,000	-	40,000
Net change in fund balance	-	(13,852)	(13,852)	11,824
Fund balance, beginning of year	-	19,156	19,156	7,332
Fund balance, end of year	\$ -	\$ 5,304	\$ 5,304	\$ 19,156

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual
 Health Services Millage
 For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	6	6	-
Other	-	-	-	-
Total revenues	-	6	6	-
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	6	(6)	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	6	6	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 6	\$ 6	\$ -

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Cooperative Reimbursement Prosecuting Attorney

For the Year Ended September 30, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	719,290	583,693	(135,597)	647,882
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total revenues	719,290	583,693	(135,597)	647,882
Expenditures				
Current:				
Welfare:				
Personnel services	852,735	830,161	(22,574)	867,284
Controllable	85,820	35,830	(49,990)	38,092
Noncontrollable	46,279	46,135	(144)	47,846
Capital outlay	-	-	-	-
Total expenditures	984,834	912,126	(72,708)	953,222
Revenues over (under) expenditures	(265,544)	(328,433)	62,889	(305,340)
Other financing sources (uses)				
Transfers in	265,796	328,685	62,889	306,837
Transfers out	(252)	(252)	-	(1,497)
Total other financing sources (uses)	265,544	328,433	62,889	305,340
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

INGHAM COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

Veterans Support Millage

For the Year Ended December 31, 2012

	Final Budget	Actual	Actual Over (Under) Final Budget	2011 Actual
Revenues				
Taxes	\$ 148,160	\$ 155,202	\$ 7,042	\$ 162,359
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	1,000	23	(977)	420
Other	-	536	536	286
Total revenues	149,160	155,761	6,601	163,065
Expenditures				
Current:				
General government				
Public safety	-	-	-	-
Public works	-	-	-	-
Welfare	1,000	50	(950)	21
Education	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	56
Total expenditures	1,000	50	(950)	77
Revenues over (under) expenditures	148,160	155,711	(7,551)	162,988
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(165,000)	(168,595)	3,595	(197,526)
Total other financing sources (uses)	(165,000)	(168,595)	(3,595)	(197,526)
Net change in fund balance	(16,840)	(12,884)	3,956	(34,538)
Fund balance, beginning of year	18,210	18,210	-	52,748
Fund balance, end of year	\$ 1,370	\$ 5,326	\$ 3,956	\$ 18,210

INGHAM COUNTY, MICHIGAN

Combining Balance Sheet Nonmajor Debt Service Funds December 31, 2012

	Building Authority			
	Jail Renovation 2003	Refunding Bonds 2005	Grady Porter Refunding 2010	911 Building
Assets				
Pooled cash and investments	\$ 2,553	\$ 74,811	\$ 211	\$ 35,721
Accrued interest receivable	4	-	24	16
Lease receivable	-	-	-	-
Total assets	<u>\$ 2,557</u>	<u>\$ 74,811</u>	<u>\$ 235</u>	<u>\$ 35,737</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	34,739
Deferred revenue	-	61,180	-	-
Total liabilities	<u>-</u>	<u>61,180</u>	<u>-</u>	<u>34,739</u>
Fund balances				
Restricted for debt service	-	-	-	-
Committed for debt service	2,557	13,631	235	998
Total fund balances	<u>2,557</u>	<u>13,631</u>	<u>235</u>	<u>998</u>
Total liabilities and fund balances	<u>\$ 2,557</u>	<u>\$ 74,811</u>	<u>\$ 235</u>	<u>\$ 35,737</u>



Alaiedon Water/Sewer	Tobias-Linn Water/Sewer	Water/Sewer No. 1	Water Supply No. 2	Refunding Sewer No. 3 & 4	Totals
\$ 6,577	\$ 841	\$ -	\$ 3,456	\$ 400	\$ 124,570
5	-	-	4	-	53
988,995	1,084,431	-	126,285	-	2,199,711
<u>\$ 995,577</u>	<u>\$ 1,085,272</u>	<u>\$ -</u>	<u>\$ 129,745</u>	<u>\$ 400</u>	<u>\$ 2,324,334</u>
\$ -	\$ -	\$ -	\$ -	\$ 400	\$ 400
-	-	-	-	-	34,739
988,995	1,084,431	-	126,285	-	2,260,891
988,995	1,084,431	-	126,285	400	2,296,030
6,582	841	-	3,460	-	10,883
-	-	-	-	-	17,421
6,582	841	-	3,460	-	28,304
<u>\$ 995,577</u>	<u>\$ 1,085,272</u>	<u>\$ -</u>	<u>\$ 129,745</u>	<u>\$ 400</u>	<u>\$ 2,324,334</u>

INGHAM COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Debt Service Funds For the Year Ended December 31, 2012

	Building Authority			
	Jail Renovation 2003	Refunding Bonds 2005	Grady Porter Refunding 2010	911 Building
Revenues				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 69,479
Interest	64	14	46	54
Other	-	497,924	-	-
Total revenues	64	497,938	46	69,533
Expenditures				
Debt service:				
Principal retirement	115,000	860,000	650,000	125,000
Interest and fiscal charges	58,975	282,340	207,018	154,648
Total expenditures	173,975	1,142,340	857,018	279,648
Revenues over (under) expenditures	(173,911)	(644,402)	(856,972)	(210,115)
Other financing sources (uses)				
Transfers in	173,733	644,359	857,018	210,169
Net change in fund balances	(178)	(43)	46	54
Fund balance, beginning of year	2,735	13,674	189	944
Fund balance, end of year	\$ 2,557	\$ 13,631	\$ 235	\$ 998

Alaiedon Water/Sewer	Tobias-Linn Water/Sewer	Water/Sewer No. 1	Water Supply No. 2	Refunding Sewer No. 3 & 4	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,479
40	-	104	-	43	365
154,048	112,550	55,262	38,455	777,918	1,636,157
154,088	112,550	55,366	38,455	777,961	1,706,001
105,000	60,000	55,000	30,000	765,000	2,765,000
49,048	52,572	1,663	8,478	39,606	854,348
154,048	112,572	56,663	38,478	804,606	3,619,348
40	(22)	(1,297)	(23)	(26,645)	(1,913,347)
-	-	-	-	-	1,885,279
40	(22)	(1,297)	(23)	(26,645)	(28,068)
6,542	863	1,297	3,483	26,645	56,372
\$ 6,582	\$ 841	\$ -	\$ 3,460	\$ -	\$ 28,304

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INGHAM COUNTY, MICHIGAN

Nonmajor Funds

ENTERPRISE FUNDS

Parks - The Parks enterprise fund is used to account for parks activities which are self-supporting such as ski, boat and picnic shelter rentals and concessions.

Homestead Property Tax Administration - This fund is used to account for the County's portion of interest and penalty collected due to the denial of the State's principal residence exemption. This revenue is used solely for the administration of the principal residence exemption.

Restricted Tax Sale Proceeds - This fund is used to account for the administration of the delinquent tax properties through forfeiture, foreclosure and sale process.

Fair Board - This fund is used to account for the Ingham County Fair and the operation and maintenance of the fair grounds. Funding is provided by user charges. In addition, hotel/motel tax revenue is available to be used exclusively for repair, maintenance and construction at the fair grounds.

Inmate Stores - This fund is used to account for the operations of the store for the Ingham County Jail inmates. Funding is provided through the sale of merchandise.

INGHAM COUNTY, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2012

	Parks	Homestead Property Tax Administration	Restricted Tax Sale Proceeds
Assets			
Current assets:			
Pooled cash and investments	\$ 70,563	\$ 97,934	\$ 513,446
Accounts receivable, net	105	-	-
Accrued interest receivable	-	134	720
Due from other funds	-	-	-
Due from other governmental units	1,626	-	146,263
Prepaid items	-	-	-
Total current assets	72,294	98,068	660,429
Noncurrent assets:			
Capital assets not depreciated	-	-	-
Capital assets being depreciated, net	29,565	-	-
Total noncurrent assets	29,565	-	-
Total assets	101,859	98,068	660,429
Liabilities			
Current liabilities:			
Accounts payable	2,664	-	24
Salaries and related withholdings	4,659	-	-
Due to other funds	-	-	-
Due to component unit	-	-	-
Accrued interest payable	-	-	-
Compensated absences	-	-	-
Unearned revenue	14,505	-	-
Customer deposits payable	1,312	-	-
Total liabilities	23,140	-	24
Net position			
Invested in capital assets	29,565	-	-
Restricted for scholarships	-	-	-
Unrestricted	49,154	98,068	660,405
Total net position	\$ 78,719	\$ 98,068	\$ 660,405



Fair Board	Inmate Stores	Totals
\$ 63,811	\$ 748,845	\$ 1,494,599
24,782	28,240	53,127
26	-	880
6,957	16,834	23,791
-	-	147,889
695	-	695
<u>96,271</u>	<u>793,919</u>	<u>1,720,981</u>
5,080	-	5,080
<u>1,175,192</u>	<u>13,850</u>	<u>1,218,607</u>
<u>1,180,272</u>	<u>13,850</u>	<u>1,223,687</u>
<u>1,276,543</u>	<u>807,769</u>	<u>2,944,668</u>
1,260	19,634	23,582
9,069	2,642	16,370
1,155	47,078	48,233
6,218	-	6,218
57	-	57
12,357	3,968	16,325
5,000	-	19,505
27,846	-	29,158
<u>62,962</u>	<u>73,322</u>	<u>159,448</u>
1,180,272	13,850	1,223,687
16,188	-	16,188
<u>17,121</u>	<u>720,597</u>	<u>1,545,345</u>
<u>\$ 1,213,581</u>	<u>\$ 734,447</u>	<u>\$ 2,785,220</u>

INGHAM COUNTY, MICHIGAN

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Nonmajor Enterprise Funds For the Year Ended December 31, 2012

	Parks	Homestead Property Tax Administration	Restricted Tax Sale Proceeds
Operating revenues			
Charges for services	\$ 307,552	\$ -	\$ 1,025,421
Intergovernmental	2,531	-	-
Sales	-	-	-
Interest on taxes	-	20,700	2,502
Other	11,160	-	-
Total operating revenues	<u>321,243</u>	<u>20,700</u>	<u>1,027,923</u>
Operating expenses			
Administrative	321,472	-	838,672
Depreciation	7,287	-	-
Total operating expenses	<u>328,759</u>	<u>-</u>	<u>838,672</u>
Operating income (loss)	<u>(7,516)</u>	<u>20,700</u>	<u>189,251</u>
Nonoperating revenues (expenses)			
Investment income	17	458	-
Interest and fiscal charges	-	-	-
Gain on sale of capital assets	1,068	-	-
Total nonoperating revenues (expense)	<u>1,085</u>	<u>458</u>	<u>-</u>
Income (loss) before transfers	(6,431)	21,158	189,251
Transfers in	-	-	60,000
Transfers out	-	-	(89,058)
Change in net position	(6,431)	21,158	160,193
Net position, beginning of year, as restated	<u>85,150</u>	<u>76,910</u>	<u>500,212</u>
Net position, end of year	<u>\$ 78,719</u>	<u>\$ 98,068</u>	<u>\$ 660,405</u>



Fair Board	Inmate Stores	Totals
\$ 692,029	\$ -	\$ 2,025,002
-	-	2,531
-	432,269	432,269
-	-	23,202
35,043	-	46,203
<u>727,072</u>	<u>432,269</u>	<u>2,529,207</u>
776,527	331,775	2,268,446
86,252	2,260	95,799
<u>862,779</u>	<u>334,035</u>	<u>2,364,245</u>
<u>(135,707)</u>	<u>98,234</u>	<u>164,962</u>
133	-	608
(331)	-	(331)
-	-	1,068
<u>(198)</u>	<u>-</u>	<u>1,345</u>
(135,905)	98,234	166,307
172,267	421,405	653,672
-	(50,000)	(139,058)
<u>36,362</u>	<u>469,639</u>	<u>680,921</u>
<u>1,177,219</u>	<u>264,808</u>	<u>2,104,299</u>
<u>\$ 1,213,581</u>	<u>\$ 734,447</u>	<u>\$ 2,785,220</u>

INGHAM COUNTY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2012

	Parks	Homestead Property Tax Administration	Restricted Tax Sale Proceeds
Cash flows from operating activities			
Receipts from customers and users	\$ 333,105	\$ 20,700	\$ 1,027,923
Payments to suppliers	(147,148)	-	(873,817)
Payments to employees	(216,361)	-	-
Net cash provided (used) by operating activities	<u>(30,404)</u>	<u>20,700</u>	<u>154,106</u>
Cash flow from noncapital financing activities			
Transfers in	-	-	60,000
Transfers out	-	-	(89,058)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(29,058)</u>
Cash flow from capital and related financing activities			
Proceeds from sale of capital assets	1,068	-	-
Acquisition and construction of capital assets	(21,997)	-	-
Net cash used by capital and related financing activities	<u>(20,929)</u>	<u>-</u>	<u>-</u>
Cash flow from investing activities			
Interest and dividends	17	494	(7)
Net change in pooled cash and investments	<u>(51,316)</u>	<u>21,194</u>	<u>125,041</u>
Pooled cash and investments, beginning of year	<u>121,879</u>	<u>76,740</u>	<u>388,405</u>
Pooled cash and investments, end of year	<u>\$ 70,563</u>	<u>\$ 97,934</u>	<u>\$ 513,446</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (7,516)	\$ 20,700	\$ 189,251
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	7,287	-	-
Changes in assets and liabilities:			
Accounts receivable	(105)	-	146,263
Due from other funds	-	-	-
Due from other governmental units	11,682	-	(146,263)
Prepaid items	-	-	-
Accounts payable	997	-	(35,145)
Salaries and related withholdings	(910)	-	-
Due to other funds	(42,124)	-	-
Due to component units	-	-	-
Accrued interest payable	-	-	-
Compensated absences	-	-	-
Unearned revenue	285	-	-
Customer deposits payable	-	-	-
Net cash provided (used) by operating activities	<u>\$ (30,404)</u>	<u>\$ 20,700</u>	<u>\$ 154,106</u>

Noncash investing, capital, and financing activities - None

Fair Board	Inmate Stores	Totals
\$ 708,301	\$ 429,257	\$ 2,519,286
(544,179)	(256,721)	(1,821,865)
(246,295)	(54,185)	(516,841)
(82,173)	118,351	180,580
172,267	421,405	653,672
-	(50,000)	(139,058)
172,267	371,405	514,614
-	-	1,068
(73,573)	-	(95,570)
(73,573)	-	(94,502)
(183)	-	321
16,338	489,756	601,013
47,473	259,089	893,586
\$ 63,811	\$ 748,845	\$ 1,494,599
\$ (135,707)	\$ 98,234	\$ 164,962
86,252	2,260	95,799
(18,771)	(3,012)	124,375
(1,594)	(16,834)	(18,428)
-	-	(134,581)
(305)	-	(305)
(6)	(9,769)	(43,923)
3,225	178	2,493
(11,732)	47,078	(6,778)
6,218	-	6,218
(51)	-	(51)
(622)	216	(406)
-	-	285
(9,080)	-	(9,080)
\$ (82,173)	\$ 118,351	\$ 180,580

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INGHAM COUNTY, MICHIGAN

Nonmajor Funds

INTERNAL SERVICE FUNDS

Building Authority Operations - This fund is used to record the rent collections and operating cost of the County's Building Authority facilities.

Data Processing - This fund is used to account for the operations of the County's Management Information Services department. Funding is provided through departmental user charges and contractual agreements.

Inter-Governmental Service - This fund is used to account for the operations of the County's print shop, central stores, courier services and inmate telephones. Funding is provided through user service, fees and sales.

Office Equipment Pool - This fund is used to account for the purchase of office equipment in most governmental fund types. Funding is provided by user charges.

Insurance - This fund is used to account for the liability insurance coverage to the County. Funding for the operation of this fund is supplied by charges to the various funds involved in the self-insurance fund.

Utilities Revolving - This fund is used to account for the budgeting and payment of the utilities services throughout the County. Funding for the operation of this fund is provided by charges to the various funds involved.

Workers' Compensation - This fund is used to record worker's compensation expenses and premium coverage for the excess insurance coverage. Funding for this fund is provided by departmental user contributions.

Employee Benefits - This fund is used to account for health, dental, life, pension and unemployment benefits for the County's employees and retirees. Funding for this fund is provided by revenue collected from user departments.

INGHAM COUNTY, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2012

	Building Authority Operations	Data Processing	Inter- Governmental Service	Office Equipment Pool
Assets				
Current assets:				
Pooled cash and investments	\$ 105,821	\$ 1,366,416	\$ 169,287	\$ 1,155,965
Cash on deposit with agents	-	-	-	-
Accounts receivable	16,185	29,265	86,144	7,047
Accrued interest receivable	-	-	-	-
Due from other funds	167,027	315,245	59,384	56,873
Due from other governments	152,824	-	-	71,472
Inventories	-	114	11,261	925
Prepaid items	-	243,613	-	-
Total current assets	441,857	1,954,653	326,076	1,292,282
Noncurrent assets:				
Pooled cash and investments - restricted	348,409	-	-	-
Long-term accounts receivable	231,288	-	-	-
Capital assets being depreciated, net	140,820	298,972	62,081	1,015,748
Total noncurrent assets	720,517	298,972	62,081	1,015,748
Total assets	1,162,374	2,253,625	388,157	2,308,030
Liabilities				
Current liabilities:				
Accounts payable	100,664	32,867	3,320	101,878
Salaries and related withholdings	24,997	59,765	5,521	-
Due to other funds	291	1,529	64,355	6,456
Due to other governmental units	-	-	-	-
Compensated absences	41,943	93,242	10,452	-
Unearned revenue	4,550	-	-	-
Claims payable, current	-	-	-	-
Total current liabilities	172,445	187,403	83,648	108,334
Noncurrent liabilities:				
Claims payable, net	-	-	-	-
Advances from other funds	231,288	-	-	-
Total noncurrent liabilities	231,288	-	-	-
Total liabilities	403,733	187,403	83,648	108,334
Net position				
Invested in capital assets	140,820	298,972	62,081	1,015,748
Restricted for retiree premium share	-	-	-	-
Unrestricted	617,821	1,767,250	242,428	1,183,948
Total net position	\$ 758,641	\$ 2,066,222	\$ 304,509	\$ 2,199,696

Insurance	Utilities Revolving	Workers' Compensation	Employee Benefits	Totals
\$ 843,323	\$ 46,281	\$ 1,784,743	\$ 2,787,232	\$ 8,259,068
898,573	-	75,000	94,160	1,067,733
5,233	-	13,624	5,188	162,686
1,072	-	2,704	-	3,776
-	-	-	63,237	661,766
-	-	-	-	224,296
-	-	-	-	12,300
45,853	-	-	13,039	302,505
<u>1,794,054</u>	<u>46,281</u>	<u>1,876,071</u>	<u>2,962,856</u>	<u>10,694,130</u>
-	-	-	-	348,409
-	-	-	-	231,288
-	-	-	-	1,517,621
-	-	-	-	<u>2,097,318</u>
<u>1,794,054</u>	<u>46,281</u>	<u>1,876,071</u>	<u>2,962,856</u>	<u>12,791,448</u>
-	32,050	39,549	1,067,197	1,377,525
-	-	-	6,456	96,739
10,097	-	50,484	579	133,791
-	-	-	9,834	9,834
-	-	-	14,258	159,895
-	-	-	-	4,550
247,556	-	343,335	-	590,891
<u>257,653</u>	<u>32,050</u>	<u>433,368</u>	<u>1,098,324</u>	<u>2,373,225</u>
247,557	-	343,336	-	590,893
-	-	-	-	231,288
<u>247,557</u>	<u>-</u>	<u>343,336</u>	<u>-</u>	<u>822,181</u>
<u>505,210</u>	<u>32,050</u>	<u>776,704</u>	<u>1,098,324</u>	<u>3,195,406</u>
-	-	-	-	1,517,621
-	-	-	152,563	152,563
<u>1,288,844</u>	<u>14,231</u>	<u>1,099,367</u>	<u>1,711,969</u>	<u>7,925,858</u>
<u>\$ 1,288,844</u>	<u>\$ 14,231</u>	<u>\$ 1,099,367</u>	<u>\$ 1,864,532</u>	<u>\$ 9,596,042</u>

INGHAM COUNTY, MICHIGAN

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Funds For the Year Ended December 31, 2012

	Building Authority Operations	Data Processing	Inter- Governmental Service	Office Equipment Pool
Operating revenues				
Charges for services	\$ -	\$ 2,752,304	\$ 313,900	\$ 253,790
Intergovernmental	-	-	-	8,628
Other	3,206,094	19,744	215,445	20,525
Total operating revenues	3,206,094	2,772,048	529,345	282,943
Operating expenses				
Administrative	3,070,791	3,004,388	299,822	427,923
Fees, insurance, current and contingent claims	-	-	-	-
Retirement contributions	-	-	-	-
Depreciation	14,281	60,704	26,954	362,497
Other operating expenses	-	-	-	-
Total operating expenses	3,085,072	3,065,092	326,776	790,420
Operating income (loss)	121,022	(293,044)	202,569	(507,477)
Nonoperating revenues				
Interest revenue	991	-	-	-
Gain on sale of capital assets	-	-	-	9,787
Total nonoperating revenues	991	-	-	9,787
Income (loss) before transfers	122,013	(293,044)	202,569	(497,690)
Transfers in	265,056	1,204,331	-	139,232
Transfers out	(335,412)	-	(616,742)	-
Change in net position	51,657	911,287	(414,173)	(358,458)
Net position, beginning of year	706,984	1,154,935	718,682	2,558,154
Net position, end of year	\$ 758,641	\$ 2,066,222	\$ 304,509	\$ 2,199,696

Insurance	Utilities Revolving	Workers' Compensation	Employee Benefits	Totals
\$ 800,665	\$ 504,977	\$ 414,941	\$ 22,655,629	\$ 27,696,206
-	-	-	-	8,628
1,130,926	-	-	112,845	4,705,579
1,931,591	504,977	414,941	22,768,474	32,410,413
-	-	62,472	345,695	7,211,091
1,273,947	-	2,952	14,889,022	16,165,921
-	-	-	7,514,037	7,514,037
-	-	-	-	464,436
19,847	515,203	-	11,921	546,971
1,293,794	515,203	65,424	22,760,675	31,902,456
637,797	(10,226)	349,517	7,799	507,957
31,720	-	8,728	-	41,439
-	-	-	-	9,787
31,720	-	8,728	-	51,226
669,517	(10,226)	358,245	7,799	559,183
-	-	-	47,579	1,656,198
-	-	-	-	(952,154)
669,517	(10,226)	358,245	55,378	1,263,227
619,327	24,457	741,122	1,809,154	8,332,815
<u>\$ 1,288,844</u>	<u>\$ 14,231</u>	<u>\$ 1,099,367</u>	<u>\$ 1,864,532</u>	<u>\$ 9,596,042</u>

INGHAM COUNTY, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2012

	Building Authority Operations	Data Processing	Inter- Governmental Service	Office Equipment Pool
Cash flows from operating activities				
Receipts from customers and users	\$ 3,225,877	\$ -	\$ 300,628	\$ 38,510
Receipts from interfund services	159,129	2,452,657	282,632	128,521
Payments to suppliers and claimants	(2,559,783)	(1,571,359)	(152,649)	(349,852)
Payments to employees	(685,016)	(1,669,998)	(132,777)	-
Other receipts	-	19,744	-	20,525
Net cash provided (used) by operating activities	<u>140,207</u>	<u>(768,956)</u>	<u>297,834</u>	<u>(162,296)</u>
Cash flow from noncapital financing activities				
Intrafund loan repayments received	21,678	-	-	-
Intrafund loan made or repaid	(21,678)	-	-	-
Transfers in	265,056	1,204,331	-	139,232
Transfers out	(335,412)	-	(616,742)	-
Net cash provided (used) by noncapital financing activities	<u>(70,356)</u>	<u>1,204,331</u>	<u>(616,742)</u>	<u>139,232</u>
Cash flow from capital and related financing activities				
Acquisition and construction of capital assets	-	(78,312)	-	(254,869)
Proceeds from sale of capital assets	-	-	-	125,649
Net cash used by capital and related financing activities	<u>-</u>	<u>(78,312)</u>	<u>-</u>	<u>(129,220)</u>
Cash flow from investing activities				
Interest and dividends received	991	-	-	-
Net change in pooled cash and investments	70,842	357,063	(318,908)	(152,284)
Pooled cash and investments, beginning of year	383,388	1,009,353	488,195	1,308,249
Pooled cash and investments, end of year	<u>\$ 454,230</u>	<u>\$ 1,366,416</u>	<u>\$ 169,287</u>	<u>\$ 1,155,965</u>
Reconciliation to statement of net position				
Pooled cash and investments	\$ 105,821	\$ 1,366,416	\$ 169,287	\$ 1,155,965
Cash on deposit with agents	-	-	-	-
Pooled cash and investments - restricted	348,409	-	-	-
Pooled cash and investments, end of year	<u>\$ 454,230</u>	<u>\$ 1,366,416</u>	<u>\$ 169,287</u>	<u>\$ 1,155,965</u>

Insurance	Utilities Revolving	Workers' Compensation	Employee Benefit Fund	Totals
\$ 1,130,926	\$ -	\$ -	\$ 112,845	\$ 4,808,786
802,032	534,732	415,033	22,873,921	27,648,657
(1,298,836)	(490,518)	(389,805)	(22,419,216)	(29,232,018)
-	-	-	(225,675)	(2,713,466)
-	-	-	-	40,269
<u>634,122</u>	<u>44,214</u>	<u>25,228</u>	<u>341,875</u>	<u>552,228</u>
-	-	-	-	21,678
-	-	-	-	(21,678)
-	-	-	47,579	1,656,198
-	-	-	-	(952,154)
-	-	-	<u>47,579</u>	<u>704,044</u>
-	-	-	-	(333,181)
-	-	-	-	125,649
-	-	-	-	(207,532)
<u>31,422</u>	<u>-</u>	<u>9,997</u>	<u>-</u>	<u>42,410</u>
665,544	44,214	35,225	389,454	1,091,150
<u>1,076,352</u>	<u>2,067</u>	<u>1,824,518</u>	<u>2,491,938</u>	<u>8,584,060</u>
<u>\$ 1,741,896</u>	<u>\$ 46,281</u>	<u>\$ 1,859,743</u>	<u>\$ 2,881,392</u>	<u>\$ 9,675,210</u>
\$ 843,323	\$ 46,281	\$ 1,784,743	\$ 2,787,232	\$ 8,259,068
898,573	-	75,000	94,160	1,067,733
-	-	-	-	348,409
<u>\$ 1,741,896</u>	<u>\$ 46,281</u>	<u>\$ 1,859,743</u>	<u>\$ 2,881,392</u>	<u>\$ 9,675,210</u>

continued...

INGHAM COUNTY, MICHIGAN

Combining Statement of Cash Flows (Concluded)

Internal Service Funds

For the Year Ended December 31, 2012

	Building Authority Operations	Data Processing	Inter-Governmental Service	Office Equipment Pool
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 121,022	\$ (293,044)	\$ 202,569	\$ (507,477)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	14,281	60,704	26,954	362,497
Changes in assets and liabilities:				
Accounts receivable	59,126	15,507	85,183	29,882
Due from other funds	159,129	(315,154)	(31,268)	(53,797)
Due from other governments	(7,927)	-	-	(71,472)
Inventories	-	-	(2,934)	-
Prepaid items	-	(243,613)	-	7,229
Accounts payable	(55,072)	22,969	(5,416)	64,386
Salaries and related withholdings	1,756	1,619	979	-
Due to other funds	(115,981)	(9,134)	22,562	6,456
Due to other governments	-	-	-	-
Compensated absences	(4,711)	(8,810)	(795)	-
Unearned revenue	(31,416)	-	-	-
Claims payable	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 140,207</u>	<u>\$ (768,956)</u>	<u>\$ 297,834</u>	<u>\$ (162,296)</u>

Noncash investing, capital, and financing activities - None

Insurance	Utilities Revolving	Workers' Compensation	Employee Benefit Fund	Totals
\$ 637,797	\$ (10,226)	\$ 349,517	\$ 7,799	\$ 507,957
-	-	-	-	464,436
1,367	-	(6,288)	226,276	411,053
-	29,755	-	(7,984)	(219,319)
-	-	-	-	(79,399)
-	-	-	-	(2,934)
219,645	-	-	(10,789)	(27,528)
-	24,685	39,549	114,937	206,038
-	-	-	(347)	4,007
1,276	-	6,380	579	(87,862)
-	-	-	9,834	9,834
-	-	-	1,570	(12,746)
-	-	-	-	(31,416)
(225,963)	-	(363,930)	-	(589,893)
<u>\$ 634,122</u>	<u>\$ 44,214</u>	<u>\$ 25,228</u>	<u>\$ 341,875</u>	<u>\$ 552,228</u>

concluded.

INGHAM COUNTY, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities
 Agency Funds
 December 31, 2012

	Library Penal Fines	Agency	Payroll	CDBG Administration	Totals
Assets					
Pooled cash and investments	\$ 373,944	\$ 3,372,491	\$ 550,426	\$ 29,215	\$ 4,326,076
Accounts receivable	31,940	21,413	-	-	53,353
Accrued interest receivable	643	-	-	-	643
Total assets	\$ 406,527	\$ 3,393,904	\$ 550,426	\$ 29,215	\$ 4,380,072
Liabilities					
Undistributed receipts	\$ 406,527	\$ 1,792,893	\$ -	\$ 29,215	\$ 2,228,635
Due to other governmental units	-	1,601,011	550,426	-	2,151,437
Total liabilities	\$ 406,527	\$ 3,393,904	\$ 550,426	\$ 29,215	\$ 4,380,072

INGHAM COUNTY, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2012

	Beginning Balance	Additions	Deletions	Ending Balance
Library Penal Fines				
Assets				
Pooled cash and investments	\$ 318,805	\$ 954,902	\$ 899,763	\$ 373,944
Accounts receivable	47,346	37,197	52,603	31,940
Accrued interest receivable	924	643	924	643
Total assets	\$ 367,075	\$ 992,742	\$ 953,290	\$ 406,527
Liabilities				
Undistributed receipts	\$ 367,075	\$ 960,070	\$ 920,618	\$ 406,527
Agency				
Assets				
Pooled cash and investments	\$ 2,616,597	\$ 249,662,609	\$ 248,906,715	\$ 3,372,491
Accounts receivable	98,815	26,569	103,971	21,413
Total assets	\$ 2,715,412	\$ 249,689,178	\$ 249,010,686	\$ 3,393,904
Liabilities				
Undistributed receipts	\$ 2,711,559	\$ 237,900,213	\$ 238,818,879	\$ 1,792,893
Due to other governmental units	3,853	99,452,909	97,855,751	1,601,011
Total liabilities	\$ 2,715,412	\$ 337,353,122	\$ 336,674,630	\$ 3,393,904

continued...

INGHAM COUNTY, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2012

	Beginning Balance	Additions	Deletions	Ending Balance
Payroll				
Assets				
Pooled cash and investments	\$ 633,357	\$ 31,465,349	\$ 31,548,280	\$ 550,426
Liabilities				
Due to other governmental units	\$ 633,357	\$ 54,931,098	\$ 55,014,029	\$ 550,426
CDBG Trust Fund				
Assets				
Pooled cash and investments	\$ 14,664	\$ 423,640	\$ 409,089	\$ 29,215
Liabilities				
Undistributed receipts	\$ 14,664	\$ 423,640	\$ 409,089	\$ 29,215
Total - Agency Funds				
Assets				
Pooled cash and investments	\$ 3,583,423	\$ 282,506,500	\$ 281,763,847	\$ 4,326,076
Accounts receivable	146,161	63,766	156,574	53,353
Accrued interest receivable	924	643	924	643
Total assets	\$ 3,730,508	\$ 282,570,909	\$ 281,921,345	\$ 4,380,072
Liabilities				
Undistributed receipts	\$ 3,093,298	\$ 239,283,923	\$ 240,148,586	\$ 2,228,635
Due to other governmental units	637,210	154,384,007	152,869,780	2,151,437
Total liabilities	\$ 3,730,508	\$ 393,667,930	\$ 393,018,366	\$ 4,380,072

concluded.

INGHAM COUNTY, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Brownfield Redevelopment Authority

December 31, 2012

	Governmental Fund Types			Totals	Adjustments	Statement of Net Assets
	Brownfield Redevelopment Authority	Brownfield Project - Land Bank	Brownfield Project - Land Bank			
Assets						
Pooled cash and investments	\$ 9,479	\$ 777,843	\$ 461,884	\$ 1,249,206	\$ -	\$ 1,249,206
Property tax receivable	-	31,339	36,981	68,320	-	68,320
Accrued interest receivable	15	1,135	878	2,028	-	2,028
Due from other governments	-	37,469	-	37,469	-	37,469
Unamortized bond issuance costs	-	-	-	-	140,031	140,031
Total assets	\$ 9,494	\$ 847,786	\$ 499,743	\$ 1,357,023	\$ 140,031	\$ 1,497,054
Liabilities						
Accrued interest payable	\$ -	\$ -	\$ -	\$ -	\$ 79,163	\$ 79,163
Long-term liabilities:						
Due within one year	-	-	-	-	85,000	85,000
Due in more than one year	-	-	-	-	4,349,458	4,349,458
Total liabilities	-	-	-	-	4,513,621	4,513,621
Fund balances / net position (deficit)						
Restricted for brownfield redevelopment	9,494	847,786	499,743	1,357,023	(4,373,590)	(3,016,567)
Total liabilities and fund balances / net position	\$ 9,494	\$ 847,786	\$ 499,743	\$ 1,357,023	\$ 140,031	\$ 1,497,054

INGHAM COUNTY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
To Net Position of Governmental Activities
Brownfield Redevelopment Authority

Fund balance - governmental funds	\$ 1,357,023
Amounts reported for governmental activities in the statement of net position are different because:	
Other long-term assets are not available to pay for current-period expenditures and therefore are not recorded in the funds.	
Unamortized bond issuance costs	140,031
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	
Bonds payable	(4,435,000)
Unamortized bond premiums	(14,109)
Unamortized bond discounts	14,651
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest on bonds payable	<u>(79,163)</u>
Net deficit of governmental activities	<u>\$ (3,016,567)</u>

INGHAM COUNTY, MICHIGAN

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balance
 Brownfield Redevelopment Authority
 For the Year Ended December 31, 2012

	Governmental Fund Types			Totals	Adjustments	Statement of Activities
	Brownfield Redevelopment Authority	Brownfield Project - Land Bank	Brownfield Project - Lansing			
Revenues						
Taxes	\$ 234	\$ 25,223	\$ 46,760	\$ 72,217	\$ -	\$ 72,217
Intergovernmental	-	154,938	-	154,938	-	154,938
Interest	53	3,785	1,913	5,751	-	5,751
Total revenues	287	183,946	48,673	232,906	-	232,906
Expenditures						
Economic development	-	200	124,884	125,084	-	125,084
Debt service:						
Principal retirement	-	80,000	-	80,000	(80,000)	-
Interest and fiscal charges	-	74,938	118,300	193,238	8,398	201,636
Total expenditures	-	155,138	243,184	398,322	(71,602)	326,720
Revenues over (under) expenditures	287	28,808	(194,511)	(165,416)	71,602	(93,814)
Fund balances / net position (deficit)						
Beginning of year	9,207	818,978	694,254	1,522,439	(4,445,192)	(2,922,753)
End of year	\$ 9,494	\$ 847,786	\$ 499,743	\$ 1,357,023	\$ (4,373,590)	\$ (3,016,567)

INGHAM COUNTY, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
To Change in Net Position of Governmental Activities
Brownfield Redevelopment Authority
For the Year Ended December 31, 2012

Net change in fund balances - governmental funds \$ (165,416)

Amounts reported for *governmental activities* in the statement of net position are different because:

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds, Neither transaction, however, has any effect on net assets:

Principal payments on long-term bonds and other debt 80,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrual for accrued interest payable (8,429)

Amortization of discount on bonds (977)

Amortization of premium on bonds 1,008

Change in net position of governmental activities \$ (93,814)

STATISTICAL SECTION

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INGHAM COUNTY, MICHIGAN

Statistical Section

This part of Ingham County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

CONTENTS	<u>Page</u>
Financial Trends (tables 1 thru 4)	171
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity (tables 5 thru 8)	181
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity (schedules 9 thru 12)	187
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information (tables 13 and 14)	191
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information (schedules 15 thru 17)	194
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

INGHAM COUNTY, MICHIGAN

Net Position by Component

Last Ten Years

(accrual basis of accounting)

	2003	2004	2005	2006
Governmental activities				
Net investment in capital assets	\$ 23,837,642	\$ 26,340,217	\$ 25,138,520	\$ 24,201,263
Restricted	2,386,621	1,883,063	534,675	1,474,890
Unrestricted	42,588,864	51,076,988	59,877,898	71,789,860
Total governmental activities net position	68,813,127	79,300,268	85,551,093	97,466,013
Business-type activities				
Net investment in capital assets	8,724,962	8,356,847	11,088,316	10,766,967
Restricted	7,707,260	8,588,272	6,841,735	7,662,222
Unrestricted	5,602,823	6,737,679	6,950,030	9,364,664
Total business-type activities net position	22,035,045	23,682,798	24,880,081	27,793,853
Primary government				
Net investment in capital assets	32,562,604	34,697,064	36,226,836	34,968,230
Restricted	10,093,881	10,471,335	7,376,410	9,137,112
Unrestricted	48,191,687	57,814,667	66,827,928	81,154,524
Total primary government net position	\$ 90,848,172	\$ 102,983,066	\$ 110,431,174	\$ 125,259,866

Source: Ingham County Comprehensive Annual Financial Report.

Table 1
Unaudited

2007	2008	2009	2010	2011	2012
\$ 22,895,764	\$ 20,957,311	\$ 21,857,272	\$ 24,357,127	30,001,307	\$ 140,627,465
1,224,471	581,325	538,643	877,336	29,508,680	25,236,830
<u>72,395,086</u>	<u>64,245,076</u>	<u>58,828,345</u>	<u>57,277,497</u>	<u>18,761,344</u>	<u>13,697,570</u>
<u>96,515,321</u>	<u>85,783,712</u>	<u>81,224,260</u>	<u>82,511,960</u>	<u>78,271,331</u>	<u>179,561,865</u>
10,334,281	10,296,782	10,520,818	11,394,025	14,148,831	12,302,250
9,027,285	10,620,174	10,330,596	11,571,056	11,787,711	6,288,043
<u>8,404,105</u>	<u>8,504,361</u>	<u>11,851,016</u>	<u>13,410,467</u>	<u>15,987,924</u>	<u>22,965,422</u>
<u>27,765,671</u>	<u>29,421,317</u>	<u>32,702,430</u>	<u>36,375,548</u>	<u>41,924,466</u>	<u>41,555,715</u>
33,230,045	31,254,093	32,378,090	35,751,152	44,150,138	152,929,715
10,251,756	11,201,499	10,869,239	12,448,392	41,296,391	31,524,873
<u>80,799,191</u>	<u>72,749,437</u>	<u>70,679,361</u>	<u>70,687,964</u>	<u>34,749,268</u>	<u>36,662,992</u>
<u>\$ 124,280,992</u>	<u>\$ 115,205,029</u>	<u>\$ 113,926,690</u>	<u>\$ 118,887,508</u>	<u>\$ 120,195,797</u>	<u>\$ 221,117,580</u>

INGHAM COUNTY, MICHIGAN

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$ 19,992,310	\$ 22,459,229	\$ 22,667,675	\$ 22,193,079	\$ 21,890,574
Public safety	28,557,837	31,662,100	37,125,711	34,702,692	34,085,067
Judicial	11,610,610	12,242,955	12,371,724	13,541,035	14,781,873
Public works	2,768,290	2,739,401	2,845,372	2,925,389	3,833,701
Health	32,910,886	31,652,086	33,489,946	35,419,642	40,992,708
Welfare	11,443,963	13,472,066	15,796,063	15,597,913	18,829,335
Education	80,221	71,805	73,614	63,344	61,300
Economic development	320,648	526,534	581,923	160,504	446,815
Culture and recreation	4,687,303	4,865,445	5,200,269	5,384,014	7,129,690
Interest on long-term debt	1,501,310	1,431,216	1,273,846	1,161,496	1,026,837
Total governmental activities expenses	113,873,378	121,122,837	131,426,143	131,149,108	143,077,900
Business-type activities:					
Medical care facility	28,792,235	20,349,234	14,867,800	16,040,413	18,770,496
Delinquent tax collection	235,072	221,668	603,901	811,468	1,171,491
Community health center network	-	-	-	-	-
Housing	1,182,257	1,133,038	1,159,618	1,114,631	997,964
Inmate stores	347,885	357,910	381,483	380,267	404,793
Parks	-	-	-	-	-
County fair	1,598,089	1,284,912	1,386,505	1,800,854	1,036,998
Total business-type activities expenses	32,155,538	23,346,762	18,399,307	20,147,633	22,381,742
Total primary government expenses	146,028,916	144,469,599	149,825,450	151,296,741	165,459,642
Program revenues					
Governmental activities:					
Charges for services:					
General government	6,576,608	5,861,998	5,331,151	5,020,114	2,614,858
Public safety	6,890,500	7,361,382	8,026,837	7,497,436	6,394,525
Judicial	3,231,113	3,888,326	3,721,781	4,900,812	3,803,417
Health	12,257,184	9,280,882	9,667,186	10,392,827	14,632,514
Welfare	236,664	298,939	270,846	271,589	223,486
Education	29,055	32,230	30,855	30,225	-
Economic development	-	-	-	-	-
Culture and recreation	246,531	425,396	382,644	363,610	606,278
Operating grants and contributions	26,660,744	29,908,797	34,615,598	32,719,512	35,542,867
Capital grants and contributions	-	-	258,231	-	-
Total governmental activities program revenues	56,128,399	57,057,950	62,305,129	61,196,125	63,817,945
Business-type activities:					
Charges for services:					
Medical care facility	12,401,544	13,177,367	13,508,388	15,868,966	17,631,188
Delinquent tax collection	2,299,822	1,959,138	2,927,138	2,984,996	3,401,153
Community health center network	-	-	-	-	-
Housing	988,902	1,711,225	971,695	210,693	221,855
Inmate stores	395,209	421,413	450,867	397,878	392,598
Parks	-	-	-	-	-
County fair	1,391,184	1,275,930	1,297,422	1,566,794	670,936
Operating grants and contributions	16,885,295	8,079,156	1,996,224	3,187,721	2,982,356
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	34,361,956	26,624,229	21,151,734	24,217,048	25,300,086
Total primary government program revenues	\$ 90,490,355	\$ 83,682,179	\$ 83,456,863	\$ 85,413,173	\$ 89,118,031

Table 2
Unaudited

2008	2009	2010	2011	2012
\$ 23,733,434	\$ 22,412,634	\$ 21,271,186	\$ 21,593,170	\$ 20,138,241
34,120,597	31,402,426	29,587,291	30,515,056	29,483,870
15,540,116	15,589,403	15,472,544	14,862,350	15,086,911
3,722,685	3,889,909	3,079,898	3,571,228	19,740,215
45,022,945	42,373,743	30,329,083	29,021,032	29,360,127
18,167,953	17,352,945	16,561,059	17,973,134	18,988,969
52,778	57,683	33,709	39,416	39,953
540,736	929,421	2,177,377	1,234,899	1,558,458
8,447,415	8,511,565	8,583,337	8,719,245	8,731,848
1,372,613	1,180,618	1,058,167	969,532	875,789
<u>150,721,272</u>	<u>143,700,347</u>	<u>128,153,651</u>	<u>128,499,062</u>	<u>144,004,381</u>
20,959,682	20,821,548	20,070,700	21,304,537	22,521,287
1,363,729	1,448,063	1,883,002	1,952,260	2,331,463
-	-	13,730,727	15,753,239	16,753,790
1,113,496	1,187,510	1,319,280	1,256,804	-
417,775	407,439	369,529	305,208	334,035
-	-	-	-	327,610
1,397,679	1,040,114	825,930	801,932	863,110
<u>25,252,361</u>	<u>24,904,674</u>	<u>38,199,168</u>	<u>41,373,980</u>	<u>43,131,295</u>
<u>175,973,633</u>	<u>168,605,021</u>	<u>166,352,819</u>	<u>169,873,042</u>	<u>187,135,676</u>
2,326,869	2,302,444	2,476,330	2,559,255	2,998,459
5,499,895	5,441,778	5,200,191	4,963,237	5,372,979
3,830,445	3,724,157	3,537,552	3,440,285	3,405,479
15,470,122	16,928,019	6,662,595	5,873,774	6,513,323
185,921	57,146	57,846	92,107	136,743
-	-	-	-	-
-	7,500	-	-	-
926,276	969,887	1,123,757	1,245,759	1,082,271
38,665,040	33,365,485	37,952,939	38,382,458	57,418,802
-	-	-	-	-
<u>66,904,568</u>	<u>62,796,416</u>	<u>57,011,210</u>	<u>56,556,875</u>	<u>76,928,056</u>
19,733,907	21,022,944	22,022,193	23,043,336	23,220,565
3,944,265	4,981,998	5,491,428	5,909,146	5,414,885
-	-	12,837,564	12,965,389	11,497,874
236,738	243,356	250,407	249,459	-
509,352	500,161	439,150	402,350	432,269
-	-	-	-	307,552
683,869	695,971	717,862	665,571	692,029
3,216,527	2,740,746	4,559,756	4,561,519	3,331,046
-	-	114,417	333,300	24,484
<u>28,324,658</u>	<u>30,185,176</u>	<u>46,432,777</u>	<u>48,130,070</u>	<u>44,920,704</u>
<u>\$ 95,229,226</u>	<u>\$ 95,981,592</u>	<u>\$ 103,443,987</u>	<u>\$ 104,686,945</u>	<u>\$ 121,848,760</u>

continued...

INGHAM COUNTY, MICHIGAN

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2003	2004	2005	2006	2007
Net (expenses) revenue					
Governmental activities	\$ (57,744,979)	\$ (64,064,887)	\$ (69,121,014)	\$ (69,952,983)	\$ (79,259,955)
Business-type activities	2,206,418	3,277,467	2,752,427	4,069,415	2,918,344
Total primary government net (expense) revenue	(55,538,561)	(60,787,420)	(66,368,587)	(65,883,568)	(76,341,611)
General revenues					
Governmental activities:					
Property taxes	49,357,398	65,738,371	68,863,678	73,640,058	67,738,831
Taxes restricted for tourism programs	1,891,110	1,933,839	1,913,837	1,987,122	2,052,379
Grants and contributions for general use	4,633,173	2,242,325	6,403	6,188	-
Investment earnings	1,762,342	2,429,851	2,449,860	3,307,361	4,975,023
Other	-	6,685	62,239	26,808	-
Transfers	1,641,468	2,200,958	1,565,334	2,900,366	2,013,034
Total governmental activities general revenues	59,285,491	74,552,029	74,861,351	81,867,903	76,779,267
Business-type activities:					
Investment earnings	201,995	336,766	392,795	673,409	213,748
Other	-	4,879	-	14,471	-
Gain on sale of capital assets	-	-	-	-	-
Transfers	(1,959,103)	(1,901,359)	(1,947,939)	(1,843,523)	(1,888,913)
Total business-type activities general revenues	(1,757,108)	(1,559,714)	(1,555,144)	(1,155,643)	(1,675,165)
Total primary government general revenues	57,528,383	72,992,315	73,306,207	80,712,260	75,104,102
Change in net position					
Governmental activities	1,540,512	10,487,142	5,740,337	11,914,920	(2,480,688)
Business-type activities	449,310	1,717,753	1,197,283	2,913,772	1,243,179
Total primary government	\$ 1,989,822	\$ 12,204,895	\$ 6,937,620	\$ 14,828,692	\$ (1,237,509)

Source: Ingham County Comprehensive Annual Financial Report.

Note: Housing activity became a component unit in 2012.

Table 2
Unaudited

2008	2009	2010	2011	2012
\$ (83,816,704)	\$ (77,903,931)	\$ (71,142,441)	\$ (71,942,187)	\$ (67,076,325)
3,072,297	5,280,502	8,233,609	6,756,090	1,789,409
<u>(80,744,407)</u>	<u>(72,623,429)</u>	<u>(62,908,832)</u>	<u>(65,186,097)</u>	<u>(65,286,916)</u>
65,507,974	68,529,165	64,899,570	62,709,630	59,810,566
1,943,836	1,851,375	1,928,410	2,136,267	2,256,096
-	-	-	-	-
3,335,642	944,240	780,196	1,410,788	511,790
252,194	94,443	32,722	42,297	-
2,045,449	1,925,257	4,789,243	1,402,576	222,143
<u>73,085,095</u>	<u>73,344,479</u>	<u>72,430,141</u>	<u>67,701,558</u>	<u>62,800,595</u>
283,736	219,579	127,219	258,994	67,015
-	-	-	-	-
-	1,500	-	2,100	1,068
<u>(1,625,612)</u>	<u>(2,201,089)</u>	<u>(4,707,089)</u>	<u>(1,468,266)</u>	<u>(178,496)</u>
<u>(1,341,876)</u>	<u>(1,980,010)</u>	<u>(4,579,870)</u>	<u>(1,207,172)</u>	<u>(110,413)</u>
71,743,219	71,364,469	67,850,271	66,494,386	62,690,182
(10,731,609)	(4,559,452)	1,287,700	(4,240,629)	(4,275,730)
1,730,421	3,300,492	3,653,739	5,548,918	1,678,996
<u>\$ (9,001,188)</u>	<u>\$ (1,258,960)</u>	<u>\$ 4,941,439</u>	<u>\$ 1,308,289</u>	<u>\$ (2,596,734)</u>

concluded.

INGHAM COUNTY, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2003	2004	2005	2006
General Fund				
Reserved	\$ 2,067,772	\$ 2,393,192	\$ 3,888,923	\$ 3,669,303
Unreserved	8,536,005	9,787,278	10,395,320	13,252,259
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	\$ 10,603,777	\$ 12,180,470	\$ 14,284,243	\$ 16,921,562
All other governmental funds				
Reserved	\$ 727,318	\$ 1,058,009	\$ 77,507	\$ 252,851
Unreserved, reported in:				
Special revenue funds	23,112,798	35,763,155	42,633,814	54,446,585
Debt service funds	-	-	189,771	-
Capital projects funds	1,818,681	51,926	47,680	46,680
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	\$ 25,658,797	\$ 36,873,090	\$ 42,948,772	\$ 54,746,116

With the adoption of GASB Statement No. 54 in 2011, amounts previously reported in certain special revenue funds are now reported in the general fund beginning with 2011.

Source: Ingham County Comprehensive Annual Financial Report.

Table 3
Unaudited

2007	2008	2009	2010	2011	2012
\$ 3,197,011	\$ 2,591,267	\$ 2,149,609	\$ 2,681,347	\$ -	\$ -
15,095,378	17,590,295	18,883,711	22,989,092	-	-
-	-	-	-	1,896,804	1,500,187
-	-	-	-	10,562,365	10,562,365
-	-	-	-	5,705,000	5,705,000
-	-	-	-	6,200,274	6,216,206
-	-	-	-	19,669,021	18,494,152
<u>\$ 18,292,389</u>	<u>\$ 20,181,562</u>	<u>\$ 21,033,320</u>	<u>\$ 25,670,439</u>	<u>\$ -</u>	<u>\$ 42,477,910</u>
\$ 1,046,318	\$ 1,091,961	\$ 1,470,366	\$ 1,867,604	-	\$ -
53,930,771	44,965,730	42,345,915	37,278,055	-	-
79,376	127,380	74,757	82,416	-	-
46,680	46,680	46,680	2,903,527	-	-
-	-	-	-	247,117	1,383,443
-	-	-	-	17,903,150	17,193,010
-	-	-	-	552,756	72,725
-	-	-	-	300,000	-
<u>\$ 55,103,145</u>	<u>\$ 46,231,751</u>	<u>\$ 43,937,718</u>	<u>\$ 42,131,602</u>	<u>\$ 19,003,023</u>	<u>\$ 18,649,178</u>

INGHAM COUNTY, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2003	2004	2005	2006
Revenues				
Taxes	\$ 51,248,508	\$ 67,672,210	\$ 70,329,827	\$ 76,330,485
Licenses and permits	279,683	281,608	326,632	334,769
Intergovernmental	31,293,917	32,151,122	34,880,232	32,725,700
Charges for services	22,354,922	20,543,194	18,810,934	18,173,054
Fines and forfeits	379,083	482,258	560,047	719,076
Interest and rents	1,250,269	1,980,759	2,051,938	2,935,845
Other revenue	4,943,492	4,670,364	7,037,357	8,710,227
Total revenues	111,749,874	127,781,515	133,996,967	139,929,156
Expenditures				
General government	17,878,884	19,899,064	19,467,957	19,370,948
Public safety	27,437,183	29,995,061	35,388,965	33,001,228
Judicial	11,552,478	12,023,753	12,132,110	13,285,392
Public works	2,809,368	2,759,841	2,866,526	2,947,252
Health	32,454,490	30,742,517	32,401,618	34,420,402
Welfare	11,428,712	13,332,997	15,641,643	15,479,395
Education	80,221	71,805	73,614	63,344
Economic development	320,648	526,534	581,923	160,504
Culture and recreation	4,581,135	4,597,721	4,766,452	4,989,621
Capital outlay	2,260,990	2,811,246	1,108,892	2,009,106
Debt service:				
Principal	2,815,000	3,120,838	1,885,618	2,140,648
Interest and fiscal charges	1,511,173	1,438,621	1,353,587	1,067,575
Bond issuance costs	-	-	-	-
Total expenditures	97,251,398	101,420,934	108,200,948	109,564,467
Excess of revenues over (under) expenditures	14,498,476	26,360,581	25,796,019	30,364,689
Other financing sources (uses)				
Bond issuance	2,325,000	1,619,784	11,505,000	-
Bond premium	-	-	487,735	-
Payment to refund bond escrow agent	-	-	(11,995,490)	-
Transfers in	26,002,047	27,239,791	29,816,413	31,395,018
Transfers out	(21,197,437)	(22,530,106)	(27,466,744)	(27,954,096)
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	7,129,610	6,329,469	2,346,914	3,440,922
Net change in fund balances	\$ 21,628,086	\$ 32,690,050	\$ 28,142,933	\$ 33,805,611
Debt service as a percentage of noncapital expenditures	4.6%	4.6%	3.0%	3.0%

Source: Ingham County Comprehensive Annual Financial Report.

Table 4
Unaudited

2007	2008	2009	2010	2011	2012
\$ 65,915,742	\$ 72,082,945	\$ 70,380,540	\$ 66,827,980	\$ 64,845,897	\$ 62,066,662
391,108	341,244	425,138	429,855	487,393	582,793
30,660,936	32,840,288	30,114,740	30,703,773	31,985,323	51,469,741
27,261,572	27,316,292	29,438,412	18,974,486	18,276,419	19,710,286
622,398	526,875	622,889	602,139	504,445	502,972
4,805,931	3,162,263	843,897	718,386	1,351,486	470,351
5,834,298	7,237,045	6,246,280	6,300,957	6,306,831	5,727,374
<u>135,491,985</u>	<u>143,506,952</u>	<u>138,071,896</u>	<u>124,557,576</u>	<u>123,757,794</u>	<u>140,530,179</u>
20,160,953	21,838,754	21,160,281	19,851,402	20,704,461	19,313,988
31,388,104	31,997,016	30,041,872	28,749,504	29,109,628	28,159,749
14,159,545	14,960,818	14,882,900	14,891,258	14,245,048	14,215,863
3,833,701	3,722,685	3,889,909	3,079,898	3,571,228	21,483,193
38,760,830	42,667,968	40,560,970	28,359,685	27,146,235	26,996,522
17,466,288	18,108,496	17,439,614	16,524,724	17,495,563	18,317,294
61,961	52,907	57,880	33,680	39,449	39,953
445,500	817,243	779,295	1,470,435	1,585,071	526,822
6,592,393	8,008,167	7,751,827	7,758,175	7,861,745	7,536,909
1,563,705	4,853,443	1,173,441	4,653,452	4,455,438	6,779,320
2,105,870	3,040,322	2,979,891	3,115,475	3,126,243	2,952,203
1,107,044	1,353,061	1,239,102	1,111,456	940,305	875,992
-	-	-	159,308	-	-
<u>117,484,941</u>	<u>129,582,126</u>	<u>120,796,701</u>	<u>109,907,050</u>	<u>109,575,953</u>	<u>147,197,808</u>
18,007,044	13,924,826	17,275,195	14,650,526	14,181,841	(6,667,629)
-	-	-	10,390,000	-	-
-	-	-	-	-	-
-	-	-	(7,328,556)	-	-
35,580,840	38,230,674	35,078,746	32,019,946	31,107,408	24,198,623
(33,141,122)	(36,069,941)	(32,730,378)	(27,063,212)	(29,350,342)	(24,680,524)
-	248,692	94,443	13,701	-	10,045
<u>2,439,718</u>	<u>2,409,425</u>	<u>2,442,811</u>	<u>8,031,879</u>	<u>1,757,066</u>	<u>(471,856)</u>
<u>\$ 20,446,762</u>	<u>\$ 16,334,251</u>	<u>\$ 19,718,006</u>	<u>\$ 22,682,405</u>	<u>\$ 15,938,907</u>	<u>\$ (7,139,485)</u>
2.8%	3.5%	3.5%	4.1%	3.9%	2.9%

INGHAM COUNTY, MICHIGAN

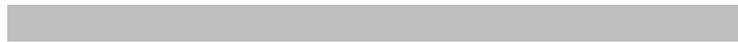
Assessed and Taxable Value of Property For the Years 2003 through 2012

Year	Assessed Value - Real Property				
	Agriculture	Commercial	Industrial	Residential	Development
2012	\$ 327,457,978	\$ 1,718,780,065	\$ 174,266,400	\$ 4,685,795,511	\$ 4,155,450
2011	360,032,170	1,822,398,897	174,176,120	5,042,669,974	5,205,150
2010	383,828,405	1,909,814,353	174,067,000	5,342,213,483	5,755,150
2009	423,749,064	2,105,415,558	196,746,450	5,875,565,922	6,336,550
2008	439,751,199	2,149,846,816	208,129,120	6,268,546,593	6,376,150
2007	442,380,992	2,228,506,272	140,565,730	6,379,595,902	6,234,750
2006	432,732,190	2,170,273,754	158,895,960	6,129,989,842	7,837,350
2005	414,897,920	2,120,950,705	168,466,240	5,760,126,495	8,011,350
2004	404,972,248	1,998,244,275	168,792,430	5,354,028,810	11,782,100
2003	359,293,990	1,905,811,777	165,634,430	4,936,259,030	10,455,100

Source: Ingham County Equalization reports.

(A) - Tax rates are per \$1,000 of taxable value.

Table 5
Unaudited



Assessed Value - Personal Property	Total Assessed Value	Total Taxable Value	(A) Total Direct Tax Rate
\$ 503,424,991	\$7,413,880,395	\$7,026,714,409	10.19
485,596,174	7,890,078,485	7,341,744,686	9.54
496,479,351	8,312,157,742	7,585,806,239	9.54
506,052,975	9,113,866,519	8,033,032,230	9.52
495,460,517	9,568,110,395	7,988,684,377	9.57
516,760,736	9,714,044,382	7,857,288,668	9.41
539,299,438	9,439,028,534	7,522,177,686	9.43
563,080,329	9,035,533,039	7,200,855,066	8.65
586,287,074	8,524,106,937	6,847,863,456	8.57
574,650,627	7,952,104,954	6,489,197,117	8.60

INGHAM COUNTY, MICHIGAN

Direct and Overlapping Property Tax Rates

Last Ten Years

(Rates per \$1,000 of taxable value)

	2003	2004	2005	2006	2007	2008
County Direct Rates						
Operating	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35
Transportation System	0.40	0.39	0.39	0.48	0.48	0.48
Emergency Telephone System	0.76	0.76	0.84	0.84	0.84	0.84
Airport Authority	0.50	0.47	0.47	0.71	0.68	0.70
Juvenile Justice	0.60	0.60	0.59	0.59	0.60	0.60
Potter Park Zoo	-	-	-	0.46	0.46	0.46
Farmland Preservation	-	-	-	-	-	0.14
Health Services	-	-	-	-	-	-
Veterans Relief	-	-	-	-	-	-
Total direct rates	\$ 8.60	\$ 8.57	\$ 8.65	\$ 9.43	\$ 9.41	\$ 9.57
Overlapping Rates						
Townships:						
Lowest	\$ 0.79	\$ 0.79	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78
Highest	7.75	7.75	7.37	8.42	8.42	8.42
Cities:						
Lowest	13.25	13.25	13.25	13.25	13.25	13.25
Highest	19.32	19.28	19.28	19.28	19.28	19.28
Villages:						
Lowest	8.25	8.25	8.25	8.25	8.25	8.25
Highest	13.20	13.20	13.20	13.20	13.20	13.20
State education tax	6.00	6.00	6.00	6.00	6.00	6.00
Local school districts: (A)						
Lowest	0.38	0.30	0.12	-	-	-
Highest	11.22	10.84	12.09	12.09	12.09	12.09
Intermediate school districts:						
Lowest	2.41	2.38	2.35	2.34	2.34	2.34
Highest	8.22	8.17	11.98	8.11	8.11	8.11
Lansing Community College	3.85	3.84	3.81	3.81	3.81	3.81
Capital Area District Library	1.46	1.45	1.44	1.56	1.56	1.56
Fowlerville Library	0.43	0.42	0.41	0.40	0.40	0.40
Authorities:						
Capital Area Transportation	2.19	2.18	2.17	2.18	2.18	2.97
City of East Lansing DDA	-	1.82	1.82	1.82	1.82	1.82
Northeast Ingham Emergency Services	1.23	1.20	1.19	1.93	1.93	1.93
Stockbridge Area Emergency Services	-	-	-	1.10	1.10	1.10

Source: Ingham County Equalization Department Apportionment Report.

(A) - Local school district rates indicate homestead millages; for non-homesteads add 18.0000 mills.

Table 6
Unaudited

2009	2010	2011	2012
\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35
0.48	0.48	0.48	0.60
0.84	0.84	0.84	0.84
0.70	0.70	0.70	0.70
0.60	0.60	0.60	0.60
0.41	0.41	0.41	0.41
0.14	0.14	0.14	0.14
-	-	-	0.52
-	0.02	0.02	0.02
<u>\$ 9.52</u>	<u>\$ 9.54</u>	<u>\$ 9.54</u>	<u>\$ 10.19</u>

\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78
8.51	8.51	8.51	8.51
13.25	13.25	13.25	13.25
19.28	19.80	20.56	21.84
8.25	8.25	8.25	8.25
13.20	13.20	13.20	13.20
6.00	6.00	6.00	6.00
-	-	-	-
12.09	-	-	4.30
2.34	2.34	2.27	2.34
8.11	8.11	7.77	8.76
3.81	3.81	3.81	3.81
1.56	1.56	1.56	1.56
0.40	0.40	0.40	1.40
2.97	2.97	3.01	3.01
1.73	1.73	1.73	1.73
1.18	1.18	1.18	1.93
1.10	1.10	1.10	1.10

Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2012			2003		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Consumers Energy	\$ 84,112,458	1	1.20%	\$ 71,408,809	2	1.10%
Dart Container Corporation	33,042,609	2	0.47%	19,504,757	8	0.30%
Inland Western Lansing Eastwood LLC	29,338,206	3	0.42%			
Meridian Mall LTD Partnership	28,788,600	4	0.41%	25,863,708	6	0.40%
Gestamps US Hardtech Inc.	27,537,105	5	0.39%			
Jackson National Life	26,596,552	6	0.38%	26,698,460	3	0.41%
General Motors	21,120,217	7	0.30%	219,672,078	1	3.39%
Meijer	20,115,712	8	0.29%	25,462,423	7	0.39%
RSDC of Michigan	19,803,700	9	0.28%	16,871,850	10	0.26%
Comcast	18,519,300	10	0.26%			
Eyde				40,902,516	4	0.63%
525 Redevco Inc.				26,546,910	5	0.41%
MEIP Borrower				17,900,546	8	0.28%
Total taxable value of ten largest taxpayers	308,974,459		4.40%	490,832,057		7.56%
Total taxable value of other taxpayers	<u>6,717,739,950</u>		<u>95.60%</u>	<u>5,998,365,060</u>		<u>92.44%</u>
Total taxable value of all taxpayers	<u>\$ 7,026,714,409</u>		<u>100.00%</u>	<u>\$ 6,489,197,117</u>		<u>100.00%</u>

Source: Ingham County Equalization Department.

Note - Taxable values presented above do not include properties subject to industrial facility taxes (IFT).

Property Tax Levies and Collections - General Operating
Last Ten Years

Taxes Levied	Fiscal Year	Total Tax Levy	Collected in Year of Levy		Subsequent	Total Collections to Date	
			Amount	Percentage	Years	Amount	Percentage
7/1/2012	2012	\$ 41,500,000	\$ 39,723,759	95.72%	\$ -	\$ 39,723,759	95.72%
7/1/2011	2011	43,599,456	40,692,544	93.33%	2,866,320	43,558,864	99.91%
7/1/2010	2010	45,576,230	42,110,105	92.39%	3,466,125	45,576,230	100.00%
7/1/2009	2009	47,889,946	45,098,066	94.17%	2,669,374	47,767,440	99.74%
7/1/2008	2008	47,668,634	45,091,112	94.59%	2,547,981	47,639,093	99.94%
7/1/2007	2007	46,912,047	42,982,567	91.62%	3,886,366	46,868,933	99.91%
7/1/2006	2006	46,058,175	42,464,438	92.20%	3,477,156	45,941,594	99.75%
7/1/2005	2005	44,277,771	41,718,049	94.22%	2,530,850	44,248,899	99.93%
12/1/2004	2004	41,417,897	37,785,547	91.23%	3,632,350	41,417,897	100.00%
12/1/2003	2003	39,330,637	37,407,369	95.11%	1,800,564	39,207,933	99.69%

Source: Ingham County Treasurer

Notes:

The uncollectible portion is personal property taxes which were not collected at tax settlement date but may have been collected thereafter.

This table includes ad valorem taxes only; it excludes commercial and industrial facilities taxes as provided under Public Acts 198 and 255.

Prior to 2005, the County's general property taxes were levied annually on December 1 (the lien date) to fund operations of the following year. The property taxes were due in full by March 1, at which time uncollected taxes became delinquent.

In 2004, the State enacted legislation to provide a funding mechanism to replace state revenue sharing payments to counties. As a result, the County's levy date began a phased shifting (or acceleration) over a three-year period from December 1 to July 1 of each year. In 2005, one-third of the levy took place on July 1 and two-thirds on December 1. In 2006, two-thirds of the levy took place on July 1 and one-third on December 1. In 2007 and each year thereafter, the entire tax levy for general operating takes place on July 1. The Act also required that an amount equal to one-third of the December 2004 tax levy be placed each year for three years into a newly created special revenue fund from which an annual transfer is then made.

Ratios of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities			Business-type Activities	Total Primary Government	% of Personal Income	Net Debt Per Capita
	General Obligation Bonds	Notes and Loans	Capital Leases	Notes and Loans			
2012	\$ 18,245,000	\$ 459,599	\$ -	\$ 11,600,000	\$ 30,304,599	312.37%	\$ 107.61
2011	21,010,000	646,802	-	14,000,000	35,656,802	367.54%	126.62
2010	23,995,000	828,045	-	15,250,000	40,073,045	413.06%	142.30
2009	23,515,000	1,003,520	-	15,700,000	40,218,520	425.03%	144.86
2008	26,325,000	1,173,410	-	12,000,000	39,498,410	421.84%	142.10
2007	29,195,000	1,337,893	96,499	8,200,000	38,829,392	428.91%	139.36
2006	31,940,000	1,497,372	220,936	6,720,000	40,378,308	458.11%	144.59
2005	34,690,000	1,644,920	340,988	6,020,000	42,695,908	503.48%	152.20
2004	37,695,000	1,802,454	456,818	11,520,000	51,474,272	628.46%	182.76
2003	41,965,000	228,139	571,587	4,920,000	47,684,726	587.97%	169.88

Source: Ingham County Comprehensive Annual Financial Report.

**Ratios of Net General Bonded Debt Outstanding
Last Ten Years**

Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Less: Self-supported Portion of Debt	Net General Bonded Debt	% of Taxable Value	Per Capita
2012	\$ 18,245,000	\$ 10,883	\$ 2,100,000	\$ 16,134,117	0.23%	\$ 57.29
2011	21,010,000	-	3,115,000	17,895,000	0.24%	63.54
2010	23,995,000	-	4,070,000	19,925,000	0.26%	70.75
2009	23,515,000	-	4,985,000	18,530,000	0.23%	66.74
2008	26,325,000	-	5,850,000	20,475,000	0.26%	73.66
2007	29,195,000	-	6,675,000	22,520,000	0.29%	80.83
2006	31,940,000	-	7,465,000	24,475,000	0.33%	87.64
2005	34,690,000	-	8,220,000	26,470,000	0.37%	94.36
2004	37,695,000	-	9,425,000	28,270,000	0.41%	100.37
2003	41,965,000	-	10,580,000	31,385,000	0.48%	111.81

Source: Ingham County Comprehensive Annual Financial Report.

INGHAM COUNTY, MICHIGAN

Table 11
Unaudited

Computation of Net Direct and Overlapping Debt
December 31, 2012

	Gross Amount Outstanding	Self-Supporting or Paid by Benefiting Government	Net Amount Outstanding
Direct debt			
General obligation bonds	\$ 18,245,000	\$ 2,100,000	\$ 16,145,000
Installment obligations and drain assessments	459,599	-	459,599
Delinquent tax notes	11,600,000	11,600,000	-
Drain bonds and notes	43,609,274	43,609,274	-
Brownfield redevelopment bonds	4,435,000	4,435,000	-
Joint building authority bonds	6,470,000	3,461,450	3,008,550
Total direct debt	<u>\$ 84,818,873</u>	<u>\$ 65,205,724</u>	<u>19,613,149</u>
Overlapping debt			
Cities			166,526,309
Townships			53,881,305
Villages			2,068,408
Local school districts			366,633,200
Intermediate school districts			1,971,974
Community college			<u>68,542,910</u>
Total overlapping debt			<u>659,624,106</u>
Total direct and overlapping debt			<u>\$ 679,237,255</u>

Source - Ingham County Financial Services Division and Municipal Advisory Council of Michigan.

Legal Debt Margin
Last Ten Years

Legal debt margin calculation for 2012	
Assessed value (state equalized value)	<u>\$ 7,413,880,395</u>
Debt limit (10% of assessed value)	\$ 741,388,040
Amount of debt applicable to limit	<u>84,818,873</u>
Legal debt margin	<u>\$ 656,569,167</u>

	Debt Limit	Net Applicable Debt	Legal Debt Margin	Ratio
2012	\$ 741,388,040	\$ 84,818,873	\$ 656,569,167	11.44%
2011	789,007,849	86,059,336	702,948,513	10.91%
2010	831,215,774	83,314,951	747,900,823	10.02%
2009	911,386,652	75,147,248	936,239,404	8.25%
2008	956,811,040	74,155,885	882,655,155	7.75%
2007	971,404,438	87,650,612	883,753,826	9.02%
2006	943,902,853	56,907,725	886,995,128	6.03%
2005	903,553,304	63,940,000	839,613,304	7.08%
2004	852,410,694	63,749,000	788,661,694	7.48%
2003	795,210,495	62,726,462	732,484,033	7.89%

Source: Ingham County Financial Services Division.

INGHAM COUNTY, MICHIGAN

Table 13
Unaudited

Demographic and Economic Statistics
Last Ten Years

Year	(a) Population	Personal Income (in thousands)	(a) Per Capita Income	(b) Unemployment Rate
2012	281,613	\$ - (A)	\$ - (A)	8.1%
2011	281,613	9,701,487	34,450	10.7%
2010	280,895	9,497,234	33,763	13.3%
2009	277,633	9,462,429	34,083	11.3%
2008	277,971	9,363,466	33,685	7.0%
2007	278,624	9,052,946	32,492	6.1%
2006	279,261	8,814,142	31,562	6.3%
2005	280,533	8,480,181	30,229	6.3%
2004	281,648	8,190,596	29,081	6.3%
2003	280,697	8,110,039	28,893	5.4%

Sources:

- (a) U.S. Department of Commerce Bureau of Economic Analysis.
- (b) Michigan Department of Technology , Management & Budget.

(A) - Personal income and per capital income data for 2012 not available at time of publication.

Principal Employers
Current Year and Nine Years Ago

Employer	Industry	2012			2003		
		Employees	Rank	% of Workforce	Employees	Rank	% of Workforce
State of Michigan	Government	13,700	1	6.85%	13,517	2	6.55%
Michigan State University	Higher education	10,725	2	5.36%	12,200	3	5.91%
Sparrow Hospital	Health care	5,735	3	2.87%	6,000	4	2.91%
General Motors Corporation	Automotive	5,222	4	2.61%	16,000	1	7.75%
Auto Owners Insurance	Insurance	5,000	5	2.50%			
Lansing Community College	Education	2,990	6	1.50%	2,474	8	1.20%
Meijer, Inc.	Retail	2,900	7	1.45%	3,800	5	1.84%
Ingham Regional Medical Center	Health Care	2,400	8	1.20%	2,800	7	1.36%
Lansing School District	Education	1,613	9	0.81%	3,500	6	1.70%
Jackson National Life	Insurance	1,393	10	0.70%			
City of Lansing	Government				1,295	10	0.63%
U.S. Postal Service	Government				1,300	9	0.63%
Total persons employed by the ten largest employers		51,678		25.84%	62,886		30.47%
Persons employed by other employers		<u>148,322</u>		<u>74.16%</u>	<u>143,499</u>		<u>69.53%</u>
Total employment		<u><u>200,000</u></u>		<u><u>100.00%</u></u>	<u><u>206,385</u></u>		<u><u>100.00%</u></u>

Source: Michigan Department of Labor and Economic Growth.

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INGHAM COUNTY, MICHIGAN

Table 15
Unaudited

**County Employees by Department
Last Ten Years**

Department	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Animal Control	16	16	16	17	18	18	17	16	16	16
Board of Commissioners	3	3	3	3	3	3	3	3	3	3
Circ. Crt - General Jurisdiction	49	49	49	58	62	62	60	60	59	59
Circuit Court - Family Division	90	99	99	91	90	92	93	90	88	88
Circuit Crt - Friend of the Court	65	64	64	61	60	60	60	59	58	57
Clerk/Elections	11	11	11	11	11	11	11	10	9	9
Community Corrections	6	6	6	5	5	1	2	2	1	1
Controller	10	10	9	9	9	9	8	7	7	6
Cooperative Extension	8	7	7	7	7	7	6	6	6	5
District Court	24	26	27	27	27	29	29	28	27	27
Drain	22	22	22	22	24	24	23	24	25	25
Economic Development	1	1	-	-	-	-	-	-	-	1
Emergency Operations	2	2	2	2	2	2	2	1	1	1
Emergency Telephone System	-	-	-	-	1	1	1	1	1	66
Equalization/Tax Services	7	7	7	7	7	7	7	7	6	6
Facilities	31	31	31	31	31	35	34	33	33	31
Fair Board	5	5	5	5	5	5	5	5	5	4
Financial Services	10	10	9	9	10	7	7	9	9	9
Health Department	311	302	313	305	319	324	339	330	333	330
Housing Commission	3	4	4	4	5	6	6	6	6	6
Human Resources	8	8	8	8	8	10	9	6	6	6
Jury Administration	1	1	1	1	1	1	1	1	1	1
MIS	20	20	20	20	20	20	21	20	19	19
Parks	34	34	34	34	34	35	35	35	35	34
Parks - Zoo	-	-	-	-	22	23	23	23	23	24
Probate Court	13	13	14	14	15	15	15	15	14	13
Prosecuting Attorney	69	69	69	68	68	69	68	68	65	64
Purchasing	6	6	6	6	6	6	5	4	4	4
Register of Deeds	10	10	10	10	10	10	10	11	11	11
Roads and Transportation										72
Sheriff's Department	215	223	223	222	214	211	203	185	172	172
Treasurer	7	7	8	9	9	11	11	12	10	10
Veterans Affairs	4	4	4	4	4	4	5	5	5	5
Total	1,058	1,066	1,076	1,065	1,102	1,111	1,113	1,076	1,058	1,185

Source: Ingham County Budget Office.

INGHAM COUNTY, MICHIGAN

Operating Indicators by Function/Program Last Ten Years

Function	2003	2004	2005	2006
Health				
Immunizations (children and adults)	39,563	40,000	40,279	38,480
IHP enrollment (average monthly)	13,374	16,000	14,700	15,056
Fixed food service (number licensed)	936	1,030	952	1,132
Public health nursing home visits	3,646	3,472	3,599	3,451
Parks				
Visitation (based on car counts)	1,040,965	1,138,893	1,185,800	1,219,803
Animal Control				
Pet adoptions	1,631	1,627	1,642	1,686
Drain Commission				
Drain crew maintenance projects	840	840	840	852
Circuit Court				
Number of cases filed	10,420	11,444	10,566	12,003
District Court				
New case filings	36,279	36,522	31,731	32,592
Cases disposed	41,346	34,908	29,218	30,946

Source: Ingham County Financial Services Division.

Table 16
Unaudited

2007	2008	2009	2010	2011	2012
38,000	34,000	57,360	40,510	28,748	27,720
17,000	17,000	16,139	12,873	12,873	11,752
980	1,050	940	989	991	978
4,000	3,600	2,727	2,843	3,472	3,667
1,250,000	1,550,000	1,957,525	1,758,591	1,772,253	1,262,456
1,770	1,542	1,554	1,262	1,394	1,530
850	800	823	817	850	850
13,400	10,800	10,039	9,539	8,947	9,259
34,600	33,800	27,151	24,503	23,628	23,831
30,500	32,500	29,212	27,279	25,840	26,836

INGHAM COUNTY, MICHIGAN

Capital Asset Statistics by Function/Program Last Ten Years

Function	2003	2004	2005	2006
Public safety				
Police protection				
Jail capacity (inmates)	575	665	665	665
Vehicles				
Patrol units	45	45	45	45
Paramedic units	7	7	7	7
Powerboats	2	2	2	2
Public works				
Roads				
Primary (miles)	431	430	430	430
Local non-subdivision				
Paved	449	458	458	458
Gravel	104	95	95	95
Local subdivision				
Paved	246	252	252	252
Gravel	4	4	4	4
Bridges				
Primary	32	32	32	32
Local	36	36	36	36
Recreation and cultural				
Park land (acres)	1,300	1,400	1,400	1,400
Trails (miles)	21	21	21	21
Beaches	3	3	3	3
Picnic areas	15	15	15	15
Softball fields	4	4	4	4
Soccer fields	9	9	9	9

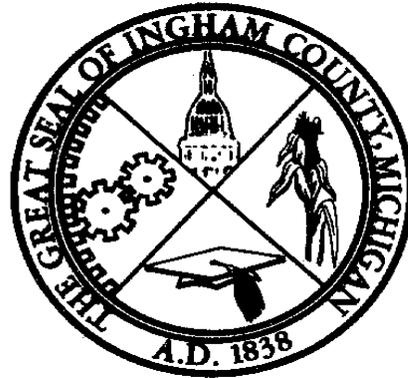
Source: Ingham County Financial Services Division.

Table 17
Unaudited



2007	2008	2009	2010	2011	2012
665	664	664	601	601	601
30	28	28	28	28	53
-	-	-	-	-	-
20	1	1	1	1	1
434	434	434	434	434	434
462	467	467	467	468	468
87	81	81	81	81	81
265	267	269	269	269	269
2	2	2	2	2	2
32	32	31	30	30	30
36	36	37	37	37	37
1,400	1,400	1,400	1,500	1,400	1,400
17	17	17	17	17	17
3	3	3	3	3	3
16	16	16	15	15	15
4	4	4	3	2	3
8	8	8	6	5	7

INGHAM COUNTY,
MICHIGAN



Year Ended
December 31,
2012

Single Audit Act
Compliance

INGHAM COUNTY, MICHIGAN

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**INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 28, 2013

To the Board of Commissioners
of Ingham County
Mason, Michigan

We have audited the 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 *Ingham County, Michigan* (the "County"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated June 6, 2012. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rehmann Robson LLC

INGHAM COUNTY, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Agency / Pass-through Grantor / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Agriculture				
* Supplemental Nutrition Assistance Program	10.551	MDCH	n/a	<u>\$ 25,578</u>
Child Nutrition Cluster:				
* School Breakfast Program	10.553	MDE	n/a	26,282
* National School Lunch	10.555	MDE	n/a	48,264
* Food distribution - non-cash assistance	10.555	MDE	n/a	3,627
* Child and Adult Care Food Program	10.555	MDE	n/a	8,537
				<u>86,710</u>
* Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	MDCH	W500342	1,195,132
* WIC Breastfeeding	10.557	MDCH	IW100342	59,083
				<u>1,254,215</u>
Farm and Ranch Lands Protection Program	10.913	Direct	n/a	<u>285,870</u>
Total U.S. Department of Agriculture				<u>1,652,373</u>
U.S. Department of Commerce				
* Public Safety Interoperable Communications Grant Program	11.555	COL	n/a	<u>84,370</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grant/Entitlement Grant Cluster:				
* Community Development Block Grants	14.218	MSHDA	MSC-2009-0552-HOA	52,988
* Community Development Block Grants	14.218	MSHDA	NSP 2008-0552-CFR	49,218
* Community Development Block Grants	14.218	MSHDA	MSC-2010-0552-HO	17,073
				<u>119,279</u>
* Lead-Based Paint Hazard Control in Privately Owned Housing	14.900	MDCH	MSC 2007-0552-HOA	<u>5,803</u>
Total U.S. Department of Housing and Urban Development				<u>125,082</u>
U.S. Department of Interior				
* Outdoor Recreation	15.916	MDNR	26-01678	<u>75,000</u>
U.S. Department of Justice				
Juvenile Accountability Block Grant	16.523	MDHS	JAIBG 10-33001	<u>6,688</u>
* Supervised Visitation, Safe Havens for Children	16.527	Direct	2008CWAXK021	<u>31,993</u>
Enhanced Training and Services to End Violence and Abuse of Women Later in Life	16.528	COL	n/a	<u>2,419</u>
Victims of Crime Act	16.575	MCVSC	20636-10V07	<u>72,199</u>

continued...

INGHAM COUNTY, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Agency / Pass-through Grantor / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Justice (Concluded)				
Byrne Formula Grant Program- Special Prosecution Unit	16.579	MODCP	n/a	\$ 59,367
Domestic Assault Response Team	16.590	Direct	n/a	112,625
State Criminal Alien Assistance Program	16.606	Direct	n/a	1,448
Bulletproof Vest Partnership Program	16.607	Direct	n/a	8,628
Public Safety Partnership and Community Oriented Policing Services	16.710	Direct	n/a	120,348
JAG Program Cluster:				
Byrne Justice Assistance Grant - Meth OT	16.738	MDSP	n/a	8,259
ARRA - Byrne Memorial Justice Assistance-Narcotics Enforcement	16.803	COL	2009-SU-B9-0017	58,949
ARRA - Byrne Memorial Justice Assistance - Narcotics Enforcement	16.803	MDCH	n/a	17,554
				84,762
Total U.S. Department of Justice				500,477
U.S. Department of Transportation				
* Highway Planning and Construction	20.205	MDCH	n/a	10,975
State Traffic Safety Information Systems	20.610	MOHSP/SCAO	n/a	12,583
Interagency Hazardous Materials Public-Sector Training and Planning Grants	20.703	MOHSP	n/a	3,980
Total U.S. Department of Transportation				27,538
U.S. Environmental Protection Agency				
* Capitalization Grants for Drinking Water - State Revolving Funds - Operator Certification	66.471	MDEQ	n/a	538
ARRA - Brownfield Hazardous Substance Grant	66.818	Direct	n/a	7,500
ARRA - Brownfield Petrol Grant	66.818	Direct	n/a	4,752
				12,252
Total U.S. Environmental Protection Agency				12,790
U.S. Department of Health and Human Services				
* Tobacco Regulation Awareness, Communication, and Education	93.058	MDCH	HHSF223201110085C	9,548
* Public Health Emergency Preparedness	93.069	MDCH	U90TP517018	135,926
* Public Health Emergency Preparedness	93.069	MDCH	U90TP000528	40,585
				176,511
* Environmental Public Health and Emergency Response	93.070	MDCH	1UE1EH000744	14,946
* Family Planning - Services	93.217	MDCH	GFPHPA050173 41	372,972
* Consolidated Health Centers (Health Care for the Homeless)	93.224	Direct	n/a	939,751

continued...

INGHAM COUNTY, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Agency / Pass-through Grantor / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services (Concluded)				
Immunization Cluster:				
* Childhood Immunization Grants	93.268	MDCH	H23 CCH522556	\$ 115,394
* Immunization Grants - Value of Vaccines Provided	93.268	MDCH	n/a	1,491,888
				<u>1,607,282</u>
* Healthy Communities	93.283	MDCH	1U58DP001386	<u>694</u>
* ACA for School-based Health Center Capital Expenditures	93.501	Direct	n/a	<u>24,484</u>
* ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.505	MDCH	D89MC23151	<u>56,850</u>
ACA Public Health Training Centers Program/Academic Support	93.516	UofM/SPH	n/a	<u>9,400</u>
Child Support Enforcement:				
* Friend of Court	93.563	MDHS	CS/FOC-33001	2,905,111
* Prosecuting Attorney	93.563	MDHS	CS/PA-33002	654,041
* Incentive Payments	93.563	MDHS	n/a	392,635
				<u>3,951,787</u>
* Refugee Medical Assistance	93.566	MDHS	RA 02-33001	<u>318,257</u>
* Access and Visitation Grant Program	93.597	MSC/SCAO	n/a	<u>8,576</u>
* Head Start	93.600	CACS	n/a	<u>123,028</u>
ARRA - Foster Care Title IV-E	93.658	MDHS	PROFC-09-33001	<u>35,174</u>
* ARRA - Prevention and Wellness	93.723	MDCH	3U58DP001973	<u>32,084</u>
* Medical Assistance Program (Medicaid)	93.778	MDCH	05 U05M15ADM	<u>907,390</u>
* Breast and Cervical Cancer Control Program	93.919	MDCH	U58DP000812	376,227
* Breast and Cervical Cancer Control Program - Family Planning Joint Demo Project	93.919	MDCH	U58DP000812	8,250
				<u>384,477</u>
* HIV Prevention Program - Counseling and Testing	93.940	MDCH	U62 CCU52346401	<u>256,426</u>
* HIV Demonstration, Research, Public and Professional Education	93.941	MDCH	U55DP003040	<u>10,000</u>
* Preventative Health and Health Services Block Grant	93.991	MDCH	B1 MI PRVS	<u>44,998</u>
* Maternal and Child Health Services Block Grant	93.994	MDCH	B1MIMCHS	<u>154,339</u>
Total U.S. Department of Health and Human Services				<u>9,438,974</u>

continued...

INGHAM COUNTY, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Agency / Pass-through Grantor / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
* U.S. Corporation for National and Community Services AmeriCorps	94.006	MDHS	n/a	<u>\$ 169,862</u>
U.S. Department of Homeland Security Boating and Safety Financial Assistance	97.012	MDNR	n/a	<u>5,800</u>
Homeland Security Grant Program - EMPG	97.042	MDSP	n/a	<u>48,827</u>
Federal Emergency Management Agency (FEMA)	97.047	MDSP	n/a	<u>19,225</u>
Homeland Security Cluster:				
Homeland Security Grant Program-2009 Terrorism	97.067	COL	n/a	120,041
Homeland Security Grant Program-2010 Terrorism	97.067	COL	n/a	179,161
Homeland Security Grant Program-2011 Terrorism	97.067	COL	n/a	452
Homeland Security Grant Program-Emergency Management SAP	97.067	COL	n/a	<u>36,420</u>
				<u>336,074</u>
Total U.S. Department of Homeland Security				<u>409,926</u>
Total Expenditures of Federal Awards				<u><u>\$ 12,496,392</u></u>

concluded.

* Grant activity is reported in the County CAFR in a 9/30 year-end fund.

See notes to schedule of expenditures of federal awards.

INGHAM COUNTY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Ingham County, Michigan (the "County") under programs of the federal government for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's Comprehensive Annual Financial Report. The County's financial statements include the operations of the Ingham County Housing Commission and the Land Bank Fast Track Authority discretely presented component units, which received federal awards that are not included in the Schedule for the year ended December 31, 2012, as these entities were separately audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. FISCAL REPORTING

Certain departments report on a different fiscal year than the County. Grants accounted for and reported on year-ends other than December 31, 2012 are denoted as such in the Schedule.

INGHAM COUNTY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

4. PASS-THROUGH AGENCIES

The County receives certain federal grant as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
CACS	Capital Area Community Services
COL	City of Lansing
MCVSC	Michigan Crime Victim Services Commission
MDCH	Michigan Department of Community Health
MDE	Michigan Department of Education
MDEQ	Michigan Department of Environmental Quality
MDHS	Michigan Department of Human Services
MDNR	Michigan Department of Natural Resources
MDSP	Michigan Department of State Police
MODCP	Michigan Office of Drug Control Policy
MOHSP	Michigan Office of Highway Safety and Planning
MSC/SCAO	Michigan Supreme Court/State Court Administrative Office
MSHDA	Michigan State Housing Development Authority
UofM/SPH	University of Michigan School of Public Health

5. SUBRECIPIENTS

The County administers certain federal awards programs through subrecipients. Those subrecipients are not considered part of the County's reporting entity. Of the federal expenditures presented in the Schedule, the County provided federal awards to subrecipients as follows:

Program Title	CFDA Number	Amount Provided to Subrecipients
Medical Assistance Program	93.778	\$ 359,693



Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

June 6, 2013

To the Board of Commissioners
of Ingham County, Michigan
Mason, Michigan

We have audited, in accordance with the 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, the 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 *Ingham County, Michigan* (the "County"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated June 6, 2013. Our report includes a reference to other auditors who audited the financial statements of the Ingham County Housing Commission, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rehmann Lobson LLC

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

June 28, 2013

Honorable members of the Board of Commissioners
of the Ingham County
Mason, Michigan

Report on Compliance for Each Major Federal Program

We have audited the compliance of *Ingham County, Michigan* (the "County"), with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Ingham County Housing Commission and the Land Bank Fast Track Authority discretely presented component units, which received \$631,268 and \$3,992,642, respectively, in federal awards which is not included in the Schedule of Federal Awards for the year ended December 31, 2012. Our audit, described below, did not include the operations of the Ingham County Housing Commission and the Land Bank Fast Track Authority discretely presented component units because auditors were separately engaged to perform an audit in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2012-SA-01. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2012-SA-01 that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Rehmann Lobarr LLC

INGHAM COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

 Material weakness(es) identified? _____ yes X no

 Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? _____ yes X no

 Significant deficiency(ies) identified? X yes _____ none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? X yes _____ no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.557	Women, Infants and Children
93.217	Family Planning Services
93.224	Health Centers Cluster
93.563	Child Support Enforcement
93.919	Breast and Cervical Cancer

Dollar threshold used to distinguish between Type A and Type B programs: \$374,892

Auditee qualified as low-risk auditee? _____ yes X no

INGHAM COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2012-SA-01 Immaterial Noncompliance / Significant Deficiency in Internal Controls over Compliance - Procurement, Suspension and Debarment

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Procurement, Suspension and Debarment).

Programs. Consolidated Health Centers; U.S. Department of Health and Human Services; CFDA Number 93.224; Family Planning Services; U.S. Department of Health and Human Services; Michigan Department of Community Health; CFDA Number 93.217; Award Number GFPHPA050173 41; Breast and Cervical Cancer Preventions; U.S. Department of Health and Human Services; Michigan Department of Community Health; CFDA Number 93.919; Award Number U58DP000812.

Criteria. Per the OMB Circular A-133 Compliance Supplement, non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000.

Condition. The County did not verify that covered vendors were not suspended or debarred prior to procuring goods and services.

Cause. This condition was caused primarily by an oversight by management in performing the proper verification procedures.

Effect. The County was exposed to the risk that disbursements of federal awards were made to vendors that were suspended or debarred.

Questioned Costs. During the tests of compliance, it was determined that the vendors who had not been verified for suspension and debarment, were not suspended or debarred based on a search of the excluded parties list system; therefore, no costs have been questioned relating to these items.

Recommendation. We recommend that the County implement procedures to identify covered transactions that were not previously verified and perform the verification necessary to comply with this requirement.

View of Responsible Officials: The County Health Department will review existing vendor relationships to determine which of those are expected to exceed \$25,000 in disbursements. The Department will research whether the vendors have been suspended and/or debarred, and take action as necessary. Written attestations will be solicited for current contractual arrangements. Appropriate language regarding suspension and debarment will be included in future contracts.

INGHAM COUNTY, MICHIGAN

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2012

Finding 2011-SA-1 Allocation and Certification of Payroll Expenditures - (repeated)

CFDA # 93.224 and 93.703, Health Centers Cluster; CFDA # 10.557, Women, Infants and Children (WIC).

The issue was resolved in the current year.

