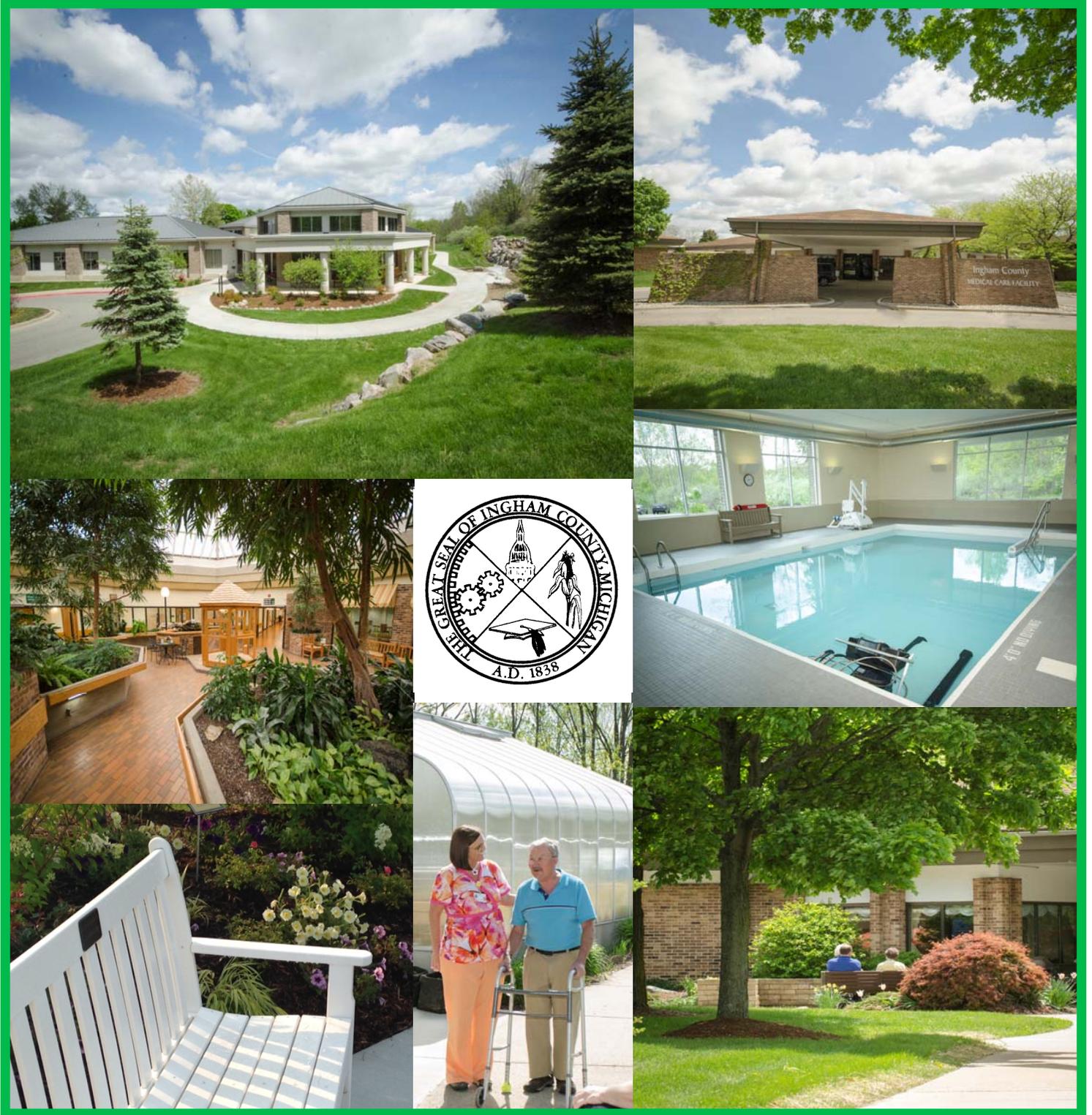


INGHAM COUNTY, MICHIGAN



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014**

About the Cover

The Medical Care Facility and Rehabilitation Services of Ingham County is a 236 bed County-owned Long Term Care, Memory Care and Inpatient Short Term Sub-Acute Rehabilitation campus located on Dobie Road in Okemos. Originally established as Ingham County's Poor Farm in 1844, the Facility has transformed into the provider of choice for short and long term care throughout Mid-Michigan. The Facility has earned the Centers for Medicare and Medicaid Services' (CMS) highest 5-star rating for three consecutive years; 2013, 2014 and 2015. Over 350 caregivers are employed at the facility; all dedicated to improving the lives of those they serve and the community in which they live. These services are accounted for in the Medical Care Facility Enterprise Fund. We are proud to display this Facility on the cover of this report.

Ingham County, Michigan

**Comprehensive Annual Financial Report
with Supplemental Information
For the Year Ended December 31, 2014**

**INGHAM COUNTY, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

BOARD OF COMMISSIONERS

Victor Celentino
Chairperson

Brian McGrain
Vice-Chairperson

Randy Maiville
Vice-Chairperson Pro Tem

Sarah Anthony
Rebecca Bahar-Cook
Bryan Crenshaw
Dianne Holman
Kara Hope
Carol Koenig

Deb Nolan
Randy Schafer
Todd Tennis
Penelope Tsernoglou
Don Vickers

Prepared by:
Financial Services Division

Controller/Administrator:

Timothy Dolehanty

Introductory Section

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Ingham County, Michigan

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June 19, 2015

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, 2014. 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 Plante Moran, 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, 2014, 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, 2014, 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.

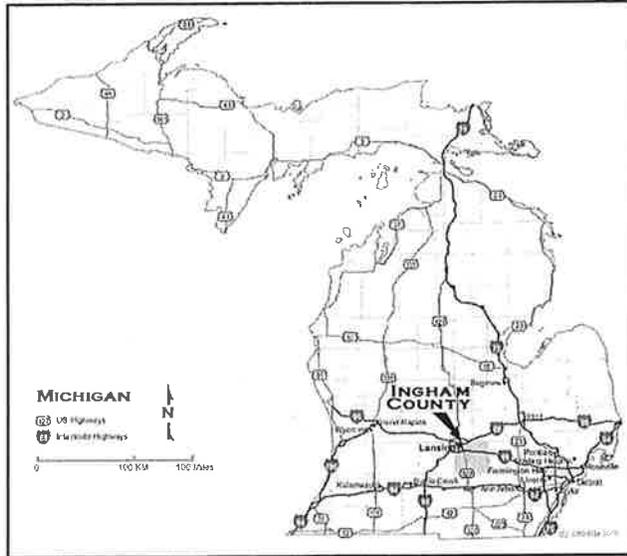
The county is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The auditors' report related specifically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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This

letter of transmittal is designed to complement the 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 fourteen-member Board of Commissioners. 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, the Board of Health and several others. 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 1,150 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.
- They drive on roadways maintained and constructed by the County's Department of Roads

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 committed 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 25.5%, 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 promoting accessible health care; providing recreational opportunities; proving appropriate evidence based sanctions for adult offenders; providing appropriate evidence based treatment and sanctions for at-risk juveniles; and supporting public safety.

Other priorities include fostering economic well-being, exploring efficiencies through regional cooperation and enhancing access to public records. 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 Capital 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.

During 2014 a tremendous amount of economic development was announced with the City of Lansing and throughout the County.

City of Lansing:

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 is nearing completion. An 80 unit apartment complex has been completed at the site of the former City Market at a cost of \$10 million.

General Motors is expanding its Grand River facility with a \$40 million logistic center which will employ 200 people. They are also constructing a new stamping plant at a cost of \$162 million and 65 additional jobs within the City of Lansing and just outside Ingham County in the neighboring Eaton County. General Motors is also moving the production of the Camaro from Canada to the Grand River Facility in 2015. This will increase the current two shifts to three to make the operations 24 hours per day.

Niowave announced a \$202 million medical isotope production facility which will employ 127 high paying positions.

Jackson National Life Insurance is in the process of a major expansion. They are adding 260,000 square feet in office space and 80,000 square feet in a warehouse and printing facility. The total investment is \$5.2 million and is anticipated to add 1,000 jobs. This should be completed in mid-2015.

Other within the County:

Completed in 2014, Dart Container Corporation constructed a 500,000 square feet warehouse and an 110,000 square foot office facility in Mason. This was a \$47 million investment and created 300 jobs.

The Eastwood Towne Center (located in Lansing Township) is expanding with the addition of 2 hotels and a 124 unit apartment complex. This \$47 million investment will be completed in 2015.

In the County seat of Mason, the former Shopper's Guide building is being renovated at a cost of \$2.7 million. This will result in 10 apartments with first floor commercial and should be completed in June 2015.

The Facility of Rare Isotope Beams broke ground on March 17, 2014 at Michigan State University (MSU). This is a large project which is anticipated to bring 800 scientists to MSU along with \$1 billion in economic activity to Michigan. The official date for this project's completion is 2022.

Tax information:

Property values for the county totaled \$15.0 billion based on the 2014 County Equalization Report. The values of real property increased by 2.7% and the values of personal property increased 1.0%, resulting in an overall increase of 2.6%. The total estimated "true cash value" translates to a state equalized value of \$7.5 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 2014 taxable value, used for the 2014 summer and winter tax levies, was \$7.1 billion. This is a 1.4% increase over the 2013 taxable value.

Major Initiatives

In November 2014, the citizens of Ingham County authorized a millage to provide additional funding for creating and maintaining a County system of recreational trails and adjacent parks. The property tax was levied in December 2014 and the revenue will be available in 2015.

In recent years, the County has made a commitment to address its liability for Other Post Retirement Benefits. Since January 1, 2012, the funding for this liability has increased from \$3,000,000 to

\$7,729,000. While the percentage funding is still minimal, we are committed to increasing the annual contribution in an attempt to fund this liability as quickly as possible.

In July 2014, the Ingham County Fair celebrated its 160th anniversary. Many special activities occurred before and during the week of the fair to celebrate this occasion.

The County is committed to providing the best 911 service possible. With this in mind, the County authorized the upgrade of both the telephone system and the computer aided dispatch system at the County's Central Dispatch Center. In addition, the County purchased a new emergency medical dispatch program which was activated during 2014.

In September 2014, Ingham County employee Jodi LeBombard was awarded the Outstanding Animal Control Employee of the Year by the National Animal Control Association (NACA). She was nominated by her fellow animal control staff members and received the award at the NACA conference in Arizona.

In 2014, the State of Michigan and Ingham County agreed to change the accounting procedures for the DHS Child Care Special Revenue Fund. The accounting for this fund was moved from the State of Michigan to a joint effort with the County. Both the County and the State have been very pleased with the results.

Since the State Capital is located within Ingham County, the Ingham County court system has traditionally operated as the State of Michigan's Court of Claims. During 2014, the State of Michigan's Legislature changed this process and moved its Court of Claims operations from Ingham County to the State of Michigan Court of Appeals. The financial impact of this change is reflected in this financial report.

Michigan experienced a very difficult 2013-14 winter season. The Ingham County Road Department provided timely snow and ice removal almost continually for three months. We are very proud of our hard working Road Department employees.

AWARDS AND ACKNOWLEDGMENTS

In November 2014, Ingham County Sheriff Deputy Grant Whitaker was killed in the line of duty. This financial report is dedicated to him and his service to the Citizens of Ingham County.

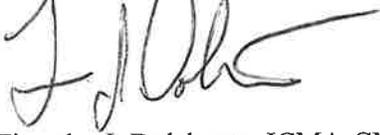
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ingham County for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2013. In order to be awarded a Certificate of Achievement, a government unit 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, 2015. 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 yours,



Timothy J. Dolehanty, ICMA-CM, AICP
Controller/Administrator



Jill Rhode
Director of Financial Services



Government Finance Officers Association

**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, 2013

Executive Director/CEO



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Independent Auditor's Report

To the Board of Commissioners
Ingham County, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business type activities, 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, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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.



To the Board of Commissioners
Ingham County, Michigan

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ingham County, Michigan as of December 31, 2014, and the respective changes in its financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and major special revenue funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the January 1, 2014 net position of the Ingham County Land Bank Fast Track Authority has been restated from the amounts reported in the 2013 financial statements to correct misstatements. Our opinion is not modified with respect to these matters.

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 retiree healthcare plans 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 Ingham County, Michigan's basic financial statements. The combining and individual fund financial statements and schedules, as identified in the table of contents and introductory section and statistical section, as identified in the table of contents 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, as identified in the table of contents is the responsibility of management and was derived from, and relates 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, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Commissioners
Ingham County, Michigan

The introductory section and statistical section, as identified in the table of contents has 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 it.

Report on Summarized Comparative Information

We have previously audited the County's December 31, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 13, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of Ingham County, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Ingham County Michigan's internal control over financial reporting and compliance.



June 19, 2015

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of Ingham County exceeded its liabilities at the close of the most recent fiscal year by nearly \$224.9 million (*net position*). Of this amount, \$50.3 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors. Governmental activities contain \$12.6 million of the unrestricted net position.
- The County governmental activities showed a decrease of \$2 million in total net position. The business type activities reported a \$3.1 million increase in total net position.
- At the close of 2014, 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 \$57.9. Of the total amount, approximately \$16.8 million is *available for spending* at the County's discretion (*unassigned and assigned fund balance*). In addition, \$10.6 in committed fund balance is available for future budget stabilization.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$12.1 million or 15.7 percent of total general fund expenditures and transfers out. Total fund balance for the general fund was \$40.1 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

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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.

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. With the exception of the Brownfield Redevelopment Authority, 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 37 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 32 governmental funds are combined into a single, aggregated presentation. Individual fund data for each

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	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 112,378,698	\$ 108,475,234	\$ 56,492,396	\$ 54,893,318	\$ 168,871,094	\$ 163,368,552
Capital assets, net	160,905,563	159,890,904	14,041,589	12,292,040	174,947,152	172,182,944
Total assets	<u>273,284,261</u>	<u>268,366,138</u>	<u>70,533,985</u>	<u>67,185,358</u>	<u>343,818,246</u>	<u>335,551,496</u>
Long-term liabilities	56,803,019	56,769,133	13,449,640	14,978,671	70,252,659	71,747,804
Other liabilities	19,429,500	16,190,066	5,339,531	3,414,510	24,769,031	19,604,576
Total liabilities	<u>76,232,519</u>	<u>72,959,199</u>	<u>18,789,171</u>	<u>18,393,181</u>	<u>95,021,690</u>	<u>91,352,380</u>
Deferred inflows of resources	<u>23,902,439</u>	<u>20,380,288</u>	-	-	<u>23,902,439</u>	<u>20,380,288</u>
Net position:						
Net investment in capital assets	146,123,536	142,256,982	14,041,589	12,292,040	160,165,125	154,549,022
Restricted	14,379,147	16,782,328	16,092	16,030	14,395,239	16,798,358
Unrestricted Restated	<u>12,646,620</u>	<u>16,125,927</u>	<u>37,687,133</u>	<u>36,345,518</u>	<u>50,333,753</u>	<u>52,471,445</u>
Total net position	<u>\$ 173,149,303</u>	<u>\$ 175,165,237</u>	<u>\$ 51,744,814</u>	<u>\$ 48,653,588</u>	<u>\$ 224,894,117</u>	<u>\$ 223,818,825</u>

The County has a \$160.2 million net investment in capital assets. This represents 71 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 \$5.6 million due primarily to the total additions to road infrastructure exceeding the depreciation of existing road assets and the acquisition of the Forest Community Health Center facility.

An additional portion of Ingham County's net position represents \$14.4 million of resources that are subject to external restrictions on how they may be used. Ingham County's unrestricted net position, amounting to \$50.3 million, represents 22.4 percent of total net position. These assets may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the 2014 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.

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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 seven 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 four 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.

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, 2014. The 2014 beginning net position balances have been restated to reflect a change in reclassifying the Homestead Property Tax Administration Fund from a business type to a governmental fund. The schedule shows the County's assets exceeded liabilities by \$224.9 million at the close of the most recent fiscal year.

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	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program revenues:						
Charges for services	\$ 17,922,548	\$ 21,793,666	\$ 40,381,203	\$ 48,662,802	\$ 58,303,751	\$ 70,456,468
Operating grants and contributions	57,489,788	51,606,377	8,826,066	4,465,025	66,315,854	56,071,402
Capital grants and contributions	5,685,805	6,030,958	-	5,000	5,685,805	6,035,958
General revenues:						
Property taxes	63,548,868	62,412,094	-	-	63,548,868	62,412,094
Other	3,657,775	2,277,048	576,620	(353,629)	4,234,395	1,923,419
Total revenues	148,304,784	144,120,143	49,783,889	52,779,198	198,088,673	196,899,341
Expenses:						
General government	21,806,096	20,989,207	-	-	21,806,096	20,989,207
Public safety	30,003,061	30,120,977	-	-	30,003,061	30,120,977
Judicial	15,421,164	15,326,848	-	-	15,421,164	15,326,848
Public works	24,012,336	21,015,493	-	-	24,012,336	21,015,493
Health	28,791,858	30,035,093	-	-	28,791,858	30,035,093
Welfare	17,612,580	19,087,166	-	-	17,612,580	19,087,166
Education	33,424	41,596	-	-	33,424	41,596
Economic development	416,413	1,349,821	-	-	416,413	1,349,821
Culture and recreation	9,191,266	9,052,366	-	-	9,191,266	9,052,366
Interest on long-term debt	650,932	941,274	-	-	650,932	941,274
Medical care facility	-	-	24,082,287	23,840,555	24,082,287	23,840,555
Delinquent tax collection	-	-	3,876,343	3,522,094	3,876,343	3,522,094
Community health center network	-	-	19,328,244	17,480,203	19,328,244	17,480,203
Housing	-	-	477,318	427,978	477,318	427,978
Inmate stores	-	-	313,138	298,226	313,138	298,226
County fair	-	-	995,660	923,152	995,660	923,152
Total expenses	147,939,130	147,959,841	49,072,990	46,492,208	197,012,120	194,452,049
Change in net position, before transfers	365,654	(3,839,698)	710,899	6,286,990	1,076,553	2,447,292
Transfers	(2,381,588)	(695,516)	2,380,327	696,563	(1,261)	1,047
Change in net position	(2,015,934)	(4,535,214)	3,091,226	6,983,553	1,075,292	2,448,339
Net position:						
Beginning of year (restated)	175,165,237	179,700,451	48,653,588	41,670,035	223,818,825	221,370,486
End of year	\$ 173,149,303	\$ 175,165,237	\$ 51,744,814	\$ 48,653,588	\$ 224,894,117	\$ 223,818,825

The County's total net position increased by \$1.1 million during the year. The governmental activities decreased by \$2 million primarily due to the depreciation of road infrastructure and the budgeted use of General Fund balance. The business-type activities increased \$2.4 million. The Medical Care Facility accounted for majority of this increase.

Governmental Activities. An analysis of the governmental activities revenues and expenses shows a \$4.2 million increase in revenues while the expenditures remained consistent to the prior year. The increase to revenue is due to increases in property taxes based on improved property values and increased Federal and state grants for road construction.

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Business-type Activities. Business-type activities increased Ingham County's net position by \$3.1 million compared to \$7 million in 2013. The Medical Care Facility accounted for \$2.2 million of the increase. This was a planned increase since the Medical Care Facility has been accumulating funds to pay for a material expansion of their facility.

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 \$57.9 million, a decrease of \$2.7 million in comparison with the prior year. Of this total amount \$11.6 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 (\$7.2 million), health services (\$2.8 million), budget stabilization (\$10.6 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 \$12.1 million. The unassigned fund balance at December 31, 2013 totaled \$19.1. This decrease is due to an increase in the amount advanced to the Drain component unit of \$6 million which is required to be reported as nonspendable fund balance. In addition, \$10.6 million in committed fund balance is available for future budget stabilization. The total fund balance totals \$40.1 million which is a \$2.4 million budgeted deduction from 2013. No other governmental funds experienced a significant change in fund balance.

The General Fund revenue increase between years was \$3.3 million. This was due largely to an increase in property taxes based on improved property values and an increase in State Revenue Sharing. Expenditures increased by \$4 million. Expenditures overall had slight increases, with notable increases in pension expense of \$670,000 along with increases in the contribution to the Retiree Health Insurance trust, utilities, overtime in the Sheriff's operations, jail medical and mental health court.

The Capital Projects Fund is used to account for a Community Development Block Grant to pay for a portion of the utilities for the expansion of Jackson National Life's facility as noted in the transmittal letter. This reimbursement was not available to be recognized as revenue in 2014 therefore, resulting in a \$460,000 fund deficit as of December 31, 2014.

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 2014 with an unrestricted net position of \$9.9 million. This amount was consistent with the balance in 2013 after transferring the annual \$2.7 million appropriation to the General Fund.

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Long-Term Debt. At the end of the 2014 fiscal year, Ingham County had total general obligation debt of \$23.9 million. The entire amount is backed by the full faith and credit of the County.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$13,895,000	\$16,240,000	\$ -	\$ -	\$13,895,000	\$16,240,000
Delinquent tax notes	-	-	10,000,000	11,500,000	10,000,000	11,500,000
Total	\$13,895,000	\$16,240,000	\$10,000,000	\$11,500,000	\$23,895,000	\$27,740,000

The County retired \$2.3 million in debt during 2014. Tax notes of \$14.0 million were issued in 2014 and \$15.5 million were retired resulting in a decrease of \$1.5 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 up to 10 percent of its total assessed valuation (i.e., state equalized value). The current debt limitation for Ingham County is \$750.1 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 8 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 2015, it is anticipated that a reasonable use of fund balance will be required to properly match current resources with current expenditures.

Taxable values for 2014 increased 1.4% 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 but did increase in both 2014 and 2015.

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The Medical Care Facility's unrestricted net position was \$22.3 million after an increase in net position for the year of \$2.2 million. This increase was planned and will be used with much of the existing net position to fund a large portion of the renovations planned for 2015. It should be noted that the Medical Care Facility fully funded its portion of the County's pension plan in 2012. The net pension asset as of December 31, 2014 is \$5 million.

The Community Health Center Network Enterprise Fund accounts for the fee-based activity of the County Health Department's clinics. Revenues in 2014 were down \$3.5 million from 2013 due to an one-time only revenue from the State of Michigan being received in 2013. As noted, \$1.8 million of the existing fund balance will be used in 2015 to renovate a building to be used to centralize clinic operations. In addition, much of the unrestricted balance of \$2.2 million will be used in 2015 to renovate the Community Health Center space within the County's Human Services Building.

General Fund Budgetary Highlights

Revenues were in line with budget. Expenditures were under budget by \$1.4 million. This was caused by a variety of reasons including labor attrition and the amount needed for capital outlay being less than anticipated. The transfers out were under budget by \$585,000. This is the direct result of the Health Fund needing less funding than anticipated during 2014.

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, 2014, amounts to \$174.9 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. The \$2.8 increase was due to the additions to road Infrastructure exceeding the depreciation on the same asset class. In addition, a large upgrade to the County's 911 dispatch system was purchased during 2014.

Additional information on Ingham County's capital assets can be found in note 5 of the notes to the financial statements.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 8,958,025	\$ 8,957,625	\$ 137,912	\$ 137,912	\$ 9,095,937	\$ 9,095,537
Land improvements	25,682,314	24,516,802	-	-	25,682,314	24,516,802
Construction in progress	593,612	168,659	-	-	593,612	168,659
Intangible assets	2,490,364	2,206,275	-	-	2,490,364	2,206,275
Buildings	35,859,472	38,261,800	13,307,453	11,813,295	49,166,925	50,075,095
Machinery and equipment	7,216,444	7,600,159	596,224	340,833	7,812,668	7,940,992
Infrastructure	80,105,332	78,179,584	-	-	80,105,332	78,179,584
Total capital assets, net	\$ 160,905,563	\$ 159,890,904	\$ 14,041,589	\$ 12,292,040	\$ 174,947,152	\$ 172,182,944

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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, 1% in 2007 through 2012, 1.75% for 2013 and 2.65% in 2014. The total amount accumulated as of December 31, 2014 is \$7.7 million. During 2015, the County increased the contribution to 3.65% of payroll and plans on increasing the contribution each year for the foreseeable future.

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, Michigan 48854.

INGHAM COUNTY, MICHIGAN
Statement of Net Position
December 31, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Pooled cash and investments	\$ 63,019,807	\$ 19,964,765	\$ 82,984,572	\$ 12,895,964
Pooled cash and investments - restricted	-	11,559,488	11,559,488	-
Receivables, net	46,378,978	19,884,885	66,263,863	38,953,929
Internal balances	186,230	4,430	190,660	-
Other assets	2,793,683	80,721	2,874,404	4,875,766
Net pension asset	-	4,998,107	4,998,107	-
Capital assets not being depreciated	37,403,631	137,912	37,541,543	18,747,912
Capital assets being depreciated, net	123,501,932	13,903,677	137,405,609	40,873,307
Total assets	\$ 273,284,261	\$ 70,533,985	\$ 343,818,246	\$ 116,346,878
Liabilities				
Accounts payable and accrued liabilities	\$ 14,747,164	\$ 4,815,462	\$ 19,562,626	\$ 11,558,935
Accrued interest payable	183,818	13,604	197,422	89,150
Deposits payable	1,462,001	-	1,462,001	19,064
Unearned revenue	3,036,517	42,910	3,079,427	69,873
Long-term liabilities:				
Due within one year	5,741,784	10,702,155	16,443,939	8,335,788
Due in more than one year	14,448,523	395,000	14,843,523	45,778,945
Other noncurrent liability - net other postemployment benefit liability	36,612,712	2,820,040	39,432,752	-
Total liabilities	76,232,519	18,789,171	95,021,690	65,851,755
Deferred Inflows of Resources	23,902,439	-	23,902,439	-
Net Position				
Net investment in capital assets	146,123,536	14,041,589	160,165,125	13,243,088
Restricted for:				
General government	195,034	-	195,034	-
Public health services	1,288,426	-	1,288,426	-
Public safety	3,429,387	472,444	3,901,831	-
Transportation	1,926,812	-	1,926,812	-
Culture and recreation	1,290,682	-	1,290,682	-
Welfare	2,326,172	-	2,326,172	-
Education	29,190	-	29,190	-
Economic development	3,880,897	-	3,880,897	-
Debt service	12,547	-	12,547	41,433,438
Capital Projects	-	-	-	2,364,757
Scholarships	-	16,092	16,092	-
Unrestricted	12,646,620	37,214,689	49,861,309	(6,546,160)
Total net position	\$ 173,149,303	\$ 51,744,814	\$ 224,894,117	\$ 50,495,123

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
Statement Of Activities
For the Year Ended December 31, 2014

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	\$ 21,806,096	\$ 2,697,960	\$ 12,081,564	\$ -	\$ (7,026,572)
Public safety	30,003,061	5,734,896	4,440,844	-	(19,827,321)
Judicial	15,421,164	2,490,887	3,773,922	-	(9,156,355)
Public works	24,012,336	18,445	15,648,053	5,685,805	(2,660,033)
Health	28,791,858	5,475,089	12,555,227	-	(10,761,542)
Welfare	17,612,580	461,841	8,234,826	-	(8,915,913)
Education	33,424	-	48,708	-	15,284
Economic development	416,413	-	92,937	-	(323,476)
Culture and recreation	9,191,266	1,043,430	31,225	-	(8,116,611)
Interest on long-term debt	650,932	-	582,482	-	(68,450)
Total governmental activities	147,939,130	17,922,548	57,489,788	5,685,805	(66,840,989)
Business-type activities:					
Medical care facility	24,082,287	25,870,444	33,793	-	1,821,950
Delinquent tax collection	3,876,343	2,400,940	4,182,427	-	2,707,024
Community health center network	19,328,244	10,916,567	4,039,878	-	(4,371,799)
Inmate stores	477,318	172,021	501,382	-	196,085
Parks	313,138	285,504	10,040	-	(17,594)
Fair Board	995,660	735,727	58,546	-	(201,387)
Total business-type activities	49,072,990	40,381,203	8,826,066	-	134,279
Total primary government	\$ 197,012,120	\$ 58,303,751	\$ 66,315,854	\$ 5,685,805	\$ (66,706,710)
Component units:					
Housing Commission	\$ 1,145,279	\$ 253,434	\$ 819,375	\$ -	\$ (72,470)
Land Bank	4,410,061	1,703,166	2,357,499	-	(349,396)
Drain Commission	8,239,560	1,170,652	-	9,736,081	2,667,173
Brownfield Redevelopment	656,449	-	-	-	(656,449)
Total component units	\$ 14,451,349	\$ 3,127,252	\$ 3,176,874	\$ 9,736,081	\$ 1,588,858

continued

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
Statement Of Activities
For the Year Ended December 31, 2014

	Governmental Activities	Primary Government Business-type Activities	Total	Component Units
Changes in net position				
Net (expense) revenue	\$ (66,840,989)	\$ 134,279	\$ (66,706,710)	\$ 1,588,858
General revenues:				
Property taxes	63,548,868	-	63,548,868	157,717
Taxes restricted for tourism programs	2,519,035	-	2,519,035	-
Unrestricted investment earnings (loss)	1,069,138	633,721	1,702,859	180,648
Other	-	-	-	54,160
Gain on sale of capital assets	69,602	(57,101)	12,501	9,800
Transfers - internal activities	(2,381,588)	2,380,327	(1,261)	-
Total general revenues and transfers	<u>64,825,055</u>	<u>2,956,947</u>	<u>67,782,002</u>	<u>402,325</u>
Change in net position	(2,015,934)	3,091,226	1,075,292	1,991,183
Net position - beginning of year (restated)	<u>175,165,237</u>	<u>48,653,588</u>	<u>223,818,825</u>	<u>48,503,940</u>
Net position - end of year	<u>\$ 173,149,303</u>	<u>\$ 51,744,814</u>	<u>\$ 224,894,117</u>	<u>\$ 50,495,123</u>

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
 Governmental Funds
 Balance Sheets
 December 31, 2014

	General Fund	Transportation and Roads	Health	Emergency Telephone	County Transportation System	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Pooled cash and investments	\$ 31,032,181	\$ 4,607,509	\$ 1,279,498	\$ 3,311,802	\$ 5,149,084	\$ 9,409,439	\$ 54,789,513
Property taxes receivable	930,766	-	-	5,164,471	3,660,685	13,260,926	23,016,848
Accounts receivable	197,476	7,445	1,252,928	295,210	-	167,817	1,920,876
Accrued interest receivable	81,456	13,232	-	8,345	11,828	26,049	140,910
Special assessments receivable	-	-	-	-	-	1,706,690	1,706,690
Due from other funds	2,077,306	-	619	-	-	-	2,077,925
Due from component unit	5,863	-	-	-	-	-	5,863
Due from other governmental units	2,969,741	2,985,443	-	133,808	-	3,555,575	9,644,567
Prepaid items	49,569	30,837	144,742	-	-	72,156	297,304
Inventories	-	1,203,920	295,403	-	-	-	1,499,323
Rehabilitation loans receivable	-	-	-	-	-	2,187,971	2,187,971
Advances to other funds	177,222	-	-	-	-	-	177,222
Advances to component unit	7,000,000	-	-	-	-	-	7,000,000
Total assets	\$ 44,521,580	\$ 8,848,386	\$ 2,973,190	\$ 8,913,636	\$ 8,821,597	\$ 30,386,623	\$ 104,465,012
Liabilities							
Accounts payable and accrued liabilities	\$ 1,716,736	\$ 173,163	\$ 775,267	\$ 43,704	\$ 3,755,760	\$ 1,768,496	\$ 8,233,126
Salaries and related withholdings	1,741,240	301,120	253,746	243,115	-	338,262	2,877,483
Property tax payable	465,000	-	-	62,000	44,000	86,000	657,000
Due to other funds	-	-	326	-	-	1,974,039	1,974,365
Due to other governmental units	61,479	12,926	9	-	-	5,664	80,078
Deposits payable	-	1,462,001	-	-	-	-	1,462,001
Unearned revenue	160,962	2,187,386	655,416	-	-	28,203	3,031,967
Total liabilities	4,145,417	4,136,596	1,684,764	348,819	3,799,760	4,200,664	18,316,020
Deferred Inflows of Resources							
Unavailable revenue - rehab activity	-	-	-	-	-	2,221,744	2,221,744
Tax levied before the period of use	-	-	-	5,516,103	3,910,922	14,154,943	23,581,968
Unavailable revenue - special assessments and grants	-	-	-	-	-	2,120,741	2,120,741
Unavailable revenue - other	320,471	-	-	-	-	-	320,471
Total deferred inflows of resources	320,471	-	-	5,516,103	3,910,922	18,497,428	28,244,924
Fund Balances							
Nonspendable	7,226,791	1,234,757	296,200	-	-	72,156	8,829,904
Restricted	-	3,477,033	992,226	3,048,714	1,110,915	8,043,039	16,671,927
Committed	15,567,365	-	-	-	-	33,391	15,600,756
Assigned	5,190,619	-	-	-	-	-	5,190,619
Unassigned	12,070,917	-	-	-	-	(460,055)	11,610,862
Total fund balances	40,055,692	4,711,790	1,288,426	3,048,714	1,110,915	7,688,531	57,904,068
Total liabilities, deferred inflows of resources and fund balances	\$ 44,521,580	\$ 8,848,386	\$ 2,973,190	\$ 8,913,636	\$ 8,821,597	\$ 30,386,623	\$ 104,465,012

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
 Reconciliation
 Fund Balances for Governmental Funds
 To Net Position of Governmental Activities
 December 31, 2014

Fund balances - total governmental funds \$ 57,904,068

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

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

Capital assets	348,237,889
Accumulated depreciation	(190,516,418)

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 inflows of resources	4,342,485
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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	(13,961,731)
Accrued interest on bonds payable	(183,818)
Accrued compensated absences	(5,219,380)
Other postemployment benefit liability	(36,612,712)

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	(150,073)
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Losses on bond refundings are not reported in the governmental funds, whereas they are capitalized and amortized for net position.

	294,545
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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	9,014,448
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Net position of governmental activities \$ 173,149,303

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended December 31, 2014

	General Fund	Transportation and Roads	Health	Emergency Telephone	County Transportation System	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 43,259,713	\$ -	\$ -	\$ 5,589,580	\$ 3,977,739	\$ 13,810,847	\$ 66,637,879
Licenses and permits	460,084	171,862	-	-	-	7,200	639,146
Intergovernmental	13,841,419	20,386,038	9,114,075	65,753	15,334	12,592,716	56,015,335
Charges for services	11,178,539	18,445	5,401,616	-	-	1,323,948	17,922,548
Fines and forfeits	420,339	-	-	-	-	-	420,339
Investment earnings (loss)	664,453	45,195	-	101,571	34,575	182,493	1,028,287
Other	1,577,062	1,800	486,935	1,918,532	-	1,357,620	5,341,949
Total revenues	71,401,609	20,623,340	15,002,626	7,675,436	4,027,648	29,274,824	148,005,483
Expenditures							
Current:							
General government	15,043,183	-	-	-	-	5,206,445	20,249,628
Public safety	21,586,733	-	-	6,896,636	-	908,700	29,392,069
Judicial	15,040,130	-	-	-	-	-	15,040,130
Public works	386,182	19,733,556	-	-	3,756,028	1,035,510	24,911,276
Health	5,102,569	-	18,627,030	-	-	3,490,156	27,219,755
Welfare	482,064	-	-	-	-	16,871,644	17,353,708
Education	-	-	-	-	-	33,523	33,523
Economic development	223,322	-	-	-	-	108,092	331,414
Culture and recreation	2,334,279	-	-	-	-	5,974,132	8,308,411
Capital outlay	798,593	272,844	75,338	524,745	-	574,266	2,245,786
Debt service	-	-	-	-	-	-	-
Principal retirement	199,714	-	-	-	-	2,345,000	2,544,714
Interest and fiscal charges	8,704	-	-	-	-	661,140	669,844
Total expenditures	61,205,473	20,006,400	18,702,368	7,421,381	3,756,028	37,208,608	148,300,258
Excess of Revenue Over (Under) Expenditures	10,196,136	616,940	(3,699,742)	254,055	271,620	(7,933,784)	(294,775)
Other Financing Sources (Uses)							
Transfers in	3,339,378	-	3,788,637	-	-	12,007,463	19,135,478
Transfers out	(15,960,331)	-	(5,411)	(216,019)	(107,646)	(5,307,583)	(21,596,990)
Proceeds from sales of capital assets	19,687	12,631	-	-	-	-	32,318
Total other financing sources (uses)	(12,601,266)	12,631	3,783,226	(216,019)	(107,646)	6,699,880	(2,429,194)
Net change in fund balances	(2,405,130)	629,571	83,484	38,036	163,974	(1,233,904)	(2,723,969)
Fund balances - beginning of year (as restated)	42,460,822	4,082,219	1,204,942	3,010,678	946,941	8,922,435	60,628,037
Fund balances - end of year	\$ 40,055,692	\$ 4,711,790	\$ 1,288,426	\$ 3,048,714	\$ 1,110,915	\$ 7,688,531	\$ 57,904,068

The accompanying notes are an integral part of these financial statements

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, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (2,723,969)

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	12,587,602
Depreciation expense	(10,711,384)
Net book value of disposed capital assets	(650,648)

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	(569,978)
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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	2,544,713
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Accrued interest expense on debt, 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	33,317
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	527,433
Obligation for other postemployment benefits	(3,434,514)

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	237,833
Portion of net operating income allocated to business-type activities	-
Investment earnings in governmental internal services funds	40,851
Gain on sale of governmental internal service fund capital assets	37,284
Transfers received in governmental internal service funds	427,054
Transfers made from governmental internal service funds	(347,130)

Change in Net Position of Governmental Activities \$ (2,015,934)

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Taxes	\$ 41,931,436	\$ 43,251,307	\$ 43,259,713	\$ 8,406	\$ 41,917,175
Licenses and permits	490,817	490,817	460,084	(30,733)	434,177
Intergovernmental	11,609,043	13,548,643	13,841,419	292,776	12,243,912
Charges for services	11,249,160	11,832,512	11,178,539	(653,973)	11,829,583
Fines and forfeits	535,300	435,300	420,339	(14,961)	479,198
Investment earning (loss)	350,000	350,000	664,453	314,453	(247,642)
Other	1,414,760	1,488,698	1,577,062	88,364	1,435,912
Total revenues	67,580,516	71,397,277	71,401,609	4,332	68,092,315
Expenditures					
Current:					
General government	14,997,388	15,719,075	15,043,183	675,892	14,100,309
Public safety	19,821,688	21,586,734	21,586,733	1	20,312,090
Judicial	14,878,038	15,230,177	15,040,130	190,047	14,508,379
Public works	432,300	395,817	386,182	9,635	299,395
Health	4,749,121	5,102,570	5,102,569	1	4,607,920
Welfare	488,841	509,967	482,064	27,903	448,996
Economic development	207,031	229,582	223,322	6,260	187,328
Culture and recreation	2,271,060	2,357,114	2,334,279	22,835	2,122,777
Capital outlay	275,613	1,223,324	798,593	424,731	381,062
Contingency	350,000	138,912	-	138,912	-
Debt service:					
Principal retirement	166,966	199,714	199,714	-	193,125
Interest and fiscal charges	24,112	8,704	8,704	-	15,277
Total expenditures	58,662,158	62,701,690	61,205,473	1,496,217	57,176,658
Revenues over expenditures	8,918,358	8,695,587	10,196,136	1,500,549	10,915,657
Other financing sources (uses)					
Transfers in	3,602,880	3,475,564	3,339,378	(136,186)	3,380,015
Transfers out	(15,777,735)	(16,545,176)	(15,960,331)	584,845	(14,319,342)
Proceeds from sales of capital assets	2,500	2,500	19,687	17,187	6,582
Total other financing sources (uses)	(12,172,355)	(13,067,112)	(12,601,266)	465,846	(10,932,745)
Net change in fund balance	(3,253,997)	(4,371,525)	(2,405,130)	1,966,395	(17,088)
Fund Balances - beginning of year	42,460,822	42,460,822	42,460,822	-	42,477,910
Fund Balances - end of year	\$ 39,206,825	\$ 38,089,297	\$ 40,055,692	\$ 1,966,395	\$ 42,460,822

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
Transportation and Roads Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Licenses and permits	\$ 120,000	\$ 120,000	\$ 171,862	\$ 51,862	\$ 162,497
Intergovernmental	17,967,016	20,712,016	20,386,038	(325,978)	18,502,797
Charges for services	12,000	12,000	18,445	6,445	13,190
Investment earning (loss)	20,000	20,000	45,195	25,195	22,485
Other	-	-	1,800	1,800	21,884
Total revenues	<u>18,119,016</u>	<u>20,864,016</u>	<u>20,623,340</u>	<u>(240,676)</u>	<u>18,722,853</u>
Expenditures					
Public works:					
Personnel services	7,119,549	7,302,549	6,753,948	548,601	6,770,110
Controllable	10,837,467	13,340,467	12,580,788	759,679	11,104,361
Noncontrollable	372,000	399,000	398,820	180	367,883
Capital outlay	40,000	315,000	272,844	42,156	243,236
Total expenditures	<u>18,369,016</u>	<u>21,357,016</u>	<u>20,006,400</u>	<u>1,350,616</u>	<u>18,485,590</u>
Revenues over expenditures	<u>(250,000)</u>	<u>(493,000)</u>	<u>616,940</u>	<u>1,109,940</u>	<u>237,263</u>
Other financing sources (uses)					
Proceeds from sales of capital assets	-	-	12,631	12,631	13,783
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>12,631</u>	<u>12,631</u>	<u>13,783</u>
Net change in fund balance	<u>(250,000)</u>	<u>(493,000)</u>	<u>629,571</u>	<u>1,122,571</u>	<u>251,046</u>
Fund balances - beginning of year	<u>4,082,219</u>	<u>4,082,219</u>	<u>4,082,219</u>	<u>-</u>	<u>3,831,173</u>
Fund balances - end of year	<u>\$ 3,832,219</u>	<u>\$ 3,589,219</u>	<u>\$ 4,711,790</u>	<u>\$ 1,122,571</u>	<u>\$ 4,082,219</u>

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
 Health Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Final Budget and Actual
 For the Year Ended September 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Intergovernmental	\$ 7,888,613	\$ 9,252,851	\$ 9,114,075	\$ (138,776)	\$ 8,209,372
Charges for services	5,614,358	5,338,082	5,401,616	63,534	7,808,186
Other	287,100	563,192	486,935	(76,257)	237,551
Total revenues	<u>13,790,071</u>	<u>15,154,125</u>	<u>15,002,626</u>	<u>(151,499)</u>	<u>16,255,109</u>
Expenditures					
Health:					
Personnel services	12,544,927	12,671,825	12,671,450	375	12,196,317
Controllable	5,685,613	6,034,320	5,383,176	651,144	6,777,729
Noncontrollable	621,440	625,024	572,404	52,620	428,379
Capital outlay	-	93,724	75,338	18,386	-
Total expenditures	<u>18,851,980</u>	<u>19,424,893</u>	<u>18,702,368</u>	<u>722,525</u>	<u>19,402,425</u>
Revenues over expenditures	<u>(5,061,909)</u>	<u>(4,270,768)</u>	<u>(3,699,742)</u>	<u>571,026</u>	<u>(3,147,316)</u>
Other financing sources (uses)					
Transfers in	4,746,127	4,071,922	3,788,637	(283,285)	3,135,662
Transfers out	(9,218)	(114,218)	(5,411)	108,807	(116,206)
Total other financing sources (uses)	<u>4,736,909</u>	<u>3,957,704</u>	<u>3,783,226</u>	<u>(174,478)</u>	<u>3,019,456</u>
Net change in fund balance	<u>(325,000)</u>	<u>(313,064)</u>	<u>83,484</u>	<u>396,548</u>	<u>(127,860)</u>
Fund balances - beginning of year	<u>1,204,942</u>	<u>1,204,942</u>	<u>1,204,942</u>	-	<u>1,332,802</u>
Fund balances - end of year	<u>\$ 879,942</u>	<u>\$ 891,878</u>	<u>\$ 1,288,426</u>	<u>\$ 396,548</u>	<u>\$ 1,204,942</u>

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
Emergency Telephone Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Taxes	\$ 5,430,734	\$ 5,550,734	\$ 5,589,580	\$ 38,846	\$ 5,467,074
Intergovernmental	-	-	65,753	65,753	164,492
Investment earning (loss)	26,200	26,200	101,571	75,371	(51,021)
Other	1,927,500	2,066,800	1,918,532	(148,268)	1,871,525
Total revenues	<u>7,384,434</u>	<u>7,643,734</u>	<u>7,675,436</u>	<u>31,702</u>	<u>7,452,070</u>
Expenditures					
Public safety	6,672,006	7,141,295	6,896,636	244,659	6,901,049
Capital outlay	28,064	528,064	524,745	3,319	5,510
Total expenditures	<u>6,700,070</u>	<u>7,669,359</u>	<u>7,421,381</u>	<u>247,978</u>	<u>6,906,559</u>
Revenues over expenditures	<u>684,364</u>	<u>(25,625)</u>	<u>254,055</u>	<u>279,680</u>	<u>545,511</u>
Other financing sources (uses)					
Transfers out	<u>(211,234)</u>	<u>(216,019)</u>	<u>(216,019)</u>	<u>-</u>	<u>(220,622)</u>
Total other financing sources (uses)	<u>(211,234)</u>	<u>(216,019)</u>	<u>(216,019)</u>	<u>-</u>	<u>(220,622)</u>
Net change in fund balance	<u>473,130</u>	<u>(241,644)</u>	<u>38,036</u>	<u>279,680</u>	<u>324,889</u>
Fund balances - beginning of year	<u>3,010,678</u>	<u>3,010,678</u>	<u>3,010,678</u>	<u>-</u>	<u>2,685,789</u>
Fund balances - end of year	<u>\$ 3,483,808</u>	<u>\$ 2,769,034</u>	<u>\$ 3,048,714</u>	<u>\$ 279,680</u>	<u>\$ 3,010,678</u>

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
County Transportation System Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Taxes	\$ 3,847,409	\$ 3,847,409	\$ 3,977,739	\$ 130,330	\$ 3,899,864
Intergovernmental	10,000	10,000	15,334	5,334	16,764
Investment earning (loss)	15,000	15,000	34,575	19,575	22,448
Total revenues	<u>3,872,409</u>	<u>3,872,409</u>	<u>4,027,648</u>	<u>155,239</u>	<u>3,939,076</u>
Expenditures					
Public works	<u>3,764,763</u>	<u>3,764,763</u>	<u>3,756,028</u>	<u>8,735</u>	<u>3,793,965</u>
Total expenditures	<u>3,764,763</u>	<u>3,764,763</u>	<u>3,756,028</u>	<u>8,735</u>	<u>3,793,965</u>
Revenues over expenditures	<u>107,646</u>	<u>107,646</u>	<u>271,620</u>	<u>163,974</u>	<u>145,111</u>
Other financing sources (uses)					
Transfers out	<u>(107,646)</u>	<u>(107,646)</u>	<u>(107,646)</u>	<u>-</u>	<u>(112,327)</u>
Total other financing sources (uses)	<u>(107,646)</u>	<u>(107,646)</u>	<u>(107,646)</u>	<u>-</u>	<u>(112,327)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>163,974</u>	<u>163,974</u>	<u>32,784</u>
Fund balances - beginning of year	<u>946,941</u>	<u>946,941</u>	<u>946,941</u>	<u>-</u>	<u>914,157</u>
Fund balances - end of year	<u>\$ 946,941</u>	<u>\$ 946,941</u>	<u>\$ 1,110,915</u>	<u>\$ 163,974</u>	<u>\$ 946,941</u>

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
Proprietary Funds
Statement of Net Position
December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Major Funds				Total Enterprise Funds	Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving	Community Health Network	Nonmajor Enterprise Funds		
Assets						
Current assets:						
Pooled cash and investments	\$ 7,242,807	\$ 6,930,931	\$ 3,548,122	\$ 1,529,510	\$ 19,251,370	\$ 7,398,367
Cash on deposit with agents	-	-	-	-	-	831,927
Delinquent real property taxes receivable	-	12,254,385	-	-	12,254,385	-
Accounts receivable, net	2,968,485	92,785	1,069,436	67,243	4,197,949	452,926
Accrued interest receivable	43,016	17,146	-	2,993	63,155	6,315
Due from other funds	-	-	4,430	-	4,430	4,614
Due from other governmental units	-	823,133	2,400,000	146,263	3,369,396	296,012
Inventories	10,696	-	-	-	10,696	11,802
Prepaid items	9,944	-	59,561	520	70,025	985,254
Total current assets	<u>10,274,948</u>	<u>20,118,380</u>	<u>7,081,549</u>	<u>1,746,529</u>	<u>39,221,406</u>	<u>9,987,217</u>
Noncurrent assets:						
Pooled cash and investments - restricted	11,559,488	-	-	-	11,559,488	-
Investments - restricted	713,395	-	-	-	713,395	-
Long-term accounts receivable	-	-	-	-	-	177,222
Net pension asset	4,998,107	-	-	-	4,998,107	-
Capital assets not depreciated	132,832	-	-	5,080	137,912	-
Capital assets depreciated, net	9,557,261	18,069	2,207,110	2,121,237	13,903,677	3,184,092
Total noncurrent assets	<u>26,961,083</u>	<u>18,069</u>	<u>2,207,110</u>	<u>2,126,317</u>	<u>31,312,579</u>	<u>3,361,314</u>
Total assets	<u>\$ 37,236,031</u>	<u>\$ 20,136,449</u>	<u>\$ 9,288,659</u>	<u>\$ 3,872,846</u>	<u>\$ 70,533,985</u>	<u>\$ 13,348,531</u>
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 1,284,140	\$ 136,765	\$ 2,163,352	\$ 128,557	\$ 3,712,814	\$ 1,458,296
Salaries and related withholdings	647,646	12,046	353,026	23,709	1,036,427	133,379
Due to other funds	-	-	-	-	-	99,166
Due to other governments	-	-	-	-	-	7,802
Accrued interest payable	-	13,604	-	-	13,604	-
Compensated absences, current	467,555	10,500	200,000	24,100	702,155	188,900
Bonds/notes/capital leases payable, current	-	10,000,000	-	-	10,000,000	321,580
Unearned revenue	10,722	-	-	13,325	24,047	4,550
Claims payable, current	32,726	-	-	33,495	66,221	475,000
Deposits payable- unearned	16,300	-	2,563	-	18,863	-
Total current liabilities	<u>2,459,089</u>	<u>10,172,915</u>	<u>2,718,941</u>	<u>223,186</u>	<u>15,574,131</u>	<u>2,688,673</u>
Noncurrent liabilities:						
Claims payable, net	-	-	-	-	-	825,000
Compensated absences, net	-	20,000	375,000	-	395,000	-
Capital leases payable	-	-	-	-	-	643,188
Net other postemployment benefit liability	2,820,040	-	-	-	2,820,040	-
Advances from other funds	-	-	-	-	-	177,222
Total noncurrent liabilities	<u>2,820,040</u>	<u>20,000</u>	<u>375,000</u>	<u>-</u>	<u>3,215,040</u>	<u>1,645,410</u>
Total liabilities	<u>5,279,129</u>	<u>10,192,915</u>	<u>3,093,941</u>	<u>223,186</u>	<u>18,789,171</u>	<u>4,334,083</u>
Net position						
Net investment in capital assets	9,690,093	18,069	2,207,110	2,126,317	14,041,589	2,219,324
Restricted for:						
Police activities	-	-	-	472,444	472,444	-
Scholarships	-	-	-	16,092	16,092	-
Unrestricted	<u>22,266,809</u>	<u>9,925,465</u>	<u>3,987,608</u>	<u>1,034,807</u>	<u>37,214,689</u>	<u>6,795,124</u>
Total net position	<u>\$ 31,956,902</u>	<u>\$ 9,943,534</u>	<u>\$ 6,194,718</u>	<u>\$ 3,649,660</u>	<u>\$ 51,744,814</u>	<u>\$ 9,014,448</u>

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds					Governmental
	Major Funds					Activities
	Medical Care Facility	Delinquent Tax Revolving	Community Health Network	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues						
Charges for services	\$ 25,870,444	\$ 132,851	\$ 10,916,567	\$ 3,461,341	\$ 40,381,203	\$ 36,674,826
Intergovernmental	-	-	3,939,478	-	3,939,478	-
Sales	-	-	-	501,382	501,382	-
Interest on taxes	-	2,556,680	-	-	2,556,680	-
Collection fees	-	1,625,747	-	-	1,625,747	-
Other	33,793	-	100,400	68,586	202,779	1,113,230
Total operating revenues	25,904,237	4,315,278	14,956,445	4,031,309	49,207,269	37,788,056
Operating expenses						
Administrative	-	1,629,516	18,852,061	3,863,573	24,345,150	9,292,750
Fees, insurance, pension and current and contingent claims	-	-	-	-	-	27,473,163
Depreciation	840,300	32,017	476,183	137,353	1,485,853	770,482
Other operating expenses	23,241,987	-	-	-	23,241,987	13,828
Total operating expenses	24,082,287	1,661,533	19,328,244	4,000,926	49,072,990	37,550,223
Operating income (loss)	1,821,950	2,653,745	(4,371,799)	30,383	134,279	237,833
Nonoperating revenue (expenses)						
Investment earnings (loss)	378,512	219,457	27,430	8,322	633,721	40,851
Interest and fiscal charges	-	(56,820)	-	(281)	(57,101)	-
Gain on sale of capital assets	-	-	-	-	-	37,284
Total nonoperating revenue	378,512	162,637	27,430	8,041	576,620	78,135
Income (loss) - before contributions and transfers	2,200,462	2,816,382	(4,344,369)	38,424	710,899	315,968
Capital contributions	-	-	-	-	-	-
Transfers in	-	-	4,439,768	1,000,650	5,440,418	427,054
Transfers out	-	(2,830,000)	-	(230,091)	(3,060,091)	(347,130)
Change in net position	2,200,462	(13,618)	95,399	808,983	3,091,226	395,892
Net position- beginning of year (restated)	29,756,440	9,957,152	6,099,319	2,840,677	48,653,588	8,618,556
Net position - end of year	\$ 31,956,902	\$ 9,943,534	\$ 6,194,718	\$ 3,649,660	\$ 51,744,814	\$ 9,014,448

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, 2014

	Business-type Activities - Enterprise Funds					Governmental
	Major Funds				Total Enterprise Funds	Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving	Community Health Network	Nonmajor Enterprise Funds		
Cash Flows from operating activities						
Receipts from customers and users	\$ 24,288,612	\$ 25,479,125	\$ 14,617,705	\$ 4,021,420	\$ 68,406,862	\$ 38,111,075
Quality assurance supplement	2,286,841	-	3,729,353	-	6,016,194	-
Receipts (payment) from interfund services	-	(20,805,590)	(5,179,290)	(3,218,321)	(29,203,201)	94,273
Payments to suppliers and claimants	(22,933,063)	(250,301)	(12,812,724)	(559,127)	(36,555,215)	(36,969,613)
Other receipts	30,077	-	-	-	30,077	86,332
Net cash provided (used) by operating activities	<u>3,672,467</u>	<u>4,423,234</u>	<u>355,044</u>	<u>243,972</u>	<u>8,694,717</u>	<u>1,322,067</u>
Cash flow from noncapital financing activities						
Issuance of delinquent tax notes	-	14,000,000	-	-	14,000,000	-
Repayments on lease payable	-	(15,500,000)	-	-	-	(321,553)
Repayments on delinquent tax notes	-	-	-	-	-	(481,486)
Repayment of advances from other funds	-	-	-	-	-	(481,486)
Transfers in	-	-	4,439,768	230,448	4,670,216	427,054
Transfers out	-	(2,830,000)	-	(230,090)	(3,060,090)	(347,130)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(4,330,000)</u>	<u>4,439,768</u>	<u>358</u>	<u>15,610,126</u>	<u>(723,115)</u>
Cash flow from capital and related financing activities						
Capital grants received	-	-	-	-	-	-
Acquisition and construction of capital assets	(366,973)	-	(1,848,984)	(1,019,447)	(3,235,404)	(559,569)
Proceeds from sale of capital assets	-	-	-	-	-	37,284
Interest and fiscal charges paid on debt	-	(56,820)	-	-	(56,820)	-
Transfer In	-	-	-	770,202	770,202	-
Net cash used in capital and related financing activities	<u>(366,973)</u>	<u>(56,820)</u>	<u>(1,848,984)</u>	<u>(249,245)</u>	<u>(2,522,022)</u>	<u>(522,285)</u>
Cash flow from investing activities						
Interest and dividends received	378,512	220,783	27,430	6,335	633,060	39,754
Purchase of investments	(713,395)	-	-	-	(713,395)	-
Net cash provided by (used in) investing activities	<u>(334,883)</u>	<u>220,783</u>	<u>27,430</u>	<u>6,335</u>	<u>(80,335)</u>	<u>39,754</u>
Net change in pooled cash and investments	2,970,611	257,197	2,973,258	1,420	21,702,486	116,421
Pooled cash and investments, beginning of year	<u>15,831,684</u>	<u>6,673,734</u>	<u>574,864</u>	<u>1,528,090</u>	<u>24,608,372</u>	<u>8,113,873</u>
Pooled cash and investments, end of year	<u>\$ 18,802,295</u>	<u>\$ 6,930,931</u>	<u>\$ 3,548,122</u>	<u>\$ 1,529,510</u>	<u>\$ 30,810,858</u>	<u>\$ 8,230,294</u>
Reconciliation to statement of net position						
Pooled cash and investments	\$ 7,242,807	\$ 6,930,931	\$ 3,548,122	\$ 1,529,510	\$ 19,251,370	\$ 7,398,367
Pooled cash and investments - restricted	11,559,488	-	-	-	11,559,488	-
Cash on deposit with agents	-	-	-	-	-	831,927
Pooled cash and investments, end of year	<u>\$ 18,802,295</u>	<u>\$ 6,930,931</u>	<u>\$ 3,548,122</u>	<u>\$ 1,529,510</u>	<u>\$ 30,810,858</u>	<u>\$ 8,230,294</u>

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, 2014

	Enterprise Funds					Governmental
	Major Funds					Activities
	Medical Care Facility	Delinquent Tax Revolving	Community Health Network	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash from (used) by Operating Activities						
Operating income (loss)	\$ 1,821,950	\$ 2,653,745	\$ (4,371,799)	\$ 30,383	\$ 134,279	\$ 237,833
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	840,300	32,017	476,183	137,353	1,485,853	770,482
Bad Debt Expense	154,553	-	-	-	154,553	-
Changes in assets and liabilities:						
Taxes receivable	-	1,562,294	-	-	1,562,294	-
Accounts receivable	530,986	(12,060)	(336,305)	(12,837)	169,784	(119,770)
Due from other funds	-	-	5,174,036	-	5,174,036	125,371
Due from other governmental units	-	120,450	-	-	120,450	535,491
Inventories	-	-	-	7,550	7,550	(763)
Prepaid items	-	-	(22,505)	(65)	(22,570)	(304,302)
Net pension asset	(113,084)	-	-	-	(113,084)	-
Accounts payable	(95,857)	72,522	725,059	78,803	780,527	153,454
Salaries and related withholdings	-	(3,434)	132,494	5,592	134,652	26,669
Due to other funds	-	-	(1,444,682)	(3,183)	(1,447,865)	(31,098)
Accrued and other liabilities	168,944	-	-	-	168,944	-
Compensated absences	-	(2,300)	25,000	1,800	24,500	(21,300)
Unearned revenue	-	-	(2,437)	(1,424)	(3,861)	-
Claims payable	-	-	-	-	-	(50,000)
Net other postemployment benefit liability	364,675	-	-	-	364,675	-
Net cash provided (used) by operating activities	\$ 3,672,467	\$ 4,423,234	\$ 355,044	\$ 243,972	\$ 8,694,717	\$ 1,322,067

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2014

	<u>Other Employee Benefit Trust Fund</u>	<u>Agency Funds</u>
Assets		
Pooled cash and investments (see note 3)	\$ 7,729,102	\$ 4,291,311
Accounts receivable	-	24,536
Accrued interest receivable	<u>366</u>	<u>1,023</u>
Total assets	<u>7,729,468</u>	<u>\$ 4,316,870</u>
Liabilities		
Undistributed receipts	-	\$ 3,697,689
Due to other governmental units	<u>-</u>	<u>619,181</u>
Total liabilities	<u>-</u>	<u>\$ 4,316,870</u>
Net position		
Held in trust for other employee benefits	<u>\$ 7,729,468</u>	

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
Other Employee Benefits Trust Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2014

	Other Employee Benefit Trust Fund
	<u> </u>
Additions	
Investment Earnings (Loss)	\$ 345,064
Employer contributions	<u>4,736,494</u>
Total additions	5,081,558
Deductions	
Participant benefits	<u>2,949,251</u>
Net additions to net position held in trust	2,132,307
Net position held in trust for benefits, beginning of year	<u>5,597,161</u>
Net position held in trust for benefits, end of year	<u><u>\$ 7,729,468</u></u>

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
Discretely Presented Component Units
Combining Statement of Net Position
December 31, 2014

	Housing Commission	Land Bank	Drain Commission	Brownfield Redevelopment Authority	Total
Assets					
Current assets					
Pooled cash and investments	\$ 308,493	\$ 62,246	\$ 12,076,717	\$ 448,508	\$ 12,895,964
Special assessments receivable	-	-	37,675,297	131,767	37,807,064
Accounts receivable	34,380	162,662	63,362	-	260,404
Accrued interest receivable	-	-	19,896	1,592	21,488
Due from other governmental units	-	457,322	407,651	-	864,973
Land Contract Receivable	-	824,096	-	-	824,096
Inventory	-	3,491,107	-	-	3,491,107
Total current assets	342,873	4,997,433	50,242,923	581,867	56,165,096
Long-term Assets					
Land contract receivable	-	560,563	-	-	560,563
Capital assets not being depreciated	327,078	-	18,420,834	-	18,747,912
Capital assets being depreciated, net	1,302,962	782,410	38,787,935	-	40,873,307
Total long-term assets	1,630,040	1,342,973	57,208,769	-	60,181,782
Total assets	\$ 1,972,913	\$ 6,340,406	\$ 107,451,692	\$ 581,867	\$ 116,346,878
Liabilities					
Current Liabilities					
Accounts payable and accrued expenses	\$ 52,416	\$ 275,105	\$ 1,579,177	\$ -	\$ 1,906,698
Due to primary government	66,774	955,251	5,862	-	1,027,887
Advances from primary government	-	-	7,000,000	-	7,000,000
Due to other governmental units	-	1,165,752	458,598	-	1,624,350
Accrued interest payable	-	13,279	-	75,871	89,150
Tenant security deposits	19,064	-	-	-	19,064
Unearned revenue	1,790	-	68,083	-	69,873
Due within one year	3,407	-	8,182,381	150,000	8,335,788
Total current liabilities	143,451	2,409,387	17,294,101	225,871	20,072,810
Noncurrent Liabilities					
Due in more than one year	-	3,325,000	38,374,549	4,079,396	45,778,945
Total liabilities	143,451	5,734,387	55,668,650	4,305,267	65,851,755
Net Position					
Net investment in capital assets	1,630,040	782,410	10,830,638	-	13,243,088
Restricted for debt service	-	-	41,433,438	-	41,433,438
Restricted for Capital Projects	-	-	2,364,757	-	2,364,757
Unrestricted (deficit)	199,422	(176,391)	(2,845,791)	(3,723,400)	(6,546,160)
Total net position	\$ 1,829,462	\$ 606,019	\$ 51,783,042	\$ (3,723,400)	\$ 50,495,123

The accompanying notes are an integral part of these financial statements

INGHAM COUNTY, MICHIGAN
Discretely Presented Component Units
Combining Statement of Activities
For the Year Ended December 31, 2014

	Housing Commission	Land Bank	Drain Commission	Brownfield Redevelopment Authority	Total
Expenses					
Public works	\$ -	\$ -	\$ 8,239,560	\$ -	\$ 8,239,560
Economic development	-	4,410,061	-	656,449	5,066,510
Housing	1,145,279	-	-	-	1,145,279
Total expenses	<u>1,145,279</u>	<u>4,410,061</u>	<u>8,239,560</u>	<u>656,449</u>	<u>14,451,349</u>
Program revenues					
Charges for services	253,434	1,703,166	1,170,652	-	3,127,252
Operating grants and contributions	819,375	2,357,499	-	-	3,176,874
Capital grants and contributions	-	-	9,736,081	-	9,736,081
Total program revenues	<u>1,072,809</u>	<u>4,060,665</u>	<u>10,906,733</u>	<u>-</u>	<u>16,040,207</u>
Net program expense	(72,470)	(349,396)	2,667,173	(656,449)	1,588,858
General revenues					
Property taxes	-	-	-	157,717	157,717
Unrestricted investment earnings	8	107,516	68,953	4,171	180,648
Gain on the sale of assets	9,800	-	-	-	9,800
Other general revenues	54,160	-	-	-	54,160
Total general revenues	<u>63,968</u>	<u>107,516</u>	<u>68,953</u>	<u>161,888</u>	<u>402,325</u>
Change in net position	(8,502)	(241,880)	2,736,126	(494,561)	1,991,183
Net position (deficit), beginning of year	<u>1,837,964</u>	<u>847,899</u>	<u>49,046,916</u>	<u>(3,228,839)</u>	<u>48,503,940</u>
Net position (deficit), end of year	<u>\$ 1,829,462</u>	<u>\$ 606,019</u>	<u>\$ 51,783,042</u>	<u>\$ (3,723,400)</u>	<u>\$ 50,495,123</u>

The accompanying notes are an integral part of these financial statements

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Note 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 administers 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 but the subsidized housing complex is owned by the County. The administration of the Housing Commission is completely separate from the County.

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 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.

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 2014 contribution to the Tri-County Community Mental Health Board was \$1,751,631.

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 contributes one-quarter of the total annual budget. Ingham County's 2014 contribution was \$104,958.

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.61.

Funds With Other Fiscal Year Ends

The Housing Commission discretely presented component unit, the Community Health Center Network enterprise fund, the Community Development Block Grant Trust and 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.

Change in fund type

Based upon review of the fund type criteria, the Homestead Property Tax Fund was changed from an Enterprise Fund to a Special Revenue Fund in 2014. The fund balance at January 1, 2014 was \$138,586. In addition, the Data Processing Internal Service Fund was renamed the Innovation and Technology Fund in 2014.

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 County considers revenues to be available if they are collected within 60 days of the end of the current period. The only exception is for the September 30th year end Special Revenue Funds for which the collection period is 6 months. The expenditures for these funds are reimbursed by the State of Michigan which does not submit payment until early in the next calendar year. 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.

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 and 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 project fund* is used to account for a Community Development Block Grant to fund the cost of utilities for the Jackson National Life expansion in Okemos, Michigan.

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.

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. 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.

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

	<u>Years</u>
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:

	<u>Years</u>
Building and improvements	30
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 are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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.

Deferred Inflows

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: rehab loans, special assessments and other. In addition, many of the special revenue funds levy property taxes in December for the upcoming year. This amount is noted as tax levied before the period of use on this report. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Property taxes levied are used to finance the expenditures of the current fiscal period (January 1, 2014 through December 31, 2014) and are reported as revenue in the financial statements. Amounts not collected within 60 days of the end of the fiscal year are considered unavailable for the current period, and are reported as deferred inflows.

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 an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance are available, the County's policy is to first apply restricted resources. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the County's policy to spend funds in this order: committed, assigned, and unassigned.

Pension and Other Postemployment Benefit Costs

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

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements, December 31, 2014. These estimates and assumptions also affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 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
- Homestead Property Tax
- ROD Automation
- 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.

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. The County has made budget adjustments subsequent to year-end based upon Board authorization. The County did not have any reportable budget violations for the year ended December 31, 2014.

Note 3 - 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.

Following is a reconciliation of deposits and investments as of December 31, 2014:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Pooled cash and investments			
Statement of net position	\$ 82,984,572	\$ 24,455,452	\$ 107,440,024
Statement of fiduciary net position	<u>12,020,413</u>	<u>-</u>	<u>12,020,413</u>
Total	<u>\$ 95,004,985</u>	<u>\$ 24,455,452</u>	<u>\$ 119,460,437</u>
Deposits and investments			
Bank deposits (checking, savings, and certificates of deposit)			\$ 74,625,372
Investments:			
Treasurer's investment pool			28,292,893
OPEB investments			7,729,102
Other Investment (for Medical Care Facility)			713,395
Cash on hand			128,325
Cash on deposits with agents			831,927
Net effect of funds with different fiscal year ends			<u>7,139,423</u>
Total			<u>\$ 119,460,437</u>

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, \$74,145,864 of the combined bank balance of \$67,258,100 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.

Following is a summary of the County's investments as of December 31, 2014:

U.S. agencies	\$ 23,796,597
Municipal bonds	<u>4,496,296</u>
Total	<u><u>\$ 28,292,893</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, 2014, 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 were rated as follows: A1 \$276,183, Aa3 Stable \$2,149,590, Aa1 Stable \$1,156,343, A2 Negative \$292,361, Aa2 \$491,843, and AA- \$129,976.

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, 2014, the County had greater than 5% of its total investments concentrated as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>% of Portfolio</u>
Federal Home Loan Bank	Various	14.24%

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:

	<u>Total Fair Value</u>	<u>Investment Maturities (fair value by years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
U.S. agencies	\$ 23,796,597	\$ -	\$ 11,963,567	\$ 9,913,514	\$ 1,919,516
Municipal bonds	<u>4,496,296</u>	<u>1,103,377</u>	<u>1,129,480</u>	<u>1,804,313</u>	<u>459,126</u>
Total	<u><u>\$ 28,292,893</u></u>	<u><u>\$ 1,103,377</u></u>	<u><u>\$ 13,093,047</u></u>	<u><u>\$ 11,717,827</u></u>	<u><u>\$ 2,378,642</u></u>

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, 2014:

	<u>Total</u>
Investments at fair value, as determined by quoted market price:	
Mutual funds:	
Domestic equities	\$ 3,016,688
International equities	1,171,666
Emerging markets equity	297,549
Bond mutual funds	3,039,371
Cash	92
Money market	<u>203,828</u>
Total investments	<u>\$ 7,729,194</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, 2014, the Trust's investments in debt securities were rated as follows:

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.

<u>Rating</u>	<u>Bond Mutual Funds</u>
Aaa	\$ 2,088,047
Aa	127,654
A	407,276
Baa	416,393
not rated	-
	<u>\$ 3,039,370</u>

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, 2014, as reported by the Trust's investment managers, there is no concentration of credit risk.

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, 2014, weighted average maturities in the bond mutual fund holdings were as follows: \$42,551 mature in less than 1 year, \$1,477,133 mature in 1-5 years, \$1,042,504 mature in 5-10 years and \$477,182 mature in greater than 10 years.

Public Act 213 of 2007 requires that the County Board of Commissioners be updated on investment activity on at least a quarterly basis. The County was not in compliance with this requirement during 2014.

Note 4 – Receivables, Unearned Revenue and Deferred Inflows

Receivables in the governmental (including internal service funds) and business-type activities are comprised of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 23,016,848	\$ -
Delinquent property taxes	-	12,254,385
Accounts Receivable	2,373,802	4,197,949
Leases	1,706,690	-
Due from component unit	5,863	-
Due from other governmental units	9,940,579	3,369,396
Rehabilitation loans	2,187,971	-
Advances to component units	7,000,000	-
Interest and other	147,225	63,155
	<u>\$ 46,378,978</u>	<u>\$ 19,884,885</u>

Amounts not expected to be collected within one year for special assessments and rehabilitation loans receivable are \$2,120,741 and \$2,221,744 respectively.

The \$ 7 million advance to component units is between the County's General Fund and the Ingham County Drain Commission component unit. During 2015, it is anticipated that \$6 million of this will be returned to the General Fund.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows reported at December 31, 2014 are as follows:

	Rehab Loans		Special Assessments		Total
	Receivable	Property Tax	and Grants	Other	
Governmental funds					
General	\$ -	\$ -	\$ -	\$ 320,471	\$ 320,471
Emergency telephone	-	5,516,103	-	-	5,516,103
County transportation	-	3,910,922	-	-	3,910,922
Nonmajor governmental funds:					
Juvenile justice	-	3,911,460	-	-	3,911,460
Zoo	-	2,682,831	-	-	2,682,831
Farmland preservation	-	902,674	-	-	902,674
Veterans support millage	-	377	-	-	377
Community development block grant	2,221,744	-	-	-	2,221,744
Health services millage	-	3,407,601	-	-	3,407,601
Trails and parks millage	-	3,250,000	-	-	3,250,000
JNL utilities capital project fund	-	-	414,051	-	414,051
Alaiedon water/sewer	-	-	769,125	-	769,125
Tobias-Linn water/sewer	-	-	937,565	-	937,565
Total governmental funds	<u>\$ 2,221,744</u>	<u>\$ 23,581,968</u>	<u>\$ 2,120,741</u>	<u>\$ 320,471</u>	<u>\$ 28,244,924</u>

Governmental funds report unearned revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the components of unearned revenue reported in governmental activities were as follows:

	Unearned Revenue
Governmental funds	
General	\$ 160,962
Transportation and Roads	2,187,386
Health	655,416
Nonmajor governmental funds:	
Friend of the court	402
Drug law enforcement	19,763
Criminal justice	2,564
Family court child care	5,474
Total governmental funds	<u>\$ 3,031,967</u>

Note 5 - Capital Assets

Primary Government

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Disposals	Adjustments	Ending Balance
Governmental Activities					
Capital assets not being depreciated -					
Intangible assets	\$ 2,206,275	\$ 284,089	\$ -	\$ -	\$ 2,490,364
Land	8,957,625	400	-	-	8,958,025
Road related land improvements	24,516,802	1,165,512	-	-	25,682,314
Construction in progress	168,659	593,612	(168,659)	-	593,612
Total capital assets, not being depreciated	<u>35,849,361</u>	<u>2,043,613</u>	<u>(168,659)</u>	<u>-</u>	<u>37,724,315</u>
Capital assets being depreciated:					
Buildings and improvements	95,401,981	635,313	-	-	96,037,294
Equipment and furniture	33,378,902	1,411,415	(1,078,592)	151,930	33,863,655
Infrastructure - signals	742,771	352,681	-	-	1,095,452
Infrastructure - roads	151,883,410	5,581,643	-	-	157,465,053
Infrastructure - bridges	18,641,968	2,525,016	-	-	21,166,984
Infrastructure - subdivisions	9,291,427	-	-	-	9,291,427
Total capital assets being depreciated	<u>309,340,459</u>	<u>10,506,068</u>	<u>(1,078,592)</u>	<u>151,930</u>	<u>318,919,865</u>
Less accumulated depreciation:					
Buildings and improvements	(57,140,181)	(3,037,723)	-	82	(60,177,822)
Equipment and furniture	(25,778,743)	(1,910,551)	1,042,161	(78)	(26,647,211)
Infrastructure - signals	(155,272)	(73,031)	-	-	(228,303)
Infrastructure - roads	(94,658,738)	(5,851,393)	-	-	(100,510,131)
Infrastructure - bridges	(4,218,063)	(423,340)	-	-	(4,641,403)
Infrastructure - subdivisions	(3,347,919)	(185,828)	-	-	(3,533,747)
	<u>(185,298,916)</u>	<u>(11,481,866)</u>	<u>1,042,161</u>	<u>4</u>	<u>(195,738,617)</u>
Net capital assets being depreciated	<u>124,041,543</u>	<u>(975,798)</u>	<u>(36,431)</u>	<u>151,934</u>	<u>123,181,248</u>
Net capital assets	<u>\$ 159,890,904</u>	<u>\$ 1,067,815</u>	<u>\$ (205,090)</u>	<u>\$ 151,934</u>	<u>\$ 160,905,563</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciated -				
Land	\$ 137,912	\$ -	\$ -	\$ 137,912
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>137,912</u>	<u>-</u>	<u>-</u>	<u>137,912</u>
Capital assets being depreciated:				
Buildings and improvements	22,819,976	2,726,450	(127,331)	25,419,095
Equipment and furniture	<u>2,433,149</u>	<u>508,952</u>	<u>(79,179)</u>	<u>2,862,922</u>
	25,253,125	3,235,402	(206,510)	28,282,017
Less accumulated depreciation:				
Buildings and improvements	(11,006,681)	(977,630)	127,331	(11,856,980)
Equipment and furniture	<u>(2,092,316)</u>	<u>(508,223)</u>	<u>79,179</u>	<u>(2,521,360)</u>
	<u>(13,098,997)</u>	<u>(1,485,853)</u>	<u>206,510</u>	<u>(14,378,340)</u>
Net capital assets being depreciated	<u>12,154,128</u>	<u>1,749,549</u>	<u>-</u>	<u>13,903,677</u>
Net capital assets	<u>\$ 12,292,040</u>	<u>\$ 1,749,549</u>	<u>\$ -</u>	<u>\$ 14,041,589</u>

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

Depreciation of governmental activities by function:

General government	\$ 832,895
Public safety	925,890
Judicial	32,914
Health	905,571
Cultural and recreation	885,889
Public works	7,128,225
Capital assets held by internal service funds are charged to various functions based on their usage of the assets	<u>770,482</u>

Total governmental activities \$ 11,481,866

Depreciation of business-type activities by function:

Medical care facility	\$ 840,300
Health clinic	476,183
Delinquent tax collection	32,017
Parks	12,592
County fair	115,584
Inmate stores	<u>9,177</u>

Total business-type activities \$ 1,485,853

Housing Commission Component Unit

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated - Land	\$ 327,078	\$ -	\$ -	\$ -	\$ 327,078
Capital assets being depreciated:					
Buildings and improvements	5,119,331	140,852	-	-	5,260,183
Equipment	200,241	35,452	(29,785)	-	205,908
	<u>5,319,572</u>	<u>176,304</u>	<u>(29,785)</u>	<u>-</u>	<u>5,466,091</u>
Less accumulated depreciation:					
Buildings and improvements	(3,861,042)	(152,908)	29,785	-	(3,984,165)
Equipment	(178,964)	-	-	-	(178,964)
	<u>(4,040,006)</u>	<u>(152,908)</u>	<u>29,785</u>	<u>-</u>	<u>(4,163,129)</u>
Net capital assets being depreciated	<u>1,279,566</u>	<u>23,396</u>	<u>-</u>	<u>-</u>	<u>1,302,962</u>
Net capital assets	<u>\$ 1,606,644</u>	<u>\$ 23,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,630,040</u>

Land Bank Component Unit

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclassifications</u>	<u>Ending Balance</u>
Capital assets being depreciated:					
Rental property	\$ -	\$ -	\$ -	\$ 881,356	\$ 881,356
Less accumulated depreciation:					
Rental property	-	98,946	-	-	98,946
Net capital assets	<u>\$ -</u>	<u>\$ (98,946)</u>	<u>\$ -</u>	<u>\$ 881,356</u>	<u>\$ 782,410</u>

Drain Commission Component Unit

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated -				
Intangible assets	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Construction in progress	<u>14,037,211</u>	<u>6,133,094</u>	<u>(2,749,471)</u>	<u>17,420,834</u>
	<u>15,037,211</u>	<u>6,133,094</u>	<u>(2,749,471)</u>	<u>18,420,834</u>
Capital assets being depreciated:				
Equipment	1,435,410	43,301	(37,765)	1,440,946
Infrastructure	<u>59,154,058</u>	<u>2,749,471</u>	<u>-</u>	<u>61,903,529</u>
Total capital assets being depreciated	60,589,468	2,792,772	(37,765)	63,344,475
Less accumulated depreciation:				
Equipment	(1,271,790)	(54,316)	37,765	(1,288,341)
Infrastructure	<u>(21,394,768)</u>	<u>(1,873,431)</u>	<u>-</u>	<u>(23,268,199)</u>
	<u>(22,666,558)</u>	<u>(1,927,747)</u>	<u>37,765</u>	<u>(24,556,540)</u>
Net capital assets being depreciated	<u>37,922,910</u>	<u>865,025</u>	<u>-</u>	<u>38,787,935</u>
Net capital assets	<u>\$ 52,960,121</u>	<u>\$ 6,998,119</u>	<u>\$ (2,749,471)</u>	<u>\$ 57,208,769</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2014, was as follows:

	<u>Receivable</u>	<u>Payable</u>
Due to/from other funds		
General	\$ 2,077,306	\$ -
Health	619	326
Community health center	4,430	-
Nonmajor governmental funds	-	1,974,039
Internal service funds	4,614	99,166
Net effect of funds with fiscal year ends	<u>(13,764)</u>	<u>(326)</u>
	<u>\$ 2,073,205</u>	<u>\$ 2,073,205</u>
	<u>Receivable</u>	<u>Payable</u>
Advances to/from other funds		
General	\$ 177,222	\$ -
Internal service funds	-	177,222
	<u>\$ 177,222</u>	<u>\$ 177,222</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.

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	\$ -	\$ 3,770,577	\$ -	\$ 4,439,768	\$ 7,091,275
Health	-	-	-	-	5,411
County transportation system	107,646	-	-	-	-
Emergency telephone	-	-	-	-	216,019
Delinquent tax	2,710,000	-	-	-	-
Nonmajor govt funds	300,242	18,060	-	-	4,332,831
Nonmajor enterprise funds	221,490	-	-	-	-
Internal services	-	-	-	-	347,130
Timing differences	-	-	-	-	14,797
	<u>\$ 3,339,378</u>	<u>\$ 3,788,637</u>	<u>\$ -</u>	<u>\$ 4,439,768</u>	<u>\$ 12,007,463</u>

Transfer Out (continued)	Transfer In			
	Nonmajor Enterprise	Internal Services	Timing Difference	Total Transfers in
General	\$ 224,200	\$ 418,453	\$ 16,058	\$ 15,960,331
Health	-	-	-	5,411
County transportation system	-	-	-	107,646
Emergency telephone	-	-	-	216,019
Delinquent tax	120,000	-	-	2,830,000
Nonmajor govt funds	656,450	-	-	5,307,583
Nonmajor enterprise funds	-	8,601	-	230,091
Internal services	-	-	-	347,130
Timing differences	-	-	-	14,797
	<u>\$ 1,000,650</u>	<u>\$ 427,054</u>	<u>\$ 16,058</u>	<u>\$ 25,019,008</u>

The timing differences are caused by several special revenue funds being reported on a September 30th year end.

Note 7 - Leases

Operating Leases (Lessee). The government leases certain buildings and office space under noncancellable operating leases. Total costs for such leases were \$996,433 for the year ended December 31, 2014. Future minimum lease payments under governmental activities for these leases are as follows:

Year Ending December 31,	Joint Building		Total
	Authority Lease	Other Leases	
2015	\$ 499,515	\$ 495,002	\$ 994,517
2016	499,330	292,704	792,034
2017	498,500	252,411	750,911
2018	500,977	269,867	770,844
2019	500,400	272,942	773,342
2020	-	16,227	16,227
	<u>\$ 2,498,722</u>	<u>\$ 1,599,153</u>	<u>\$ 4,097,875</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, 2014; these assets (i.e., buildings and improvements) cost \$20,452,807 with accumulated depreciation as of December 31, 2014 of \$15,103,229 (for a net book value of \$5,349,578).

Note 8 - 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	2.5-6.5%	\$ 12,475,000
Local unit infrastructure	4.0-6.0%	1,420,000
Brownfield redevelopment	4.0-4.25%	<u>4,230,000</u>
		<u>\$ 18,125,000</u>

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

Year Ending December 31,	Governmental Activities					
	Building Authority		Local Infrastructure		Brownfield Redevelopment	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,925,000	\$ 503,820	\$ 80,000	\$ 42,565	\$ 150,000	\$ 182,137
2016	1,990,000	431,634	90,000	38,483	215,000	176,687
2017	1,685,000	351,382	205,000	57,685	275,000	168,949
2018	1,745,000	286,117	215,000	47,263	305,000	158,824
2019	1,080,000	218,675	225,000	36,290	340,000	146,625
2020-2024	2,915,000	605,456	605,000	43,532	1,955,000	498,760
2025-2029	930,000	247,223	-	-	990,000	79,287
2030	205,000	13,428	-	-	-	-
	<u>\$ 12,475,000</u>	<u>\$ 2,657,735</u>	<u>\$ 1,420,000</u>	<u>\$ 265,818</u>	<u>\$ 4,230,000</u>	<u>\$ 1,411,269</u>

Installment obligations. In 2013, the County purchased a new phone system at a cost of \$1,607,901 under a five year zero interest payment arrangement. At year end the outstanding balance was \$964,740.

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

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2015	\$ 321,580	\$ -
2016	321,580	-
2017	321,580	-
	<u>\$ 964,740</u>	<u>\$ -</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 \$66,759. Annual debt service requirements to maturity for drain assessments are as follows:

Year Ended	Governmental Activities	
	Principal	Interest
December 31, 2015	15,203	1,908
2016	15,435	1,439
2017	15,665	962
2018	15,896	477
2019	4,560	117
	<u>\$ 66,759</u>	<u>\$ 4,903</u>

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, 2014, 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 2013 series and \$7,800,000 from the 2014 series were outstanding at December 31, 2014.

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, 2014, drain bonds and notes totaling \$46,443,796 were outstanding; \$16,181,200 of new bonds and notes were issued during the current year. Drain bonds and notes carry interest at rates ranging from 2 to 5 percent.

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

Year Ended December 31,	Drain Commission	
	Principal	Interest
2015	\$ 8,135,581	\$ 1,381,028
2016	7,136,781	1,298,392
2017	2,641,131	1,132,240
2018	2,651,131	1,037,223
2019	2,656,813	939,665
2020-2024	12,051,894	3,297,903
2025-2029	7,901,480	1,311,243
2030-2034	3,238,985	232,605
2035	30,000	675
	<u>\$ 46,443,796</u>	<u>\$ 10,630,974</u>

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, 2016 and carry variable interest rates based on the 3-month LIBOR rate; at December 31, 2014 the PNC Bank line interest rates was 1.185%. The outstanding balance of the line of credit at December 31, 2014 was \$3,325,000.

Changes in long-term debt. Long-term debt activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental Activities					
General obligation bonds - county	\$ 14,340,000	\$ -	\$ (1,865,000)	\$ 12,475,000	\$ 1,925,000
General obligation bonds - other governments	1,900,000	-	(480,000)	1,420,000	80,000
Installment obligations - lighting	184,740	-	(184,740)	-	-
Installment obligations - phone	1,286,320	-	(321,580)	964,740	321,580
Drain assessments	81,732	-	(14,973)	66,759	15,204
Deferred amounts for:					
Issuance premiums	187,591	-	(37,518)	150,073	-
Refunding loss	(346,461)	-	51,916	(294,545)	-
Compensated absences	5,957,013	4,759,829	(5,308,562)	5,408,280	3,400,000
	<u>\$ 23,590,935</u>	<u>\$ 4,759,829</u>	<u>\$ (8,160,457)</u>	<u>\$ 20,190,307</u>	<u>\$ 5,741,784</u>
Business-Type Activities					
Delinquent tax notes	\$ 11,500,000	\$ 14,000,000	\$ (15,500,000)	\$ 10,000,000	\$ 10,000,000
Compensated absences	1,023,306	1,067,529	(993,680)	1,097,155	702,155
	<u>\$ 12,523,306</u>	<u>\$ 15,067,529</u>	<u>\$ (16,493,680)</u>	<u>\$ 11,097,155</u>	<u>\$ 10,702,155</u>
Component Units					
Housing Commission					
Compensated absences	\$ 23,849	\$ -	\$ (10,582)	\$ 13,267	\$ 9,860
Land Bank					
Notes Payable	\$ 3,325,000	\$ 875,000	\$ (875,000)	\$ 3,325,000	\$ -
Drain Commission					
Drain bonds and notes	\$ 46,047,576	\$ 16,181,200	\$ (15,784,980)	\$ 46,443,796	\$ 8,135,581
Deferred amounts for:					
Issuance premiums	114,474	-	(7,246)	107,228	-
Issuance discounts	(33,576)	(34,343)	1,825	(66,094)	-
Compensated absences	70,400	63,929	(62,329)	72,000	46,800
	<u>\$ 46,198,874</u>	<u>\$ 16,210,786</u>	<u>\$ (15,852,730)</u>	<u>\$ 46,556,930</u>	<u>\$ 8,182,381</u>
Brownfield Redevelopment					
General obligation bonds	\$ 4,350,000	\$ -	\$ (120,000)	\$ 4,230,000	\$ 150,000
Deferred amounts for:					
Issuance premiums	13,101	-	(1,008.00)	12,093	-
Issuance discounts	(13,674)	-	977	(12,697)	-
	<u>\$ 4,349,427</u>	<u>\$ -</u>	<u>\$ (120,031)</u>	<u>\$ 4,229,396</u>	<u>\$ 150,000</u>

Note 9 – Risk Management / Self-Insurance program

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:

<u>Type of Risk</u>	<u>Maximum Retention per Occurrence</u>
General and automobile liability	\$150,000
Property damage	\$1,000
Motor vehicle physical damage	\$15,000 per vehicle \$30,000 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 \$546,067 as of December 31, 2014.

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

	<u>2014</u>	<u>2013</u>
Unpaid claims, beginning of year	\$ 225,000	\$ 495,113
Incurred claims (including change in IBNR provision)	204,156	(10,156)
Claim payments	(79,156)	(259,957)
Unpaid claims, end of year	<u>\$ 350,000</u>	<u>\$ 225,000</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. 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:

	<u>2014</u>	<u>2013</u>
Workers' compensation fund:		
Unpaid claims, beginning of year	\$ 1,125,000	\$ 686,671
Incurred claims (including IBNR)	102,571	804,297
Claim payments	<u>(277,571)</u>	<u>(365,968)</u>
Unpaid claims, end of year	<u><u>\$ 950,000</u></u>	<u><u>\$ 1,125,000</u></u>
Medical care facility:		
Unpaid claims, beginning of year	\$ 46,000	\$ 261,397
Incurred claims (including IBNR)	12,443	(118,205)
Claim payments	<u>(25,717)</u>	<u>(97,192)</u>
Unpaid claims, end of year	<u><u>\$ 32,726</u></u>	<u><u>\$ 46,000</u></u>

Note 10 – 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.

Note 11 – 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, 2014 general operating levy was \$7.0 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, 0.5000 for Parks and Trails (new in 2014) and 0.0330 for veteran relief fund. With the exception of the veteran relief fund, all of these taxes are levied as of December 1st for the next year. This results in substantial deferred inflows being reported in these special revenue funds.

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 (\$12.3 million at December 31, 2014) 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.

Note 12 – Pension Plans

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. Since the County provides a hybrid pension for new employees, the required contribution is no longer a percentage of pay but rather a fixed amount per month. For 2014, the amount was approximately \$760,000 per month for County employees and \$18,000 for Medical Care Facility employees. County employees are required to contribute 0.0% to 19.61% of their annual covered payroll, depending on the 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, 2014, the County's annual required contribution was \$9,440,118 for MERS. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method and was updated substantially for changes to the plan based on collective bargaining. 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 1% per year for calendar years 2014, 2% for calendar year 2015, 3

percent for calendar year 2016 and 4.5% per year after 2016 and (c) no cost of living adjustment (with the exception of the divisions which provides this benefit) 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 value of the assets was determined using techniques that smooth the effects of short-term volatility over a 10-year period. The County's unfunded actuarial accrued liability is being amortized over a period of 25 years as a level percentage of projected payroll on an open basis as of December 31, 2013, 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	Annual Pension	Percentage of	
December 31,	Cost (APC)	APC	Net Pension
		Contributed	(Asset)
2012	8,526,591	156%	(4,768,641)
2013	9,139,553	100%	(4,885,023)
2014	9,440,118	100%	(4,998,107)

Funded Status and Funding Progress. As of December 31, 2013, the date of the most recent actuarial valuation, the Plan was 72.9 percent funded. The actuarial accrued liability for benefits was \$350,802,892 and the actuarial value of assets was \$255,715,405, resulting in an unfunded actuarial accrued liability (UAAL) of \$95,087,487. The covered payroll (annual payroll of the active employees covered by the Plan) was \$63,848,372 and the ratio of the UAAL to the covered payroll was 148.9 percent.

During 2012, the Ingham County Medical Care Facility fully funded its portion of the County's pension plan. This resulted in a \$4,998,107 net pension asset being reported as of December 31, 2014. This asset is 100% applicable to the Medical Care Facility.

County – New Hires Hybrid Plan

In the labor agreements ratified in 2013 and 2014, it was agreed that all new hires would be eligible for a hybrid defined benefit-defined contribution plan. The start date of this plan varies by bargaining unit.

The employer and employees contribution rate ranges from 1.0% to 2.5% of salaries for the defined contribution portion of the plan. The defined benefit portion ranges from a multiplier of 1.0 to 1.5. The cost of the defined benefit plan is paid exclusively by the County. The employees can elect to contribute an additional amount to the defined contribution plan on an after tax basis.

There has not been a full plan wide actuarial calculation performed on the defined benefit plan since many of the employee group's contracts were ratified in 2014 and the most recent actuarial review was calculated as of 12/31/13.

The County's contribution to the defined contribution plan during 2014 totaled \$97,767 and the contribution to the defined benefit plan was \$354,212.

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

The transportation and roads department has separate divisions within the 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. In 2014, employees were required to contribute 1.2% of payroll to the Plan. Employer 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 County.

For the year ended December 31, 2014, the annual pension cost of \$1,202,695 was equal to the required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method and was updated substantially for changes to the plan based on collective bargaining. 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 1% per year for calendar years and 2014, 2% for calendar year 2015, 3 percent for calendar year 2016 and 4.5% per year after 2016 and (c) no cost of living adjustment (with the exception of the divisions which provides this benefit) 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 value of the assets was determined using techniques that smooth the effects of short-term volatility over a 10-year period. The County's unfunded actuarial accrued liability is being amortized over a period of 25 years as a level percentage of projected payroll on an open basis as of December 31, 2013, the date of the latest actuarial valuation.

Three-Year Trend Information			
Years Ended	Annual Pension	Percentage of	Net Pension
December 31,	Cost (APC)	APC	Net Pension
		Contributed	Obligation
2012	1,043,288	100%	-
2013	1,087,593	100%	-
2014	1,202,695	100%	-

Funded Status and Funding Progress. As of December 31, 2013, the date of the most recent actuarial valuation, the Plan was 61.6 percent funded. The actuarial accrued liability for benefits was \$35,770,490, and the actuarial value of assets was \$22,042,021, resulting in an unfunded actuarial accrued liability (UAAL) of \$13,728,469. The covered payroll (annual payroll of the active employees covered by the Plan) was \$3,504,388 and the ratio of the UAAL to the covered payroll was 391.8 percent.

Note 13 – 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, 2014, 637 retired employees were eligible to participate, of which 442 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. Retiree plan members receiving healthcare benefits pay for half of the health care insurance premium over an annually established level (which was approximately \$379 per month for 2014) 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 2014, 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	\$ 6,849,848
Interest on net OPEB obligation	1,784,854
Adjustment to annual required contribution	<u>(1,524,734)</u>
Net OPEB cost	7,109,968
Contributions made	<u>(4,140,713)</u>
Increase in net OPEB obligation	2,969,255
Net OPEB obligation, beginning of year	<u>29,747,566</u>
Net OPEB obligation, end of year	<u><u>\$ 32,716,821</u></u>

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, 2014, 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
2012	\$ 6,686,408	38.91%	\$ 26,308,456
2013	6,856,669	49.84%	29,747,566
2014	7,109,968	58.24%	32,716,821

Funded Status and Funding Progress. As of December 31, 2012, the date of the most recent actuarial valuation, the Plan was 4.5 percent funded. The actuarial accrued liability for benefits was \$86,934,173, and the actuarial value of assets was \$3,913,176, resulting in an unfunded actuarial accrued liability (UAAL) of \$83,020,997. The covered payroll (annual payroll of the active employees covered by the Plan) was \$55,517,215 and the ratio of the UAAL to the covered payroll was 149.5 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 assumptions 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, 2012, 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 4.0%. 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 4.0% 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 26 years on a closed basis.

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. The plan is closed to new participants with hire dates subsequent to January 1, 2013.

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 \$193 per month for 2014) 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 2014, 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	\$ 592,839
Interest on net OPEB obligation	98,215
Adjustment to annual required contribution	<u>(94,438)</u>
Net OPEB cost	596,616
Contributions made	<u>(231,941)</u>
Increase in net OPEB obligation	364,675
Net OPEB obligation, beginning of year	<u>2,455,365</u>
Net OPEB obligation, end of year	<u><u>\$ 2,820,040</u></u>

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		
2012	\$ 553,423	40.00%	\$ 2,072,976		
2013	597,050	36.00%	2,455,365		
2014	596,616	39.00%	2,820,040		

Funded Status and Funding Progress. As of December 31, 2012, the date of the most recent actuarial valuation, the Plan was 0 percent funded. The actuarial accrued liability for benefits was \$6,261,514, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,261,514. The covered payroll (annual payroll of the active employees covered by the Plan) was \$9,942,346 and the ratio of the UAAL to the covered payroll was 63.0 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.

In the December 31, 2012, actuarial valuation, the individual entry age normal actuarial cost method was used. The actuarial assumptions include a 4.0% 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 4.0%. 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 7.5% in the short-term to 4.0% 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 26 years on an open basis.

Transportation and Roads Department

In June 2012, the County merged with the Ingham County Road Commission. The Road Commission was dissolved and the Department of Transportation and Road was established. The actuary valuation as of December 31, 2012 was performed under the same assumptions as the County's plan. These assumptions may differ from the past actuarial reports performed for the prior 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 while the retiree pays for the prescription portion of the premium. At 12/31/14, 75 retirees meet plan eligibility requirements and 53 were participating.

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, 2014, the Transportation and Roads Department has determined an estimated cost of providing retiree post-employment benefits through an actuarial valuation as of December 31, 2012. 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, 2014, were as follows:

Annual required contribution	\$	823,238
Interest on net OPEB obligation		154,378
Adjustment to annual required contribution		(148,491)
Net OPEB cost		829,125
Contributions made		(363,866)
Increase in net OPEB obligation		465,259
Net OPEB obligation, beginning of year		3,430,632
Net OPEB obligation, end of year	\$	<u>3,895,891</u>

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, 2014, 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
2012	\$ 1,166,018	47.60%	\$ 3,175,039
2013	802,002	68.13%	3,430,632
2014	829,125	44.20%	3,895,891

Funded status and funding progress. As of December 31, 2012, the date of the most recent actuarial valuation, the Plan was 0 percent funded. The actuarial accrued liability for benefits was \$12,924,820, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,924,820. The covered payroll (annual payroll of the active employees covered by the Plan) was \$3,539,959 and the ratio of the UAAL to the covered payroll was 365.1 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, 2012, actuarial valuation, the individual entry age normal actuarial cost method was used. The actuarial assumptions include a 4.5% 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 4.0%. 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 9.0% in the short-term to 4.0% 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 26 years on an closed basis.

Note 14 – Fund Balances

The following is a summary of the composition of fund balances as of December 31, 2014:

	General Fund	Transportation and Roads	Health Fund	Emergency Telephone Fund	County Transportation System	Other Governmental Funds	Total Governmental Funds
Nonspendable							
Prepaid items	\$ 49,569	\$ 30,837	\$ 144,742	\$ -	\$ -	\$ 72,156	\$ 297,304
Inventories	-	1,203,920	151,458	-	-	-	1,355,378
Long-term advances	7,177,222	-	-	-	-	-	7,177,222
Total nonspendable	7,226,791	1,234,757	296,200	-	-	72,156	8,829,904
Restricted							
General government	-	-	-	-	-	167,700	167,700
Public health services	-	-	992,226	-	-	-	992,226
Public safety	-	-	-	3,048,714	-	380,673	3,429,387
Public works	-	3,477,033	-	-	1,110,915	-	4,587,948
Culture and recreation	-	-	-	-	-	1,245,860	1,245,860
Welfare	-	-	-	-	-	2,326,172	2,326,172
Education	-	-	-	-	-	29,190	29,190
Economic development	-	-	-	-	-	3,880,897	3,880,897
Debt service	-	-	-	-	-	12,547	12,547
Total restricted	-	3,477,033	992,226	3,048,714	1,110,915	8,043,039	16,671,927
Committed							
Budget stabilization	10,562,365	-	-	-	-	-	10,562,365
Retiree healthcare	3,200,000	-	-	-	-	-	3,200,000
Public health services	860,000	-	-	-	-	-	860,000
Jail medical	945,000	-	-	-	-	-	945,000
Debt service	-	-	-	-	-	33,391	33,391
Total committed	15,567,365	-	-	-	-	33,391	15,600,756
Assigned							
Next year budget	2,750,000	-	-	-	-	-	2,750,000
Unexpended grants	15,203	-	-	-	-	-	15,203
Drain	27,788	-	-	-	-	-	27,788
Public improvement	2,157,853	-	-	-	-	-	2,157,853
Parks operation	239,775	-	-	-	-	-	239,775
Total assigned	5,190,619	-	-	-	-	-	5,190,619
Unassigned							
	12,070,917	-	-	-	-	(460,055)	11,610,862
Total Fund Balance	\$ 40,055,692	\$ 4,711,790	\$ 1,288,426	\$ 3,048,714	\$ 1,110,915	\$ 7,688,531	\$ 57,904,068

The nonspendable fund balance for prepaid items and inventories for the Health Fund was reduced by \$143,994 for the portion of the inventory that is included in unearned income.

Note 15 - Subsequent Event

During 2015, the Ingham County Drain Commissioner has issued two bond issues. The first in the amount of \$995,000 for the Montgomery Drain was issued in January and the second in amount of \$2,325,000 for the Mud Creek Drain was issued in June. In addition, three other Drain issues in the total amount of \$5,375,000 were refinanced in June.

Note 16 – Land Bank Component Unit Prior Period Adjustment

Net position as of January 1, 2014 for the Land Bank Component Unit has been restated to correct misstatements for the incorrect accounting treatment associated with the costing of inventory in previously issued financial statements. The misstatements were the result of improperly capitalizing certain costs and not valuing inventory at the lower of cost or market. The effect of the correction on the statement of net position was to decrease unrestricted net position and decrease inventory by \$966,728. The restatement had no effect

on the statement of revenue, expenses, and changes in net position and the statement of cash flows. Net position as of January 1, 2014 has been restated to correct a misstatement for the incorrect accounting treatment of the classification of capital assets and net position in previously issued financial statements. The misstatement was the result of improperly classifying depreciable capital assets as inventory. The effect of the correction on the statement of net position was to decrease inventory and unrestricted net position and increase depreciable capital assets and net position - net investment in capital assets by \$881,354.

The effect of these changes on net position for the Land Bank Component Unit is as follows:

Net Position - December 31, 2013 - As previously reported	\$ 1,814,627
Adjustment for improper costing of inventory	<u>(966,728)</u>
Fund Balance - December 31, 2013 - As restated	<u>\$ 847,899</u>

Note 17 - Upcoming Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The County is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ended December 31, 2015.

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The County is currently evaluating the impact this standard will have on the financial statements when adopted, during the County's 2016 fiscal year.

In June 2015, the GASB issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statement more extensive footnote disclosures and required supplementary information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the County will, after adoption of GASB 75, recognize on the face of the financial statements its net OPEB liability. The County is currently evaluating the impact these standards will have on the financial

statements when adopted. GASB 74 is effective for fiscal years beginning after June 15, 2016 whereas GASB 75 is effective one year later.

REQUIRED SUPPLEMENTARY INFORMATION

INGHAM COUNTY, MICHIGAN
 Required Supplementary Information

Municipal Employee's Retirement System of Michigan - County (including Medical Care Facility)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial		Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)			
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%
12/31/2012	246,117,809	335,548,151	89,430,342	73.3%	61,619,499	145.1%
12/31/2013	255,715,405	350,802,892	95,087,487	72.9%	63,848,372	148.9%

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2009	7,075,811	100.0%
2010	7,251,099	100.0%
2011	7,454,399	100.0%
2012	8,526,591	156.0%
2013	9,139,553	100.0%
2014	9,440,118	100.0%

Municipal Employee's Retirement System of Michigan - Department of Transportation and Roads

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial		Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)			
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%
12/31/2012	22,233,523	35,179,211	12,945,688	63.2%	3,539,959	365.7%
12/31/2013	22,042,021	35,770,490	13,728,469	61.6%	3,504,388	391.8%

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2009	823,566	100.0%
2010	778,406	100.0%
2011	802,947	100.0%
2012	1,043,288	100.0%
2013	1,087,593	100.0%
2014	1,202,695	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)	Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-1)/c)
12/31/2006	\$ -	\$ 91,516,399	\$ 91,516,399	-	\$ 49,531,695	184.8%
12/31/2008	-	79,274,189	79,274,189	-	51,746,029	153.2%
12/31/2010	2,480,058	84,813,721	82,333,663	2.92%	52,756,718	156.1%
12/31/2012	3,913,176	86,934,173	83,020,997	4.50%	55,517,218	149.5%

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2010	6,314,994	35.80%
2011	6,092,233	38.50%
2012	6,366,383	40.90%
2013	6,586,392	51.90%
2014	6,849,848	60.45%

Retiree Health Care Plan - Medical Care Facility

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-1)/c)
12/31/2006	\$ -	\$ 9,268,458	\$ 9,268,458	-	\$ 7,287,609	127.2%
12/31/2008	-	4,290,944	4,290,944	-	8,953,011	47.9%
12/31/2010	-	5,655,037	5,655,037	-	9,517,974	59.4%
12/31/2012	-	6,261,514	6,261,514	-	9,942,346	63.0%

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2010	278,821	60.00%
2011	505,629	39.00%
2012	528,382	41.70%
2013	603,625	35.56%
2014	592,839	39.12%

INGHAM COUNTY, MICHIGAN
 Required Supplementary Information

Retiree Health Care Plan - Department of Transportation and Roads

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial		Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-1)/c)
		Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (b-a)			
12/31/2006	\$ -	\$ 18,970,649	\$ 18,970,649	-	\$ 3,341,100	567.8%
12/31/2008	-	13,377,603	13,377,603	-	4,038,205	331.3%
12/31/2010	-	13,679,694	13,679,694	-	3,658,008	374.0%
12/31/2012	-	12,924,820	12,924,820	-	3,539,959	365.1%

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2010	\$ 1,145,533	47.40%
2011	1,195,280	48.10%
2012	1,227,616	45.20%
2013	791,575	69.03%
2014	823,238	44.20%

Note: The former Ingham County Road Commission was merged with Ingham County on June 1, 2012. The December 31, 2012 actuarial calculation was performed using the same assumptions as the County's historical calculation which may differ from assumptions used in previous years by the former Road Commission.

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

INGHAM COUNTY, MICHIGAN

General Fund

Schedule of Expenditures by Cost Category - Budget and Actual
For the Year Ended December 31, 2014

	Personnel Services				Controllable Expenditures			
	Original Budget	Amended Budget	Actual	Favorable	Original Budget	Amended Budget	Actual	Favorable
				(Unfavorable)				(Unfavorable)
	(Unaudited)	(Unaudited)		Budget over	(Unaudited)	(Unaudited)		Budget over
			Actual				Actual	
Public safety	\$ 16,828,049	\$ 18,281,155	18,281,154	\$ 1	\$ 1,772,006	\$ 2,003,610	2,003,610	\$ -
Public works	-	-	-	-	432,300	395,817	386,182	9,635
Judicial	9,161,264	9,155,898	9,016,621	139,277	4,469,131	4,930,459	4,926,630	3,829
Culture and recreation	1,538,516	1,540,482	1,536,866	3,616	449,117	508,797	500,640	8,157
General government	11,468,934	11,513,719	11,340,615	173,104	2,571,309	3,248,148	2,797,584	450,564
Health	671,151	702,710	702,710	-	4,066,626	4,374,383	4,374,382	1
Welfare	405,996	406,996	392,686	14,310	65,017	75,730	62,137	13,593
Economic development	96,117	96,992	96,992	-	99,400	121,076	114,968	6,108
Total expenditures	\$ 40,170,027	\$ 41,697,952	41,367,644	\$ 330,308	\$ 13,924,906	\$ 15,658,020	15,166,133	\$ 491,887
	Noncontrollable Expenditures				Total before Capital Outlay and Debt Service			
	Original Budget	Amended Budget	Actual	Favorable	Original Budget	Amended Budget	Actual	Favorable
				(Unfavorable)				(Unfavorable)
	(Unaudited)	(Unaudited)		Budget over	(Unaudited)	(Unaudited)		Budget over
				Actual				Actual
Public safety	\$ 1,221,633	\$ 1,301,969	1,301,969	\$ -	\$ 19,821,688	\$ 21,586,734	21,586,733	\$ 1
Public works	-	-	-	-	432,300	395,817	386,182	9,635
Judicial	1,247,643	1,143,820	1,096,879	46,941	14,878,038	15,230,177	15,040,130	190,047
Culture and recreation	283,427	307,835	296,773	11,062	2,271,060	2,357,114	2,334,279	22,835
General government	957,145	957,208	904,984	52,224	14,997,388	15,719,075	15,043,183	675,892
Health	11,344	25,477	25,477	-	4,749,121	5,102,570	5,102,569	1
Welfare	17,828	27,241	27,241	-	488,841	509,967	482,064	27,903
Economic development	11,514	11,514	11,362	152	207,031	229,582	223,322	6,260
Contingency	350,000	138,912	-	138,912	350,000	138,912	-	138,912
Total expenditures	\$ 4,100,534	\$ 3,913,976	3,664,685	\$ 249,291	\$ 58,195,467	\$ 61,269,948	60,198,462	\$ 1,071,486
	Capital Outlay				Debt Service			
	Original Budget	Amended Budget	Actual	Favorable	Original Budget	Amended Budget	Actual	Favorable
				(Unfavorable)				(Unfavorable)
	(Unaudited)	(Unaudited)		Budget over	(Unaudited)	(Unaudited)		Budget over
				Actual				Actual
Public safety	\$ 242,613	\$ 379,764	328,035	\$ 51,729	\$ -	\$ -	-	\$ -
Public works	-	-	-	-	191,078	208,418	208,418	-
Judicial	3,000	3,404	3,403	1	-	-	-	-
Culture and recreation	-	14,855	5,669	9,186	-	-	-	-
General government	30,000	825,301	461,486	363,815	-	-	-	-
Total expenditures	\$ 275,613	\$ 1,223,324	798,593	\$ 424,731	\$ 191,078	\$ 208,418	208,418	\$ -
Total All Fund					\$ 58,662,158	\$ 62,701,690	61,205,473	\$ 1,496,217

INGHAM COUNTY, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Transportation and Roads Fund
For the Year ended December 31, 2014

	Designated		Undesignated	
	Primary Road		County Road	
	Fund	Local Road Fund	Fund	Total
Revenues				
Permits	\$ 85,931	\$ 85,931	\$ -	\$ 171,862
Intergovernmental				
Federal sources	2,450,214	1,724,637	-	4,174,851
State sources	11,097,539	3,602,694	-	14,700,233
Local sources	-	1,075,791	435,163	1,510,954
Charges for services	13,834	4,611	-	18,445
Interest and rentals	22,634	2,634	19,927	45,195
Other	1,350	450	-	1,800
Total revenues	<u>13,671,502</u>	<u>6,496,748</u>	<u>455,090</u>	<u>20,623,340</u>
Expenditures				
Preservation - Structural improvements	5,365,422	4,341,974	-	9,707,396
Maintenance	4,741,798	3,384,816	-	8,126,614
Equipment - net	292,201	303,587	-	595,788
Administrative - net	572,095	437,356	-	1,009,451
Capital outlay - net	(209,100)	-	(69,700)	(278,800)
Drain Assessments	476,411	-	-	476,411
Other	277,155	92,385	-	369,540
Total expenditures	<u>11,515,982</u>	<u>8,560,118</u>	<u>(69,700)</u>	<u>20,006,400</u>
Excess of revenues over (under) expenditures	<u>2,155,520</u>	<u>(2,063,370)</u>	<u>524,790</u>	<u>616,940</u>
Other Financing Sources (Uses)				
Interfund transfers	(2,000,000)	2,000,000	-	-
Proceeds from sales of capital assets	9,473	-	3,158	12,631
Total other financing sources (uses)	<u>(1,990,527)</u>	<u>2,000,000</u>	<u>3,158</u>	<u>12,631</u>
Net change in fund balance	<u>164,993</u>	<u>(63,370)</u>	<u>527,948</u>	<u>629,571</u>
Fund balances - beginning of year (restated)	<u>2,044,429</u>	<u>237,791</u>	<u>1,799,999</u>	<u>4,082,219</u>
Fund balances - end of year	<u>\$ 2,209,422</u>	<u>\$ 174,421</u>	<u>\$ 2,327,947</u>	<u>\$ 4,711,790</u>

INGHAM COUNTY, MICHIGAN

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

Transportation and Roads Fund

For the Year ended December 31, 2014

	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual
Permits	\$ 120,000	\$ 171,862	\$ 51,862
Federal sources			
Surface transportation program and D funds	1,577,300	1,551,476	(25,824)
Bridge and other	4,731,900	3,627,076	(1,104,824)
Total federal sources	<u>6,309,200</u>	<u>5,178,552</u>	<u>(1,130,648)</u>
State sources			
Motor vehicle highway funds - Act 51:			
Engineering	10,000	10,000	-
Primary roads allocation	8,184,671	8,329,139	144,468
Local roads allocation	2,443,015	2,559,133	116,118
Primary urban roads	1,262,447	1,262,045	(402)
Local urban roads	453,133	453,640	507
Total state sources	<u>12,353,266</u>	<u>12,613,957</u>	<u>260,691</u>
Local sources- Township contributions	<u>967,550</u>	<u>1,510,954</u>	<u>543,404</u>
Charges for services - salvage sales	<u>12,000</u>	<u>18,445</u>	<u>6,445</u>
Interest	<u>20,000</u>	<u>45,195</u>	<u>25,195</u>
Other	<u>1,082,000</u>	<u>1,084,375</u>	<u>2,375</u>
Total revenues	<u>\$ 20,864,016</u>	<u>\$ 20,623,340</u>	<u>\$ (240,676)</u>
Other financing sources-			
Proceeds from sales of capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u><u>\$ 20,864,016</u></u>	<u><u>\$ 20,623,340</u></u>	<u><u>\$ (240,676)</u></u>

INGHAM COUNTY, MICHIGAN
Schedule of Expenditures - Budget to Actual
Transportation and Roads Fund
For the Year ended December 31, 2014

	Amended Budget	Actual	Favorable (Unfavorable) Budget over Actual
Heavy maintenance			
Primary roads and structures	\$ 7,805,582	\$ 5,642,578	\$ 2,163,004
Local roads and structures	2,946,206	4,434,358	(1,488,152)
Total heavy maintenance	<u>10,751,788</u>	<u>10,076,936</u>	<u>674,852</u>
Maintenance			
Primary roads and structures, winter and traffic control	4,499,178	4,741,798	(242,620)
Local roads and structures, winter and traffic control	4,415,608	3,384,816	1,030,792
Total maintenance	<u>8,914,786</u>	<u>8,126,614</u>	<u>788,172</u>
Equipment			
Direct	875,327	1,285,705	(410,378)
Indirect	990,029	1,393,714	(403,685)
Operating	499,600	552,609	(53,009)
Less - equipment rental	(2,228,700)	(2,636,240)	407,540
Total equipment, net	<u>136,256</u>	<u>595,788</u>	<u>(459,532)</u>
Administrative	<u>786,034</u>	<u>1,009,451</u>	<u>(223,417)</u>
Capital outlay			
Land improvements, building and equipment	933,152	315,833	617,319
Less - depreciation	(598,000)	(594,633)	(3,367)
Total capital outlay, net	<u>335,152</u>	<u>(278,800)</u>	<u>613,952</u>
Drain assessments	<u>433,000</u>	<u>476,411</u>	<u>(43,411)</u>
Total expenditures	<u>\$ 21,357,016</u>	<u>\$ 20,006,400</u>	<u>\$ 1,350,616</u>

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.

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.

Trails and Parks Millage – This fund is used to account for a special millage for creating and maintaining a County system of recreational trails and adjacent parks trail system.

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 the 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 appropriation.

Farmland Preservation - This fund is used to account for 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.

Ingham County, Michigan

Nonmajor Governmental Funds (Continued)

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.

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 used 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.

Ingham County, Michigan

Nonmajor Governmental Funds (Continued)

Debt Service Funds – The County has seven debt services funds which are used to account for individual bond issues ranging from the 911 Center to an Alaiedon Township water and sewer project.

Capital Projects Fund – This fund is used to account for a Community Development Block Grant to fund the cost of utilities for the Jackson National Life expansion in Okemos Michigan.

INGHAM COUNTY, MICHIGAN
 Nonmajor Governmental Fund Types
 Combining Balance Sheet
 December 31, 2014

	Special Revenue	Debt Service	JNL Utilities Capital Project Fund	Total Nonmajor Governmental Funds
Assets				
Pooled cash and investments	\$ 9,360,431	\$ 49,008	\$ -	\$ 9,409,439
Property taxes receivable	13,260,926	-	-	13,260,926
Accounts receivable	167,817	-	-	167,817
Accrued interest receivable	23,455	2,594	-	26,049
Special assessments receivable	-	1,706,690	-	1,706,690
Due from other governmental units	3,141,524	-	414,051	3,555,575
Prepaid items	72,156	-	-	72,156
Rehabilitation loans receivable	2,187,971	-	-	2,187,971
Total assets	\$ 28,214,280	\$ 1,758,292	\$ 414,051	\$ 30,386,623
Liabilities				
Accounts payable and accrued liabilities	\$ 1,308,441	\$ -	\$ 460,055	\$ 1,768,496
Salaries and related withholdings	338,262	-	-	338,262
Property tax payable	86,000	-	-	86,000
Due to other funds	1,974,039	-	-	1,974,039
Due to other governmental units	-	5,664	-	5,664
Unearned revenue	28,203	-	-	28,203
Total liabilities	3,734,945	5,664	460,055	4,200,664
Deferred Inflows of Resources				
Unavailable revenue - rehab activity	2,221,744	-	-	2,221,744
Tax levied before the period of use	14,154,943	-	-	14,154,943
Unavailable revenue - special assessments and grants	-	1,706,690	414,051	2,120,741
Total deferred inflows of resources	16,376,687	1,706,690	414,051	18,497,428
Fund Balances				
Nonspendable	72,156	-	-	72,156
Restricted	8,030,492	12,547	-	8,043,039
Committed	-	33,391	-	33,391
Unassigned	-	-	(460,055)	(460,055)
Total fund balances	8,102,648	45,938	(460,055)	7,688,531
Total liabilities, deferred inflows of resources and fund balances	\$ 28,214,280	\$ 1,758,292	\$ 414,051	\$ 30,386,623

INGHAM COUNTY, MICHIGAN
Nonmajor Governmental Fund Types
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>JNL Utilities Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues				
Taxes	\$ 13,810,847	\$ -	\$ -	\$ 13,810,847
Licenses and permits	7,200	-	-	7,200
Intergovernmental	11,955,583	61,678	575,455	12,592,716
Charges for services	1,323,948	-	-	1,323,948
Investment earnings (loss)	176,347	6,146	-	182,493
Other	295,138	1,062,482	-	1,357,620
Total revenues	<u>27,569,063</u>	<u>1,130,306</u>	<u>575,455</u>	<u>29,274,824</u>
Expenditures				
Current:				
General government	5,206,445	-	-	5,206,445
Public safety	908,700	-	-	908,700
Public works	-	-	1,035,510	1,035,510
Health	3,490,156	-	-	3,490,156
Welfare	16,871,644	-	-	16,871,644
Education	33,523	-	-	33,523
Economic development	108,092	-	-	108,092
Culture and recreation	5,974,132	-	-	5,974,132
Capital outlay	574,266	-	-	574,266
Debt service:				
Principal retirement	-	2,345,000	-	2,345,000
Interest and fiscal charges	-	661,140	-	661,140
Total expenditures	<u>33,166,958</u>	<u>3,006,140</u>	<u>1,035,510</u>	<u>37,208,608</u>
Excess of Revenue Over (Under) Expenditures	<u>(5,597,895)</u>	<u>(1,875,834)</u>	<u>(460,055)</u>	<u>(7,933,784)</u>
Other Financing Sources (Uses)				
Transfers in	10,115,225	1,892,238	-	12,007,463
Transfers out	(5,307,583)	-	-	(5,307,583)
Total other financing sources (uses)	<u>4,807,642</u>	<u>1,892,238</u>	<u>-</u>	<u>6,699,880</u>
Net change in fund balances	<u>(790,253)</u>	<u>16,404</u>	<u>(460,055)</u>	<u>(1,233,904)</u>
Fund balances - beginning of year	<u>8,892,901</u>	<u>29,534</u>	<u>-</u>	<u>8,922,435</u>
Fund Balances - end of year	<u>\$ 8,102,648</u>	<u>\$ 45,938</u>	<u>\$ (460,055)</u>	<u>\$ 7,688,531</u>

INGHAM COUNTY, MICHIGAN
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2014

	Family Counseling Service	Homestead Property Tax Administration	Trails and Parks Millage	Friend of the Court Service	ROD Automation
Assets					
Pooled cash and investments	\$ 30,025	\$ 141,996	\$ 205,671	\$ -	\$ 29,174
Property taxes receivable	-	-	3,044,329	-	-
Accounts receivable	165	-	-	-	-
Accrued interest receivable	-	-	-	-	-
Due from other governmental units	-	-	-	637,724	-
Prepaid items	-	-	-	-	27,334
Rehabilitation loans receivable	-	-	-	-	-
Total assets	\$ 30,190	\$ 141,996	\$ 3,250,000	\$ 637,724	\$ 56,508
Liabilities					
Accounts payable and accrued liabilities	\$ 1,000	\$ -	\$ -	\$ 8,892	\$ 99
Salaries and related withholdings	-	-	-	91,014	3,371
Property Tax Payable	-	-	-	-	-
Due to other funds	-	-	-	537,416	-
Unearned revenue	-	-	-	402	-
Total liabilities	1,000	-	-	637,724	3,470
Deferred Inflows of Resources					
Unavailable revenue - rehab activity	-	-	3,250,000	-	-
Tax levied before the period of use	-	-	-	-	-
Total deferred inflows of resources	-	-	3,250,000	-	-
Fund Balances					
Nonspendable	-	-	-	-	27,334
Restricted	29,190	141,996	-	-	25,704
Total fund balances	29,190	141,996	-	-	53,038
Total liabilities, deferred inflows of resources and fund balances	\$ 30,190	\$ 141,996	\$ 3,250,000	\$ 637,724	\$ 56,508

INGHAM COUNTY, MICHIGAN
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2014

	Hotel/Motel		Farmland Preservation	Zoo	Juvenile Justice Millage
	Accommodation Tax	Work Study Program			
Assets					
Pooled cash and investments	\$ 233,893	\$ -	\$ 3,952,309	\$ 1,487,579	\$ 2,576,291
Property taxes receivable	-	-	844,289	2,511,836	3,661,217
Accounts receivable	158,391	3,280	-	1,689	-
Accrued interest receivable	-	-	9,148	2,952	7,018
Due from other governmental units	-	-	-	-	-
Prepaid items	-	-	-	44,822	-
Rehabilitation loans receivable	-	-	-	-	-
Total assets	<u>\$ 392,284</u>	<u>\$ 3,280</u>	<u>\$ 4,805,746</u>	<u>\$ 4,048,878</u>	<u>\$ 6,244,526</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 287,343	\$ -	\$ 11,675	\$ 60,241	\$ -
Salaries and related withholdings	-	-	-	90,065	-
Property Tax Payable	-	-	10,500	30,000	44,000
Due to other funds	-	3,280	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>287,343</u>	<u>3,280</u>	<u>22,175</u>	<u>180,306</u>	<u>44,000</u>
Deferred Inflows of Resources					
Unavailable revenue - rehab activity	-	-	902,674	2,682,831	3,911,460
Tax levied before the period of use	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>902,674</u>	<u>2,682,831</u>	<u>3,911,460</u>
Fund Balances					
Nonspendable	-	-	-	44,822	-
Restricted	104,941	-	3,880,897	1,140,919	2,289,066
Total fund balances	<u>104,941</u>	<u>-</u>	<u>3,880,897</u>	<u>1,185,741</u>	<u>2,289,066</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 392,284</u>	<u>\$ 3,280</u>	<u>\$ 4,805,746</u>	<u>\$ 4,048,878</u>	<u>\$ 6,244,526</u>

INGHAM COUNTY, MICHIGAN
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2014

	Drug Law Enforcement	Local Correction Training	Anti-Drug Abuse Grant	Community Corrections	Law Library
Assets					
Pooled cash and investments	\$ 77,883	\$ 152,283	\$ 64,856	\$ 28,247	\$ 42,465
Property taxes receivable	-	-	-	-	-
Accounts receivable	-	4,292	-	-	-
Accrued interest receivable	-	380	-	-	-
Due from other governmental units	-	-	3,523	32,537	-
Prepaid items	-	-	-	-	-
Rehabilitation loans receivable	-	-	-	-	-
Total assets	<u>\$ 77,883</u>	<u>\$ 156,955</u>	<u>\$ 68,379</u>	<u>\$ 60,784</u>	<u>\$ 42,465</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 58	\$ 472	\$ -	\$ 21,028	\$ 501
Salaries and related withholdings	-	-	7,179	2,596	-
Property Tax Payable	-	-	-	-	-
Due to other funds	-	-	-	8,931	-
Unearned revenue	19,763	-	-	-	-
Total liabilities	<u>19,821</u>	<u>472</u>	<u>7,179</u>	<u>32,555</u>	<u>501</u>
Deferred Inflows of Resources					
Unavailable revenue - rehab activity	-	-	-	-	-
Tax levied before the period of use	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	58,062	156,483	61,200	28,229	41,964
Total fund balances	<u>58,062</u>	<u>156,483</u>	<u>61,200</u>	<u>28,229</u>	<u>41,964</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 77,883</u>	<u>\$ 156,955</u>	<u>\$ 68,379</u>	<u>\$ 60,784</u>	<u>\$ 42,465</u>

INGHAM COUNTY, MICHIGAN
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2014

	Criminal Justice			Family Court	
	Training	DHS Child Care	Social Welfare	Child Care	Veterans' Trust
Assets					
Pooled cash and investments	\$ 28,502	\$ -	\$ 30,572	\$ -	\$ 4,349
Property taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
Due from other governmental units	9,420	555,196	-	1,769,104	-
Prepaid items	-	-	-	-	-
Rehabilitation loans receivable	-	-	-	-	-
Total assets	\$ 37,922	\$ 555,196	\$ 30,572	\$ 1,769,104	\$ 4,349
Liabilities					
Accounts payable and accrued liabilities	\$ 623	\$ 249,098	\$ 30,572	\$ 635,097	\$ 1,540
Salaries and related withholdings	-	-	-	124,738	-
Property Tax Payable	-	-	-	-	-
Due to other funds	-	306,098	-	1,003,795	-
Unearned revenue	2,564	-	-	5,474	-
Total liabilities	3,187	555,196	30,572	1,769,104	1,540
Deferred Inflows of Resources					
Unavailable revenue - rehab activity	-	-	-	-	-
Tax levied before the period of use	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	34,735	-	-	-	2,809
Total fund balances	34,735	-	-	-	2,809
Total liabilities, deferred inflows of resources and fund balances	\$ 37,922	\$ 555,196	\$ 30,572	\$ 1,769,104	\$ 4,349

INGHAM COUNTY, MICHIGAN
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2014

	Community Development Block Grant	Health Services Millage	Cooperative Reimbursement Prosecuting Attorney	Veterans Support Millage	Total Special Revenue Nonmajor Funds
Assets					
Pooled cash and investments	\$ 33,773	\$ 224,306	\$ -	\$ 16,257	\$ 9,360,431
Property taxes receivable	-	3,190,727	-	8,528	13,260,926
Accounts receivable	-	-	-	-	167,817
Accrued interest receivable	-	3,839	-	118	23,455
Due from other governmental units	-	-	134,020	-	3,141,524
Prepaid items	-	-	-	-	72,156
Rehabilitation loans receivable	2,187,971	-	-	-	2,187,971
Total assets	\$ 2,221,744	\$ 3,418,872	\$ 134,020	\$ 24,903	\$ 28,214,280
Liabilities					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 202	\$ -	\$ 1,308,441
Salaries and related withholdings	-	-	19,299	-	338,262
Property Tax Payable	-	-	-	1,500	86,000
Due to other funds	-	-	114,519	-	1,974,039
Unearned revenue	-	-	-	-	28,203
Total liabilities	-	-	134,020	1,500	3,734,945
Deferred Inflows of Resources					
Unavailable revenue - rehab activity	2,221,744	-	-	-	2,221,744
Tax levied before the period of use	-	3,407,601	-	377	14,154,943
Total deferred inflows of resources	2,221,744	3,407,601	-	377	16,376,687
Fund Balances					
Nonspendable	-	-	-	-	72,156
Restricted	-	11,271	-	23,026	8,030,492
Total fund balances	-	11,271	-	23,026	8,102,648
Total liabilities, deferred inflows of resources and fund balances	\$ 2,221,744	\$ 3,418,872	\$ 134,020	\$ 24,903	\$ 28,214,280

INGHAM COUNTY, MICHIGAN
 Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures and Changes in Fund Balance
 For the Year Ended December 31, 2014

	Family Counseling Service	Homestead Property Tax Administration	Trails and Parks Millage	Friend of the Court Service	ROD Automation
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	3,367,199	-
Charges for services	-	-	-	167,404	225,615
Investment earnings (loss)	-	30,552	-	-	(461)
Other	29,855	-	-	-	-
Total revenues	<u>29,855</u>	<u>30,552</u>	<u>-</u>	<u>3,534,603</u>	<u>225,154</u>
Expenditures					
Current:					
General government	-	518	-	4,887,667	318,260
Public safety	-	-	-	-	-
Health	-	-	-	-	-
Welfare	-	-	-	-	-
Education	6,150	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>6,150</u>	<u>518</u>	<u>-</u>	<u>4,887,667</u>	<u>318,260</u>
Excess of revenue over (under) expenditures	<u>23,705</u>	<u>30,034</u>	<u>-</u>	<u>(1,353,064)</u>	<u>(93,106)</u>
Other financing sources (uses)					
Transfers in	-	-	-	1,349,064	-
Transfers out	(18,060)	(26,624)	-	-	-
Total other financing sources (uses)	<u>(18,060)</u>	<u>(26,624)</u>	<u>-</u>	<u>1,349,064</u>	<u>-</u>
Net change in fund balances	<u>5,645</u>	<u>3,410</u>	<u>-</u>	<u>(4,000)</u>	<u>(93,106)</u>
Fund balances -beginning of year	<u>23,545</u>	<u>138,586</u>	<u>-</u>	<u>4,000</u>	<u>146,144</u>
Fund balances - end of year	<u>\$ 29,190</u>	<u>\$ 141,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,038</u>

INGHAM COUNTY, MICHIGAN
 Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures and Changes in Fund Balance
 For the Year Ended December 31, 2014

	Hotel/Motel				Juvenile Justice
	Accommodation	Work Study	Farmland	Zoo	Millage
	Tax	Program	Preservation		
Revenues					
Taxes	\$ 2,519,035	\$ -	\$ 929,651	\$ 2,716,641	\$ 3,993,595
Licenses and permits	-	-	-	-	7,200
Intergovernmental	-	18,853	89,458	-	-
Charges for services	-	-	-	704,517	-
Investment earnings (loss)	-	-	28,118	13,958	86,540
Other	-	-	3,479	19,870	-
Total revenues	<u>2,519,035</u>	<u>18,853</u>	<u>1,050,706</u>	<u>3,454,986</u>	<u>4,087,335</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health	-	-	-	-	-
Welfare	-	-	-	-	117,475
Education	-	27,373	-	-	-
Economic development	-	-	108,092	-	-
Culture and recreation	2,267,131	-	-	3,707,001	-
Capital outlay	-	-	284,089	239,816	-
Total expenditures	<u>2,267,131</u>	<u>27,373</u>	<u>392,181</u>	<u>3,946,817</u>	<u>117,475</u>
Excess of revenue over (under) expenditures	<u>251,904</u>	<u>(8,520)</u>	<u>658,525</u>	<u>(491,831)</u>	<u>3,969,860</u>
Other financing sources (uses)					
Transfers in	-	8,520	-	-	110,157
Transfers out	(656,450)	-	-	-	(4,375,615)
Total other financing sources (uses)	<u>(656,450)</u>	<u>8,520</u>	<u>-</u>	<u>-</u>	<u>(4,265,458)</u>
Net change in fund balances	<u>(404,546)</u>	<u>-</u>	<u>658,525</u>	<u>(491,831)</u>	<u>(295,598)</u>
Fund balances -beginning of year	<u>509,487</u>	<u>-</u>	<u>3,222,372</u>	<u>1,677,572</u>	<u>2,584,664</u>
Fund balances - end of year	<u>\$ 104,941</u>	<u>\$ -</u>	<u>\$ 3,880,897</u>	<u>\$ 1,185,741</u>	<u>\$ 2,289,066</u>

INGHAM COUNTY, MICHIGAN
 Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures and Changes in Fund Balance
 For the Year Ended December 31, 2014

	Drug Law Enforcement	Local Correction Training	Anti-Drug Abuse Grant	Community Corrections	Law Library
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	38,804	178,450	-
Charges for services	-	46,834	-	-	-
Investment earnings (loss)	-	1,226	223	62	-
Other	14,797	2,400	200,515	-	17,000
Total revenues	<u>14,797</u>	<u>50,460</u>	<u>239,542</u>	<u>178,512</u>	<u>17,000</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	44,732	80,392	423,449	313,353	-
Health	-	-	-	-	-
Welfare	-	-	-	-	-
Education	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	39,269	-	-	11,034
Total expenditures	<u>44,732</u>	<u>119,661</u>	<u>423,449</u>	<u>313,353</u>	<u>11,034</u>
Excess of revenue over (under) expenditures	<u>(29,935)</u>	<u>(69,201)</u>	<u>(183,907)</u>	<u>(134,841)</u>	<u>5,966</u>
Other financing sources (uses)					
Transfers in	-	-	191,725	88,641	-
Transfers out	-	-	(10,546)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>181,179</u>	<u>88,641</u>	<u>-</u>
Net change in fund balances	<u>(29,935)</u>	<u>(69,201)</u>	<u>(2,728)</u>	<u>(46,200)</u>	<u>5,966</u>
Fund balances -beginning of year	<u>87,997</u>	<u>225,684</u>	<u>63,928</u>	<u>74,429</u>	<u>35,998</u>
Fund balances - end of year	<u>\$ 58,062</u>	<u>\$ 156,483</u>	<u>\$ 61,200</u>	<u>\$ 28,229</u>	<u>\$ 41,964</u>

INGHAM COUNTY, MICHIGAN
 Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures and Changes in Fund Balance
 For the Year Ended December 31, 2014

	Criminal Justice			Family Court	
	Training	DHS Child Care	Social Welfare	Child Care	Veterans' Trust
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	37,895	1,624,083	-	5,846,415	99,684
Charges for services	-	500	-	179,078	-
Investment earnings (loss)	-	-	-	-	-
Other	6,220	-	347	-	-
Total revenues	<u>44,115</u>	<u>1,624,583</u>	<u>347</u>	<u>6,025,493</u>	<u>99,684</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	46,774	-	-	-	-
Health	-	-	-	-	-
Welfare	-	3,218,078	66,214	12,363,532	111,906
Education	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>46,774</u>	<u>3,218,078</u>	<u>66,214</u>	<u>12,363,532</u>	<u>111,906</u>
Excess of revenue over (under) expenditures	<u>(2,659)</u>	<u>(1,593,495)</u>	<u>(65,867)</u>	<u>(6,338,039)</u>	<u>(12,222)</u>
Other financing sources (uses)					
Transfers in	-	1,593,495	65,867	6,338,039	-
Transfers out	-	-	-	-	(7,800)
Total other financing sources (uses)	<u>-</u>	<u>1,593,495</u>	<u>65,867</u>	<u>6,338,039</u>	<u>(7,800)</u>
Net change in fund balances	<u>(2,659)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,022)</u>
Fund balances -beginning of year	<u>37,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,831</u>
Fund balances - end of year	<u>\$ 34,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,809</u>

INGHAM COUNTY, MICHIGAN
 Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures and Changes in Fund Balance
 For the Year Ended December 31, 2014

	Cooperative				Total Special Revenue Nonmajor Funds
	Community	Health Services	Reimbursement	Veterans	
	Development Block Grant	Millage	Prosecuting Attorney	Support Millage	
Revenue					
Taxes	\$ -	\$ 3,439,290	\$ -	\$ 212,635	\$ 13,810,847
Licenses and permits	-	-	-	-	7,200
Intergovernmental	-	-	654,742	-	11,955,583
Charges for services	-	-	-	-	1,323,948
Investment earnings or (loss)	-	15,931	-	198	176,347
Other	-	-	-	655	295,138
Total revenue	<u>-</u>	<u>3,455,221</u>	<u>654,742</u>	<u>213,488</u>	<u>27,569,063</u>
Expenditures					
Current:					
General government	-	-	-	-	5,206,445
Public safety	-	-	-	-	908,700
Health	-	3,490,156	-	-	3,490,156
Welfare	-	-	994,401	38	16,871,644
Education	-	-	-	-	33,523
Economic development	-	-	-	-	108,092
Culture and recreation	-	-	-	-	5,974,132
Capital outlay	-	-	58	-	574,266
Total expenditures	<u>-</u>	<u>3,490,156</u>	<u>994,459</u>	<u>38</u>	<u>33,166,958</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>(34,935)</u>	<u>(339,717)</u>	<u>213,450</u>	<u>(5,597,895)</u>
Other Financing Sources (Uses)					
Transfers in	-	30,000	339,717	-	10,115,225
Transfers out	-	-	-	(212,488)	(5,307,583)
Total other financing sources (uses)	<u>-</u>	<u>30,000</u>	<u>339,717</u>	<u>(212,488)</u>	<u>4,807,642</u>
Net Change in Fund Balances	<u>-</u>	<u>(4,935)</u>	<u>-</u>	<u>962</u>	<u>(790,253)</u>
Fund Balances - Beginning of year	<u>-</u>	<u>16,206</u>	<u>-</u>	<u>22,064</u>	<u>8,892,901</u>
Fund Balances - End of year	<u>\$ -</u>	<u>\$ 11,271</u>	<u>\$ -</u>	<u>\$ 23,026</u>	<u>\$ 8,102,648</u>

INGHAM COUNTY, MICHIGAN
Family Counseling Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Other	\$ 25,000	\$ 25,000	\$ 29,855	\$ 4,855	\$ 26,715
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>29,855</u>	<u>4,855</u>	<u>26,715</u>
Expenditures					
Current:					
Education	10,000	6,940	6,150	790	6,150
Total expenditures	<u>10,000</u>	<u>6,940</u>	<u>6,150</u>	<u>790</u>	<u>6,150</u>
Revenues over expenditures	<u>15,000</u>	<u>18,060</u>	<u>23,705</u>	<u>5,645</u>	<u>20,565</u>
Other financing sources (uses)					
Transfers out	(15,000)	(18,060)	(18,060)	-	(11,250)
Total other financing sources (uses)	<u>(15,000)</u>	<u>(18,060)</u>	<u>(18,060)</u>	<u>-</u>	<u>(11,250)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>5,645</u>	<u>5,645</u>	<u>9,315</u>
Fund balances -beginning of year	<u>23,545</u>	<u>23,545</u>	<u>23,545</u>	<u>-</u>	<u>14,230</u>
Fund balances - end of year	<u>\$ 23,545</u>	<u>\$ 23,545</u>	<u>\$ 29,190</u>	<u>\$ 5,645</u>	<u>\$ 23,545</u>

INGHAM COUNTY, MICHIGAN
Homestead Property Tax Administration
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Investment earnings (loss)	\$ -	\$ 28,000	\$ 30,552	\$ 2,552	\$ 64,474
Total revenues	<u>-</u>	<u>28,000</u>	<u>30,552</u>	<u>2,552</u>	<u>64,474</u>
Expenditures					
Current:					
General government	-	1,000	518	482	510
Total expenditures	<u>-</u>	<u>1,000</u>	<u>518</u>	<u>482</u>	<u>510</u>
Revenues over expenditures	<u>-</u>	<u>27,000</u>	<u>30,034</u>	<u>3,034</u>	<u>63,964</u>
Other financing sources (uses)					
Transfers out	-	(27,000)	(26,624)	376	(23,446)
Total other financing sources (uses)	<u>-</u>	<u>(27,000)</u>	<u>(26,624)</u>	<u>376</u>	<u>(23,446)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>3,410</u>	<u>3,410</u>	<u>40,518</u>
Fund balances -beginning of year	<u>138,586</u>	<u>138,586</u>	<u>138,586</u>	<u>-</u>	<u>98,068</u>
Fund balances - end of year	<u>\$ 138,586</u>	<u>\$ 138,586</u>	<u>\$ 141,996</u>	<u>\$ 3,410</u>	<u>\$ 138,586</u>

INGHAM COUNTY, MICHIGAN
 Friend of the Court Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Final Budget and Actual
 For the Year Ended September 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Intergovernmental	\$ 3,513,651	\$ 3,740,273	\$ 3,367,199	\$ (373,074)	\$ 3,269,485
Charges for services	187,500	189,307	167,404	(21,903)	164,526
Total revenues	<u>3,701,151</u>	<u>3,929,580</u>	<u>3,534,603</u>	<u>(394,977)</u>	<u>3,434,011</u>
Expenditures					
Current:					
General government:					
Personnel services	4,479,825	4,497,472	4,143,104	354,368	4,182,848
Controllable	175,300	504,582	468,642	35,940	255,632
Noncontrollable	269,798	276,048	275,921	127	315,116
Capital outlay	1,000	1,000	-	1,000	24,721
Total expenditures	<u>4,925,923</u>	<u>5,279,102</u>	<u>4,887,667</u>	<u>391,435</u>	<u>4,778,317</u>
Revenues over expenditures	<u>(1,224,772)</u>	<u>(1,349,522)</u>	<u>(1,353,064)</u>	<u>(3,542)</u>	<u>(1,344,306)</u>
Other financing sources (uses)					
Transfers in	<u>1,224,772</u>	<u>1,349,522</u>	<u>1,349,064</u>	<u>(458)</u>	<u>1,298,306</u>
Total other financing sources (uses)	<u>1,224,772</u>	<u>1,349,522</u>	<u>1,349,064</u>	<u>(458)</u>	<u>1,298,306</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>(46,000)</u>
Fund balances -beginning of year	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>50,000</u>
Fund balances - end of year	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ (4,000)</u>	<u>\$ 4,000</u>

INGHAM COUNTY, MICHIGAN
Register of Deeds Automation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Charges for services	\$ 324,978	\$ 331,772	\$ 225,615	\$ (106,157)	\$ 284,860
Investment earnings (loss)	17,000	17,000	(461)	(17,461)	1,073
Total revenues	<u>341,978</u>	<u>348,772</u>	<u>225,154</u>	<u>(123,618)</u>	<u>285,933</u>
Expenditures					
Current:					
General government:					
Personnel services	294,289	294,289	199,144	95,145	340,199
Controllable	75,000	81,794	78,841	2,953	123,315
Noncontrollable	50,430	50,430	40,275	10,155	34,126
Total expenditures	<u>419,719</u>	<u>426,513</u>	<u>318,260</u>	<u>108,253</u>	<u>497,640</u>
Net change in fund balances	<u>(77,741)</u>	<u>(77,741)</u>	<u>(93,106)</u>	<u>(15,365)</u>	<u>(211,707)</u>
Fund balances -beginning of year	146,144	146,144	146,144	-	357,851
Fund balances - end of year	<u>\$ 68,403</u>	<u>\$ 68,403</u>	<u>\$ 53,038</u>	<u>\$ (15,365)</u>	<u>\$ 146,144</u>

INGHAM COUNTY, MICHIGAN
Hotel/Motel Accommodation Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Taxes	\$ 2,300,000	\$ 2,502,000	\$ 2,519,035	\$ 17,035	\$ 2,473,172
Total revenues	<u>2,300,000</u>	<u>2,502,000</u>	<u>2,519,035</u>	<u>17,035</u>	<u>2,473,172</u>
Expenditures					
Current:					
Culture and recreation	2,300,000	2,272,000	2,267,131	4,869	2,225,854
Total expenditures	<u>2,300,000</u>	<u>2,272,000</u>	<u>2,267,131</u>	<u>4,869</u>	<u>2,225,854</u>
Revenues over expenditures	<u>-</u>	<u>230,000</u>	<u>251,904</u>	<u>21,904</u>	<u>247,318</u>
Other financing sources (uses)					
Transfers out	-	(690,673)	(656,450)	34,223	(158,674)
Total other financing sources (uses)	<u>-</u>	<u>(690,673)</u>	<u>(656,450)</u>	<u>34,223</u>	<u>(158,674)</u>
Net change in fund balances	<u>-</u>	<u>(460,673)</u>	<u>(404,546)</u>	<u>56,127</u>	<u>88,644</u>
Fund balances -beginning of year	<u>509,487</u>	<u>509,487</u>	<u>509,487</u>	<u>-</u>	<u>420,843</u>
Fund balances - end of year	<u>\$ 509,487</u>	<u>\$ 48,814</u>	<u>\$ 104,941</u>	<u>\$ 56,127</u>	<u>\$ 509,487</u>

INGHAM COUNTY, MICHIGAN
 Work Study Program Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Final Budget and Actual
 For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Intergovernmental	\$ 54,331	\$ 54,331	\$ 18,853	\$ (35,478)	\$ 21,978
Total revenues	<u>54,331</u>	<u>54,331</u>	<u>18,853</u>	<u>(35,478)</u>	<u>21,978</u>
Expenditures					
Current:					
Education	<u>75,797</u>	<u>75,797</u>	<u>27,373</u>	<u>48,424</u>	<u>35,433</u>
Total expenditures	<u>75,797</u>	<u>75,797</u>	<u>27,373</u>	<u>48,424</u>	<u>35,433</u>
Revenues over expenditures	<u>(21,466)</u>	<u>(21,466)</u>	<u>(8,520)</u>	<u>12,946</u>	<u>(13,455)</u>
Other financing sources (uses)					
Transfers in	<u>21,466</u>	<u>21,466</u>	<u>8,520</u>	<u>(12,946)</u>	<u>13,455</u>
Total other financing sources (uses)	<u>21,466</u>	<u>21,466</u>	<u>8,520</u>	<u>(12,946)</u>	<u>13,455</u>
net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances -beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INGHAM COUNTY, MICHIGAN
 Farmland Preservation Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Final Budget and Actual
 For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Taxes	\$ 899,262	\$ 899,262	\$ 929,651	\$ 30,389	\$ 908,373
Intergovernmental	250,000	310,000	89,458	(220,542)	118,810
Investment earnings (loss)	15,000	15,000	28,118	13,118	20,679
Other	-	-	3,479	3,479	4,170
Total revenues	<u>1,164,262</u>	<u>1,224,262</u>	<u>1,050,706</u>	<u>(173,556)</u>	<u>1,052,032</u>
Expenditures					
Current:					
Economic development	264,131	264,131	108,092	156,039	119,939
Capital outlay	896,661	896,661	284,089	612,572	434,000
Total expenditures	<u>1,160,792</u>	<u>1,160,792</u>	<u>392,181</u>	<u>768,611</u>	<u>553,939</u>
Revenues over expenditures	<u>3,470</u>	<u>63,470</u>	<u>658,525</u>	<u>595,055</u>	<u>498,093</u>
Other financing sources (uses)					
Transfers out	(5,670)	(5,670)	-	5,670	-
Total other financing sources (uses)	<u>(5,670)</u>	<u>(5,670)</u>	<u>-</u>	<u>5,670</u>	<u>-</u>
Net change in fund balances	<u>(2,200)</u>	<u>57,800</u>	<u>658,525</u>	<u>600,725</u>	<u>498,093</u>
Fund balances -beginning of year	<u>3,222,372</u>	<u>3,222,372</u>	<u>3,222,372</u>	<u>-</u>	<u>2,724,279</u>
Fund balances - end of year	<u>\$ 3,220,172</u>	<u>\$ 3,280,172</u>	<u>\$ 3,880,897</u>	<u>\$ 600,725</u>	<u>\$ 3,222,372</u>

INGHAM COUNTY, MICHIGAN

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Schedule of Revenues, Expenditures and Changes in Fund Balance

Final Budget and Actual

For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Taxes	\$ 2,639,996	\$ 2,723,996	\$ 2,716,641	\$ (7,355)	\$ 2,654,686
Charges for services	765,461	772,461	704,517	(67,944)	719,837
Investment earnings (loss)	15,000	15,000	13,958	(1,042)	15,398
Other	29,000	29,550	19,870	(9,680)	12,213
Total revenues	<u>3,449,457</u>	<u>3,541,007</u>	<u>3,454,986</u>	<u>(86,021)</u>	<u>3,402,134</u>
Expenditures					
Current:					
Culture and recreation:					
Personnel services	1,913,785	2,206,113	2,206,113	-	1,949,280
Controllable	1,028,675	1,178,130	1,149,430	28,700	1,093,630
Noncontrollable	298,471	351,458	351,458	-	287,610
Capital outlay	212,000	950,517	239,816	710,701	97,919
Total expenditures	<u>3,452,931</u>	<u>4,686,218</u>	<u>3,946,817</u>	<u>739,401</u>	<u>3,428,439</u>
Net change in fund balances	<u>(3,474)</u>	<u>(1,145,211)</u>	<u>(491,831)</u>	<u>653,380</u>	<u>(26,305)</u>
Fund balances -beginning of year	<u>1,677,572</u>	<u>1,677,572</u>	<u>1,677,572</u>	<u>-</u>	<u>1,703,877</u>
Fund balances - end of year	<u>\$ 1,674,098</u>	<u>\$ 532,361</u>	<u>\$ 1,185,741</u>	<u>\$ 653,380</u>	<u>\$ 1,677,572</u>

INGHAM COUNTY, MICHIGAN
 Juvenile Justice Millage Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Final Budget and Actual
 For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Taxes	\$ 3,857,409	\$ 3,865,909	\$ 3,993,595	\$ 127,686	\$ 3,892,378
Licenses and permits	5,400	5,400	7,200	1,800	18,168
Investment earnings (loss)	15,900	15,900	86,540	70,640	(57,410)
Other	-	-	-	-	10,800
Total revenues	<u>3,878,709</u>	<u>3,887,209</u>	<u>4,087,335</u>	<u>200,126</u>	<u>3,863,936</u>
Expenditures					
Current:					
Welfare	97,000	140,050	117,475	22,575	181,964
Total expenditures	<u>97,000</u>	<u>140,050</u>	<u>117,475</u>	<u>22,575</u>	<u>181,964</u>
Revenues over expenditures	<u>3,781,709</u>	<u>3,747,159</u>	<u>3,969,860</u>	<u>222,701</u>	<u>3,681,972</u>
Other financing sources (uses)					
Transfers in	-	110,157	110,157	-	-
Transfers out	(4,969,277)	(4,960,927)	(4,375,615)	585,312	(5,058,607)
Total other financing sources (uses)	<u>(4,969,277)</u>	<u>(4,850,770)</u>	<u>(4,265,458)</u>	<u>585,312</u>	<u>(5,058,607)</u>
Net change in fund balances	<u>(1,187,568)</u>	<u>(1,103,611)</u>	<u>(295,598)</u>	<u>808,013</u>	<u>(1,376,635)</u>
Fund balances -beginning of year	<u>2,584,664</u>	<u>2,584,664</u>	<u>2,584,664</u>	<u>-</u>	<u>3,961,299</u>
Fund balances - end of year	<u>\$ 1,397,096</u>	<u>\$ 1,481,053</u>	<u>\$ 2,289,066</u>	<u>\$ 808,013</u>	<u>\$ 2,584,664</u>

INGHAM COUNTY, MICHIGAN
Drug Law Enforcement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Other	\$ 10,000	\$ 10,000	\$ 14,797	\$ 4,797	\$ 9,553
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>14,797</u>	<u>4,797</u>	<u>9,553</u>
Expenditures					
Current:					
Public safety	<u>10,000</u>	<u>52,500</u>	<u>44,732</u>	<u>7,768</u>	<u>33,600</u>
Total expenditures	<u>10,000</u>	<u>52,500</u>	<u>44,732</u>	<u>7,768</u>	<u>33,600</u>
Revenues over expenditures	<u>-</u>	<u>(42,500)</u>	<u>(29,935)</u>	<u>12,565</u>	<u>(24,047)</u>
Other financing sources (uses)					
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
Net change in fund balances	<u>-</u>	<u>(42,500)</u>	<u>(29,935)</u>	<u>12,565</u>	<u>(44,047)</u>
Fund balances -beginning of year	<u>87,997</u>	<u>87,997</u>	<u>87,997</u>	<u>-</u>	<u>132,044</u>
Fund balances - end of year	<u>\$ 87,997</u>	<u>\$ 45,497</u>	<u>\$ 58,062</u>	<u>\$ 12,565</u>	<u>\$ 87,997</u>

INGHAM COUNTY, MICHIGAN
 Local Correction Training Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Final Budget and Actual
 For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Charges for services	\$ 51,000	\$ 51,000	\$ 46,834	\$ (4,166)	\$ 41,235
Investment earnings (loss)	4,000	4,000	1,226	(2,774)	1,382
Other	-	-	2,400	2,400	-
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>50,460</u>	<u>(4,540)</u>	<u>42,617</u>
Expenditures					
Current:					
Public safety	55,000	83,805	80,392	3,413	70,304
Capital outlay	-	40,000	39,269	731	-
Total expenditures	<u>55,000</u>	<u>123,805</u>	<u>119,661</u>	<u>4,144</u>	<u>70,304</u>
Revenues over expenditures	-	(68,805)	(69,201)	(396)	(27,687)
Other financing sources (uses)					
Transfers out	-	-	-	-	(9,377)
Total other financing sources (uses)	-	-	-	-	(9,377)
net change in fund balances	<u>-</u>	<u>(68,805)</u>	<u>(69,201)</u>	<u>(396)</u>	<u>(37,064)</u>
Fund balances -beginning of year	225,684	225,684	225,684	-	262,748
Fund balances - end of year	<u>\$ 225,684</u>	<u>\$ 156,879</u>	<u>\$ 156,483</u>	<u>\$ (396)</u>	<u>\$ 225,684</u>

INGHAM COUNTY, MICHIGAN
Anti-Drug Abuse Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Intergovernmental	\$ 88,145	\$ 88,145	\$ 38,804	\$ (49,341)	\$ 85,135
Investment earnings (loss)	-	-	223	223	326
Other	261,805	210,895	200,515	(10,380)	200,750
Total revenues	<u>349,950</u>	<u>299,040</u>	<u>239,542</u>	<u>(59,498)</u>	<u>286,211</u>
Expenditures					
Current:					
Public safety:					
Personnel services	175,256	175,256	163,261	11,995	190,065
Controllable	286,805	267,253	259,380	7,873	261,265
Noncontrollable	1,037	1,037	808	229	962
Total expenditures	<u>463,098</u>	<u>443,546</u>	<u>423,449</u>	<u>20,097</u>	<u>452,292</u>
Revenues over expenditures	<u>(113,148)</u>	<u>(144,506)</u>	<u>(183,907)</u>	<u>(39,401)</u>	<u>(166,081)</u>
Other financing sources (uses)					
Transfers in	113,148	155,052	191,725	36,673	166,552
Transfers out	-	(10,546)	(10,546)	-	-
Total other financing sources (uses)	<u>113,148</u>	<u>144,506</u>	<u>181,179</u>	<u>36,673</u>	<u>166,552</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(2,728)</u>	<u>(2,728)</u>	<u>471</u>
Fund balances -beginning of year	<u>63,928</u>	<u>63,928</u>	<u>63,928</u>	<u>-</u>	<u>63,457</u>
Fund balances - end of year	<u>\$ 63,928</u>	<u>\$ 63,928</u>	<u>\$ 61,200</u>	<u>\$ (2,728)</u>	<u>\$ 63,928</u>

INGHAM COUNTY, MICHIGAN
Community Corrections Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended September 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Intergovernmental	\$ 252,165	\$ 252,165	\$ 178,450	\$ (73,715)	\$ 222,375
Charges for services	-	-	-	-	38
Investment earnings (loss)	-	-	62	62	132
Total revenues	<u>252,165</u>	<u>252,165</u>	<u>178,512</u>	<u>(73,653)</u>	<u>222,545</u>
Expenditures					
Current:					
Public safety:					
Personnel services	105,841	131,436	121,339	10,097	104,125
Controllable	273,628	247,945	183,917	64,028	241,178
Noncontrollable	9,911	9,999	8,097	1,902	9,328
Total expenditures	<u>389,380</u>	<u>389,380</u>	<u>313,353</u>	<u>76,027</u>	<u>354,631</u>
Revenues over expenditures	<u>(137,215)</u>	<u>(137,215)</u>	<u>(134,841)</u>	<u>2,374</u>	<u>(132,086)</u>
Other financing sources (uses)					
Transfers in	<u>97,215</u>	<u>97,215</u>	<u>88,641</u>	<u>(8,574)</u>	<u>133,655</u>
Total other financing sources (uses)	<u>97,215</u>	<u>97,215</u>	<u>88,641</u>	<u>(8,574)</u>	<u>133,655</u>
net change in fund balances	<u>(40,000)</u>	<u>(40,000)</u>	<u>(46,200)</u>	<u>(6,200)</u>	<u>1,569</u>
Fund balances -beginning of year	<u>74,429</u>	<u>74,429</u>	<u>74,429</u>	<u>-</u>	<u>72,860</u>
Fund balances - end of year	<u>\$ 34,429</u>	<u>\$ 34,429</u>	<u>\$ 28,229</u>	<u>\$ (6,200)</u>	<u>\$ 74,429</u>

INGHAM COUNTY, MICHIGAN
Law Library Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Other	\$ 17,000	\$ 17,000	\$ 17,000	\$ -	\$ 17,000
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>-</u>	<u>17,000</u>
Expenditures					
Current:					
Capital outlay	<u>17,000</u>	<u>17,000</u>	<u>11,034</u>	<u>5,966</u>	<u>11,934</u>
Total expenditures	<u>17,000</u>	<u>17,000</u>	<u>11,034</u>	<u>5,966</u>	<u>11,934</u>
net change in fund balances	<u>-</u>	<u>-</u>	<u>5,966</u>	<u>5,966</u>	<u>5,066</u>
Fund balances -beginning of year	<u>35,998</u>	<u>35,998</u>	<u>35,998</u>	<u>-</u>	<u>30,932</u>
Fund balances - end of year	<u>\$ 35,998</u>	<u>\$ 35,998</u>	<u>\$ 41,964</u>	<u>\$ 5,966</u>	<u>\$ 35,998</u>

INGHAM COUNTY, MICHIGAN
Criminal Justice Training Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Intergovernmental	\$ 24,000	\$ 51,000	\$ 37,895	\$ (13,105)	\$ 68,780
Other	-	6,000	6,220	220	4,340
Total revenues	<u>24,000</u>	<u>57,000</u>	<u>44,115</u>	<u>(12,885)</u>	<u>73,120</u>
Expenditures					
Current:					
Public safety	<u>24,000</u>	<u>57,000</u>	<u>46,774</u>	<u>10,226</u>	<u>78,432</u>
Total expenditures	<u>24,000</u>	<u>57,000</u>	<u>46,774</u>	<u>10,226</u>	<u>78,432</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(2,659)</u>	<u>(2,659)</u>	<u>(5,312)</u>
Fund balances -beginning of year	<u>37,394</u>	<u>37,394</u>	<u>37,394</u>	<u>-</u>	<u>42,706</u>
Fund balances - end of year	<u>\$ 37,394</u>	<u>\$ 37,394</u>	<u>\$ 34,735</u>	<u>\$ (2,659)</u>	<u>\$ 37,394</u>

INGHAM COUNTY, MICHIGAN
 Department of Human Services Child Care Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Final Budget and Actual
 For the Year Ended September 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Intergovernmental	\$ 1,722,161	\$ 1,722,161	\$ 1,624,083	\$ (98,078)	\$ 1,719,271
Charges for services	35,000	35,000	500	(34,500)	-
Other	-	-	-	-	4,172
Total revenues	<u>1,757,161</u>	<u>1,757,161</u>	<u>1,624,583</u>	<u>(132,578)</u>	<u>1,723,443</u>
Expenditures					
Current:					
Welfare	<u>3,479,322</u>	<u>3,479,322</u>	<u>3,218,078</u>	<u>261,244</u>	<u>3,564,383</u>
Total expenditures	<u>3,479,322</u>	<u>3,479,322</u>	<u>3,218,078</u>	<u>261,244</u>	<u>3,564,383</u>
Revenues over expenditures	<u>(1,722,161)</u>	<u>(1,722,161)</u>	<u>(1,593,495)</u>	<u>128,666</u>	<u>(1,840,940)</u>
Other financing sources (uses)					
Transfers in	<u>1,722,161</u>	<u>1,722,161</u>	<u>1,593,495</u>	<u>(128,666)</u>	<u>1,840,940</u>
Total other financing sources (uses)	<u>1,722,161</u>	<u>1,722,161</u>	<u>1,593,495</u>	<u>(128,666)</u>	<u>1,840,940</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances -beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INGHAM COUNTY, MICHIGAN
Social Welfare Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended September 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 125,482
Other	-	-	347	347	-
Total revenues	<u>-</u>	<u>-</u>	<u>347</u>	<u>347</u>	<u>125,482</u>
Expenditures					
Current:					
Welfare	<u>52,700</u>	<u>66,214</u>	<u>66,214</u>	<u>-</u>	<u>185,104</u>
Total expenditures	<u>52,700</u>	<u>66,214</u>	<u>66,214</u>	<u>-</u>	<u>185,104</u>
Revenues over expenditures	<u>(52,700)</u>	<u>(66,214)</u>	<u>(65,867)</u>	<u>347</u>	<u>(59,622)</u>
Other financing sources (uses)					
Transfers in	<u>52,700</u>	<u>66,214</u>	<u>65,867</u>	<u>(347)</u>	<u>59,622</u>
Total other financing sources (uses)	<u>52,700</u>	<u>66,214</u>	<u>65,867</u>	<u>(347)</u>	<u>59,622</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances -beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INGHAM COUNTY, MICHIGAN
 Family Court Child Care Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Final Budget and Actual
 For the Year Ended September 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Intergovernmental	\$ 6,044,081	\$ 6,375,061	\$ 5,846,415	\$ (528,646)	\$ 5,927,061
Charges for services	43,750	177,150	179,078	1,928	197,542
Total revenues	<u>6,087,831</u>	<u>6,552,211</u>	<u>6,025,493</u>	<u>(526,718)</u>	<u>6,124,603</u>
Expenditures					
Current:					
Welfare:					
Personnel services	5,558,470	5,653,470	5,653,420	50	5,304,099
Controllable	6,906,370	7,423,414	6,281,778	1,141,636	7,083,746
Noncontrollable	262,245	429,245	428,334	911	322,293
Total expenditures	<u>12,727,085</u>	<u>13,506,129</u>	<u>12,363,532</u>	<u>1,142,597</u>	<u>12,710,138</u>
Revenues over expenditures	<u>(6,639,254)</u>	<u>(6,953,918)</u>	<u>(6,338,039)</u>	<u>615,879</u>	<u>(6,585,535)</u>
Other financing sources (uses)					
Transfers in	6,639,254	6,961,834	6,338,039	(623,795)	6,585,535
Transfers out	-	(7,916)	-	7,916	-
Total other financing sources (uses)	<u>6,639,254</u>	<u>6,953,918</u>	<u>6,338,039</u>	<u>(615,879)</u>	<u>6,585,535</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances -beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INGHAM COUNTY, MICHIGAN
Veterans' Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Intergovernmental	\$ 97,800	\$ 99,800	\$ 99,684	\$ (116)	\$ 144,765
Total revenues	<u>97,800</u>	<u>99,800</u>	<u>99,684</u>	<u>(116)</u>	<u>144,765</u>
Expenditures					
Current:					
Welfare	90,000	112,000	111,906	94	123,325
Total expenditures	<u>90,000</u>	<u>112,000</u>	<u>111,906</u>	<u>94</u>	<u>123,325</u>
Revenues over expenditures	<u>7,800</u>	<u>(12,200)</u>	<u>(12,222)</u>	<u>(22)</u>	<u>21,440</u>
Other financing sources (uses)					
Transfers out	(7,800)	(7,800)	(7,800)	-	(7,800)
Total other financing sources (uses)	<u>(7,800)</u>	<u>(7,800)</u>	<u>(7,800)</u>	<u>-</u>	<u>(7,800)</u>
Net change in fund balances	<u>-</u>	<u>(20,000)</u>	<u>(20,022)</u>	<u>(22)</u>	<u>13,640</u>
Fund balances -beginning of year	<u>22,831</u>	<u>22,831</u>	<u>22,831</u>	<u>-</u>	<u>9,191</u>
Fund balances - end of year	<u>\$ 22,831</u>	<u>\$ 2,831</u>	<u>\$ 2,809</u>	<u>\$ (22)</u>	<u>\$ 22,831</u>

INGHAM COUNTY, MICHIGAN
Health Services Millage Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Taxes	\$ 3,359,988	\$ 3,447,988	\$ 3,439,290	\$ (8,698)	\$ 3,451,544
Intergovernmental	-	-	-	-	9,837
Investment earnings (loss)	3,000	13,000	15,931	2,931	7,773
Total revenues	<u>3,362,988</u>	<u>3,460,988</u>	<u>3,455,221</u>	<u>(5,767)</u>	<u>3,469,154</u>
Expenditures					
Current:					
Health	3,362,988	3,490,988	3,490,156	832	3,477,954
Total expenditures	<u>3,362,988</u>	<u>3,490,988</u>	<u>3,490,156</u>	<u>832</u>	<u>3,477,954</u>
Revenues over expenditures	<u>-</u>	<u>(30,000)</u>	<u>(34,935)</u>	<u>(4,935)</u>	<u>(8,800)</u>
Other financing sources (uses)					
Transfers in	-	30,000	30,000	-	25,000
Total other financing sources (uses)	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>25,000</u>
net change in fund balances	<u>-</u>	<u>-</u>	<u>(4,935)</u>	<u>(4,935)</u>	<u>16,200</u>
Fund balances -beginning of year	<u>16,206</u>	<u>16,206</u>	<u>16,206</u>	<u>-</u>	<u>6</u>
Fund balances - end of year	<u>\$ 16,206</u>	<u>\$ 16,206</u>	<u>\$ 11,271</u>	<u>\$ (4,935)</u>	<u>\$ 16,206</u>

INGHAM COUNTY, MICHIGAN
 Cooperative Reimbursement Prosecuting Attorney Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Final Budget and Actual
 For the Year Ended September 30, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Intergovernmental	\$ 686,300	\$ 704,036	\$ 654,742	\$ (49,294)	\$ 621,202
Total revenues	<u>686,300</u>	<u>704,036</u>	<u>654,742</u>	<u>(49,294)</u>	<u>621,202</u>
Expenditures					
Current:					
Welfare:					
Personnel services	888,303	882,303	860,626	21,677	856,785
Controllable	87,052	122,524	76,837	45,687	42,974
Noncontrollable	51,368	57,368	56,938	430	61,172
Capital outlay	300	300	58	242	342
Total expenditures	<u>1,027,023</u>	<u>1,062,495</u>	<u>994,459</u>	<u>68,036</u>	<u>961,273</u>
Revenues over expenditures	<u>(340,723)</u>	<u>(358,459)</u>	<u>(339,717)</u>	<u>18,742</u>	<u>(340,071)</u>
Other financing sources (uses)					
Transfers in	<u>340,723</u>	<u>358,459</u>	<u>339,717</u>	<u>(18,742)</u>	<u>340,071</u>
Total other financing sources (uses)	<u>340,723</u>	<u>358,459</u>	<u>339,717</u>	<u>(18,742)</u>	<u>340,071</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances -beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INGHAM COUNTY, MICHIGAN
Veterans Support Millage Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Final Budget and Actual
For the Year Ended December 31, 2014

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Favorable (Unfavorable) Budget over Actual	2013 Actual
Revenues					
Taxes	\$ 212,488	\$ 212,488	\$ 212,635	\$ 147	\$ 221,000
Investment earnings (loss)	1,000	1,000	198	(802)	212
Other	-	-	655	655	605
Total revenues	<u>213,488</u>	<u>213,488</u>	<u>213,488</u>	<u>-</u>	<u>221,817</u>
Expenditures					
Current:					
Welfare	1,000	1,000	38	962	79
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>38</u>	<u>962</u>	<u>79</u>
Revenues over expenditures	<u>212,488</u>	<u>212,488</u>	<u>213,450</u>	<u>962</u>	<u>221,738</u>
Other financing sources (uses)					
Transfers out	<u>(212,488)</u>	<u>(212,488)</u>	<u>(212,488)</u>	<u>-</u>	<u>(205,000)</u>
Total other financing sources (uses)	<u>(212,488)</u>	<u>(212,488)</u>	<u>(212,488)</u>	<u>-</u>	<u>(205,000)</u>
net change in fund balances	<u>-</u>	<u>-</u>	<u>962</u>	<u>962</u>	<u>16,738</u>
Fund balances -beginning of year	<u>22,064</u>	<u>22,064</u>	<u>22,064</u>	<u>-</u>	<u>5,326</u>
Fund balances - end of year	<u>\$ 22,064</u>	<u>\$ 22,064</u>	<u>\$ 23,026</u>	<u>\$ 962</u>	<u>\$ 22,064</u>

INGHAM COUNTY, MICHIGAN
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2014

	Jail Renovation	Refunding Bonds	Grady Porter	Alaiedon		Tobias-Linn	Water Supply	Total Debt
	2003	2005	Refunding	911 Building	Water/Sewer	Water/Sewer	No. 2	Service Nonmajor Funds
Assets								
Pooled cash and investments	\$ 2,055	\$ 27,488	\$ 217	\$ 1,062	\$ 11,979	\$ 551	\$ 5,656	\$ 49,008
Accrued interest receivable	\$ -	\$ 2,561	\$ -	\$ 3	\$ 17	\$ -	\$ 8	\$ 2,594
Special assessments receivable	\$ -	\$ -	\$ -	\$ -	\$ 769,125	\$ 937,565	\$ -	\$ 1,706,690
Total assets	\$ 2,060	\$ 30,049	\$ 217	\$ 1,065	\$ 781,121	\$ 938,116	\$ 5,664	\$ 1,758,292
Liabilities								
Due to other governmental units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,664	\$ 5,664
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,664	\$ 5,664
Deferred inflows of resources								
Unavailable revenue - special assessments	\$ -	\$ -	\$ -	\$ -	\$ 769,125	\$ 937,565	\$ -	\$ 1,706,690
Fund balances								
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 11,996	\$ 551	\$ -	\$ 12,547
Committed	\$ 2,060	\$ 30,049	\$ 217	\$ 1,065	\$ -	\$ -	\$ -	\$ 33,391
Total fund balances	\$ 2,060	\$ 30,049	\$ 217	\$ 1,065	\$ 11,996	\$ 551	\$ -	\$ 45,938
Total liabilities, deferred inflows of resources and fund balances	\$ 2,060	\$ 30,049	\$ 217	\$ 1,065	\$ 781,121	\$ 938,116	\$ 5,664	\$ 1,758,292

INGHAM COUNTY, MICHIGAN
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2014

	Jail Renovation	Refunding Bonds	Grady Porter		Alafedon	Tobias-Linn	Water Supply	Total Debt
	2003	2005	Refunding	911 Building	Water/Sewer	Water/Sewer	No. 2	Service
								Nonmajor Funds
Revenues								
Intergovernmental	\$ -	\$ -	\$ -	\$ 61,678	\$ -	\$ -	\$ -	\$ 61,678
Investment earnings (loss)	14	6,030	-	(13)	64	1	50	6,146
Other	-	494,874	-	-	354,388	121,484	91,736	1,062,482
Total revenues	<u>14</u>	<u>500,904</u>	<u>-</u>	<u>61,665</u>	<u>354,452</u>	<u>121,485</u>	<u>91,786</u>	<u>1,130,306</u>
Expenditures								
Current:								
Debt service								
Principal retirement	125,000	935,000	675,000	130,000	315,000	75,000	90,000	2,345,000
Interest and fiscal charges	51,275	205,275	169,825	148,948	34,058	46,509	5,250	661,140
Total expenditures	<u>176,275</u>	<u>1,140,275</u>	<u>844,825</u>	<u>278,948</u>	<u>349,058</u>	<u>121,509</u>	<u>95,250</u>	<u>3,006,140</u>
Excess of revenue over (under) expenditures	<u>(176,261)</u>	<u>(639,371)</u>	<u>(844,825)</u>	<u>(217,283)</u>	<u>5,394</u>	<u>(24)</u>	<u>(3,464)</u>	<u>(1,875,834)</u>
Other financing sources (uses)								
Transfers in	175,975	655,419	844,825	216,019	-	-	-	1,892,238
Total other financing sources (uses)	<u>175,975</u>	<u>655,419</u>	<u>844,825</u>	<u>216,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,892,238</u>
Net change in fund balances	<u>(286)</u>	<u>16,048</u>	<u>-</u>	<u>(1,264)</u>	<u>5,394</u>	<u>(24)</u>	<u>(3,464)</u>	<u>16,404</u>
Fund balances - beginning of year	<u>2,346</u>	<u>14,001</u>	<u>217</u>	<u>2,329</u>	<u>6,602</u>	<u>575</u>	<u>3,464</u>	<u>29,534</u>
Fund balances - end of year	<u>\$ 2,060</u>	<u>\$ 30,049</u>	<u>\$ 217</u>	<u>\$ 1,065</u>	<u>\$ 11,996</u>	<u>\$ 551</u>	<u>\$ -</u>	<u>\$ 45,938</u>

Ingham County, Michigan

Nonmajor 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.

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
 Nonmajor Enterprise Funds
 Combining Statement of Net Position
 December 31, 2014

	Parks	Restricted Tax Sale Proceeds	Fair Board	Inmate Stores	Total Nonmajor Enterprise Funds
Assets					
Current assets:					
Pooled cash and investments	\$ 57,356	\$ 670,862	\$ 109,174	\$ 692,118	\$ 1,529,510
Accounts receivable, net	6,941	-	10,658	49,644	67,243
Accrued interest receivable	-	2,843	150	-	2,993
Due from other governmental units	-	146,263	-	-	146,263
Prepaid items	-	-	520	-	520
Total current assets	<u>64,297</u>	<u>819,968</u>	<u>120,502</u>	<u>741,762</u>	<u>1,746,529</u>
Noncurrent assets:					
Capital assets not depreciated	-	-	5,080	-	5,080
Capital assets depreciated, net	239,893	-	1,629,381	251,963	2,121,237
Total noncurrent assets	<u>239,893</u>	<u>-</u>	<u>1,634,461</u>	<u>251,963</u>	<u>2,126,317</u>
Total assets	<u>\$ 304,190</u>	<u>\$ 819,968</u>	<u>\$ 1,754,963</u>	<u>\$ 993,725</u>	<u>\$ 3,872,846</u>
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 10,920	\$ 24	\$ 13,360	\$ 104,253	\$ 128,557
Salaries and related withholdings	6,825	-	13,925	2,959	23,709
Compensated absences, current	-	-	16,500	7,600	24,100
Unearned revenue	13,325	-	-	-	13,325
Claims payable, current	-	-	33,495	-	33,495
Total current liabilities	<u>31,070</u>	<u>24</u>	<u>77,280</u>	<u>114,812</u>	<u>223,186</u>
Net position					
Net investment in capital assets	239,893	-	1,634,461	251,963	2,126,317
Restricted for:					
Police Activity	-	-	-	472,444	472,444
Scholarships	-	-	16,092	-	16,092
Unrestricted	33,227	819,944	27,130	154,506	1,034,807
Total net position	<u>\$ 273,120</u>	<u>\$ 819,944</u>	<u>\$ 1,677,683</u>	<u>\$ 878,913</u>	<u>\$ 3,649,660</u>

INGHAM COUNTY, MICHIGAN
 Nonmajor Enterprise Funds
 Combining Statement of Revenues, Expenses,
 and Changes in Fund Net Position
 For the Year Ended December 31, 2014

	Restricted Tax				Totals
	Parks	Sale Proceeds	Fair Board	Inmate Stores	
Operating Revenues					
Charges for services	\$ 285,504	\$ 2,268,089	\$ 735,727	\$ 172,021	\$ 3,461,341
Sales	-	-	-	501,382	501,382
Other	10,040	-	58,546	-	68,586
Total operating revenues	<u>295,544</u>	<u>2,268,089</u>	<u>794,273</u>	<u>673,403</u>	<u>4,031,309</u>
Operating Expenses					
Administrative	300,546	2,214,810	880,076	468,141	3,863,573
Depreciation	12,592	-	115,584	9,177	137,353
Total operating expenses	<u>313,138</u>	<u>2,214,810</u>	<u>995,660</u>	<u>477,318</u>	<u>4,000,926</u>
Operating Income (Loss)	<u>(17,594)</u>	<u>53,279</u>	<u>(201,387)</u>	<u>196,085</u>	<u>30,383</u>
Nonoperating Revenue (Expenses)					
Investment earnings (loss)	-	7,975	347	-	8,322
Interest and fiscal charges	-	-	(281)	-	(281)
Total nonoperating revenue (expense)	<u>-</u>	<u>7,975</u>	<u>66</u>	<u>-</u>	<u>8,041</u>
Income (loss) - before contributions and transfers	<u>(17,594)</u>	<u>61,254</u>	<u>(201,321)</u>	<u>196,085</u>	<u>38,424</u>
Transfers in	224,200	120,000	656,450	-	1,000,650
Transfers out	-	(76,562)	-	(153,529)	(230,091)
Change in net position	<u>206,606</u>	<u>104,692</u>	<u>455,129</u>	<u>42,556</u>	<u>808,983</u>
Net position- beginning of year	<u>66,514</u>	<u>715,252</u>	<u>1,222,554</u>	<u>836,357</u>	<u>2,840,677</u>
Net Position - end of year	<u>\$ 273,120</u>	<u>\$ 819,944</u>	<u>\$ 1,677,683</u>	<u>\$ 878,913</u>	<u>\$ 3,649,660</u>

INGHAM COUNTY, MICHIGAN
 Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended December 31, 2014

	Restricted Tax				Totals
	Parks	Sale Proceeds	Fair Board	Inmate Stores	
Cash flows from operating activities					
Receipts from customers and users	\$ 289,085	\$ 2,268,093	\$ 799,413	\$ 664,829	\$ 4,021,420
Receipts (payment) from interfund services	(105,200)	(2,229,926)	(557,028)	(326,167)	(3,218,321)
Payments to suppliers and claimants	(192,386)	-	(310,221)	(56,520)	(559,127)
Payments to employees	-	-	-	-	-
Net cash provided (used) by operating activities	<u>(8,501)</u>	<u>38,167</u>	<u>(67,836)</u>	<u>282,142</u>	<u>243,972</u>
Cash flows from noncapital financing activities					
Transfers in	-	120,000	110,448	-	230,448
Transfers out	-	(76,561)	-	(153,529)	(230,090)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>43,439</u>	<u>110,448</u>	<u>(153,529)</u>	<u>358</u>
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(224,200)	-	(546,002)	(249,245)	(1,019,447)
Transfer In	224,200	-	546,002	-	770,202
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(249,245)</u>	<u>(249,245)</u>
Cash flows from investing activities					
Interest and dividends received	-	6,375	(40)	-	6,335
Net cash provided by (used in) investing activities	<u>-</u>	<u>6,375</u>	<u>(40)</u>	<u>-</u>	<u>6,335</u>
Net change in pooled cash and investments	<u>(8,501)</u>	<u>87,981</u>	<u>42,572</u>	<u>(120,632)</u>	<u>1,420</u>
Pooled cash and investments, beginning of year	<u>65,857</u>	<u>582,881</u>	<u>66,602</u>	<u>812,750</u>	<u>1,528,090</u>
Pooled cash and investments, end of year	<u>\$ 57,356</u>	<u>\$ 670,862</u>	<u>\$ 109,174</u>	<u>\$ 692,118</u>	<u>\$ 1,529,510</u>
Reconciliation to statement of net position					
Pooled cash and Investments	<u>\$ 57,356</u>	<u>\$ 670,862</u>	<u>\$ 109,174</u>	<u>\$ 692,118</u>	<u>\$ 1,529,510</u>
Pooled cash and investments, end of year	<u>\$ 57,356</u>	<u>\$ 670,862</u>	<u>\$ 109,174</u>	<u>\$ 692,118</u>	<u>\$ 1,529,510</u>

INGHAM COUNTY, MICHIGAN
 Combining Statement of Cash Flows - Continued
 Nonmajor Enterprise Funds
 For the Year Ended December 31, 2014

	Restricted Tax				Totals
	Parks	Sale Proceeds	Fair Board	Inmate Stores	
Reconciliation of operating income (loss) to net cash from (used) by operating activities					
Operating income (loss)	\$ (17,594)	\$ 53,279	\$ (201,387)	\$ 196,085	\$ 30,383
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	12,592	-	115,584	9,177	137,353
Changes in assets and liabilities:					
Taxes receivable	-	-	-	-	-
Accounts receivable	(6,943)	-	2,680	(8,574)	(12,837)
Inventories	-	-	7,550	-	7,550
Prepaid items	-	-	(65)	-	(65)
Accounts payable	2,069	(15,112)	7,785	84,061	78,803
Salaries and related withholdings	893	-	3,806	893	5,592
Due to other funds	-	-	(3,183)	-	(3,183)
Compensated absences	-	-	1,300	500	1,800
Unearned revenue	482	-	(1,906)	-	(1,424)
Net cash provided (used) by operating activities	<u>\$ (8,501)</u>	<u>\$ 38,167</u>	<u>\$ (67,836)</u>	<u>\$ 282,142</u>	<u>\$ 243,972</u>

Ingham County, Michigan

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.

Innovation and Technology (Previously reported as Data Processing) - This fund is used to account for the operations of the County's Innovation and Technology department. Funding is provided through departmental user charges.

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

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 workers' 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, 2014

	Building Authority Operations	Innovation and Technology	Inter- Governmental Service	Office Equipment Pool	Insurance	Utilities Revolving	Workers' Compensation	Employee Benefits	Totals
Assets									
Current assets:									
Pooled cash and Investments	\$ -	\$ 1,688,675	\$ 168,711	\$ 817,471	\$ 848,711	\$ 28,629	\$ 1,706,174	\$ 2,139,996	\$ 7,398,367
Cash on deposit with agents	-	-	-	-	546,067	-	75,000	210,860	831,927
Accounts receivable, net	326,440	98,358	-	7,047	15,000	-	10,975	55,106	452,926
Accrued interest receivable	-	-	-	-	2,030	-	4,285	-	6,315
Due from other funds	-	-	4,614	-	-	-	-	-	4,614
Due from other governmental units	294,865	1,147	-	-	-	-	-	-	296,012
Inventories	-	-	10,877	925	-	-	-	-	11,802
Prepaid items	-	263,396	-	-	628,851	-	78,750	14,257	985,254
Total current assets	621,305	1,991,576	184,202	825,443	2,040,659	28,629	1,875,184	2,420,219	9,987,217
Noncurrent assets:									
Long-term accounts receivable	177,222	-	-	-	-	-	-	-	177,222
Capital assets depreciated, net	145,422	2,229,966	89,590	719,114	-	-	-	-	3,184,092
Total noncurrent assets	322,644	2,229,966	89,590	719,114	-	-	-	-	3,361,314
Total assets	\$ 943,949	\$ 4,221,542	\$ 273,792	\$ 1,544,557	\$ 2,040,659	\$ 28,629	\$ 1,875,184	\$ 2,420,219	\$ 13,348,531
Liabilities									
Current liabilities:									
Accounts payable and accrued liabilities	\$ 96,056	\$ 210,879	\$ 8,595	\$ 55,874	\$ 28,265	\$ 18,974	\$ 115,251	\$ 924,402	\$ 1,458,296
Salaries and related withholdings	28,013	76,401	5,929	-	-	-	-	23,036	133,379
Due to other funds	99,166	-	-	-	-	-	-	-	99,166
Due to other governments	-	-	-	-	-	-	-	7,802	7,802
Compensated absences, current	53,700	110,200	13,600	-	-	-	-	11,400	188,900
Bonds/notes/capital leases payable, current	-	321,580	-	-	-	-	-	-	321,580
Unearned revenue	4,550	-	-	-	-	-	-	-	4,550
Claims payable, current	-	-	-	-	225,000	-	250,000	-	475,000
Total current liabilities	281,485	719,060	28,124	55,874	253,265	18,974	365,251	966,640	2,688,673
Noncurrent liabilities:									
Claims payable, net	-	-	-	-	125,000	-	700,000	-	825,000
Capital leases payable	-	643,188	-	-	-	-	-	-	643,188
Advances from other funds	177,222	-	-	-	-	-	-	-	177,222
Total noncurrent liabilities	177,222	643,188	-	-	125,000	-	700,000	-	1,645,410
Total liabilities	458,707	1,362,248	28,124	55,874	378,265	18,974	1,065,251	966,640	4,334,083
Net position									
Net investment in capital assets	145,422	1,265,198	89,590	719,114	-	-	-	-	2,219,324
Unrestricted	339,820	1,594,096	156,078	769,569	1,662,394	9,655	809,933	1,453,579	6,795,124
Total net position	\$ 485,242	\$ 2,859,294	\$ 245,668	\$ 1,488,683	\$ 1,662,394	\$ 9,655	\$ 809,933	\$ 1,453,579	\$ 9,014,448

INGHAM COUNTY, MICHIGAN
 Combining Statement of Revenues, Expenses
 and Changes in Fund Net Position
 Internal Service Funds
 For the Year Ended December 31, 2014

	Building Authority Operations	Innovation and Technology	Inter- Governmental Service	Office Equipment Pool	Insurance	Utilities Revolving	Workers' Compensation	Employee Benefits	Totals
Operating Revenue									
Charges for services	\$ 3,924,252	\$ 4,032,811	\$ 327,727	\$ 419,807	\$ 620,087	\$ 492,762	\$ 676,295	\$ 26,181,085	\$ 36,674,826
Other	-	8,820	-	500	1,034,754	-	38,638	30,518	1,113,230.00
Total operating revenue	<u>3,924,252</u>	<u>4,041,631</u>	<u>327,727</u>	<u>420,307</u>	<u>1,654,841</u>	<u>492,762</u>	<u>714,933</u>	<u>26,211,603</u>	<u>37,788,056</u>
Operating Expenses									
Administrative	3,827,810	3,911,907	305,697	279,418	-	500,764	45,442	421,712	9,292,750
Fees, Insurance, pension and current and contingent claims	-	-	-	-	1,475,919	-	437,136	25,560,108	27,473,163
Depreciation	13,787	361,940	42,640	352,115	-	-	-	-	770,482
Other operating expenses	-	-	-	-	-	-	-	13,828	13,828
Total operating expenses	<u>3,841,597</u>	<u>4,273,847</u>	<u>348,337</u>	<u>631,533</u>	<u>1,475,919</u>	<u>500,764</u>	<u>482,578</u>	<u>25,995,648</u>	<u>37,550,223</u>
Operating Income (loss)	<u>82,655</u>	<u>(232,216)</u>	<u>(20,610)</u>	<u>(211,226)</u>	<u>178,922</u>	<u>(8,002)</u>	<u>232,355</u>	<u>215,955</u>	<u>237,833</u>
Nonoperating revenue (expenses)									
Investment earnings (loss)	2,046	-	-	-	27,158	-	11,647	-	40,851
Gain on sale of capital assets	-	-	-	37,284	-	-	-	-	37,284
Total nonoperating revenues(expenses)	<u>2,046</u>	<u>-</u>	<u>-</u>	<u>37,284</u>	<u>27,158</u>	<u>-</u>	<u>11,647</u>	<u>-</u>	<u>78,135</u>
Income (loss) - before contributions and transfers	<u>84,701</u>	<u>(232,216)</u>	<u>(20,610)</u>	<u>(173,942)</u>	<u>206,080</u>	<u>(8,002)</u>	<u>244,002</u>	<u>215,955</u>	<u>315,968</u>
Transfers in	-	300,000	-	38,305	-	-	-	88,749	427,054
Transfers out	(347,130)	-	-	-	-	-	-	-	(347,130)
Change in net position	<u>(262,429)</u>	<u>67,784</u>	<u>(20,610)</u>	<u>(135,637)</u>	<u>206,080</u>	<u>(8,002)</u>	<u>244,002</u>	<u>304,704</u>	<u>395,892</u>
Net position- beginning of year	<u>747,671</u>	<u>2,791,510</u>	<u>266,278</u>	<u>1,624,320</u>	<u>1,456,314</u>	<u>17,657</u>	<u>565,931</u>	<u>1,148,875</u>	<u>8,618,556</u>
Net position - end of year	<u>\$ 485,242</u>	<u>\$ 2,859,294</u>	<u>\$ 245,668</u>	<u>\$ 1,488,683</u>	<u>\$ 1,662,394</u>	<u>\$ 9,655</u>	<u>\$ 809,933</u>	<u>\$ 1,453,579</u>	<u>\$ 9,014,448</u>

INGHAM COUNTY, MICHIGAN
 Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended December 31, 2014

	Building Authority Operations	Innovation and Technology	Inter- Governmental Service	Office Equipment Pool	Insurance	Utilities Revolving	Workers' Compensation	Employee Benefits	Totals
Cash flows from operating activities									
Receipts from customers and users	\$ 3,666,773	\$ 4,038,749	\$ 327,727	\$ 451,396	\$ 1,639,841	\$ 492,762	\$ 733,557	\$ 26,760,270	\$ 38,111,075
Receipts (payment) from interfund services	114,926	-	10,445	-	-	(31,098)	-	-	94,273
Payments to suppliers and claimants	(3,131,892)	(2,126,630)	(192,835)	(383,260)	(1,364,573)	(500,277)	(663,985)	(25,476,350)	(33,839,802)
Payments to employees	(696,360)	(1,843,375)	(137,826)	-	-	-	-	(452,250)	(3,129,811)
Other receipts	86,332	-	-	-	-	-	-	-	86,332
Net cash provided (used) by operating activities	39,779	68,744	7,511	68,136	275,268	(38,613)	69,572	831,670	1,322,067
Cash flows from noncapital financing activities									
Repayments on lease payable	-	(321,553)	-	-	-	-	-	-	(321,553)
Repayment of advances from other funds	(31,486)	-	-	-	-	-	-	(450,000)	(481,486)
Transfers in	-	300,000	-	38,305	-	-	-	88,749	427,054
Transfers out	(347,130)	-	-	-	-	-	-	-	(347,130)
Net cash provided (used) by noncapital financing activities	(378,616)	(21,553)	-	38,305	-	-	-	(361,251)	(723,115)
Cash flows from capital and related financing activities									
Acquisition and construction of capital assets	(27,025)	(269,600)	(46,504)	(216,440)	-	-	-	-	(559,569)
Proceeds from sale of capital assets	-	-	-	37,284	-	-	-	-	37,284
Net cash used in capital and related financing activities	(27,025)	(269,600)	(46,504)	(179,156)	-	-	-	-	(522,285)
Cash flows from investing activities									
Interest and dividends received	2,046	-	-	-	27,020	-	10,688	-	39,754
Net cash provided by (used in) investing activities	2,046	-	-	-	27,020	-	10,688	-	39,754
Net change in pooled cash and investments	(363,816)	(222,409)	(38,993)	(72,715)	302,288	(38,613)	80,260	470,419	116,421
Pooled cash and investments, beginning of year	363,816	1,911,084	207,704	890,186	1,092,490	67,242	1,700,914	1,880,437	8,113,873
Pooled cash and investments, end of year	\$ -	\$ 1,688,675	\$ 168,711	\$ 817,471	\$ 1,394,778	\$ 28,629	\$ 1,781,174	\$ 2,350,856	\$ 8,230,294
Reconciliation to statement of net position									
Pooled cash and investments	\$ -	\$ 1,688,675	\$ 168,711	\$ 817,471	\$ 848,711	\$ 28,629	\$ 1,706,174	\$ 2,139,996	\$ 7,398,367
Cash on deposit with agents	-	-	-	-	546,067	-	75,000	210,860	831,927
Pooled cash and Investments, end of year	\$ -	\$ 1,688,675	\$ 168,711	\$ 817,471	\$ 1,394,778	\$ 28,629	\$ 1,781,174	\$ 2,350,856	\$ 8,230,294

INGHAM COUNTY, MICHIGAN
 Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended December 31, 2014

	Building	Innovation and	Inter-	Office	Insurance	Utilities	Workers'	Employee	Totals
	Authority		Governmental	Equipment Pool		Revolving	Compensation	Benefits	
	Operations	Technology	Service						
Reconciliation of operating income (loss) to net cash from (used) by operating activities									
Operating income (loss)	\$ 82,655	\$ (232,216)	\$ (20,610)	\$ (211,226)	\$ 178,922	\$ (8,002)	\$ 232,355	\$ 215,955	\$ 237,833
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation expense	13,787	361,940	42,640	352,115	-	-	-	-	770,482
Changes in assets and liabilities:									
Accounts receivable	(225,994)	4,770	-	-	(15,000)	-	18,624	97,830	(119,770)
Due from other funds	114,926	-	10,445	-	-	-	-	-	125,371
Due from other governmental units	54,846	-	-	31,089	-	-	-	449,556	535,491
Inventories	-	114	(877)	-	-	-	-	-	(763)
Prepaid items	-	(204,415)	-	-	(18,115)	-	(78,750)	(3,022)	(304,302)
Accounts payable	(5,448)	155,344	(26,680)	(103,842)	4,461	487	72,343	56,789	153,454
Salaries and related withholdings	1,407	10,407	1,493	-	-	-	-	13,362	26,669
Due to other funds	-	-	-	-	-	(31,098)	-	-	(31,098)
Compensated absences	3,600	(27,200)	1,100	-	-	-	-	1,200	(21,300)
Claims payable	-	-	-	-	125,000	-	(175,000)	-	(50,000)
Net cash provided (used) by operating activities	\$ 39,779	\$ 68,744	\$ 7,511	\$ 68,136	\$ 275,268	\$ (38,613)	\$ 69,572	\$ 831,670	\$ 1,322,067

Ingham County, Michigan

Trust and Agency Funds

INGHAM COUNTY, MICHIGAN
 Combining Statement of Fiduciary Assets and Liabilities
 Agency Funds
 December 31, 2014

	Library Penal			CDBG	
	Fines	Agency	Payroll	Administration	Totals
Assets					
Pooled cash and investments	\$ 432,019	\$ 3,240,111	\$ 619,181	\$ -	\$ 4,291,311
Accounts receivable	-	24,536	-	-	24,536
Accrued interest receivable	1,023	-	-	-	1,023
Total assets	<u>\$ 433,042</u>	<u>\$ 3,264,647</u>	<u>\$ 619,181</u>	<u>\$ -</u>	<u>\$ 4,316,870</u>
Liabilities					
Undistributed receipts	\$ 433,042	\$ 3,264,647	\$ -	\$ -	\$ 3,697,689
Due to other governmental units	-	-	619,181	-	619,181
Total liabilities	<u>\$ 433,042</u>	<u>\$ 3,264,647</u>	<u>\$ 619,181</u>	<u>\$ -</u>	<u>\$ 4,316,870</u>

INGHAM COUNTY, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2014

	Beginning Balance	Additions	Deletions	Ending Balance
Library Penal Fines				
Assets				
Pooled cash and investments	\$ 360,370	\$ 1,067,079	\$ 995,430	\$ 432,019
Accounts receivable	32,968	-	32,968	-
Accrued interest receivable	814	1,023	814	1,023
Total assets	<u>\$ 394,152</u>	<u>\$ 1,068,102</u>	<u>\$ 1,029,212</u>	<u>\$ 433,042</u>
Liabilities				
Undistributed receipts	\$ 394,152	\$ 1,068,102	\$ 1,029,212	\$ 433,042
Total liabilities	<u>\$ 394,152</u>	<u>\$ 1,068,102</u>	<u>\$ 1,029,212</u>	<u>\$ 433,042</u>
Agency				
Assets				
Pooled cash and investments	\$ 1,259,071	\$ 103,721,860	\$ 101,740,820	\$ 3,240,111
Accounts receivable	17,125	28,218	20,807	24,536
Total assets	<u>\$ 1,276,196</u>	<u>\$ 103,750,078</u>	<u>\$ 101,761,627</u>	<u>\$ 3,264,647</u>
Liabilities				
Undistributed receipts	\$ 1,276,196	\$ 201,067,907	\$ 199,079,456	\$ 3,264,647
Due to other governmental units	-	-	-	-
Total liabilities	<u>\$ 1,276,196</u>	<u>\$ 201,067,907</u>	<u>\$ 199,079,456</u>	<u>\$ 3,264,647</u>
Payroll				
Assets				
Pooled cash and investments	\$ 556,921	\$ 36,933,987	\$ 36,871,727	\$ 619,181
Accounts receivable	1,743	-	1,743	-
Total assets	<u>\$ 558,664</u>	<u>\$ 36,933,987</u>	<u>\$ 36,873,470</u>	<u>\$ 619,181</u>
Liabilities				
Undistributed receipts	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	558,664	36,933,987	36,873,470	619,181
Total liabilities	<u>\$ 558,664</u>	<u>\$ 36,933,987</u>	<u>\$ 36,873,470</u>	<u>\$ 619,181</u>

INGHAM COUNTY, MICHIGAN

Combining Statement of Changes in Assets and Liabilities - Continued

All Agency Funds

For the Year Ended December 31, 2014

	Beginning Balance	Additions	Deletions	Ending Balance
CDBG Trust Fund				
Assets				
Pooled cash and investments	\$ 8,448	\$ -	\$ 8,448	\$ -
Total assets	<u>\$ 8,448</u>	<u>\$ -</u>	<u>\$ 8,448</u>	<u>\$ -</u>
Liabilities				
Undistributed receipts	\$ 8,448	\$ -	\$ 8,448	\$ -
Total liabilities	<u>\$ 8,448</u>	<u>\$ -</u>	<u>\$ 8,448</u>	<u>\$ -</u>
Total - Agency Funds				
Assets				
Pooled cash and investments	\$ 2,184,810	\$ 141,722,926	\$ 139,616,425	\$ 4,291,311
Accounts receivable	51,836	28,218	55,518	24,536
Accrued interest receivable	814	1,023	814	1,023
Total assets	<u>\$ 2,237,460</u>	<u>\$ 141,752,167</u>	<u>\$ 139,672,757</u>	<u>\$ 4,316,870</u>
Liabilities				
Undistributed receipts	\$ 1,678,796	\$ 202,136,009	\$ 200,117,116	3,697,689
Due to other governmental units	558,664	36,933,987	36,873,470	619,181
Total liabilities	<u>\$ 2,237,460</u>	<u>\$ 239,069,996</u>	<u>\$ 236,990,586</u>	<u>\$ 4,316,870</u>

Ingham County, Michigan

BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT

INGHAM COUNTY, MICHIGAN
Statement of Net Position and Governmental Funds Balance Sheet
Brownfield Redevelopment Authority
December 31, 2014

	Governmental Fund Types					Statement of Net Position
	Brownfield Redevelopment Authority	Brownfield Project - Land Bank	Brownfield Project - Lansing	Total	Adjustments	
Current Assets						
Pooled cash and investments	\$ 12,018	\$ 226,220	\$ 210,270	\$ 448,508	\$ -	\$ 448,508
Property tax receivable	-	55,600	76,167	131,767	-	131,767
Accrued interest receivable	29	843	720	1,592	-	1,592
Total assets	<u>\$ 12,047</u>	<u>\$ 282,663</u>	<u>\$ 287,157</u>	<u>\$ 581,867</u>	<u>\$ -</u>	<u>\$ 581,867</u>
Current Liabilities						
Accrued interest payable	\$ -	\$ -	\$ -	\$ -	\$ 75,871	\$ 75,871
Unearned revenue Due within one year	-	-	-	-	150,000	150,000
Total current liabilities	-	-	-	-	225,871	225,871
Noncurrent Liabilities						
Due in more than one year	-	-	-	-	4,079,396	4,079,396
Total liabilities	-	-	-	-	4,305,267	4,305,267
Fund Balance / Net Position						
Unrestricted (deficit)	12,047	282,663	287,157	581,867	(4,305,267)	(3,723,400)
Total fund balance / net position	<u>\$ 12,047</u>	<u>\$ 282,663</u>	<u>\$ 287,157</u>	<u>\$ 581,867</u>	<u>\$ (4,305,267)</u>	<u>\$ (3,723,400)</u>

INGHAM COUNTY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds

To Net Position of Governmental Activities

Brownfield Redevelopment Authority

December 31, 2014

Fund balances - total governmental funds **\$ 581,867**

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

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

Bonds payable	(4,230,000)
Unamortized bond premiums	(12,093)
Unamortized bond discounts	12,697

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>(75,871)</u>
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Net position of governmental activities **\$ (3,723,400)**

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, 2014

	Governmental Fund Types				Adjustments	Statement of Activities
	Brownfield Redevelopment Authority	Brownfield Project - Land Bank	Brownfield Project - Lansing	Total		
Revenues						
Taxes	\$ 1,906	\$ 73,860	\$ 81,951	\$ 157,717	\$ -	\$ 157,717
Investment earnings (loss)	79	2,463	1,629	4,171	-	4,171
Total revenues	1,985	76,323	83,580	161,888	-	161,888
Expenditures						
Economic development	-	470,217	-	470,217	-	470,217
Debt service:						
Principal retirement	-	90,000	30,000	120,000	(120,000)	-
Interest and fiscal charges	-	69,088	119,050	188,138	(1,906)	186,232
Total expenditures	-	629,305	149,050	778,355	(121,906)	656,449
Revenues over expenditures	1,985	(552,982)	(65,470)	(616,467)	121,906	(494,561)
Fund balances / net position - Beginning of year	10,062	835,645	352,627	1,198,334	(4,427,173)	(3,228,839)
Fund balances / net position - End of year	\$ 12,047	\$ 282,663	\$ 287,157	\$ 581,867	\$ (4,305,267)	\$ (3,723,400)

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, 2014

Net change in fund balances - total governmental funds **\$ (616,467)**

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 120,000

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 1,875

Amortization of discount on bonds (977)

Amortization of premium on bonds 1,008

Accrual for accrued interest payable

Change in net position of governmental activities **\$ (494,561)**

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.

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

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	PAGE
Financial trends (tables 1 thru 4)	xxx
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)	xxx
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity (tables 9 thru 12)	xxx
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)	xxx
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 (tables 15 and 17)	xxx
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.	

INGHAM COUNTY, MICHIGAN
Net Position by Component
Last Ten Years (accrual basis of accounting)

Table 1

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities					
Net investment in capital assets	\$ 25,138,520	\$ 24,201,263	\$ 22,895,764	\$ 20,957,311	\$ 21,857,272
Restricted	534,675	1,474,890	1,224,471	581,325	538,643
Unrestricted	<u>59,877,898</u>	<u>71,789,860</u>	<u>72,395,086</u>	<u>64,245,076</u>	<u>58,828,345</u>
Total governmental activities net position	<u>85,551,093</u>	<u>97,466,013</u>	<u>96,515,321</u>	<u>85,783,712</u>	<u>81,224,260</u>
Business-type activities					
Net investment in capital assets	11,088,316	10,766,967	10,334,281	10,296,782	10,520,818
Restricted	6,841,735	7,662,222	9,027,285	10,620,174	10,330,596
Unrestricted	<u>6,950,030</u>	<u>9,364,664</u>	<u>8,404,105</u>	<u>8,504,361</u>	<u>11,851,016</u>
Total business-type activities net position	<u>24,880,081</u>	<u>27,793,853</u>	<u>27,765,671</u>	<u>29,421,317</u>	<u>32,702,430</u>
Primary government					
Net investment in capital assets	36,226,836	34,968,230	33,230,045	31,254,093	32,378,090
Restricted	7,376,410	9,137,112	10,251,756	11,201,499	10,869,239
Unrestricted	<u>66,827,928</u>	<u>81,154,524</u>	<u>80,799,191</u>	<u>72,749,437</u>	<u>70,679,361</u>
Total primary government net position	<u>\$ 110,431,174</u>	<u>\$ 125,259,866</u>	<u>\$ 124,280,992</u>	<u>\$ 115,205,029</u>	<u>\$ 113,926,690</u>

INGHAM COUNTY, MICHIGAN
 Net Position by Component
 Last Ten Years (accrual basis of accounting)

Table 1

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities					
Net investment in capital assets	\$ 24,357,127	\$ 30,001,307	\$ 140,627,465	\$ 142,256,982	\$ 146,123,536
Restricted	877,336	29,508,680	25,236,830	16,782,328	14,379,147
Unrestricted	<u>57,277,497</u>	<u>18,761,344</u>	<u>13,697,570</u>	<u>15,987,341</u>	<u>12,646,620</u>
Total governmental activities net position	<u>82,511,960</u>	<u>78,271,331</u>	<u>179,561,865</u>	<u>175,026,651</u>	<u>173,149,303</u>
Business-type activities					
Net investment in capital assets	11,394,025	14,148,831	12,302,250	12,292,040	14,041,589
Restricted	11,571,056	11,787,711	6,288,043	16,030	488,536
Unrestricted	<u>13,410,467</u>	<u>15,987,924</u>	<u>22,965,422</u>	<u>36,484,107</u>	<u>37,214,689</u>
Total business-type activities net position	<u>36,375,548</u>	<u>41,924,466</u>	<u>41,555,715</u>	<u>48,792,177</u>	<u>51,744,814</u>
Primary government					
Net investment in capital assets	35,751,152	44,150,138	152,929,715	154,549,022	160,165,125
Restricted	12,448,392	41,296,391	31,524,873	16,798,358	14,867,683
Unrestricted	<u>70,687,964</u>	<u>34,749,268</u>	<u>36,662,992</u>	<u>52,471,448</u>	<u>49,861,309</u>
Total primary government net position	<u>\$ 118,887,508</u>	<u>\$ 120,195,797</u>	<u>\$ 221,117,580</u>	<u>\$ 223,818,828</u>	<u>\$ 224,894,117</u>

INGHAM COUNTY, MICHIGAN
 Changes in Net Position
 Last Ten Years (accrual basis of accounting)

Table 2

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses					
Governmental activities:					
General government	\$ 22,667,675	\$ 22,193,079	\$ 21,890,574	\$ 23,733,434	\$ 22,412,634
Public safety	37,125,711	34,702,692	34,085,067	34,120,597	31,402,426
Judicial	12,371,724	13,541,035	14,781,873	15,540,116	15,589,403
Public works	2,845,372	2,925,389	3,833,701	3,722,685	3,889,909
Health	33,489,946	35,419,642	40,992,708	45,022,945	42,373,743
Welfare	15,796,063	15,597,913	18,829,335	18,167,953	17,352,945
Education	73,614	63,344	61,300	52,778	57,683
Economic development	581,923	160,504	446,815	540,736	929,421
Culture and recreation	5,200,269	5,384,014	7,129,690	8,447,415	8,511,565
Interest on long-term debt	1,273,846	1,161,496	1,026,837	1,372,613	1,180,618
Total governmental activities expenses	<u>131,426,143</u>	<u>131,149,108</u>	<u>143,077,900</u>	<u>150,721,272</u>	<u>143,700,347</u>
Business-type activities:					
Medical care facility	14,867,800	16,040,413	18,770,496	20,959,682	20,821,548
Delinquent tax collection	603,901	811,468	1,171,491	1,363,729	1,448,063
Community health center network	-	-	-	-	-
Housing	1,159,618	1,114,631	997,964	1,113,496	1,187,510
Inmate stores	381,483	380,267	404,793	417,775	407,439
Parks	-	-	-	-	-
County fair	1,386,505	1,800,854	1,036,998	1,397,679	1,040,114
Total business-type activities expenses	<u>18,399,307</u>	<u>20,147,633</u>	<u>22,381,742</u>	<u>25,252,361</u>	<u>24,904,674</u>
Total primary government expenses	<u>149,825,450</u>	<u>151,296,741</u>	<u>165,459,642</u>	<u>175,973,633</u>	<u>168,605,021</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	5,331,151	5,020,114	2,614,858	2,326,869	2,302,444
Public safety	8,026,837	7,497,436	6,394,525	5,499,895	5,441,778
Judicial	3,721,781	4,900,812	3,803,417	3,830,445	3,724,157
Health	9,667,186	10,392,827	14,632,514	15,470,122	16,928,019
Welfare	270,846	271,589	223,486	185,921	57,146
Education	30,855	30,225	-	-	-
Economic development	-	-	-	-	7,500
Culture and recreation	382,644	363,610	606,278	926,276	969,887
Operating grants and contributions	34,615,598	32,719,512	35,542,867	38,665,040	33,365,485
Capital grants and contributions	258,231	-	-	-	-
Total governmental activities program revenues	<u>62,305,129</u>	<u>61,196,125</u>	<u>63,817,945</u>	<u>66,904,568</u>	<u>62,796,416</u>
Business-type activities:					
Charges for services:					
Medical care facility	13,508,388	15,868,966	17,631,188	19,733,907	21,022,944
Delinquent tax collection	2,927,138	2,984,996	3,401,153	3,944,265	4,891,998
Community health center network	-	-	-	-	-
Housing	971,695	210,693	221,855	236,738	243,356
Inmate stores	450,867	397,878	392,598	509,352	500,161
Parks	-	-	-	-	-
County fair	1,297,422	1,566,794	670,936	683,869	695,971
Operating grants and contributions	1,996,224	3,187,721	2,982,356	3,216,527	2,740,746
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>21,151,734</u>	<u>24,217,048</u>	<u>25,300,086</u>	<u>28,324,658</u>	<u>30,095,176</u>
Total primary government program revenues	<u>\$ 83,456,863</u>	<u>\$ 85,413,173</u>	<u>\$ 89,118,031</u>	<u>\$ 95,229,226</u>	<u>\$ 92,891,592</u>

INGHAM COUNTY, MICHIGAN
 Changes in Net Position
 Last Ten Years (accrual basis of accounting)

Table 2

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses					
Governmental activities:					
General government	\$ 21,271,186	\$ 21,593,170	\$ 20,138,241	\$ 20,989,207	21,806,096
Public safety	29,587,291	30,515,056	29,483,870	30,120,977	30,003,061
Judicial	15,472,544	14,862,350	15,086,911	15,326,848	15,421,164
Public works	3,079,898	3,571,228	19,740,215	21,015,493	24,012,336
Health	30,329,083	29,021,032	29,360,127	30,035,093	28,791,858
Welfare	16,561,059	17,973,134	18,988,969	19,087,166	17,612,580
Education	33,709	39,416	39,953	41,596	33,424
Economic development	2,177,377	1,234,899	1,558,458	1,349,821	416,413
Culture and recreation	8,583,337	8,719,245	8,731,848	9,052,366	9,191,266
Interest on long-term debt	1,058,167	969,532	875,789	941,274	650,932
Total governmental activities expenses	<u>128,153,651</u>	<u>128,499,062</u>	<u>144,004,381</u>	<u>147,959,841</u>	<u>147,939,130</u>
Business-type activities:					
Medical care facility	20,070,700	21,304,537	22,521,287	23,840,555	24,082,287
Delinquent tax collection	1,883,002	1,952,260	2,331,463	3,522,094	3,876,343
Community health center network	13,730,727	15,753,239	16,753,790	17,480,203	19,328,244
Housing	1,319,280	1,256,804	-	-	-
Inmate stores	369,529	305,208	334,035	427,978	477,318
Parks	-	-	327,610	298,226	313,138
County fair	825,930	801,932	863,110	923,152	995,660
Total business-type activities expenses	<u>38,199,168</u>	<u>41,373,980</u>	<u>43,131,295</u>	<u>46,492,208</u>	<u>49,072,990</u>
Total primary government expenses	<u>166,352,819</u>	<u>169,873,042</u>	<u>187,135,676</u>	<u>194,452,049</u>	<u>197,012,120</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	2,476,330	2,559,255	2,998,459	3,243,816	2,697,960
Public safety	5,200,191	4,963,237	5,372,979	5,858,473	5,734,896
Judicial	3,537,552	3,440,285	3,405,479	3,179,222	2,490,887
Health	6,662,595	5,873,774	6,513,323	13,190	18,445
Welfare	57,846	92,107	136,743	7,968,131	5,475,089
Education	-	-	-	492,986	461,841
Economic development	-	-	-	-	-
Culture and recreation	1,123,757	1,245,759	1,082,271	1,037,848	1,043,430
Operating grants and contributions	37,952,939	38,382,458	57,418,802	51,606,377	57,489,788
Capital grants and contributions	-	-	-	6,030,958	5,685,805
Total governmental activities program revenues	<u>57,011,210</u>	<u>56,556,875</u>	<u>76,928,056</u>	<u>79,431,001</u>	<u>81,098,141</u>
Business-type activities:					
Charges for services:					
Medical care facility	22,022,193	23,043,336	23,220,565	26,121,107	25,870,444
Delinquent tax collection	5,491,428	5,909,146	5,414,885	6,728,123	2,400,940
Community health center network	12,837,564	12,965,389	11,497,874	14,605,854	10,916,567
Housing	250,407	249,459	-	-	-
Inmate stores	439,150	402,350	432,269	215,137	172,021
Parks	-	-	307,552	282,084	285,504
County fair	717,862	665,571	692,029	710,497	735,727
Operating grants and contributions	4,559,756	4,561,519	3,331,046	4,465,025	8,826,066
Capital grants and contributions	114,417	333,300	24,484	-	-
Total business-type activities program revenues	<u>46,432,777</u>	<u>48,130,070</u>	<u>44,920,704</u>	<u>53,127,827</u>	<u>49,207,269</u>
Total primary government program revenues	<u>\$ 103,443,987</u>	<u>\$ 104,686,945</u>	<u>\$ 121,848,760</u>	<u>\$ 132,558,828</u>	<u>\$ 130,305,410</u>

INGHAM COUNTY, MICHIGAN
 Changes in Net Position - Continues
 Last Ten Years (accrual basis of accounting)

Table 2
 Continued

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net (expenses) revenue					
Governmental activities	\$ (69,121,014)	\$ (69,952,983)	\$ (79,259,955)	\$ (83,816,704)	\$ (77,903,931)
Business-type activities	<u>2,752,427</u>	<u>4,069,415</u>	<u>2,918,344</u>	<u>3,072,297</u>	<u>5,280,502</u>
Total primary government net (expense) revenue	<u>(66,368,587)</u>	<u>(65,883,568)</u>	<u>(76,341,611)</u>	<u>(80,744,407)</u>	<u>(72,623,429)</u>
General revenues					
Governmental activities:					
Property taxes	68,863,678	73,640,058	67,738,831	65,507,974	68,529,164
Taxes restricted for tourism programs	1,913,837	1,987,122	2,052,379	1,943,836	1,851,375
Grants and contributions for general use	6,403	6,188	-	-	-
Investment earnings (loss)	2,449,860	3,307,361	4,975,023	3,335,642	944,240
Other	62,239	26,808	-	252,194	94,443
Transfers	<u>1,565,334</u>	<u>2,900,366</u>	<u>2,013,034</u>	<u>2,045,449</u>	<u>1,925,257</u>
Total governmental activities general revenues	<u>74,861,351</u>	<u>81,867,903</u>	<u>76,779,267</u>	<u>73,085,095</u>	<u>73,344,479</u>
Business-type activities:					
Investment earnings (loss)	392,795	673,409	213,748	283,736	219,579
Other	-	14,471	-	-	-
Gain on sale of capital assets	-	-	-	-	1,500
Transfers	<u>(1,947,939)</u>	<u>(1,843,523)</u>	<u>(1,888,913)</u>	<u>(1,625,612)</u>	<u>(2,201,089)</u>
Total business-type activities general revenues	<u>(1,555,144)</u>	<u>(1,155,643)</u>	<u>(1,675,165)</u>	<u>(1,341,876)</u>	<u>(1,980,010)</u>
Total primary government general revenues	<u>73,306,207</u>	<u>80,712,260</u>	<u>75,104,102</u>	<u>71,743,219</u>	<u>71,364,469</u>
Change in net position					
Governmental activities	5,740,337	11,914,920	(2,480,688)	(10,731,609)	(4,559,452)
Business-type activities	<u>1,197,283</u>	<u>2,913,772</u>	<u>1,243,179</u>	<u>1,730,421</u>	<u>3,300,492</u>
Total primary government	<u>\$ 6,937,620</u>	<u>\$ 14,828,692</u>	<u>\$ (1,237,509)</u>	<u>\$ (9,001,188)</u>	<u>\$ (1,258,960)</u>

INGHAM COUNTY, MICHIGAN
 Changes in Net Position - Continues
 Last Ten Years (accrual basis of accounting)

Table 2
 Continued

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (expenses) revenue					
Governmental activities	\$ (71,142,441)	\$ (71,942,187)	\$ (67,076,325)	\$ (68,528,840)	\$ (66,840,989)
Business-type activities	<u>8,233,609</u>	<u>6,756,090</u>	<u>1,789,409</u>	<u>6,640,619</u>	<u>134,279</u>
Total primary government net (expense) revenue	<u>(62,908,832)</u>	<u>(65,186,097)</u>	<u>(65,286,916)</u>	<u>(61,888,221)</u>	<u>(66,706,710)</u>
General revenues					
Governmental activities:					
Property taxes	64,899,570	62,709,630	59,810,566	62,412,094	63,548,868
Taxes restricted for tourism programs	1,928,410	2,136,267	2,256,096	2,473,172	2,519,035
Grants and contributions for general use	-	1,410,788	-	-	1,069,138
Investment earnings (loss)	780,196	42,297	511,790	(232,569)	-
Other	32,722	1,402,576	-	36,445	69,602
Transfers	<u>4,789,243</u>	<u>-</u>	<u>222,143</u>	<u>(695,516)</u>	<u>(2,381,588)</u>
Total governmental activities general revenues	<u>72,430,141</u>	<u>67,701,558</u>	<u>62,800,595</u>	<u>63,993,626</u>	<u>64,825,055</u>
Business-type activities:					
Investment earnings (loss)	127,219	258,994	67,015	(353,629)	633,721
Other	-	-	-	-	-
Gain on sale of capital assets	-	2,100	1,068	-	(57,101)
Transfers	<u>(4,707,089)</u>	<u>(1,468,266)</u>	<u>(178,496)</u>	<u>696,563</u>	<u>2,380,327</u>
Total business-type activities general revenues	<u>(4,579,870)</u>	<u>(1,207,172)</u>	<u>(110,413)</u>	<u>342,934</u>	<u>2,956,947</u>
Total primary government general revenues	<u>67,850,271</u>	<u>66,494,386</u>	<u>62,690,182</u>	<u>64,336,560</u>	<u>67,782,002</u>
Change in net position					
Governmental activities	1,287,700	(4,240,629)	(4,275,730)	(4,535,214)	(2,015,934)
Business-type activities	<u>3,653,739</u>	<u>5,548,918</u>	<u>1,678,996</u>	<u>6,983,553</u>	<u>3,091,226</u>
Total primary government	<u>\$ 4,941,439</u>	<u>\$ 1,308,289</u>	<u>\$ (2,596,734)</u>	<u>\$ 2,448,339</u>	<u>\$ 1,075,292</u>

INGHAM COUNTY, MICHIGAN
Fund Balances - Governmental Funds
Last Ten Years (modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund					
Reserved	\$ 3,888,923	\$ 3,669,303	\$ 3,197,011	\$ 2,591,267	\$ 2,149,609
Unreserved	10,395,320	13,252,259	15,095,378	17,590,295	18,883,711
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 14,284,243</u>	<u>\$ 16,921,562</u>	<u>\$ 18,292,389</u>	<u>\$ 20,181,562</u>	<u>\$ 21,033,320</u>
All other governmental funds					
Reserved	\$ 77,507	\$ 252,851	\$ 1,046,318	\$ 1,091,961	\$ 1,470,366
Unreserved, reported in:					
Special revenue funds	42,633,814	54,446,585	53,930,771	44,965,730	42,345,915
Debt service funds	189,771	-	79,376	127,380	74,757
Capital projects funds	47,680	46,680	46,680	46,680	46,680
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 42,948,772</u>	<u>\$ 54,746,116</u>	<u>\$ 55,103,145</u>	<u>\$ 46,231,751</u>	<u>\$ 43,937,718</u>

With the adoption of GASB Statement No. 54, 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.

INGHAM COUNTY, MICHIGAN
Fund Balances - Governmental Funds
Last Ten Years (modified accrual basis of accounting)

Table 3

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund					
Reserved	\$ 2,681,347	\$ -	\$ -	\$ -	\$ -
Unreserved	22,989,092	-	-	-	-
Nonspendable	-	1,896,804	1,500,187	1,700,904	7,226,791
Restricted	-	10,562,365	10,562,365	-	-
Committed	-	5,705,000	5,705,000	15,567,365	15,567,365
Assigned	-	6,200,274	6,216,206	6,062,906	5,190,619
Unassigned	-	19,669,021	18,494,152	19,129,647	12,070,917
Total general fund	<u>\$ 25,670,439</u>	<u>\$ 44,033,464</u>	<u>\$ 42,477,910</u>	<u>\$ 42,460,822</u>	<u>\$ 40,055,692</u>
All other governmental funds					
Reserved	\$ 1,867,604	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	37,278,055	-	-	-	-
Debt service funds	82,416	-	-	-	-
Capital projects funds	2,903,527	-	-	-	-
Nonspendable	-	247,117	1,383,443	1,324,956	1,603,113
Restricted	-	17,903,150	17,193,010	16,684,780	16,671,927
Committed	-	552,756	72,725	18,893	33,391
Assigned	-	300,000	-	-	-
Unassigned	-	-	-	-	(460,055)
Total all other governmental funds	<u>\$ 42,131,602</u>	<u>\$ 19,003,023</u>	<u>\$ 18,649,178</u>	<u>\$ 18,028,629</u>	<u>\$ 17,848,376</u>

INGHAM COUNTY, MICHIGAN
 Changes in Fund Balances - Governmental Funds
 Last Ten Years (modified accrual basis of accounting)

Table 4

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues					
Taxes	\$ 70,329,827	\$ 76,330,485	\$ 65,915,742	\$ 72,082,945	\$ 70,380,540
Licenses and permits	326,632	334,769	391,108	341,244	425,138
Intergovernmental	34,880,232	32,725,700	30,660,936	32,840,288	30,114,740
Charges for services	18,810,934	18,173,054	27,261,572	27,316,292	29,438,412
Fines and forfeits	560,047	719,076	622,398	526,875	622,889
Interest and rents	2,051,938	2,935,845	4,805,931	3,162,263	843,897
Other revenue	7,037,357	8,710,227	5,834,298	7,237,045	6,246,280
Total revenues	<u>133,996,967</u>	<u>139,929,156</u>	<u>135,491,985</u>	<u>143,506,952</u>	<u>138,071,896</u>
Expenditures					
General government	19,467,957	19,370,948	20,160,953	21,838,754	21,160,281
Public safety	35,388,965	33,001,228	31,388,104	31,997,016	30,041,872
Judicial	12,132,110	13,285,392	14,159,545	14,960,818	14,882,900
Public works	2,866,526	2,947,252	3,833,701	3,722,685	3,889,909
Health	32,401,618	34,420,402	38,760,830	42,667,968	40,560,970
Welfare	15,641,643	15,479,395	17,466,288	18,108,496	17,439,614
Education	73,614	63,344	61,961	52,907	57,880
Economic development	581,923	160,504	445,500	817,243	779,295
Culture and recreation	4,766,452	4,989,621	6,592,393	8,008,167	7,751,827
Capital outlay	1,108,892	2,009,106	1,563,705	4,853,443	1,173,441
Debt service					
Principal	1,885,618	2,140,648	2,105,870	3,040,322	2,979,891
Interest and fiscal charges	1,353,587	1,067,575	1,107,044	1,353,061	1,239,102
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>127,668,905</u>	<u>128,935,415</u>	<u>137,645,894</u>	<u>151,420,880</u>	<u>141,956,982</u>
Excess of revenues over (under) expenditures	<u>6,328,062</u>	<u>10,993,741</u>	<u>(2,153,909)</u>	<u>(7,913,928)</u>	<u>(3,885,086)</u>
Other financing sources (uses)					
Bond issuance	11,505,000	-	-	-	-
Bond premium	487,735	-	-	-	-
Payment to refund bond escrow agent	(11,995,490)	-	-	-	-
Transfers in	29,816,413	31,395,018	35,580,840	38,230,674	35,078,746
Transfers out	(27,466,744)	(27,954,096)	(33,141,122)	(36,069,941)	(32,730,378)
Sale of capital assets	-	-	-	248,692	94,443
Total other financing sources (uses)	<u>2,346,914</u>	<u>3,440,922</u>	<u>2,439,718</u>	<u>2,409,425</u>	<u>2,442,811</u>
Net change in fund balances	<u>\$ 8,674,976</u>	<u>\$ 14,434,663</u>	<u>\$ 285,809</u>	<u>\$ (5,504,503)</u>	<u>\$ (1,442,275)</u>
Debt service as a percentage of noncapital expenditures	2.6%	2.6%	2.4%	3.1%	3.1%

Source: Ingham County Comprehensive Annual Financial Report.

INGHAM COUNTY, MICHIGAN
 Changes in Fund Balances - Governmental Funds
 Last Ten Years (modified accrual basis of accounting)

Table 4

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues					
Taxes	\$ 66,827,980	\$ 64,845,897	\$ 62,066,662	\$ 64,885,266	\$ 66,637,879
Licenses and permits	429,855	487,393	582,793	614,842	639,146
Intergovernmental	30,703,773	31,985,323	51,469,741	51,830,698	56,015,335
Charges for services	18,974,486	18,276,419	19,710,286	21,058,997	17,922,548
Fines and forfeits	602,139	504,445	502,972	479,198	420,339
Interest and rents	718,386	1,351,486	470,351	(263,872)	1,028,287
Other revenue	6,300,957	6,306,831	5,727,374	4,896,633	5,341,949
Total revenues	<u>124,557,576</u>	<u>123,757,794</u>	<u>140,530,179</u>	<u>143,501,762</u>	<u>148,005,483</u>
Expenditures					
General government	19,851,402	20,704,461	19,313,988	19,351,545	20,249,628
Public safety	28,749,504	29,109,628	28,159,749	28,202,398	29,392,069
Judicial	14,891,258	14,245,048	14,215,863	14,508,379	15,040,130
Public works	3,079,898	3,571,228	21,483,193	22,335,714	24,911,276
Health	28,359,685	27,146,235	26,996,522	27,488,299	27,219,755
Welfare	16,524,724	17,495,563	18,317,294	18,174,920	17,353,708
Education	33,680	39,449	39,953	41,583	33,523
Economic development	1,470,435	1,585,071	526,822	908,579	331,414
Culture and recreation	7,758,175	7,861,745	7,536,909	7,679,151	8,308,411
Capital outlay	4,653,452	4,455,438	6,779,320	1,198,724	2,245,786
Debt service					
Principal	3,115,475	3,126,243	2,952,203	2,198,125	2,544,714
Interest and fiscal charges	1,111,456	940,305	875,992	757,149	669,844
Bond issuance costs	159,308	-	-	-	-
Total expenditures	<u>129,758,452</u>	<u>130,280,414</u>	<u>147,197,808</u>	<u>142,844,566</u>	<u>148,300,258</u>
Excess of revenues over (under) expenditures	<u>(5,200,876)</u>	<u>(6,522,620)</u>	<u>(6,667,629)</u>	<u>657,196</u>	<u>(294,775)</u>
Other financing sources (uses)					
Bond issuance	10,390,000	-	-	-	-
Bond premium	-	-	-	-	-
Payment to refund bond escrow agent	(7,328,556)	-	-	-	-
Transfers in	32,019,946	31,107,408	24,198,623	18,924,005	19,135,478
Transfers out	(27,063,212)	(29,350,342)	(24,680,524)	(20,239,205)	(21,596,990)
Sale of capital assets	13,701	-	10,045	20,365	32,318
Total other financing sources (uses)	<u>8,031,879</u>	<u>1,757,066</u>	<u>(471,856)</u>	<u>(1,294,835)</u>	<u>(2,429,194)</u>
Net change in fund balances	<u>\$ 2,831,003</u>	<u>\$ (4,765,554)</u>	<u>\$ (7,139,485)</u>	<u>\$ (637,639)</u>	<u>\$ (2,723,969)</u>
Debt service as a percentage of noncapital expenditures	3.5%	3.3%	2.8%	2.1%	2.3%

Source: Ingham County Comprehensive Annual Financial Report.

INGHAM COUNTY, MICHIGAN
 Assessed and Taxable Value of Property
 For the Years 2005 through 2014

Table 5
 Unaudited

Year	Assessed Value - Real Property					Assessed Value -		Total Taxable Value	Total Direct Tax Rate (A)
	Agriculture	Commercial	Industrial	Residential	Development	Personal Property	Total Assessed Value		
2014	\$ 346,153,947	\$ 1,747,222,107	\$ 185,055,630	\$ 4,690,443,462	\$ 3,849,250	\$ 528,218,686	\$ 7,500,943,082	\$ 7,038,082,601	\$ 10.69
2013	328,483,564	1,679,913,396	162,020,690	4,616,047,104	3,747,450	522,835,505	7,313,047,709	\$ 6,939,015,586	10.19
2012	327,457,978	1,718,780,065	174,266,400	4,685,795,511	4,155,450	503,424,991	7,413,880,395	7,026,714,409	10.18
2011	360,032,170	1,822,398,897	174,176,120	5,042,669,974	5,205,150	485,596,174	7,890,078,485	7,341,744,686	9.54
2010	383,828,405	1,909,814,353	174,067,000	5,342,213,483	5,755,150	496,479,351	8,312,157,742	7,585,806,239	9.54
2009	423,749,064	2,105,415,558	196,746,450	5,875,565,922	6,336,550	506,052,975	9,113,866,519	8,033,032,230	9.52
2008	439,751,199	2,149,846,816	208,129,120	6,268,546,593	6,376,150	495,460,517	9,568,110,395	7,988,684,377	9.57
2007	442,380,992	2,228,506,272	140,565,730	6,379,595,902	6,234,750	516,760,736	9,714,044,382	7,857,288,668	9.41
2006	432,732,190	2,170,273,754	158,895,960	6,129,989,842	7,837,350	539,299,438	9,439,028,534	7,522,177,686	9.43
2005	414,897,920	2,120,950,705	168,466,240	5,760,126,495	8,011,350	563,080,329	9,035,533,039	7,200,855,066	8.65

Table 6
Unaudited

INGHAM COUNTY, MICHIGAN
Direct and Overlapping Property Tax Rates
Last Ten Years
Rates per \$1,000 of taxable value)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Direct Rates										
Operating	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35
Transportation System	0.39	0.48	0.48	0.48	0.48	0.48	0.48	0.60	0.60	0.60
Emergency Telephone System	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84
Airport Authority	0.47	0.71	0.68	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Juvenile Justice	0.59	0.59	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Potter Park Zoo	-	0.46	0.46	0.46	0.41	0.41	0.41	0.41	0.41	0.41
Farmland Preservation	-	-	-	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Health Services	-	-	-	-	-	-	-	0.52	0.52	0.52
Parks and Trails	-	-	-	-	-	-	-	-	-	0.50
Veterans Relief	-	-	-	-	-	0.02	0.02	0.02	0.03	0.03
Total direct rates	\$ 8.65	\$ 9.43	\$ 9.41	\$ 9.57	\$ 9.52	\$ 9.54	\$ 9.54	\$ 10.18	\$ 10.19	\$ 10.69
Overlapping Rates										
Townships:										
Lowest	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.75
Highest	7.37	8.42	8.42	8.42	8.51	8.51	8.51	8.51	8.51	9.01
Cities:										
Lowest	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25
Highest	19.28	19.28	19.28	19.28	19.28	19.80	20.56	21.84	21.84	22.67
Villages:										
Lowest	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.50
Highest	13.20	13.20	13.20	13.20	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	6.00	6.00	6.00	6.00
Local school districts: (A)										
Lowest	0.12	-	-	-	-	-	-	-	-	-
Highest	12.09	12.09	12.09	12.09	12.09	-	-	4.30	4.30	4.30
Intermediate school districts:										
Lowest	2.35	2.34	2.34	2.34	2.34	2.34	2.27	2.34	2.34	2.34
Highest	11.98	8.11	8.11	8.11	8.11	8.11	7.77	8.76	8.76	8.76
Lansing Community College	3.81	3.81	3.81	3.81	3.81	3.81	3.81	3.81	3.81	3.81
Capital Area District Library	1.44	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56
Fowlerville Library	0.41	0.40	0.40	0.40	0.40	0.40	0.40	1.40	1.40	1.40
Authorities:										
Capital Area Transportation	2.17	2.18	2.18	2.97	2.97	2.97	3.01	3.01	3.01	3.01
City of East Lansing DDA	1.82	1.82	1.82	1.82	1.73	1.73	1.73	1.73	1.73	1.73
Northeast Ingham Emergency Services	1.19	1.93	1.93	1.93	1.18	1.18	1.18	1.93	1.93	1.93
Stockbridge Area Emergency Services	-	1.10	1.10	1.10	1.10	1.10	1.10	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.

INGHAM COUNTY, MICHIGAN
Principal Property Tax Payers
Current Year and Nine Years Ago

Table 7
Unaudited

Taxpayer	2014			2005		
	Taxable Value	Rank	Percent of Total Taxable Value	Value	Rank	Percent of Total Taxable Value
Consumers Energy	\$ 93,005,962	1	1.321%	\$ 71,441,589	2	0.992%
Dart Container Corporation	48,752,103	2	0.693%	25,416,956	7	0.353%
Meridian Mall LTD Partnership	28,528,100	3	0.405%	25,422,529	6	0.353%
General Motors	28,055,881	4	0.399%	184,031,145	1	2.556%
Real Properties of America (*)	26,924,000	5	0.383%	31,636,100	4	0.439%
Jackson National Life	25,636,971	6	0.364%	31,901,307	3	0.443%
Gestamps US Hardtech Inc.	24,022,520	7	0.341%			
Sprint Spectrum L P	15,414,225	8	0.219%			
East Lansing I LLC	14,650,552	9	0.208%			
Meijer	14,008,662	10	0.199%	24,811,224	8	0.345%
Eyde				26,573,652	5	0.369%
525 Redevco Inc.				17,423,864	10	0.242%
MEIP Borrower				17,517,336	9	0.243%
Capital Outlook LLC				456,175,702		6.335%
Total taxable value of ten largest taxpayers	318,998,976		4.532%			
Total taxable value of other taxpayers	<u>6,719,083,625</u>		95.468%	<u>6,744,679,364</u>		93.665%
Total taxable value of all taxpayers	<u>\$ 7,038,082,601</u>		<u>100.00%</u>	<u>\$ 7,200,855,066</u>		<u>100.00%</u>

Source: Ingham County Equalization Department

Note - Taxable values presented above include properties subject to industrial facility taxes (IFT) reported at 50%

(*) Formerly Inland Western Lansing Eastwood LLC

INGHAM COUNTY, MICHIGAN
 Property Tax levies And Collections - General Operating
 Last Ten Years

Table 8
 Unaudited

Taxes Levied	Fiscal Year	Total Tax Levy	Collected in Year of Levy		Subsequent Years Collections	Total Collections to Date	
			Amount	Percentage		Amount	Percentage
07/01/2014	2014	\$ 41,250,000	\$ 39,452,982	95.64%		\$ 39,452,982	95.64%
07/01/2013	2013	41,260,820	39,437,838	95.58%	1,764,910	41,202,748	99.86%
07/01/2012	2012	41,681,932	39,723,759	95.30%	1,918,668	41,642,427	99.91%
07/01/2011	2011	43,599,456	40,692,544	93.33%	2,866,320	43,558,864	99.91%
07/01/2010	2010	45,576,230	42,110,105	92.39%	3,466,125	45,576,230	100.00%
07/01/2009	2009	47,889,946	45,098,066	94.17%	2,669,374	47,767,440	99.74%
07/01/2008	2008	47,668,634	45,091,112	94.59%	2,547,981	47,639,093	99.94%
07/01/2007	2007	46,912,047	42,982,567	91.62%	3,886,366	46,868,933	99.91%
07/01/2006	2006	46,058,175	42,464,438	92.20%	3,477,156	45,941,594	99.75%
07/01/2005	2005	44,277,771	41,718,049	94.22%	2,530,850	44,248,899	99.93%

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.

INGHAM COUNTY, MICHIGAN
Ratios of Outstanding Debt by Type
Last Ten Years

Table 9
Unaudited

Year	Governmental Activities				Business-type Activities		Total Primary Government	% of Personal Income	Net Debt Per Capita
	Over Governments				Notes and Loans	Notes and Loans			
	General Obligation Bonds	General Obligation Bonds	Notes and Loans	Capital Leases					
2014	\$ 12,475,000	\$ 1,420,000	\$ 1,031,499	\$ -	\$ 10,000,000	24,926,499	245.01%	88.32	
2013	14,340,000	1,900,000	1,552,792	-	11,500,000	29,292,792	283.00%	99.41	
2012	16,145,000	2,100,000	459,597	-	11,600,000	30,304,597	312.37%	107.61	
2011	17,895,000	3,115,000	646,802	-	14,000,000	35,656,802	367.54%	126.62	
2010	19,925,000	4,070,000	828,045	-	15,250,000	40,073,045	413.06%	142.30	
2009	18,530,000	4,985,000	1,003,520	-	15,700,000	40,218,520	425.03%	144.86	
2008	20,475,000	5,850,000	1,173,410	-	12,000,000	39,498,410	421.84%	142.10	
2007	22,520,000	6,675,000	1,337,893	96,499	8,200,000	38,829,392	428.91%	139.36	
2006	24,475,000	7,465,000	1,497,372	220,936	6,720,000	40,378,308	458.11%	144.59	
2005	26,470,000	8,220,000	1,644,920	340,988	6,020,000	42,695,908	503.48%	152.20	

Source: Ingham County Comprehensive Annual Financial Report

The County issued debt for several Townships located within the County. These Townships reimburse the County for the debt service

INGHAM COUNTY, MICHIGAN
Ratios of Net General Bonded Debt Outstanding
Last Ten Years

Table 10
Unaudited

Year	County General Obligation Bonds	Less: Amounts Restricted to Repaying Principle	Net General Bonded Debt	% of Taxable Value	Per Capita
2014	\$ 12,475,000	\$ 12,547	\$ 12,462,453	0.18%	44.16
2013	14,340,000	10,641	14,329,359	0.21%	50.77
2012	16,145,000	10,883	16,134,117	0.23%	57.27
2011	17,895,000	-	17,895,000	0.24%	63.54
2010	19,925,000	-	19,925,000	0.26%	70.75
2009	18,530,000	-	18,530,000	0.23%	66.74
2008	20,475,000	-	20,475,000	0.26%	73.66
2007	22,520,000	-	22,520,000	0.29%	80.83
2006	24,475,000	-	24,475,000	0.33%	87.64
2005	26,470,000	-	26,470,000	0.37%	94.36

Source: Ingham County Comprehensive Annual Financial Report

INGHAM COUNTY, MICHIGAN
Computation of Net Direct and Overlapping Debt
December 31, 2014

Table 11
Unaudited

	<u>Gross Amount Outstanding</u>	<u>Self-Supporting or Paid by Benefited Government</u>	<u>Net Amount Outstanding</u>
Direct debt			
General obligation bonds	\$ 12,475,000	\$ -	\$ 12,475,000
Delinquent tax notes	10,000,000	10,000,000	-
Notes, loans and capital leases	1,031,499	-	1,031,499
Total direct debt	<u>23,506,499</u>	<u>10,000,000</u>	<u>13,506,499</u>
Debt for component units or other governmental entities			
Drain bonds and notes	46,443,796	46,443,796	-
Brownfield redevelopment bonds	4,230,000	4,230,000	-
General obligation bonds - other governmental entities	1,420,000	1,420,000	-
Joint building authority bonds	4,800,000	2,584,616	2,215,384
Total debt for component units or othe governmental entities	<u>56,893,796</u>	<u>54,678,412</u>	<u>2,215,384</u>
Overlapping debt			
Cities			\$ 167,690,034
Townships			61,751,907
Villages			1,644,204
Local school districts			335,312,638
Intermediate school districts			1,685,666
Community college			<u>52,964,757</u>
Total overlapping debt			<u>621,049,206</u>
Total direct and overlapping debt			<u>\$ 636,771,089</u>

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

In Michigan, the Municipal Advisory Council calculates and maintains documentation on the overlapping debt issues for all Governmental Agencies in the State.

The City of Lansing/Ingham County Joint Building Authority is a partnership which owns and operations the Veteran's Memorial Courthouse located in downtown Lansing. While this is a separate governmental entity, the County's portion of the debt service on the building is paid from the County's General Fund.

INGHAM COUNTY, MICHIGAN
Legal Debt Limit
Last Ten Years

Table 12
Unaudited

Legal debt margin calculation for 2014
 Assessed value (state equalized value)

\$ 7,500,943,082

Debt limit (10% of assessed value)
 Amount of debt applicable to limit

\$ 750,094,308
80,400,295

Legal debt margin

\$ 669,694,013

	Debt Limit	Net Applicable Debt	Legal Debt Margin	Ratio
2014	\$ 750,094,308	\$ 80,400,295	\$ 669,694,013	10.72%
2013	731,304,771	85,340,368	645,964,403	11.67%
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	836,239,404	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%

Source: Ingham County Financial Services Division

INGHAM COUNTY, MICHIGAN
Demographic and Economic Statistics
Last Ten Years

Table 13
Unaudited

Year	(a and c) Population	Personal Income (in thousands)	(a) Per Capita Income	(b) Unemployment Rate
2014	282,234	(A)	(A)	4.1%
2013	282,234	\$ 10,173,817	\$ 36,047	6.2%
2012	281,723	9,896,206	35,127	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%

Sources:

- (a) U.S. Department of Commerce Bureau of Economic Analysis
- (b) Michigan Department of Technology, Management & Budget
- (c) 2013 estimate from U.S. Department of Commerce Census Bureau
- (A) Personal income and per capital income data for 2014 not available at time of publication.

INGHAM COUNTY, MICHIGAN
Principal Employers
Last Ten Years

Table 14
Unaudited

Employer	Industry	2014			2005		
		Employees	Rank	% of Workforce	Employees	Rank	% of Workforce
State of Michigan	Government	14,249	1	6.19%	13,517	2	6.76%
Michigan State University	Higher education	11,100	2	4.82%	12,200	3	6.10%
Sparrow Hospital	Health care	10,858	3	4.72%	6,000	4	3.00%
General Motors Corporation	Automotive	5,153	4	2.24%	16,000	1	8.00%
Auto Owners Insurance	Insurance	3,700	5	1.61%			
Meijer, Inc.	Retail	3,500	6	1.52%	3,800	5	1.90%
Lansing Community College	Education	3,144	7	1.37%	2,474	8	1.24%
Peckman	Social Service	2,510	8	1.09%			
Lansing School District	Education	2,130	9	0.93%	3,500	6	1.75%
Ingham Regional Medical Center/McLare	Health Care	1,900	10	0.83%	2,800	7	1.40%
U.S. Postal Service	Government				1,300	9	0.65%
City of Lansing	Government				1,295	10	0.65%
Total persons employed by the ten largest employers		58,244		25.31%	62,886		31.44%
Persons employed by other employers		<u>171,856</u>		<u>74.69%</u>	<u>137,114</u>		<u>68.56%</u>
Total employment		<u>230,100</u>		<u>100.00%</u>	<u>200,000</u>		<u>100.00%</u>

Source: Michigan Department of Labor and Economic Growth and Lansing Economic Area Partnership

INGHAM COUNTY, MICHIGAN
County Employees by Department
Last Ten Years

Table 15
(Unaudited)

<u>Department</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Animal Control	16	17	18	18	17	17	16	16	16	18
Board of Commissioners	3	3	3	3	3	3	3	3	3	2
Circ. Crt - General Jurisdiction	49	58	62	62	60	60	59	59	58	57
Circuit Court - Family Division	99	91	90	92	93	91	89	88	85	85
Circuit Crt - Friend of the Court	64	61	60	60	60	59	58	57	56	56
Clerk/Elections	11	11	11	11	11	10	9	9	8	11
Community Corrections	6	5	5	1	2	2	1	1	1	1
Controller	9	9	9	9	8	7	7	6	6	6
Cooperative Extension	7	7	7	7	6	6	6	5	3	3
District Court	27	27	27	29	29	28	27	27	25	27
Drain	22	22	24	24	23	24	25	24	23	23
Economic Development		-	-	-	-	-	1	1	1	1
Emergency Operations	2	2	2	2	2	1	1	1	1	1
Emergency Telephone System		-	1	1	1	1	1	66	66	66
Equalization/Tax Services	7	7	7	7	7	7	6	6	6	6
Facilities	31	31	31	35	34	33	33	31	30	30
Fair Board	5	5	5	5	5	5	5	4	4	4
Financial Services	9	9	10	7	7	9	9	9	9	9
Health Department	313	305	319	324	339	330	333	341	345	344
Housing Commission	4	4	5	6	6	6	6	6	5	3
Human Resources	8	8	8	10	9	6	6	7	7	7
Jury Administration	1	1	1	1	1	1	1	1	1	1
MIS	20	20	20	20	21	20	19	20	18	20
Parks	14	14	14	14	14	14	15	14	13	13
Potter Park Zoo		-	22	23	23	23	22	23	24	25
Probate Court	14	14	15	15	15	15	14	13	13	13
Prosecuting Attorney	69	68	68	69	68	68	65	65	63	62
Purchasing	6	6	6	6	5	4	4	4	4	4
Register of Deeds	10	10	10	10	10	11	11	11	11	11
Roads and Transportation								71	72	72
Sheriff's Department	223	222	214	211	203	185	172	173	176	170
Treasurer	8	9	9	11	11	12	10	10	10	10
Veterans Affairs	4	4	4	4	5	5	5	5	6	6
Total	1,061	1,045	1,082	1,090	1,093	1,063	1,039	1,177	1,169	1,167

Source: Ingham County Budget Office

Note - In 2012 the County merged with the Ingham County Road Commission and opened the Centralized 911 Dispatch Center.

INGHAM COUNTY, MICHIGAN
Operating Indicators by Function/Program
Last Ten Years

Table 16
Unaudited

<u>Function</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Health					
Immunizations (children and adults)	40,279	38,480	38,000	34,000	57,360
IHP enrollment (average monthly)	14,700	15,056	17,000	17,000	16,139
Primary care clinic visits					
Fixed food service (number licensed)	952	1,132	980	1,050	940
Public health nursing home visits	3,599	3,451	4,000	3,600	2,727
Parks					
Visitation (based on car counts)	1,185,800	1,219,803	1,250,000	1,550,000	1,957,525
Animal Control					
Pet adoptions	1,642	1,686	1,770	1,542	1,554
Drain Commission					
Drain crew maintenance projects	840	852	850	800	823
Circuit Court					
Number of cases filed	10,566	12,003	13,400	10,800	10,039
Number of cases disposed					
District Court					
Number of cases filed	31,731	32,592	34,600	33,800	27,151
Number of cases disposed	29,218	30,946	30,500	32,500	29,212

Source: Ingham County Financial Services Division

INGHAM COUNTY, MICHIGAN
Operating Indicators by Function/Program
Last Ten Years

Table 16
Unaudited

<u>Function</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Health					
Immunizations (children and adults)	40,510	28,748	27,720	27,870	32,007
IHP enrollment (average monthly)	12,873	12,873	11,752	10,734	64,997
				66,824	981
Fixed food service (number licensed)	989	991	978	975	2,889
Public health nursing home visits	2,843	3,472	3,667	1,860	
Parks					
Visitation (based on car counts)	1,758,591	1,772,253	1,262,456	1,287,165	1,133,549
Animal Control					
Pet adoptions	1,262	1,394	1,530	1,198	1,281
Drain Commission					
Drain crew maintenance projects	817	850	850	911	915
Circuit Court					
Number of cases filed	9,539	8,947	9,259	9,547	8,961
Number of cases disposed					9,331
District Court					
Number of cases filed	24,503	23,628	23,831	22,158	23,995
Number of cases disposed	27,279	25,840	26,836	24,921	26,688

Source: Ingham County Financial Services Division

INGHAM COUNTY, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

Table 17
Unaudited

<u>Function</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public safety										
Police protection										
Jail capacity (inmates)	665	665	665	664	664	601	601	601	601	601
Vehicles										
Patrol units	45	45	30	28	28	28	28	53	53	53
Paramedic units	7	7	-	-	-	-	-	-	-	-
Powerboats	2	2	20	1	1	1	1	1	2	2
Public works										
Roads										
Primary (miles)	430	430	434	434	434	434	434	434	434	434
Local non-subdivision										
Paved	458	458	462	467	467	467	468	468	468	468
Gravel	95	95	87	81	81	81	81	81	81	81
Local subdivision										
Paved	252	252	265	267	269	269	269	269	270	270
Gravel	4	4	2	2	2	2	2	2	2	2
Bridges										
Primary	32	32	32	32	31	30	30	30	30	30
Local	36	36	36	36	37	37	37	37	37	37
Recreation and cultural										
Park land (acres)	1,400	1,400	1,400	1,400	1,400	1,500	1,400	1,400	1,400	1,200
Trails (miles)	21	21	17	17	17	17	17	17	17	17
Beaches	3	3	3	3	3	3	3	3	3	3
Picnic areas	15	15	16	16	16	15	15	15	15	15
Softball fields	4	4	4	4	4	3	2	3	3	2
Soccer fields	9	9	8	8	8	6	5	7	-	-

Ingham County, Michigan

**Federal Awards
Supplemental Information
December 31, 2014**

Ingham County, Michigan

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Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133

Independent Auditor's Report

To the Board of Commissioners
Ingham County, Michigan

We have audited the basic financial statements of the governmental activities, business-type activities, 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, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 19, 2015, which contained an unmodified opinion on the basic financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited basic financial statements subsequent to June 19, 2015.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

July 15, 2015

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*

Independent Auditor's Report

To Management and the Board of Commissioners
Ingham County, Michigan

We have audited, 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, the basic financial statements of the governmental activities, business-type activities, 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, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered Ingham County, Michigan'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 basic 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 2014-001 through 2014-003 and 2014-005 through 2014-007 to be material weaknesses.

To Management and the Board of Commissioners
Ingham County, Michigan

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2014-004 to be significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ingham County, Michigan's basic 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*.

Ingham County, Michigan's Responses to Findings

Ingham County, Michigan's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Ingham County, Michigan's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Morse, PLLC

Detroit, Michigan
June 19, 2015

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Commissioners
Ingham County, Michigan

Report on Compliance for Each Major Federal Program

We have audited Ingham County, Michigan's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. Ingham County, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Ingham County, Michigan's basic financial statements include the operations of the Ingham County Land Bank Fast Track Authority and the Ingham County Housing Commission, which received \$1,140,222 and \$782,751, respectively, in federal awards that is not included in the schedule during the year ended December 31, 2014. Our audit, described below, did not include the operations of the Ingham County Land Bank Fast Track Authority and the Ingham County Housing Commission because the component units' federal program audits were performed separately from the County's 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 each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Ingham County, Michigan'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 Ingham County, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

To the Board of Commissioners
Ingham County, Michigan

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 Ingham County, Michigan's compliance.

Opinion on Each Major Federal Program

In our opinion, Ingham County, Michigan 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, 2014.

Report on Internal Control Over Compliance

Management of Ingham County, Michigan 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 Ingham County, Michigan'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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

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 a combination of deficiencies, in internal control over compliance such that there is 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2014-008 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2014-009 to be a significant deficiency.

To the Board of Commissioners
Ingham County, Michigan

Ingham County, Michigan's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Ingham County, Michigan's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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.

Plante & Morse, PLLC

Detroit, Michigan
July 15, 2015

Ingham County, Michigan

Schedule of Expenditures of Federal Awards Year Ended December 31, 2014

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Passed Through	Pass-through/ Grantor Number	Federal Expenditures
U.S. Department of Agriculture:				
Farm and Ranch Lands Protective Program	10.913	Direct	n/a	\$ 89,458
Child Nutrition Cluster:				
* School Breakfast Program	10.553	Michigan Department of Education	n/a	22,836
* National School Lunch	10.555	Michigan Department of Education	n/a	57,691
* Food distribution - Noncash assistance in 2014	10.555	Michigan Department of Education	n/a	4,000
* Child and Adult Care Food Program	10.555	Michigan Department of Education	n/a	<u>7,518</u>
Total Child Nutrition Cluster				92,045
* Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	Michigan Department of Community Health	n/a	<u>1,248,260</u>
Total U.S. Department of Agriculture				1,429,763
U.S. Department of Housing and Urban Development:				
State Administered Community Development Block Grant				
* Cluster - Community Development Block Grants/State's Program and Non-entitlement Grant in Hawaii	14.228	Michigan Strategic Fund	MSC 212019-EDIG	1,035,510
Asthma Interventions in Public and Assisted Multifamily Housing	14.914	Michigan Department of Community Health	n/a	<u>12,495</u>
Total U.S. Department of Housing and Urban Development				1,048,005
U.S. Department of Justice:				
* Supervised Visitation, Safe Havens for Children	16.527	Direct	2008CWAXK021	78,175
State Criminal Alien Assistance Program	16.606	Direct	n/a	2,555
Victims of Crime Act	16.575	Michigan Crime Victim Services Commission	20636-10V07	69,217
Byrne Formula Grant Program - Special Prosecution Unit	16.579	Michigan Office of Drug Control Policy	70901-3-12-B & 4-13-B	38,804
Enhanced Training and Services to End Violence and Abuse	16.528	City of Lansing	n/a	1,078
JAG Program Cluster:				
Byrne Justice Assistance Grant	16.738	City of Lansing	n/a	15,871
Byrne Justice Assistance Grant - Meth OT	16.738	Michigan Department of State Police	n/a	<u>749</u>
Total JAG Program Cluster				<u>16,620</u>
Total U.S. Department of Justice				206,449
U.S. Department of Transportation - Interagency Hazardous Materials Public Sector - Training and Planning Grants	20.703	Michigan Office of Highway Safety and Planning	n/a	6,406

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

Ingham County, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2014

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Passed Through	Pass-through/ Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services:				
Health Centers Cluster:				
* Consolidated Health Centers (Health Care for the Homeless)	93.224	Direct	n/a	\$ 1,200,574
* ACA Grants for New and Expanded Services under the Health Center Program	93.527	Direct	n/a	<u>9,744</u>
Total Health Centers Cluster				1,210,318
* Access and Visitation Grant Program	93.597	Michigan Supreme Court/State Court Administrative Office	n/a	5,300
* Head Start	93.600	Capital Area Community Services	n/a	123,576
* Tobacco Regulation Awareness, Communication, and Education	93.058	Michigan Department of Community Health	n/a	9,916
* Public Health Emergency Preparedness	93.069	Michigan Department of Community Health	n/a	149,880
* Family Planning Services	93.217	Michigan Department of Community Health	n/a	210,223
* Childhood Immunization Grants	93.268	Michigan Department of Community Health	n/a	116,952
* Immunization Grants - Value of Vaccines Provided	93.268	Michigan Department of Community Health	n/a	987,757
* CDC Investigations and Technical Assistance	93.283	Michigan Department of Community Health	n/a	40,000
* ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.505	Michigan Department of Community Health	n/a	306,449
* Medicaid Cluster - Medical Assistance Program (Medicaid)	93.778	Michigan Department of Community Health	n/a	884,198
* Breast and Cervical Cancer Control Program	93.919	Michigan Department of Community Health	n/a	251,813
* Breast and Cervical Cancer Control Program - Family Planning Joint Demo Project	93.919	Michigan Department of Community Health	n/a	3,506
* HIV Prevention Program - Counseling and Testing	93.940	Michigan Department of Community Health	n/a	137,972
* Maternal and Child Health Services Block Grant	93.994	Michigan Department of Community Health	n/a	340,658
Child Support Enforcement:				
* Friend of the Court	93.563	Michigan Department of Human Services	CS/FOC-33001	2,591,935
* Prosecuting Attorney	93.563	Michigan Department of Human Services	CS/PA-33002	654,742
* Incentive Payments	93.563	Michigan Department of Human Services	n/a	<u>410,487</u>
Total Child Support Enforcement				3,657,164
* Refugee Medical Assistance	93.566	Michigan Department of Human Services	RAHS 13-33001	410,704
ARRA - Foster Care Title IV-E	93.658	Michigan Department of Human Services	PROFC-09-33001	9,992
* Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	Direct	n/a	497,547
* ACA for School-based Health Center Capital Expenditures	93.501	Direct	n/a	62,482
* Health Care Innovation Awards (HCIA)	93.610	Michigan Department of Human Services	n/a	1,082,703
* Cancer Prevention and Control Program for State, Territorial, and Tribal Organizations	93.752	Michigan Department of Community Health	n/a	65,761
* Healthy Start Initiative	93.926	Direct	n/a	462,742
* PPHF Cooperative Agreement to Support Navigators in Fed. And State Partnership Exchanges	93.750	Direct	n/a	20,000
* Child Care and Development Block Grant	93.575	Michigan Department of Human Services	n/a	<u>422,558</u>
Total U.S. Department of Health and Human Services				11,470,171
U.S. Corporation for National and Community Service -				
* AmeriCorps	94.006	Michigan Department of Human Services	n/a	138,963
* Grant activity is reported in the County CAFR in a 9/30 year-end fund				

Ingham County, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2014

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Passed Through	Pass-through/ Grantor Number	Federal Expenditures
U.S. Department of Homeland Security:				
Homeland Security Grant Program - EMPG	97.042	Michigan Department of State Police	n/a	\$ 62,841
Homeland Security Grant Program - 2010 Terrorism	97.067	City of Lansing	n/a	25,455
Homeland Security Grant Program - 2011 Terrorism	97.067	City of Lansing	n/a	19,716
Homeland Security Grant Program - 2012 Terrorism	97.067	City of Lansing	n/a	22,096
Homeland Security Grant Program - Emergency Management SAP	97.067	City of Lansing	n/a	<u>58,610</u>
Total U.S. Department of Homeland Security				188,718
U.S. Department of the Interior - Marine Safety Grant	15.916	Direct	n/a	<u>3,402</u>
Total Expenditures of Federal Awards				<u>\$ 14,491,877</u>

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

Ingham County, Michigan

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2014

Note 1 - Basis of Presentation and Significant Accounting Policies

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, 2014. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of Ingham County, Michigan, it is not intended to, and does not, present the financial position, changes in net position, or cash flows, if applicable, of Ingham County, Michigan. Pass-through entity identifying numbers are presented where available.

Note 2 - 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, 2014 are denoted as such in the Schedule.

Note 3 - Subrecipient Awards

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, federal awards were provided to subrecipients as follows:

<u>Federal Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Health Care Innovation Awards	93.610	<u>\$ 88,864</u>

Ingham County, Michigan

Schedule of Findings and Questioned Costs Year Ended December 31, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
14.228	CDBG - State Administered Community Development Block Grant Cluster
93.778	Medicaid Cluster
93.224; 93.527	Health Centers Cluster
93.563	Child Support Enforcement
93.610	Health Care Innovation Awards
93.926	Healthy Start Initiative

Dollar threshold used to distinguish between type A and type B programs: \$434,756

Auditee qualified as low-risk auditee? Yes No

Ingham County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section II - Financial Statement Audit Findings

Reference Number	Finding
2014-001	<p>Finding Type - Material weakness</p> <p>Criteria - The County of Ingham, Michigan should perform all bank reconciliations accurately and in a timely manner.</p> <p>Condition - December 31, 2014 bank balances were not properly reconciled to the County's general ledger balances.</p> <p>Context - The County's December 31, 2014 bank reconciliations contained unreconciled differences of approximately \$122,000.</p> <p>Cause - The County does not have an internal control process in place to accurately reconcile the bank accounts.</p> <p>Effect - Bank accounts were not properly reconciled to the County's general ledger, resulting in an unreconciled difference. Unreconciled differences can result in cash balances being over/understated on the county's comprehensive annual financial report. Unreconciled differences also limit the County's ability to detect and prevent inaccurate postings to cash and fraudulent activity.</p> <p>Recommendation - The County should implement an internal control process to ensure that bank balances are properly reconciled to the County's general ledger cash balances.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Treasury acknowledges this issue. We have met with Plante & Moran, PLLC and financial services to establish a plan of action. We will continue our collaborative approach and implement procedures to enhance internal control processes to reconcile the bank accounts to the County's general ledger cash balances.</p>

Reference Number	Finding
2014-002	<p>Finding Type - Material weakness</p> <p>Criteria - Transportation and Roads Fund - The County should record all year-end closing entries in accordance with generally accepted accounting principles (GAAP). Also, the County should recognize all transactions in the year in which the transactions occur.</p>

Ingham County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2014-002 (Continued)	<p>Condition - Certain revenue and expenses pertaining to multiple construction projects were not recorded in the proper accounting period.</p> <p>Context - The County did not record approximately \$876,000 in federal and state revenue and expenditures incurred during 2013 for the Marsh Road Project. The amounts were recorded in 2014.</p> <p>In 2014, the County incorrectly recorded approximately \$758,000 of federal and state revenue and expenses that were incurred in 2013 related to the Zimmer Road Project.</p> <p>Cause - The County has experienced staffing restructuring and reassignments over the past several years, resulting in the responsibilities being divided over fewer staff.</p> <p>Effect - Certain assets, revenue, and expenses were not properly recognized in the County's comprehensive annual financial report. This can result in assets, revenue, and expenses being misstated on the County's comprehensive annual financial report.</p> <p>Recommendation - The County should implement procedures and a review process to ensure that all appropriate journal entries are made prior to the start of the audit.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The County merged with the Ingham County Road Commission in June 2012. The operation of the new Transportation and Road Fund is different from any other County Fund and we are still familiarizing ourselves with its unique accounting issues.</p> <p>Both of the transactions discussed above pertain to construction projects performed by the State of Michigan on behalf of the County. The payment of these expenditures did not run through the County's accounts payable process. The State of Michigan manages these projects and pays all the invoices. This requires the County to record the expenditure and a matching grant revenue on our books. The County believes we now have procedures in place to ensure we account for these unique reporting requirements correctly.</p>

Ingham County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2014-003	<p>Finding Type - Material weakness</p> <p>Criteria - The County of Ingham, Michigan should recognize all expenditures that require capitalization and identify all retired assets requiring removal from accounting records in the proper accounting period. Also, assets should be depreciated using a method in accordance with generally accepted accounting principles (GAAP).</p> <p>Condition - Certain costs incurred during 2014 related to 911 dispatch equipment were not properly capitalized on the full-accrual basis.</p> <p>Certain revenue and expenses related to federal and state road construction projects were not properly recorded as capital assets on the full-accrual basis.</p> <p>Certain assets were identified as being out-of-service prior to the 2014 accounting period but were not properly disposed from accounting records in a timely manner.</p> <p>Depreciation expense was miscalculated on several assets, which resulted in depreciation expense being understated by approximately \$156,000.</p> <p>Context - A journal entry was required for approximately \$416,000 for 911 dispatch equipment costs that were not properly capitalized on the full-accrual basis.</p> <p>Approximately \$876,000 of expenses from 2013 were not capitalized and therefore were capitalized in 2014. Approximately \$758,000 of 2013 costs were capitalized incorrectly in 2014, which required an adjusting journal entry.</p> <p>Various assets with a total net book value of approximately \$445,000 were disposed of during 2014 although the assets were out-of-service prior to 2014.</p> <p>Several assets were depreciated using an incorrect net book value, which resulted in an understated depreciation expense.</p> <p>Cause - The County does not have an internal control process in place to accurately identify asset acquisitions and disposals in the correct accounting period. Also, the County is not properly reviewing annual depreciation expense on active assets to ensure accurate recording of depreciation expense.</p>

Ingham County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2014-003 (Continued)	<p>Effect - Certain assets acquisitions and disposals were not properly recorded. Depreciation expense was understated for the 2014 period. Going forward, this can result in assets and depreciation expense being misstated on the County's Comprehensive Annual Financial Report.</p>

Recommendation - The County should implement an internal control process to ensure that all asset acquisitions and disposals are identified in a timely manner. The County should develop a secondary method of reviewing depreciation expense on active assets outside of the fixed-asset software.

Views of Responsible Officials and Planned Corrective Actions - As discussed in the previous comment, the \$876,000 and \$758,000 in corrections pertain to the road construction performed by the State of Michigan on behalf of the County. As detailed in that response, the County believes we now have procedures in place to ensure we account for these transactions timely and correctly.

The \$416,000 for the 911 dispatch equipment was improperly recorded as a contracted service rather than an expenditure for capital assets. Therefore, it was not recorded as an asset addition. The County's financial service department will work with the departmental managers to ensure they understand the importance of recording transactions to the proper account number.

During the past few years, the County has been in the process of reviewing and correcting our capital asset listing. In 2014, we reclassified and corrected several assets within the County's accounting software system. In the course of making these corrections, it appears that there was an issue in how the software responded to the change, which resulted in the error noted above. The County is working with our accounting software provider to determine the cause and make sure this does not happen in the future. In addition, the disposal comment was also caused by our attempt to correct the asset listing and should not occur in the future.

Ingham County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2014-004	<p>Finding Type - Significant deficiency</p> <p>Criteria - Medical Care Facility (the "Facility") - Proper accounts payable cutoff procedures are critical for the accuracy of the accrual basis of accounting.</p> <p>Condition - During our search for unrecorded liabilities, we noted numerous instances in which invoices relating to goods received or services performed prior to the year-end date were not recorded as payables in the proper period, as well as invoices relating to goods received or services performed subsequent to year-end date were improperly accrued for at year end.</p> <p>Context - Passed adjustments related to improperly included invoices and improperly excluded invoices from accounts payable totaled \$37,413 and \$37,165, respectively.</p> <p>Cause - The Facility did not have adequate procedures and reviews in place to identify invoices that should have been accrued for at year end.</p> <p>Effect - The failure to perform adequate cutoff procedures exposes the Facility to the potential for understating or overstating liabilities and expenses at year end.</p> <p>Recommendation - We recommend the Facility review current procedures and develop additional procedures for the year-end close so all liabilities related to the current period are properly recorded.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Facility will review current procedures and develop additional procedures for the year-end close so all liabilities related to the current period are properly recorded.</p>

While included in the County's financial statement, the Medical Care Facility is administered independently from the County.

Ingham County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2014-005	<p>Finding Type - Material weakness</p> <p>Criteria - Ingham County Land Bank Fast Track Authority (the "Authority") should inventory costs that add value to the property. The Authority should also perform an analysis to determine that inventory is recorded at the lower of cost or market.</p> <p>Condition - Certain costs were improperly included and improperly excluded from the year-end inventory balance. Also, an analysis was not performed by the Authority to determine whether inventory was recorded at the lower of cost or market.</p> <p>Context - Once the Authority performed a detailed analysis of inventory costs, including a review for lower of cost or market issues, an adjustment was made by the Authority to reduce inventory values. Net position as of January 1, 2014 was adjusted by \$966,728 as a result of the misstatement. The adjusted year-end inventory balance is \$3,491,107, which is approximately 55 percent of year-end total assets.</p> <p>Cause - The Authority does not have an internal control process in place to accurately cost inventory and determine whether inventory is recorded at the lower of cost or market.</p> <p>Effect - Improper costing of inventory can result in inventory and expenses being understated or overstated on the Authority's financial statements.</p> <p>Recommendation - The Authority should implement an internal control process to ensure that inventory cost is properly calculated and that inventory is recorded at the lower of cost or market.</p> <p>Views of Responsible Officials and Planned Corrective Actions - In prior years, the costs were assumed to be less than the fair market value. This assumption relied upon the brief amount of time the majority of property had been in the Authority's inventory. The Authority agrees it is appropriate to perform an analysis to determine the lesser of cost or market value and to determine the Authority's inventory is not misstated. The Authority has established which expense account classifications represent added value to inventory. In prior years certain maintenance costs were erroneously included in inventory. These expenses have been restated correctly. The Authority believes this will not be an issue in the future.</p>

Ingham County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2014-006	<p>Finding Type - Material weakness</p> <p>Criteria - Ingham County Land Bank Fast Track Authority should have a process in place to ensure transactions are properly classified and recorded in the financial statements</p> <p>Condition - Certain depreciable capital assets were classified as inventory.</p> <p>Context - Rental properties with a cost of approximately \$881,000 were improperly classified as inventory.</p> <p>Cause - The Authority does not have a review process in place to ensure that amounts are properly classified in the Authority's financial statements.</p> <p>Effect - Classification errors between inventory and capital assets were identified by the auditors, which resulted in expenses being understated on the Authority's financial statements due to depreciation expense on capital assets not being recorded.</p> <p>Recommendation - The Authority should implement a review process to ensure that all balances are properly classified in the Authority's financial statements.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Authority agrees rental properties should be classified as capital assets instead of inventory. The Authority's portfolio of rental properties has grown significantly in recent years and the Authority has established a long-term rental strategy. In prior years, rental properties were viewed as a short-term revenue source and as such the Authority chose, with the blessing of its auditors, to classify rental properties as inventory. With its now long-term commitment to rentals, the Authority will ensure rental properties are classified as capital assets and depreciated appropriately.</p>

Reference Number	Finding
2014-007	<p>Finding Type - Material weakness</p> <p>Criteria - Ingham County Land Bank Fast Track Authority should recognize all transactions the year in which they occur.</p> <p>Condition - Certain accounts payable invoices were not accrued for in the proper period.</p>

Ingham County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2014-007 (Continued)	<p>Context - Several Authority invoices pertaining to purchases and services provided during the first two weeks of the 2015 fiscal year were recorded in the 2014 fiscal year.</p> <p>Cause - Proper cutoff procedures were not performed to determine whether accounts payable invoices were being recorded in the proper period.</p> <p>Effect - Certain accounts payable invoices were not recognized in the proper period. This can result in expenses and accounts payables being understated or overstated in the Authority's financial statements.</p> <p>Recommendation - The Authority should implement a review process to ensure that all accounts payable invoices are recognized in the proper period.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Authority has in place proper cutoff procedures for determining whether accounts payable invoices are recorded in the proper period. Data entry errors for one batch of accounts payable entries resulted in a number of invoices being recorded in the incorrect period. Staff will be more diligent in the future to ensure proper cutoff procedures are performed. The Authority believes this will not be an issue in the future.</p>

Ingham County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section III - Federal Program Audit Findings

Reference Number	Finding
2014-008	<p>Program Name - State Administered Community Development Block Grant Cluster, CFDA #14.228</p> <p>Health Care Innovation Awards, CFDA #93.610</p> <p>Child Support Enforcement, CFDA #93.563</p> <p>Medicaid Cluster - Medical Assistance Program (Medicaid), CFDA #93.778</p> <p>Pass-through Entity - CFDA #14.228 - Michigan Strategic Fund</p> <p>CFDA #93.610 and 93.563 - Michigan Department of Health and Human Services</p> <p>CFDA #93.778 - Michigan Department of Community Health</p> <p>Finding Type - Material weakness</p> <p>Criteria - A complete and accurate schedule of expenditures of federal awards (SEFA) is necessary to record all program expenditures as required by OMB Circular A-133.</p> <p>Condition - The SEFA originally provided by the County required adjustments in order to properly reflect federal expenditures as required by OMB Circular A-133. The expenditures presented on the SEFA for the State Administered Community Development Block Grant Cluster, CFDA #14.228, were adjusted by approximately \$364,000. The expenditures presented on the SEFA for the Health Care Innovation Awards, CFDA #93.610, were adjusted by approximately \$478,000. The expenditures presented on the SEFA for Child Support Enforcement, CFDA #93.563, were adjusted by approximately \$317,000. The expenditures presented on the SEFA for the Medicaid Cluster - Medical Assistance Program, CFDA #93.778, were adjusted by approximately \$241,500. The adjustments were made as a result of inaccurate SEFA expenditures included on the original SEFA that were not identified during the year-end reconciliation.</p> <p>Questioned Costs - None</p> <p>Context - The adjustments made to the expenditures reported on the SEFA impacted the major program selection.</p>

Ingham County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2014-008 (Continued)	<p>Cause and Effect - Internal control procedures over determining which expenditures should be reported on the SEFA did not operate effectively. This resulted in the County's SEFA provided to the auditors being inaccurate for the State Administered Community Development Block Grant Cluster, Health Care Innovation Awards, Child Support Enforcement, and Medicaid - Medical Assistance Program, and caused a change in the major program determination.</p> <p>Recommendation - Internal control procedures should be initiated and enforced to ensure the proper expenditures are reported in the schedule of expenditures of federal awards.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The County's SEFA has traditionally been prepared by each department reporting their own section of the report. It appears this may not be the best method for preparing this report and a change is needed. In the future, the SEFA will be prepared by the Financial Services Director with information submitted by each of the grant managers. This consolidated preparation should assist in eliminating the errors which occurred in 2014.</p>

Reference Number	Finding
2014-009	<p>Program Name - Health Centers Cluster - Consolidated Health Centers, CFDA #93.224</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Significant deficiency</p> <p>Criteria - 42 USC 254b(k)(3)(G)(i) requires the County to prepare a schedule of fees or payments for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation and a corresponding schedule of discounts to be applied to the payment of such fees or payments on the basis of the patient's ability to pay.</p> <p>Condition - While the County has prepared a schedule of fees or payments and a corresponding schedule of discounts based on patient income and family size, documentation of the resulting discount category for certain patients tested was not consistent with the supporting paperwork.</p> <p>Questioned Costs - N/A</p>

Ingham County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2014

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2014-009 (Continued)	<p>Context - A patient fills out a registration form, which includes family size and income. The County verifies this information based on the County policy of what should be considered income and determination of family size and writes the category from the County's schedule under which the patient should be classified. The County then enters the income and family size information into the system, which generates under which category the patient is classified based on the approved schedule. Eight out of 40 patients tested did not have any category selected in the patient's hardcopy registration forms, although the category was entered into the system. In one of the eight cases, the category entered into the system was not consistent with the supporting documents. This resulted in the patient receiving a lower discount.</p> <p>Cause and Effect - Internal control procedures did not operate effectively to ensure that the income documentation was accurately entered into the system or that the correct category was selected for each patient. As a result, the documentation for some patients was not consistent between the hardcopy registration form and the computer system. If incorrect information is entered into the system, there is a risk that the discounts applied to the patient would be incorrect.</p> <p>Recommendation - The County should ensure adequate internal control processes exist to ensure patient information is accurately entered into the computer system based on the registration forms.</p> <p>Views of Responsible Officials and Planned Corrective Actions - During 2014, the County Health Department implemented new procedures and conducted training on the proper documentation for the fee calculation. These procedures and training did not occur until later in the year. The cases noted by the auditors occurred before these new procedures were in place. The County believes that these new procedures and additional training will ensure that this will not be an issue in future years.</p>

Ingham County, Michigan

Summary Schedule of Prior Audit Findings Year Ended December 31, 2014

Prior Year Finding Number	Federal Program	Original Finding Description	Status	Planned Corrective Action
2013-007	Neighborhood Stabilization Program - CFDA #14.218	Expenditures incurred should be reported in the correct reporting period and at the correct amounts on the schedule of expenditures of federal awards (SEFA).	As of December 31, 2014, this is a repeat finding	See current year Finding 2014-008 for planned corrective action
2013-008	Health Centers Cluster - Consolidated Health Clusters - CFDA #93.224	Documentation of the discount category for certain patients tested was not consistent with the supporting paperwork.	As of December 31, 2014, this is a repeat finding	See current year Finding 2014-009 for planned corrective action

July 14, 2015

Federal Audit Clearinghouse
RE: Ingham County
Corrective Action Plan
Fiscal Year Ended December 31, 2014

Finding Number: 2014-008

Condition: SEFA adjustment was needed in the amount of approximately \$1,400,500.

Corrective Action Plan: As detailed in our response in the audit report, the County will be changing the method it uses to prepare the SEFA.

Responsible Individual: Jill Rhode, Director of Financial Services

Date by which the Corrective Action Will Be Implemented: January 2016 when the 2015 SEFA is prepared.

Finding Number: 2014-009

Condition: Incorrect income documentation entered into system or incorrect category selected for patient.

Corrective Action Plan: Training and re-training of staff was implemented as soon as the deficiency was recognized. A review process was implemented late in the fiscal year to ensure that the training is being followed. As noted in our response in the single audit, the instances found by the auditors occurred prior to implementation of the new procedures and training.

Responsible Individual: Linda Vail, Health Officer

Date by which the Corrective Action Will Be Implemented: The review process component was implemented on September 2nd, 2014.

Sincerely,

Jill E. Rhode
Director of Financial Services