

MACOMB COUNTY, MICHIGAN

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2009**

**Issued by the Department of Finance
Gilbert J. Chang, Finance Director**

MACOMB COUNTY, MICHIGAN

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FINANCE DEPARTMENT

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Mount Clemens, Michigan 48043
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June 30, 2010

Gilbert J. Chang
Finance Director

John H. Foster
Assistant Finance Director

Robert Grzanka, C.P.A.
Internal Audit Manager

Stephen L. Smigiel, C.P.A.
Accounting Manager

To the Citizens of Macomb County

The Comprehensive Annual Financial Report (CAFR) of Macomb County, Michigan for the fiscal year ended December 31, 2009 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

State law requires that all general purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of Macomb 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 presentations, County management has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive 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.

Macomb County's financial statements have been audited by Rehmann Robson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2009 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.

MACOMB COUNTY BOARD OF COMMISSIONERS

Andrey Duzyj - District 1
Marvin E. Sauger - District 2
Phillip A. DiMaria - District 3
Toni Mocerri - District 4
Susan L. Doherty - District 5

Sue Rocca - District 7
David Flynn - District 8
Robert Mijac - District 9
Ken Lampar - District 10
Ed Szczepanski - District 11

James L. Carabelli - District 12
Don Brown - District 13
Brian Brdak - District 14
Keith Rengert - District 15
Carey Torrice - District 16

Paul Gielegem
District 19
Chairman

Ed Bruley - District 17
Dana Camphous-Peterson - District 18
Irene M. Kepler - District 21
Frank Accavitti Jr. - District 22

Kathy Tocco
District 20
Vice Chair

Joan Flynn
District 6
Sergeant-At-Arms

William A. Crouchman - District 23
Michael A. Boyle - District 24
Kathy D. Vosburg - District 25
Jeffery S. Sprys - District 26

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

The Fiscal Year 2009 Comprehensive Annual Financial Report is issued pursuant to the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Readers of our 2009 Comprehensive Annual Financial Report will notice two statements, entitled Statement of Net Assets and Statement of Activities. These statements will provide readers with the financial position of Macomb County viewed as a single entity. The GASB statements also require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Macomb County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF MACOMB COUNTY

Macomb County is located in Southeastern Michigan and comprises the northeastern portion of the Detroit Metropolitan Area. The County encompasses 482 square miles, and ranks third in both population and State Equalized Value of all 83 counties in the state. According to the 2000 census, there are 788,149 persons living within 27 municipalities in Macomb County including three of the largest communities in Southeast Michigan: the City of Warren (2nd), the City of Sterling Heights (3rd) and Clinton Township (7th). The cities of Warren and Sterling Heights enjoy the third and fourth highest populations of all cities in the State of Michigan, following only Detroit and Grand Rapids. The County seat is located in the City of Mount Clemens.

Macomb County's governmental structure is defined by the State Constitution and the general laws of the State of Michigan. The County's legislative body, and its administrative body for most functions, is the County Board of Commissioners. Currently, there are twenty-six commissioners elected by direct vote from single-member districts with two year terms.

The Treasurer, Clerk/Register of Deeds, Prosecutor, and Sheriff are offices established by the State's constitution. A Public Works Commissioner was established as an elected position in 1909 and currently operates under Public Act 40 of 1956, the Uniform Drain Code. The above offices are countywide elected with four-year terms. The Treasurer is responsible for collection of delinquent property taxes, property tax settlements with local units of government, cash management and investments. The Clerk/Register of Deeds is responsible for recording vital statistics administering elections, maintaining court records, Board of Commissioner proceedings, and documents affecting property ownership. The Sheriff and Prosecutor are responsible for law enforcement. The Public Works Commissioner is responsible for construction and maintenance of drains, lake level control and sewer interceptors.

The Macomb County Courts consist of the Sixteenth Circuit (including Family Court), Probate and 42nd District Court Divisions I and II. The Circuit Court has jurisdiction over criminal cases where the minimum penalty is over one year incarceration, civil damage cases where the controversy exceeds \$25,000, and domestic relation matters. The Macomb County Probate Court consists of two divisions: Wills and Estates and Mental.

The Wills and Estates Division administers estates for deceased persons and appoints guardians for minors and legally incapacitated adults. The Mental Division accepts petitions and holds hearings on the hospitalization of individuals who are in need of mental health services and appoints guardians when necessary. The 42nd District Court has jurisdiction over misdemeanors, ordinance and charter violations, civil cases under \$25,000, and preliminary examinations in felony cases.

A consideration in preparing the CAFR for the County was the identification of the reporting entity. Various potential component units were evaluated to determine whether they should be reported in the County's CAFR. A component unit was considered to be part of the County's reporting entity when it was concluded that the County was financially accountable for the entity or the nature and significance of the relationship between the County and the entity was such that exclusion would cause the County's financial statements to be misleading or incomplete.

This Comprehensive Annual Financial Report includes all the funds of the County and the funds of the Macomb/St. Clair Workforce Development Board (Michigan Works!), the Martha T. Berry Medical Care Facility, the Macomb County Parks and Recreation Commission, the Macomb County Library Board, the Macomb County Human Services Board, the Macomb County Public Works Commission, the Macomb County Community Mental Health Board, the Macomb County Employees Retirement System, the Macomb County Retiree Health Care Board, the Macomb County Building Authority, the Macomb County Criminal Justice Building Authority and the Macomb County Road Commission. Not included are the funds of Macomb Community College and Macomb Intermediate School District as well as various cities, townships, villages and local school districts which have not met the established criteria for inclusion in the reporting entity and accordingly are excluded from this report.

The Building Authorities have been combined with the financial statements of the County in accordance with the Statement on Michigan Governmental Accounting and Auditing No.2-Accounting and Financial Disclosures of Building Authorities-as issued by the State Treasurer.

ECONOMIC CONDITION

As demonstrated by the financial statements and schedules included in this report, the County has not escaped the national trend of decreasing real estate values. The assessed value of the taxable property for 2009 was approximately \$31.1 billion, a decrease from the prior year of \$894 million, or 2.7 percent. This recent phenomenon is a reversal from recent trends which saw the taxable value of property located in Macomb County increase by an average of 4.6% per annum over the last ten years.

Macomb County is located within five hundred miles of one half of the United States' population and a major portion of the Canadian market. The County is linked to these important areas by an extensive transportation network consisting of highways, rail, and air. In addition, the County's eastern boundary borders Lake St. Clair which links Lakes Huron and Erie giving the County direct access to the world's busiest international waterway. Macomb County is the location of choice for manufacturers because of an abundance of industrial land ready for development, a highly skilled labor force, a strong local economy and local government support for County wide economic expansion.

There are more than 1,800 manufacturing businesses located in Macomb County, including major facilities of each of the Detroit Three automotive companies including the General Motors Technical Center. The Tech Center is home to 16,000 GM engineers, designers and technicians and has been the center of the company's engineering effort for 50 years. Macomb is the only county in the nation with two Chrysler assembly plants - and also the only county with two Chrysler stamping plants. At two million square feet, Chrysler's Sterling Heights Stamping Plant is the largest of all of its stamping operations. In addition, more than 40 Fortune 100 companies have facilities in Macomb County.

Macomb County contains approximately 22,000 acres of industrial and institutional land. The County is well positioned for more growth due to the fact that its land is only 50 percent developed. It is significant to note that Macomb County already has sufficient sewer and water capacity to serve the undeveloped balance of the County. The combination of these factors makes Macomb County a strategic location for manufacturing facilities in the Midwest. New and ongoing construction of full service industrial parks, manufacturing plants, office centers, research and development facilities, retail centers and residential construction continue to expand the existing economic base.

People are one of the County's richest resources. From college degrees, to high tech training, to practical experience, Macomb's work force of over 412,000 has it all. Macomb County continues to be a major manufacturing center, however the County experienced a major shift in employment during the decade of the 1990's as it diversified its employment base away from manufacturing to the service sector. The percentage of total County jobs in the manufacturing sector decreased from 35% in 1980 to 23% in 2005. Adding definition to Macomb's robust and diverse work force is an agricultural heritage most evident in the northern portions of the County, where second and third generation farmers maximize nature's wealth.

There has been substantial industrial development in the County over the past thirty years. A mile wide industrial corridor 12 miles long, located between Mound and Van Dyke Roads, comprises large industrial establishments including General Motors Technical Center, Chrysler Corporation's Warren Truck Assembly Plant, Sterling Heights Stamping Plant, Sterling Heights Assembly Plant and the paint and vinyl plants of Ford Motor Company, as well as the Detroit News and Detroit Free Press Sterling Heights printing plant and General Dynamics Land Systems, which designs, manufactures and supports armored weapons systems and electronic products for the U.S. Army.

Electrical service is provided by the Detroit Edison Company. Consumers Energy Company and the Southeast Michigan Gas Company supply natural gas. All three utilities have the capacity to supply large industrial customers. AT&T provides telephone service.

Municipal water and sanitary sewer service is available in Macomb County's urbanized areas. Large tracts of vacant industrial and commercial land have access to these services.

There are over 2,988 retail trade establishments conveniently located throughout Macomb County offering the consumer a full range of products and services.

Several large shopping malls are located in the County including the Mall at Partridge Creek located in Clinton Township and Lakeside Shopping Center located in the City of Sterling Heights. Lakeside Mall opened in 1976. It is the area's largest shopping mall and employs approximately 2,200 people. This multi-level, enclosed, climate-controlled regional mall is located on 545 acres and has 51 acres of lakes, parking lots for 8,000 vehicles and 1,485,000 square feet of gross leasable space. The major stores in the mall are Macy's (206,000 square feet), J.C. Penney (215,000 square feet), Sears (312,000 square feet) and Lord & Taylor (160,000 square feet). There are approximately 180 other mall stores, specialty shops, restaurants and other retail spaces in the mall. The Mall at Partridge Creek, a 640,000 square foot open-air shopping mall, opened in 2007. Department store chains Nordstrom and Parisian serve as anchor stores. In addition, the mall features over 90 shops and restaurants. The mall features a 14-screen movie theater, heated sidewalks, two bocce courts, an outdoor play area, plus a fireplace in the center court. Customers are also allowed to bring their dogs into the shopping center. "Comfort Stations" with water and sanitation supplies are available for dogs. Parking is available for 3,250 automobiles.

Higher education is available to County residents at Macomb Community College, Baker College and Davenport University.

Macomb Community College, (MCC) has multiple locations throughout the County that offer nearly 200 options for degrees and certificates as well as continuing education courses, counseling, cultural activities and community services to a current enrollment of over 43,000 students. The College operates the 1,200 seat Macomb Center for the Performing Arts, which is one of the finest facilities of its kind in the State of Michigan. The Center brings a diversity of cultural arts experiences to nearly 260,000 annually. MCC is accredited by eleven state, national and occupational associations, including the North Central Association. The University Partnership Program is a unique arrangement that is offered in partnership with four-year colleges and universities providing Macomb County residents increased access to advanced education through a mix of bachelor and master degree programs. The Degree Partnership Program is an alternative to "going away" to college or attending a distant university extension center. Courses are taught by faculty from partnership colleges and universities including: Central Michigan University, Ferris State University, Lawrence Technological University, Oakland University, Rochester College, University of Detroit Mercy, Walsh College and Wayne State University. Nearly 40 bachelor's degree completion and master's degree programs are offered.

Baker College of Clinton Township, located in a quiet residential setting, sits on 42 centrally located acres with easy access from I-94 and I-696. Approximately 5,200 students enjoy a large variety of academic programs including specialty offerings in elementary and secondary teacher preparation, nursing, radiology, surgical, veterinary and computer technology programs. Baker College is accredited by The Higher Learning Commission of the North Central Association. The Baker Center for Graduate Studies is also accredited by the International Assembly of Collegiate Business Education.

The Macomb Intermediate School District (MISD) serves 21 public school districts in Macomb County. There are over 138,000 K-12 students enrolled in Macomb County's local school district and center based schools. MISD provides services to the staff, students and parents of 145 elementary schools, 32 Middle Schools and 25 High Schools throughout the County. 18,000 students receive special education services. In addition to the standard curriculum, direct services for special education students are provided through three schools for the handicapped, a nursing home, the Macomb Regional Center, a special education work activities program, programs for the severely emotionally impaired, and the Continuing Education for Youth Program. Macomb County's public schools also provide a variety of vocational and job training programs through its high schools and vocational skill centers.

The International Academy of Macomb, a public, tuition-free, high school for students from 18 Macomb County School districts is in its third year. The Academy, operated through the Macomb Intermediate School District, is located on the campus of Chippewa Valley High School in Clinton Township. It started out with 125 ninth grade students and will add a grade every year until reaching a capacity of 500 students in 2011. The academy is designed to provide a blend of rigorous academic standards, practical career-related experiences and intercultural learning opportunities focused on a challenging curriculum.

Macomb County residents are also served by a number of other institutions located outside of the County. These include Lawrence Technological University, Oakland University, University of Detroit/Mercy, University of Michigan-Dearborn, Wayne State University, Rochester College and Walsh College.

Six general hospitals with a capacity of over 1,400 beds serve the area. There are also several special care facilities and private nursing homes within the County.

A full range of family living quarters is available in Macomb County including residential facilities in modern urbanized areas, rural settings, historic villages and scenic waterfront sites along numerous inland lakes and the shoreline of beautiful Lake St. Clair. There is a wide range of affordable housing throughout Macomb County. The median value of an owner-occupied housing unit in 2009 was \$154,233. The vast majority of Macomb County's housing (76 percent) is owner occupied, ranking it among the highest in the nation.

There are 9,349 acres of land in Macomb County devoted to outdoor recreation including picnic sites, fishing, swimming, boating facilities and hiking.

Approximately thirty miles of shoreline along Lake St. Clair provide access to fun and sports on the waters of the Great Lakes. Public and private marinas provide docking facilities for more than 9,000 boats, ranking Macomb County first in the State of Michigan in the number of boat slips available at its marinas.

Several highways and thoroughfares traverse Macomb County providing regional and statewide continuity for movement of people, goods and services. Interstate 94 runs along the eastern border of the County and continues across southern Michigan to Chicago. Interstate 696 crosses the southern portion of the County providing a vital link between I-94 and I-75. M-53 helps provide an important link to the "Thumb Area" of the State. M-59 provides an East-West link between I-94 and I-75 across the County's midsection, paralleling I-696, which is, located nine miles to the south.

Macomb County has nearly 70 miles of main line railroad tracks owned by two companies, CONRAIL and Grand Trunk Western Railroad. CONRAIL operates a service line along the western portion of the County serving the area's primary industrial corridor. This area is commonly referred to as the "Golden Mile" because of its large concentration of major industrial facilities. The Grand Trunk Western line serves the eastern portion of the County and connects Detroit-Windsor to the Port Huron-Sarnia area.

MAJOR INITIATIVES

Defense contracting giant General Dynamics has been awarded a \$430 million, five-year deal for its Sterling Heights based land systems division to provide manufacturing and engineering services to metro Detroit's Army Tank Automotive Research, Development and Engineering Center (TARDEC).

General Dynamics Land Systems provides support for the Army's vehicle programs, including Stryker Medical Emergency Vehicle, which was developed and constructed in Sterling Heights. The Stryker has an integrated armor package that protects soldiers against improvised explosive devices, rocket propelled grenades and a variety of infantry weapons. Congress this year appropriated \$312 million for the Stryker, which helps employ more than 2,500 people in Michigan.

Ford Motor Company has announced that they will invest \$125 million and create 130 jobs at the Sterling Heights Transmission Plant on Van Dyke and 18 Mile Road. The plant will make the next generation of transmissions for gas/electric hybrids.

Chrysler Group LLC has finalized a \$20 million agreement to purchase the Sterling Heights Assembly Plant, a deal expected to preserve approximately 1,200 jobs. Chrysler had been leasing the plant from Oldco, a holding company it left behind in bankruptcy court.

A \$69 million construction project and 1,200 new jobs will further solidify a U.S. Army complex in Macomb County as a hub of military manufacturing. The project will include a new 230,000 square-foot administration building, a 584,000 square-foot parking deck and renovations and expansion to the weapons maintenance and operations center. The new eight story Tank Automotive Command (TACOM) administration building will accommodate jobs transferring from the Rock Island Armory, a TACOM facility in Illinois, as part of the 2005 Base Realignment and Closure Commission process. Approximately 20 to 30 percent of workers at Rock Island have agreed to transfer to TACOM, at Il Mile Road and Mound in Warren. Approximately 50 robotics positions will be transferred from the Redstone Arsenal in Alabama. That leaves hundreds of jobs to be filled locally. Most of the positions will be logisticians and specialties including engineering, finance, acquisition and management. The 1,800 vehicle parking deck is needed due to limited available space on the 360-acre Detroit Arsenal grounds. With 5,200 current employees, TACOM is the third-largest employer in Macomb County.

Macomb County Community College (MCC) and Michigan State University held a grand opening ceremony for the MSU College of Osteopathic Medicine at MCC's University Center in Clinton Township. Students will be able to complete their entire two years of preclinical work at the Clinton Township location, before continuing their education at numerous hospitals in southeast Michigan, including several located in Macomb County. With the addition of the College of Osteopathic Medicine, MCC can now offer student opportunities to enter the health care profession from entry-level positions up to and including becoming a physician. According to James Jacobs, the MCC president, Macomb is the only community college in the nation to able to offer that option..

Selfridge Air National Guard Base in Harrison Township is in line to receive \$15.6 million in Pentagon funding. The 127th Fighter Wing's switch from F-16 jet fighters to A-10 Thunderbolts prompted Senate appropriations for an \$8.5 million maintenance and repair facility and \$7.1 million to modernize a building for training the A-10 squadron.

The Southeast Michigan Council of Governments (SEMCOG) reported that Macomb County had the highest number of net new housing units in the seven- county region during 2009. However, the 214 net new housing units reflected the current housing slump in the region by showing a decrease of 31% below the 309 units reported for 2008.

The Southeast Michigan Council of Governments also reported that Macomb County added the most people (39,835) and the most households (12,992) of any county in southeast Michigan between the 2000 U.S. Census and December 2009. Macomb Township exceeded all other Southeastern Michigan communities in both population and household gain with an increase of 31,500 persons and 9,800 households since the 2000 census.

Macomb County's annual unemployment rate for 2009 of 15.7 percent was slightly higher than the Michigan unemployment rate of 13.6 percent. The National unemployment rate was 9.3 percent.

FINANCIAL INFORMATION

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

Budgeting Controls. The County maintains budgetary controls that are designed to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Macomb County Board of Commissioners. Activities of the general fund and special revenue funds are included in the annual county budget. Project length financial plans are adopted for the capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control on a line item basis.

Pension Trust Fund. The County has a Defined Benefit Pension Plan referred to as the Macomb County Employee's Retirement System (MCERS). It is worthy to note that MCERS is fully funded. The annual actuarial valuation continues to reflect a positive trend in the funding of the MCERS. A detailed discussion of the performance of Macomb County's pension plan can be found in the notes to the financial statements.

Health Care Trust Fund. The County began to pre-fund Retiree Health Care benefits through the establishment of a trust for that purpose in 1997. The trust held funds in excess of \$98 million at year-end. These funds are restricted for future payment of Retiree Health Care expenses. The County's long term goal is to fully fund its Retiree Health Care liability.

Debt Administration. Macomb County has received the highest possible credit rating of AAA from Standard & Poor's. Only two other counties of 83 in Michigan and 66 other counties of 3,068 in the nation enjoy this distinction. Moody's Investor Service rated the County as Aa1. A detailed discussion of Macomb County's long-term debt can be found in the MD&A as well as the notes to the financial statements.

Cash Management. Cash temporarily idle during the year was invested by the County Treasurer. Investments, except those of the Pension and Health Care Trust Funds and the Deferred Compensation Plan, are administered by the Treasurer in compliance with the provisions of Public Act 20 of 1943 as amended. Significant policies include:

- Investments of the County are held in the County's name
- Investments are in U.S. Treasury obligations, banker's acceptances, certificates of deposit, and commercial paper top rated by not less than two of the four rating services: Standard and Poors, Moody's Investors Service, Fitch Investors Services and Duff and Phelps.
- Only federal and state-chartered banks and savings institutions, which are members of FDIC, are utilized.
- State law requires the use of in-state banks.

The County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Additional data related to investments is listed in the notes to the financial statements. The County's investment policy is reviewed periodically by the Board of Commissioners.

Risk Management. All County agencies and departments except the Martha T. Berry Medical Care Facility are self insured for losses of a General Liability nature up to \$500,000 per claim. The Martha T. Berry Medical Care Facility is self insured for General Liability and Medical Malpractice. The County is a defendant in various lawsuits in which plaintiffs seek damages of an indeterminable amount. The General Liability Internal Service Fund has been established to account for the self-insured aspects of this program. The Risk Management and Contingencies and Commitments notes to the basic financial statements contain additional information concerning risk management. The Statistical Section of the CAFR includes a complete schedule of insurance coverage maintained by the County.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Macomb County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. Macomb County has received a Certificate of Achievement for the last twenty four consecutive years. We believe that our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for consideration.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contribution made in the preparation of this report.

In closing, I would also like to thank the Macomb County Board of Commissioners for the leadership they have shown during the past year in supporting the operations of the County.

Sincerely,


Gilbert J. Chang
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Macomb County
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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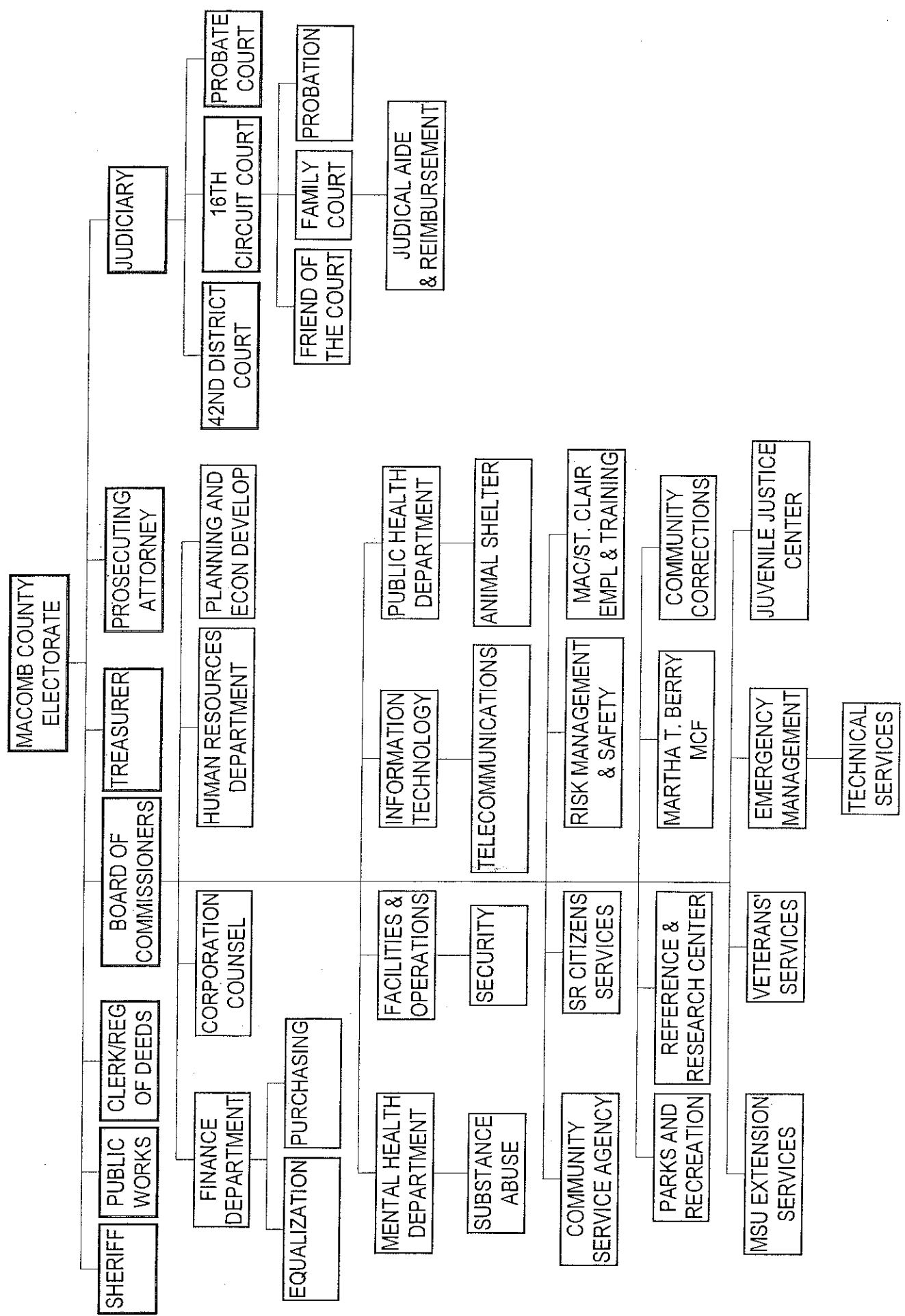
A stylized, handwritten signature in black ink, appearing to be "JRE".

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

MACOMB COUNTY ORGANIZATION CHART



MACOMB COUNTY, MICHIGAN

Principal Officials

Officers of the Board of Commissioners

Chairman	Paul Gieleghem
Vice-Chairperson	Kathy Tocco
Sergeant-at-Arms	Joan Flynn
Clerk	Carmella Sabaugh
Corporation Counsel	George E. Brumbaugh

List of the Board of Commissioners

Andrey Duzyj, District 1	Brian Brdak, District 14
Marvin E. Sauger, District 2	Keith Rengert, District 15
Phillip A. DiMaria, District 3	Carey Torrice, District 16
Toni Mocerri, District 4	Ed Bruley, District 17
Susan L Doherty, District 5	Dana Camphous-Peterson, District 18
Joan Flynn, District 6	Paul Gieleghem, District 19
Sue Rocca, District 7	Kathy Tocco, District 20
David Flynn, District 8	Irene M. Kepler, District 21
Robert Mijac, District 9	Frank Accavitti Jr., District 22
Ken Lampar, District 10	William A. Crouchman, District 23
Ed Szczepanski, District 11	Michael A. Boyle, District 24
James L. Carabelli, District 12	Kathy D. Vosburg, District 25
Don Brown, District 13	Jeffery S. Sprys, District 26

Elected County Officials

Prosecuting Attorney	Eric Smith
Sheriff	Mark A. Hackel
County Clerk / Register of Deeds	Carmella Sabaugh
Treasurer	Ted B. Wahby
Public Works Commissioner	Anthony V. Marrocco

County Department Heads

Finance Director	Gilbert J. Chang
Emergency Management & Communications Acting Director	Vicki Wolber
Facilities & Operations Director	Lynn M. Arnott-Bryks
Director / Health Officer	Steven Gold
Management Information Service Director	Cynthia N. Zerkowksi
Acting Human Resources Director	Eric A. Herppich
Planning & Economic Development Executive Director	Stephen Cassin
Risk Management & Safety Director	John P. Anderson
Community Services Agency Director	Frank T. Taylor
County Library Asst. Director	Sandy Casamer
Senior Citizens Services Director	Angela Willis

INDEPENDENT AUDITORS' REPORT

June 30, 2010

To the Board of Commissioners
of Macomb County
Mount Clemens, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **MACOMB COUNTY, MICHIGAN** as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Macomb County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Macomb County Road Commission, which represents 69.0% of the assets and 41.5% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Macomb County Road Commission, is based solely on the reports of the other auditors.

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


In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Macomb County, Michigan**, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2010, on our consideration of *Macomb County, Michigan's* internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or our compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages A-3 through A-20, the budgetary comparisons for the General Fund and Major Special Revenue Funds on pages C-1 through C-10, the employees' retirement system information on page C-11 and the retiree health care plan information on pages C-12 and C-13 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

As discussed in Note 14 to the financial statements, the beginning net assets of governmental activities and capital assets, net, were both increased by \$20,800,998 and decreased by the same amount in the Martha T Berry Medical Care Facility enterprise fund to reflect certain capital assets being accounted for in the incorrect fund in prior years. Also, as discussed in Note 14 to the financial statements, the beginning net assets of the Drainage Districts component unit and capital assets, net, were both increased by \$2,584,084 to reflect the addition of capital assets in the prior year that had erroneously been expensed. In addition, the beginning net assets of the Drainage Districts component unit were increased by \$105,495,000 and deferred revenue was decreased by the same amount to account for special assessments that had been earned on a full accrual basis in prior years.



MACOMB COUNTY, MICHIGAN
Management's Discussion and Analysis
Required Supplemental Information

As management of the County, we offer this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2009. Readers are encouraged to read it in conjunction with the letter of transmittal, which is located at the beginning of this report, and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- When the County began preparing the 2009 budget, it was facing a General Fund deficit of approximately \$33.0 million. Several actions took place during the year that impacted the projected deficit. The County settled virtually all of its labor contracts in the first quarter of 2009, which resulted in significant wage and benefit concessions estimated to save approximately \$20.0 million over the course of 2009 and 2010. The concessions include a wage freeze, furlough days, increased health care co-pays and deductibles and changes in the County's defined benefit pension plan. In addition, the Board of Commissioners voted in May 2009 to increase the property tax rate for the first time in 27 years. This vote raised the millage rate from 4.2 mills to maximum rate of 4.5685 mills authorized by the voters and generated an additional \$11.4 million in revenue in 2009. However, property values declined 2.7% in 2009, thereby offsetting the increase generated by the additional millage by approximately \$4.9 million. Further actions taken by the Board of Commissioners to address the deficit included closing the Freedom Hill Park, employee layoffs, enacting a 20-week hiring delay, and reducing the General Fund subsidy to the Martha T. Berry Medical Care Facility by \$1.0 million. The County also entered into an agreement with Wayne State University that allows Wayne State to assume day to day operations of the Macomb County Research and Reference Center, thereby reducing the General Fund subsidy by \$0.5 million in 2009. In addition, a separate millage to fund the Veteran's Affairs Department was passed by the voters in November 2008, thereby reducing General Fund expenditures by an additional \$0.5 million.
- The assets of the County exceeded its liabilities by \$264.2 million at year- end.
- The net assets of the County decreased by \$29.6 million in fiscal 2009, consisting primarily of a \$27.5 million charge to governmental activities for the difference between the actual and required employer contributions to the Retiree Health Care Fund, as required by GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions".
- The General Fund reported a surplus of \$8.1 million for the year, versus a loss of \$7.3 million the prior year. The surplus was a result of the actions taken by the Board of Commissioners outlined above. Unreserved fund balance was \$40.2 million, or 8.6% of the total 2010 County operating budget. Total fund balance was \$40.5 million. The \$0.3 million difference is reserved for advances to other funds.
- The County's bond rating is AAA with Standard & Poors and Aa1 with Moody's Investor Service.

MACOMB COUNTY, MICHIGAN
Management's Discussion and Analysis
Required Supplemental Information

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements: 1) government-wide financial statements, which focus on the County as a whole, 2) fund financial statements, which provide a more detailed view of the County's major funds and 3) notes to the financial statements, which provide additional information that is essential to gain a full understanding of the data presented in the financial statements.

Government-wide financial statements consist of the *Statement of Net Assets* and the *Statement of Activities* which provide readers with a broad overview of the activities of the County as a whole. One of the more important questions citizens and other readers of the financial statements often ask is "Is the County as a whole better or worse off this year than it was a year ago?" In other words, did the financial condition of the County improve or decline over the course of the past year. The government-wide statements report information in a manner that is intended to help answer these questions.

The government-wide statements are prepared using the full accrual basis of accounting, which is similar to that employed by businesses in the private sector.

The *Statement of Net Assets* presents information on all of the assets and liabilities of the County, with the difference between the two reported as *net assets*. Net assets can be thought of as one way of measuring the financial strength of the County. Increases or decreases in net assets over time may serve as a useful indicator of whether the financial condition of the County is improving or deteriorating.

Non-financial factors such as changes in the property tax base, population and condition of County infrastructure must also be considered when assessing the financial condition of the County.

The *Statement of Activities* presents information showing how the net assets of the County have changed over the course of the most recent fiscal year. All changes in net assets are recognized as soon as the underlying transactions take place, regardless of the timing of the related cash flows. As a result, certain revenues and expenses reported in these statements are related to items that will only result in cash flows in future years. Examples of such items are uncollected property taxes and earned but unused sick and vacation leave.

The government-wide financial statements segregate the activities of the County into three categories: 1) governmental activities, business-type activities and discretely presented component units. The basic services of the County are classified as **governmental activities** and are financed primarily through property taxes, user fees and intergovernmental revenues. Functions reported in this category include general government, legislative, health and welfare, public safety and judicial. **Business-type activities** operate like private businesses and are intended to recover the majority of their costs through user fees. The business-type activities of the County include the Delinquent Tax Revolving Funds, Martha T. Berry Medical Care Facility, Community Mental Health and the Freedom Hill Park. **Discretely presented component units** are legally separate entities, the majority of whose governing bodies are appointed by the Board of Commissioners and for which the County is financially accountable. The County reports the Road Commission, Macomb/St. Clair Workforce Development Board and Public Works Drainage Districts as discretely presented component units.

MACOMB COUNTY, MICHIGAN
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The government-wide financial statements begin on page B-1 of this report.

Fund financial statements are separate groupings of related accounts that are used to maintain control over resources that have been segregated for specific purposes. Each fund of the County is considered a separate accounting entity for which a self-balancing set of accounts is maintained. Certain funds are established in accordance with State law while others are required by bond or grant agreements or are established at the discretion of management to enable it to more easily manage and report on the activities of the many programs of the County. All the funds of the County can be divided into one of three categories: governmental, proprietary or fiduciary.

Governmental funds are used to account for most of the basic services provided by the County and report essentially the same functions as those reported as governmental activities in the government-wide financial statements. Governmental funds are accounted for using the *modified accrual* basis of accounting, which focuses on the short-term inflows and outflows of cash and other financial assets that can be readily converted into cash and the balances available for spending at year-end. Because the focus of the governmental fund financial statements is narrower in scope than that of the government-wide financial statements, reconciliations are provided in both the governmental fund balance sheet and operating statement to help the reader better understand the relationship between the two.

All of the governmental funds of the County are categorized as either major or nonmajor for presentation in the financial statements. The purpose of such segregation is to focus the attention of the reader on the more significant funds of the County. A fund is considered major if its assets, liabilities, revenues or expenditures meet or exceed certain percentage thresholds in relation to all governmental funds taken as whole. The thresholds used to determine a fund's status as major or non-major are set forth in GASB Statement No. 34.

Information regarding major funds is presented separately in the basic financial statements while data for all nonmajor funds is combined into a single, aggregated presentation. The General Fund, Revenue Sharing Reserve Fund, Child Care Fund and the Friend of the Court Fund are the only major governmental funds of the County. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds are classified as either enterprise funds or internal service funds and are accounted for using the full accrual basis of accounting. *Enterprise funds* are used to report the same functions as those presented as business-type activities in the government-wide financial statements and include the Delinquent Tax Revolving Fund, Community Mental Health Fund, Freedom Hill Park Fund and the Martha T. Berry Medical Care Facility Fund. *Internal service funds*, on the other hand, are used to centrally account for services provided to other County departments and include phone services, fleet management, copier replacement, workers' compensation insurance, general liability insurance, compensated absences and employee fringe benefits. Because the internal service funds predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. Data regarding the internal service funds has been combined into a single, aggregated presentation in the basic financial statements. Information regarding the individual internal service funds is provided in the form of combining statements elsewhere in this report. The proprietary fund financial statements begin on page B-8 of this report.

MACOMB COUNTY, MICHIGAN
Management's Discussion and Analysis
Required Supplemental Information

Fiduciary funds are used to account for resources held by the County on behalf of others, including those of the Employee Retirement System and the Retiree Health Care Trust as well as other agency monies such as state education tax collections from local units of government. The activities of the fiduciary funds are presented separately in this report but are not reflected in the government-wide financial statements because the resources of those funds are not available to support the operations of the County. Fiduciary funds are accounted for using the full accrual basis of accounting. The fiduciary fund financial statements begin on page B-14 of this report.

Notes to the Financial Statements provide additional information that is essential to gain a full understanding of the data presented in both the government-wide and fund financial statements and begin on page B-19 of this report.

Other Required Supplementary Information is presented following the notes to the financial statements and includes schedules regarding the progress of the County in funding its pension and retiree health care obligations and a budget to actual comparison for the major governmental funds of the County. Other Required supplementary information begins on page C-1 of this report.

Combining and individual funds statements of the nonmajor funds of the County are presented immediately following the required supplementary information and begin on page D-1 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The financial analysis of the County as a whole focuses on the net assets and changes in net assets of the governmental and business-type activities of the County. As noted earlier, net assets and changes in net assets may serve as one indicator of the financial health of the County. The assets of the County exceeded its liabilities by \$264.2 million at December 31, 2009 and decreased by approximately \$29.6 million for the year then ended. (see page A-7)

Macomb County Primary Government Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	2008	2009	2008	2009	2008	2009
Current and other assets	\$ 184,948,323	\$ 182,014,628	\$ 121,971,533	\$ 133,585,461	\$ 306,919,856	\$ 315,600,089
Capital assets (1)	181,874,791	173,485,642	1,479,528	1,460,032	183,354,319	174,945,674
Total assets	366,823,114	355,500,270	123,451,061	135,045,493	490,274,175	490,545,763
Current liabilities	13,776,018	16,555,340	20,255,545	23,006,933	34,031,563	39,562,273
Long-term liabilities	162,516,072	186,806,999	-	-	162,516,072	186,806,999
Total liabilities	176,292,090	203,362,339	20,255,545	23,006,933	196,547,635	226,369,272
Net assets						
Invested in capital assets, net of related debt (1)	137,857,249	113,415,642	1,479,528	1,460,032	139,336,777	114,875,674
Restricted	80,961,728	68,686,090	8,267,419	10,220,810	89,229,147	78,906,900
Unrestricted	(28,287,953)	(29,963,801)	93,448,569	100,357,718	65,160,616	70,393,917
Total Net Assets	\$ 190,531,024	\$ 152,137,931	\$ 103,195,516	\$ 112,038,560	\$ 293,726,540	\$ 264,176,491

(1) - As restated. See Note 14.

MACOMB COUNTY, MICHIGAN
Management's Discussion and Analysis
Required Supplemental Information

Approximately \$114.9 million, or 43.4%, of the County's net assets represents its investment in capital assets, net of any outstanding debt used to acquire those assets. These assets are used by the County to provide services to the public; consequently, they are not available for future spending. Although the County's investment in its capital assets is reported net of any related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the assets themselves cannot be used to liquidate the outstanding debt obligations. Another \$79.1 million, or 29.9%, of the County's net assets represents resources that are subject to external restrictions regarding their use. Assets included in this category include bond proceeds that can only be utilized on the projects for which they were issued as well as cash and investments restricted for the repayment of outstanding debt. The remaining balance of the County's net assets is unrestricted and may be used to meet the County's ongoing obligations. Positive balances are reported in all three categories at December 31, 2009.

As indicated in the following schedule, the net assets of the County decreased by \$29.6 million for the year ended December 31, 2009. The components of this change were a decrease of \$38.4 million in governmental activities and an increase of \$8.8 million in business-type activities. The components of these changes are discussed in the following section.

Macomb County Primary Government Changes in Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2008	2009	2008	2009	2008	2009
Revenues						
Program revenue						
Charges for services	\$ 44,602,040	\$ 45,973,361	\$ 207,219,669	\$ 222,251,465	\$ 251,821,709	\$ 268,224,826
Operating grants and contributions	60,071,795	56,076,824	415,486	468,989	60,487,281	56,545,813
Capital grants and contributions	1,061,794	2,161,308	-	-	1,061,794	2,161,308
General revenue						
Property taxes	132,538,774	139,470,381	-	-	132,538,774	139,470,381
Intergovernmental revenues	801,556	2,365,592	-	-	801,556	2,365,592
Investment income	6,644,970	2,698,914	2,164,461	1,019,222	8,809,431	3,718,136
	<u>245,720,929</u>	<u>248,746,380</u>	<u>209,799,616</u>	<u>223,739,676</u>	<u>455,520,545</u>	<u>472,486,056</u>
Expenses						
Legislative	2,354,128	2,115,128	-	-	2,354,128	2,115,128
Judicial	39,842,837	38,342,444	-	-	39,842,837	38,342,444
General government	96,873,484	80,414,031	-	-	96,873,484	80,414,031
Public safety	76,263,642	75,880,452	-	-	76,263,642	75,880,452
Public works	873,494	1,850,591	-	-	873,494	1,850,591
Health and welfare	85,570,030	82,039,128	-	-	85,570,030	82,039,128
Recreation and culture	2,307,587	1,739,834	-	-	2,307,587	1,739,834
Interest and fees on long-term debt	3,479,303	2,848,677	-	-	3,479,303	2,848,677
Delinquent tax collections	-	-	1,219,328	2,538,257	1,219,328	2,538,257
Community Mental Health	-	-	178,395,149	188,614,994	178,395,149	188,614,994
Martha T. Berry Medical Care Facility	-	-	23,393,273	21,650,350	23,393,273	21,650,350
Freedom Hill Park	-	-	1,079,518	636,622	1,079,518	636,622
	<u>307,564,505</u>	<u>285,230,285</u>	<u>204,087,268</u>	<u>213,440,223</u>	<u>511,651,773</u>	<u>498,670,508</u>
Increase (decrease) in net assets before transfers	(61,843,576)	(36,483,905)	5,712,348	10,299,453	(56,131,228)	(26,184,452)
Net transfers	(1,486,219)	(1,909,188)	519,219	(1,456,409)	(967,000)	(3,365,597)
Increase (decrease) in net assets	(63,329,795)	(38,393,093)	6,231,567	8,843,044	(57,098,228)	(29,550,049)
Net assets, beginning of year (1)	<u>253,860,819</u>	<u>190,531,024</u>	<u>96,963,949</u>	<u>103,195,516</u>	<u>350,824,768</u>	<u>293,726,540</u>
Net assets, end of year	<u>\$ 190,531,024</u>	<u>\$ 152,137,931</u>	<u>\$ 103,195,516</u>	<u>\$ 112,038,560</u>	<u>\$ 293,726,540</u>	<u>\$ 264,176,491</u>

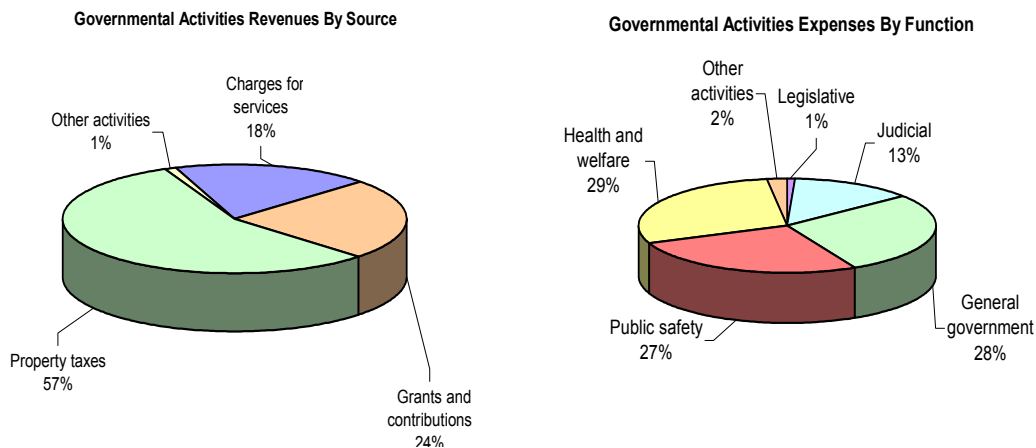
(1) - As restated. See Note 14.

MACOMB COUNTY, MICHIGAN
Management's Discussion and Analysis
Required Supplemental Information

Governmental activities. Key components of the \$38.4 million decrease in the net assets of the County's governmental activities in 2009 are as follows:

- Property tax revenue increased by \$6.9 million, which consists of a decrease of \$4.4 million attributable to decreases in the taxable values across the County and an \$11.3 million increase due to an 8.8% increase in the millage rate approved by the Board of Commissioners in May 2009.
- Intergovernmental revenues increased by \$1.6 million as a result of the State of Michigan restoring liquor tax distributions in 2009.
- Investment income decreased \$3.9 million as a result of significantly lower interest rates in 2009. Rates were below 1% much of the year.
- A \$27.5 million charge was made to General Government expenses to record the increase in the County's OPEB liability for retiree health care. This charge represents the amount by which the County's actuarially determined required contribution to the Retiree Health Trust Fund exceeded the actual contribution made by the County plus one year's interest on the liability as of December 31, 2009. See Note 9 for more information.
- Expenses across all functions decreased by \$22.3 million over the prior year, due primarily to a \$15.7 million reduction in the OPEB charge mentioned above. This reduction is the result of changes made to the vesting period in the retiree health care benefit offered by the County.

The components of the County's governmental revenues and expenses are presented below.



MACOMB COUNTY, MICHIGAN
Management's Discussion and Analysis
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Business-type activities. The net assets of the County's business-type activities increased approximately \$8.8 million during the year, the single largest component being a surplus of \$6.8 million in the Delinquent Tax Revolving Fund, due to the sluggish economy resulting in slower payment of delinquent property taxes, which in turn resulted in higher levels of penalties and interest on outstanding balances.

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR GOVERNMENTAL FUNDS

Governmental funds. As previously mentioned, the focus of governmental funds is to provide information on near-term inflows, outflows and remaining balances of spendable resources. Such information is useful in assessing the County's ability to meet its current financing requirements. The fund balance of governmental funds is segregated into one of three categories: reserved, designated and unreserved. Reserved fund balance represents that portion of the net assets that may only be spent for specific purposes and are not available for new spending. Examples of fund balance reserves include amounts required to pay debt service, bond proceeds that may only be spent on projects for which the bonds were issued and amounts required to meet long-term contractual commitments and encumbrances.

Fund balance designations are established to represent that portion of net assets that are intended to be spent for certain purposes and differ from fund balance reserves in that they can be redirected and used for new spending if necessary. Unreserved fund balance represents the portion of net assets that is available at year-end for new spending.

The combined ending fund balances of all governmental funds were \$131.9 million at December 31, 2009, a decrease of \$3.7 million over the prior year. The \$3.7 million decrease consists of a \$8.1 million increase in the General Fund, a \$15.3 million decrease in the Revenue Sharing Reserve Fund, a combined increase of \$0.7 million in the Special Revenue and Debt Service funds and an \$2.8 million increase in the Capital Projects funds.

General Fund - The General Fund is the primary operating fund of the County. All revenues and expenditures are recorded in the General Fund unless otherwise required by statute, contractual agreement or policy. A year-to-year comparison of General Fund revenues by source is presented below.

<u>Source</u>	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Property taxes	\$ 132,362,388	\$ 138,020,133	\$ 5,657,745	4.3%
Licenses and permits	348,032	379,479	31,447	9.0%
Federal and State grants	7,058,616	8,094,794	1,036,178	14.7%
Charges for services	25,951,792	26,820,634	868,842	3.4%
Investment income	2,979,670	1,431,882	(1,547,788)	-51.9%
Admin charges to other funds	14,521,847	15,162,426	640,579	4.4%
Fines and forfeitures	671,938	768,313	96,375	14.3%
Other revenue	200,367	103,871	(96,496)	-48.2%
Transfers from other funds	27,356,343	24,818,276	(2,538,067)	-9.3%
	<u>\$ 211,450,993</u>	<u>\$ 215,599,808</u>	<u>\$ 4,148,815</u>	<u>2.0%</u>

MACOMB COUNTY, MICHIGAN
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Property tax revenue increased approximately \$5.7 million. As discussed previously, this increase is composed of an \$11.4 million increase as a result of an increase in the millage rate approved by the Board of Commissioners in May 2009 and a decrease of \$4.4 million driven by a 2.7% loss in property values throughout the County. The millage rate approved by the Board of Commissioners was increased from 4.2 mills to the maximum allowable rate of 4.5685 mills approved by the voters in prior years.

Federal and State grant revenue increased \$1.0 million primarily because liquor tax payments were restored by the State of Michigan after being suspended for one year in 2008.

Investment income decreased \$1.5 million as interest rates continued to decline in 2009.

A year-to-year comparison of General Fund expenditures by function is presented below.

General Fund Expenditures By Function

Function	2008	2009	Increase (Decrease)	% Change
Legislative	\$ 2,354,128	\$ 2,115,128	\$ (239,000)	-10.2%
Judicial	24,199,572	22,854,520	(1,345,052)	-5.6%
General government	57,491,729	53,770,073	(3,721,656)	-6.5%
Public safety	63,924,304	62,914,727	(1,009,577)	-1.6%
Health and welfare	451,885	1,664	(450,221)	-99.6%
Other	5,188,484	4,984,541	(203,943)	-3.9%
Capital outlay	307,352	270,270	(37,082)	-12.1%
Transfers to other funds	64,858,581	60,581,440	(4,277,141)	-6.6%
	<u>\$ 218,776,035</u>	<u>\$ 207,492,363</u>	<u>\$ (11,283,672)</u>	-5.2%

The County settled the vast majority of its outstanding labor contracts in 2009. Those settlements included wage and benefit reductions that were estimated to save the General Fund approximately \$10.0 million in 2009. The concessions are primarily responsible for the large decreases in the Legislative, Judicial and General Government functions as well as Transfers to Other Funds. The decrease in Public Safety expenditures was driven primarily through the closure of the 200 bed annex at the Sheriff Department in August 2009 as well as a decrease in jail medical expenditures.

In November 2008, the voters of the County approved a special millage to fund the Veterans' Affairs Department for five years beginning in 2009. As a result, the County began accounting for the activities of that department in a Special Revenue Fund beginning January 1, 2009. This reclassification contributed almost entirely to the \$.5 million decrease in Health and Welfare expenditures in 2009.

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Revenue Sharing Reserve Fund - The Revenue Sharing Reserve Fund was established pursuant to Public Act 257 of 2004 to serve as a substitute funding mechanism for State Revenue Sharing. Under the provisions of Public Act 257, the collection of property taxes was accelerated over the course of three years, whereby the County now levies 100% of its property taxes in July rather than December. Beginning in 2004, three annual installments, each equal to 1/3 of the December 2004 property tax levy, were recognized as revenue and placed in a restricted fund known as the Revenue Sharing Reserve Fund. The last installment of \$37.7 million was placed in the Revenue Sharing Reserve Fund in 2006. Since the three installments placed in the Revenue Sharing Reserve Fund were frozen at the 2004 level and property tax values increased in 2005 and 2006, the difference between 1/3 of those levies and the amount deposited in the Revenue Sharing Reserve Fund each year was deferred and recognized in 2007. The Revenue Sharing Reserve Fund will transfer to the General Fund each year an amount determined by the State of Michigan that approximates the amount of revenue sharing that would have been distributed by the State if it had not been discontinued and will continue to do so until the fund balance is exhausted. The Revenue Sharing Reserve Fund is expected to be fully depleted in 2012. The Revenue Sharing Reserve Fund transferred \$16.1 million to the General Fund in 2009 and earned \$.8 million in interest, resulting in a deficit of \$15.3 million for fiscal 2009. The fund balance is restricted in its entirety and totaled \$37.2 million at year-end.

Child Care Fund - The Child Care Fund is used to account for the activities at the County Juvenile Justice Center. A year-to-year comparison of Child Care Fund revenues by source is presented below.

Child Care Fund Revenue By Source				
<u>Source</u>	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Federal and State grants	\$ 12,166,359	\$ 10,130,216	\$ (2,036,143)	-16.7%
Charges for services	792,940	830,274	37,334	4.7%
Transfers from other funds	16,885,557	15,190,528	(1,695,029)	-10.0%
	<u>\$ 29,844,856</u>	<u>\$ 26,151,018</u>	<u>\$ (3,693,838)</u>	-12.4%

The majority of the revenue of the Child Care Fund comes in the form of Federal and State grants and operating transfers from the General Fund and such revenues are driven by the level of expenditures of the fund. Expenditures were significantly less in 2009 compared to the prior year primarily as a result of the wage and benefit concessions discussed previously as well as continued efforts to house juvenile offenders in the County Juvenile Justice Center as opposed to outside facilities, thereby resulting in corresponding decreases in grant reimbursements and matching contributions from the General Fund

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A year-to-year comparison of Child Care Fund expenditures by function is presented below.

Child Care Fund Expenditures By Function

<u>Function</u>	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Health and welfare	\$ 29,827,601	\$ 25,257,497	\$ (4,570,104)	-15.3%
Capital outlay	6,989	34,209	27,220	389.5%
Transfers out	-	169,577	169,577	100.0%
	<u>\$ 29,834,590</u>	<u>\$ 25,461,283</u>	<u>\$ (4,373,307)</u>	-14.7%

As mentioned previously, expenditures decreased significantly in 2009 as a result of wage and benefit concessions as well as reductions in outside placement costs.

Friend of the Court Fund - The Friend of the Court Fund is used to account for the activities involved in enforcing child support orders as well as collecting and distributing child support and alimony payments. A year-to-year comparison of Friend of the Court Fund revenues by source is presented below.

Friend of the Court Fund Revenue By Source

<u>Source</u>	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Federal and State grants	\$ 7,879,352	\$ 6,926,132	\$ (953,220)	-12.1%
Charges for services	726,374	694,109	(32,265)	-4.4%
Investment income	2,896	508	(2,388)	-82.5%
Other revenue	457	351	(106)	-23.2%
Transfers from other funds	5,115,781	6,095,149	979,368	19.1%
	<u>\$ 13,724,860</u>	<u>\$ 13,716,249</u>	<u>\$ (8,611)</u>	-0.1%

Federal and State grant revenue increased \$1.0 million in 2009 primarily as a result of recognizing incentive payments in 2008 that had been deferred in prior years. The decrease in Federal and State grant revenue resulted in an increase in contributions from the General Fund, which is reflected in the line item Transfers from other Funds.

A year-to-year comparison of Friend of the Court Fund expenditures by function is presented below.

Friend of the Court Fund Expenditures By Function

<u>Function</u>	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Judicial	\$ 10,722,447	\$ 10,715,553	\$ (6,894)	-0.1%
Capital outlay	2,413	696	(1,717)	-71.2%
Transfers to other funds	3,000,000	3,000,000	-	0.0%
	<u>\$ 13,724,860</u>	<u>\$ 13,716,249</u>	<u>\$ (8,611)</u>	-0.1%

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FINANCIAL ANALYSIS OF THE COUNTY'S NON-MAJOR GOVERNMENTAL FUNDS

The fund balances of the County's nonmajor governmental funds were approximately \$51.5 million at year-end, an increase of approximately \$2.7 million over the prior year. The majority of the increase was experienced in the Capital Projects funds, which reported a surplus of \$2.8 million, due primarily to several capital improvement projects being completed in 2008, thus resulting in reduced expenditures in 2009.

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR PROPRIETARY FUNDS

Delinquent Tax Revolving Fund – Virtually all of the local units of government in the County, including the County itself, levy their property taxes on July 1 of each year and unpaid taxes are considered delinquent March 1 of the following year. The County, through its Delinquent Tax Revolving Fund, purchases the delinquent taxes from the local units each year and thus becomes entitled to the interest and penalties on the delinquent balances.

A year-to-year comparison of Delinquent Tax Revolving Fund revenues is presented below.

	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Charges for services	\$ 14,177,297	\$ 17,523,782	\$ 3,346,485	23.6%
Investment income	1,276,575	494,709	(781,866)	-61.3%
Total income	<u>\$ 15,453,872</u>	<u>\$ 18,018,491</u>	<u>\$ 2,564,619</u>	16.6%

Charges for services revenue increased \$3.3 million in 2009 as a result of an increase in interest and penalties as the number of property tax delinquencies increased due to the weakened economic climate being experienced throughout the region.

Investment income decreased \$0.8 million as interest rates declined significantly in 2009 as the economy continued to weaken during the year.

A year-to-year comparison of Delinquent Tax Revolving Fund expenses is presented below.

	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Personal services	\$ 302,601	\$ 336,479	\$ 33,878	11.2%
Supplies and services	916,727	2,201,778	1,285,051	140.2%
Transfers out	8,655,000	8,655,000	-	0.0%
Total expenses	<u>\$ 9,874,328</u>	<u>\$ 11,193,257</u>	<u>\$ 1,318,929</u>	13.4%

Supplies and services expense increased \$1.3 million in response to an increase in property tax delinquencies as discussed previously.

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Community Mental Health – The Mental Health Department delivers a variety of services to residents and their families throughout the County.

A year-to-year comparison of Community Mental Health revenues is presented below.

	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Federal and State grants	\$ 415,486	\$ 468,989	\$ 53,503	12.9%
Charges for services	173,064,786	183,698,076	10,633,290	6.1%
Investment income	887,886	524,513	(363,373)	-40.9%
Transfers in	5,941,852	5,897,808	(44,044)	-0.7%
	<u>\$ 180,310,010</u>	<u>\$ 190,589,386</u>	<u>\$ 10,279,376</u>	5.7%

Community Mental Health is funded primarily by Medicare and Medicaid. Charges for services revenue increased \$10.6 million as a result of an overall increase in the demand for services in 2009.

A year-to-year comparison of Community Mental Health expenses is presented below.

	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Personal services	\$ 25,948,486	\$ 25,336,669	\$ (611,817)	-2.4%
Contractual services	136,488,824	147,194,430	10,705,606	7.8%
Utilities	358,917	288,125	(70,792)	-19.7%
Repairs and maintenance	67,747	36,779	(30,968)	-45.7%
Supplies and services	15,468,527	15,696,077	227,550	1.5%
Depreciation	62,648	62,914	266	0.4%
	<u>\$ 178,395,149</u>	<u>\$ 188,614,994</u>	<u>\$ 10,219,845</u>	5.7%

Contractual services expense increased \$10.7 million as the demand for services increased in 2009. Personal services decreased \$0.6 million in response to the wage and benefit concessions mentioned previously.

Martha T Berry Medical Care Facility - The Martha T Berry Medical Care Facility provides long-term inpatient care to County residents who cannot otherwise afford the cost of private facilities.

A year-to-year comparison of Martha T Berry revenues is presented below.

	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Charges for services	19,722,588	20,856,803	1,134,215	5.8%
Transfers in	2,476,501	896,979	(1,579,522)	-63.8%
	<u>\$ 22,199,089</u>	<u>\$ 21,753,782</u>	<u>\$ (445,307)</u>	-2.0%

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Charges for services revenue increased \$1.1 million as a result of an increase in the Medicaid daily rate approved by the State of Michigan. Transfers in decreased \$1.6 million primarily in response to the increase on Charges for Services revenue.

A year-to-year comparison of Martha T Berry expenses is presented below.

	2008	2009	Increase (Decrease)	% Change
Personal services	\$ 14,704,521	\$ 12,626,736	\$ (2,077,785)	-14.1%
Contractual services	2,142,153	2,712,363	570,210	26.6%
Utilities	747,143	719,944	(27,199)	-3.6%
Repairs and maintenance	241,766	298,331	56,565	23.4%
Supplies and services	4,542,537	5,247,609	705,072	15.5%
Depreciation	1,015,153	45,367	(969,786)	-95.5%
	<u>\$ 23,393,273</u>	<u>\$ 21,650,350</u>	<u>\$ (1,742,923)</u>	-7.5%

In 2009, the County entered into a joint operating agreement with the local office of the State of Michigan Department of Human Services and the union that represents the majority of the employees at the facility, which essentially resulted in a new management team being installed at the facility, whose responsibilities include negotiating labor contracts with the employees employed at the facility. New labor contracts were negotiated in 2009 and the employees of Martha T. Berry agreed to similar wage and benefit concessions as outlined previously herein. Those concessions, as well as staff vacancies and other managerial initiatives, resulted in a decrease in Personal Services expense of \$2.1 million in 2009.

Freedom Hill Park – The Freedom Hill Park serves as a recreational facility for use by all County residents and hosted events such as ethnic festivals and picnics in prior years. The facility was closed in 2009 as part of the County's deficit reduction plan, thereby resulting in significant reductions in both revenues and expenses.

A year-to-year comparison of Freedom Hill Park revenues is presented below.

Freedom Hill Park Revenue and Expense Comparison

	2008	2009	Increase (Decrease)	% Change
Charges for services	\$ 254,998	\$ 172,804	\$ (82,194)	-32.2%
Transfers in	755,866	403,804	(352,062)	-46.6%
	<u>\$ 1,010,864</u>	<u>\$ 576,608</u>	<u>\$ (434,256)</u>	-43.0%

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A year-to-year comparison of Freedom Hill Park expenses is presented below.

	<u>2008</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Personal services	\$ 700,455	\$ 88,721	\$ (611,734)
Utilities	157,492	103,149	(54,343)
Repairs and maintenance	57,806	11,906	(45,900)
Supplies and services	95,111	372,832	277,721
Depreciation	68,654	60,014	(8,640)
	<u>\$ 1,079,518</u>	<u>\$ 636,622</u>	<u>\$ (442,896)</u>

The reductions in expenses in all categories except supplies and services are due to the closure of the Park in 2009. Supplies and services expense increased in 2009 as a result of booking a bad debt expense in connection with receivables owed to the County by the company that leases the Freedom Hill Amphitheatre from the County.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget for each fiscal year is adopted by the Board of Commissioners in December of the prior year and may be amended from time to time throughout the year to reflect changing operational circumstances. A comparison of budgeted and actual revenues is presented below.

Source	<u>General Fund Revenue Budget and Actual By Source</u>			
	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Adopted</u>	<u>Final</u>		
Property taxes	\$ 127,614,382	\$ 139,862,026	\$ 138,020,133	\$ (1,841,893)
Licenses and permits	325,400	325,400	379,479	54,079
Federal and State grants	8,621,638	8,638,194	8,094,794	(543,400)
Charges for services	29,158,777	29,373,599	26,820,634	(2,552,965)
Investment income	3,300,000	3,300,000	1,431,882	(1,868,118)
Admin charges to other funds	16,439,647	16,451,547	15,162,426	(1,289,121)
Fines and forfeitures	850,100	862,100	768,313	(93,787)
Other revenue	81,630	81,630	103,871	22,241
Transfers from other funds	24,660,748	24,978,276	24,818,276	(160,000)
	<u>\$ 211,052,322</u>	<u>\$ 223,872,772</u>	<u>\$ 215,599,808</u>	<u>\$ (8,272,964)</u>

Property tax revenue was \$1.8 million below budget due to significant allowances made to account for the large number of property tax assessments on appeal at the State level. In addition, the final budget significantly exceeded the adopted budget as a result of the millage increase approved by the Board of Commissioners in May 2009, as discussed previously.

Federal and State grant revenue was \$0.5 million below budget as a result of liquor tax payments from the State of Michigan being less than anticipated.

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Charges for Services revenue was \$2.6 million under budget due to a number of factors. The continued decline in the housing market resulted in recording fees and real estate transfer tax being \$.8 million under budget. In addition, the State of Michigan suspended prisoner housing reimbursements in May 2009, resulting in a \$.5 million negative budget variance, and the Sheriff closed the 200 bed jail annex in August 2009, which resulted in a reduction in work release revenue of approximately \$.2 million. The other major item driving the budget variance is a reduction in the number of work orders processed by the Facilities and Operations department. The revenue generated from processing those work orders was \$.4 million under budget.

Investment income was \$1.9 million under budget as a result of a dramatic decrease in interest rates in 2009 in connection with the general weakening of the economy.

A comparison of budgeted and actual expenditures is presented below.

General Fund Expenditures Budget and Actual By Level of Control

Level of Control	Budget		Actual	Variance
	Adopted	Final		
Salaries and fringe benefits	\$ 120,141,966	\$ 116,278,252	\$ 109,513,492	\$ 6,764,760
Operating	40,068,583	39,078,748	36,873,796	2,204,952
Capital outlay	1,054,160	771,190	523,635	247,555
Transfers to other funds	70,636,523	67,247,838	60,581,440	6,666,398
	<u>\$ 231,901,232</u>	<u>\$ 223,376,028</u>	<u>\$ 207,492,363</u>	<u>\$ 15,883,665</u>

The original and final expenditure budgets of the General Fund for fiscal 2009 were \$231.9 million and \$223.4 million, respectively, a decrease of \$8.5 million of final over originally adopted. The wage and benefit concessions mentioned previously herein accounted for the vast majority of the budgetary reductions that took place in 2009.

In addition to wage and benefit concessions, staff reductions were made in several departments in 2009 in order to address the ongoing General Fund deficits. Furthermore, numerous funded positions were left vacant during the year. As a result, salary and benefit expenditures were approximately \$6.8 million under budget in 2009.

Operating expenditures were \$2.2 million below budget as a result of continued efforts to address ongoing deficits. Significant favorable variances were experienced in the areas of utilities, building repairs and maintenance, document imaging fees in the Register of Deeds and jail medical services.

Transfers to other funds were approximately \$6.7 million below the budget due to the County's ongoing efforts to reduce deficit spending. \$2.3 million of the favorable variance is related to the Martha T. Berry Medical Care Facility, which entered into a joint operating agreement with the Macomb County Human Services Board and the County Board of Commissioners during 2008 that became effective in 2009.

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Transfers were also favorably impacted as a result of closing the Freedom Hill as well as position vacancies and wage and benefit concessions, as mention previously.

In summary, General Fund revenues exceeded expenditures by \$8.1 million for the year ended December 31, 2009. Unreserved fund balance was \$40.2 million or 8.6% of the 2010 County operating budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The County categorizes its capital assets as follows: land, land improvements, buildings and improvements, machinery, equipment and vehicles and construction in progress. At year-end, the County's investment in capital assets, net of accumulated depreciation, was \$173.5 million for governmental activities and \$1.5 million for business-type activities.

Macomb County's Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008 (1)	2009	2008 (1)	2009	2008 (1)	2009
Land	\$ 12,998,859	\$ 12,998,859	\$ -	\$ -	\$ 12,998,859	\$ 12,998,859
Land improvements	6,309,719	5,971,968	157,677	144,909	6,467,396	6,116,877
Buildings and improvements	131,748,000	135,482,310	1,043,510	981,790	132,791,510	136,464,100
Machinery, equipment and vehicles	22,598,586	17,509,996	278,341	333,333	22,876,927	17,843,329
Construction in progress	8,219,627	1,522,509	-	-	8,219,627	1,522,509
	<u>\$ 181,874,791</u>	<u>\$ 173,485,642</u>	<u>\$ 1,479,528</u>	<u>\$ 1,460,032</u>	<u>\$ 183,354,319</u>	<u>\$ 174,945,674</u>

(1) - As restated. See Note 14.

Major capital asset activity during the year included the following:

- Phase II of the Juvenile Justice Center renovation was substantially completed in 2009 and a total of \$0.8 million was spent in 2009. The project is expected to cost approximately \$7.1 million and is expected to be completed in 2010.

Additional information regarding the County's capital assets can be found in the Note 3 to the basic financial statements.

Long-term debt. The County's long-term debt was \$68.2 million at December 31, 2009, all of which related to governmental activities. All outstanding obligations are backed by the full faith and credit of the County. The components of the total liability are presented below.

Macomb County's Long-Term Debt - Governmental Activities

	Balance Beginning of Year	New Debt Issued	Debt Retired	Balance End of Year
General obligation bonds	\$ 72,815,000	\$ -	\$ 4,585,000	\$ 68,230,000

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The general obligation bonds of the County are rated **AAA** by Standard & Poors and **Aa1** by Moody's Investor Service.

State statute limits the total amount of general obligation debt of the County to 10% of the assessed value of all property in the County. Assessed value is generally 50% of true market value. Management, however, believes that the taxable value of all property in the County is a more practical and conservative base on which to base the calculation of the County's debt limit. The assessed and taxable value of all property in the County as of December 31, 2009 was \$33.4 billion and \$31.1 billion, respectively. Therefore, the County's debt limitation was \$3.1 billion at year-end. The County's outstanding debt of \$68.2 million at year end was well below the limit based on either assessed or taxable value.

Additional information regarding the long-term obligations of the County may be found in Note 4 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered when developing the 2010 budget:

- The economic downturn throughout the region and uncertainty in the financial markets continue to negatively impact County operations. Declining property values and legacy costs associated with employee health care and pension obligations continue to severely impact the County budget. Property values are expected to decline by 10% in 2010.
- Health care costs have increased at double digit rates for the past several years. An 8% increase is anticipated in 2010.
- The County secured wage and benefit concessions from several union groups in early 2009. These concessions are expected to save the County approximately \$20.0 million over the course of 2009 and 2010 and include the suspension of longevity pay for 2009 and 2010, six unpaid days off each year for the next two years, increased health care deductibles and prescription co-pays and limiting certain pension benefits to employees hired on or before December 31, 2001.
- In April 2009, the Board of Commissioners voted to increase the property tax millage rate for the first time in 27 years. The rate was increased from 4.2 mills to the 4.5685 maximum allowed by law and the increase is expected to generate \$10.0 million in additional property tax revenue in 2010.
- The Board of Commissioners reduced the 2010 budget by \$15.7 million over and above the concessions and tax increase mentioned previously through a variety of actions, including the elimination of 80 positions.
- No salary increases were granted in 2009 and a hiring freeze was enacted in 2009, except for positions at facilities that operate 24 hours a day or positions that are at least 50% funded by Federal or State funds.

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- Market interest rates in 2010 are expected to consistent with 2009 levels.
- Inflationary trends in the region compare favorably to national indices.
- Although the County is facing significant budgetary challenges at this time, its financial condition remains stable as demonstrated by the financial statements and other schedules included in this report.

CONTACTING THE COUNTY FINANCE DEPARTMENT

This financial report is designed to provide the citizens, taxpayers, investors, creditors and others with a general overview of the finances of the County. Questions concerning any information contained in this report or requests for additional information should be addressed to the attention of the Finance Director at the following address: Macomb County Finance Department, 12th Floor County Building, Mt. Clemens, MI. 48043. Requests can also be made by phone at 586-469-5250.

MACOMB COUNTY, MICHIGAN
Government-Wide Statement of Net Assets
December 31, 2009

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
ASSETS				
Cash and pooled investments	\$ 124,746,362	\$ 77,554,942	\$ 202,301,304	\$ 109,237,588
Receivables:				
Property taxes	3,193,821	53,366,552	56,560,373	-
Accrued interest	252,747	64,502	317,249	180,858
Trade accounts, net	13,731,332	19,310,127	33,041,459	9,216,177
Special assessments	-	-	-	109,520,000
Inventories	352,756	-	352,756	4,043,905
Due from other governments	6,678,134	1,791,952	8,470,086	13,681,039
Internal balances	20,908,919	(20,908,919)	-	-
Due from fiduciary funds	5,656,367	-	5,656,367	-
Capital assets, net:				
Assets not being depreciated	14,521,368	-	14,521,368	213,183,237
Assets being depreciated	158,964,274	1,460,032	160,424,306	678,468,314
Other assets	6,494,190	2,406,305	8,900,495	2,099,868
Total assets	355,500,270	135,045,493	490,545,763	1,139,630,986
LIABILITIES				
Accounts payable and accrued liabilities	9,038,652	20,245,819	29,284,471	29,070,778
Accrued wages payable	119,166	786,692	905,858	30,825
Accrued interest payable	569,317	-	569,317	819,365
Due to other governments	509,916	8,296	518,212	84,019
Compensated absences	1,100,000	-	1,100,000	780,469
Accrued workers compensation claims	1,000,000	-	1,000,000	129,678
Accrued general liability claims	1,450,000	-	1,450,000	-
Unearned revenue	2,768,289	1,966,126	4,734,415	-
Long-term debt maturities due within one year	5,165,000	-	5,165,000	4,985,000
Long-term liabilities:				
Compensated absences	5,017,064	-	5,017,064	614,134
Accrued workers compensation claims	2,206,255	-	2,206,255	298,422
Accrued general liability claims	2,784,175	-	2,784,175	76,599
Net OPEB obligation	108,569,505	-	108,569,505	-
Long-term debt maturities due in more than one year	63,065,000	-	63,065,000	103,861,637
Total Liabilities	203,362,339	23,006,933	226,369,272	140,750,926
NET ASSETS				
Invested in capital assets, net of related debt	113,415,642	1,460,032	114,875,674	782,804,914
Restricted for				
Capital projects	3,297,900	-	3,297,900	-
Debt service	7,606,503	-	7,606,503	-
Housing rehabilitation loans	9,446,892	-	9,446,892	-
Revenue Sharing Reserve Fund	37,229,168	-	37,229,168	-
Mental Health risk reserve	-	10,220,810	10,220,810	-
Other purposes	11,105,627	-	11,105,627	-
Unrestricted (deficit)	(29,963,801)	100,357,718	70,393,917	216,075,146
Total Net Assets	\$ 152,137,931	\$ 112,038,560	\$ 264,176,491	\$ 998,880,060

MACOMB COUNTY, MICHIGAN
Government-Wide Statement of Activities
For the Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
Legislative	\$ 2,115,128	\$ -	\$ -	\$ -	\$ (2,115,128)
Judicial	38,342,444	5,971,714	13,932,619	-	(18,438,111)
General government	80,414,031	15,165,869	260,661	346,860	(64,640,641)
Public safety	75,880,452	13,898,348	1,536,099	1,814,448	(58,631,557)
Public works	1,850,591	-	-	-	(1,850,591)
Health and welfare	82,039,128	10,853,478	40,347,445	-	(30,838,205)
Recreation and culture	1,739,834	83,952	-	-	(1,655,882)
Interest and fees on long-term debt	2,848,677	-	-	-	(2,848,677)
Total governmental activities	285,230,285	45,973,361	56,076,824	2,161,308	(181,018,792)
Business-type activities					
Delinquent tax collections	2,538,257	17,523,782	-	-	14,985,525
Community Mental Health	188,614,994	183,698,076	468,989	-	(4,447,929)
Martha T. Berry Medical Care Facility	21,650,350	20,856,803	-	-	(793,547)
Freedom Hill Park	636,622	172,804	-	-	(463,818)
Total business-type activities	213,440,223	222,251,465	468,989	-	9,280,231
Total primary government	\$ 498,670,508	\$ 268,224,826	\$ 56,545,813	\$ 2,161,308	\$ (171,738,561)
Component Units					
Drainage Districts	\$ 60,654,953	\$ 40,689,604	\$ -	\$ 9,258,251	\$ (10,707,098)
Road Commission	65,289,499	11,499,711	-	63,112,999	9,323,211
Workforce Development Board	52,632,180	68,740	52,566,252	-	2,812
Total component units	\$ 178,576,632	\$ 52,258,055	\$ 52,566,252	\$ 72,371,250	\$ (1,381,075)

MACOMB COUNTY, MICHIGAN
Government-Wide Statement of Activities (concluded)
For the Year Ended December 31, 2009

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Changes in net assets				
Net (expense) revenue (from page B-2)	\$ (181,018,792)	\$ 9,280,231	\$ (171,738,561)	\$ (1,381,075)
General revenues:				
Property tax	139,470,381	-	139,470,381	-
Intergovernmental revenues - unrestricted	2,365,592	-	2,365,592	-
Investment earnings	2,698,914	1,019,222	3,718,136	5,553,650
Transfers - internal activities	(1,909,188)	(1,456,409)	(3,365,597)	-
Total general revenues and transfers	<u>142,625,699</u>	<u>(437,187)</u>	<u>142,188,512</u>	<u>5,553,650</u>
Change in net assets	(38,393,093)	8,843,044	(29,550,049)	4,172,575
Net assets, beginning of year (1)	<u>190,531,024</u>	<u>103,195,516</u>	<u>293,726,540</u>	<u>994,707,485</u>
Net assets, end of year	<u>\$ 152,137,931</u>	<u>\$ 112,038,560</u>	<u>\$ 264,176,491</u>	<u>\$ 998,880,060</u>

(1) - As restated. See Note 14.

MACOMB COUNTY, MICHIGAN
Balance Sheet - Governmental Funds
December 31, 2009

	General Fund	Major Special Revenue Funds			Nonmajor Governmental Funds	Total Governmental Funds
		Revenue Sharing Reserve Fund	Child Care (1)	Friend of the Court (1)		
Assets						
Cash and pooled investments	\$ 10,716,215	\$ 37,229,168	\$ 2,598,905	\$ -	\$ 42,804,117	\$ 93,348,405
Taxes receivable	2,020,744	-	-	-	1,173,077	3,193,821
Accrued interest receivable	235,089	-	17,658	-	-	252,747
Accounts receivable, net	2,373,376	-	-	-	11,351,241	13,724,617
Due from other governments	1,202,272	-	1,032,674	897,664	3,193,785	6,326,395
Due from governmental funds	1,777,841	-	-	-	-	1,777,841
Due from business-type units	20,867,821	-	-	-	41,098	20,908,919
Advances to other funds	295,000	-	-	-	-	295,000
Other assets	4,498,525	-	-	-	53,370	4,551,895
Total Assets	\$ 43,986,883	\$ 37,229,168	\$ 3,649,237	\$ 897,664	\$ 58,616,688	\$ 144,379,640
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 3,402,960	\$ -	\$ 1,046,191	\$ 8,111	\$ 3,030,397	\$ 7,487,659
Accrued liabilities	-	-	-	-	1,490	1,490
Accrued compensation and benefits	47,497	-	-	-	71,669	119,166
Due to other governments	-	-	52,956	-	456,960	509,916
Due to governmental funds	-	-	-	808,792	787,394	1,596,186
Unearned revenue	-	-	-	-	2,768,289	2,768,289
Total Liabilities	3,450,457	-	1,099,147	816,903	7,116,199	12,482,706
Fund Balances						
Reserved						
Programs	-	37,229,168	-	-	11,105,627	48,334,795
Advances to other funds	295,000	-	-	-	-	295,000
Housing rehabilitation loans	-	-	-	-	9,446,892	9,446,892
Capital projects	-	-	-	-	3,297,900	3,297,900
Unreserved						
Designated						
Subsequent year budget	-	-	-	-	400,000	400,000
Capital projects	-	-	-	-	16,610,529	16,610,529
Programs - special projects						
General fund	1,153,622	-	-	-	-	1,153,622
Special revenue funds	-	-	-	-	625,401	625,401
Undesignated						
General fund	39,087,804	-	-	-	-	39,087,804
Special revenue funds	-	-	2,550,090	80,761	2,976,954	5,607,805
Debt service funds	-	-	-	-	7,037,186	7,037,186
Total Fund Balances	40,536,426	37,229,168	2,550,090	80,761	51,500,489	131,896,934
Total Liabilities and Fund Balances	\$ 43,986,883	\$ 37,229,168	\$ 3,649,237	\$ 897,664	\$ 58,616,688	\$ 144,379,640

(1) - Balance sheet as of September 30, 2009

MACOMB COUNTY, MICHIGAN
RECONCILIATION OF THE FUND BALANCES ON THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2009

Total fund balances for governmental funds \$ 131,896,934

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

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

Capital assets	
Land	12,998,859
Land improvements	10,126,173
Buildings and improvements	219,118,571
Machinery, equipment and vehicles	46,939,024
Construction in progress	1,522,509
Accumulated depreciation	(119,836,762)

Long-term bonded debt is not due and payable in the current period and, therefore, is not reported in the governmental funds. However, bonded debt is recorded as long-term liabilities in the Government-Wide Statement of Net Assets. (See Note 4)

Bonds issued in prior years	(72,815,000)
Bond principal repayments	4,585,000

Accrued interest payable on long-term debt at year-end is not recorded in the governmental funds, but is recorded as a liability in the Statement of Net Assets (569,317)

The difference between the actual and required contribution to the Retiree Health Care Fund is not recorded in the governmental funds, but is recorded as a liability in the Statement of Net Assets (108,569,505)

Internal service funds are used by management to charge the costs of certain activities such as insurance, compensated absences, workers' compensation, central inventory to individual governmental funds and employee fringe benefits. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Government-Wide Statement of Net Assets 26,741,445

Net assets of governmental activities reported in the Government-Wide Statement of Net Assets \$ 152,137,931

The accompanying notes are an integral part of these financial statements

MACOMB COUNTY, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2009

	Major Special Revenue Funds			Nonmajor Governmental Funds	Total Governmental Funds	
	General Fund	Revenue Sharing Reserve Fund	Child Care (1)			Friend of the Court (1)
Revenues						
Property taxes	\$ 138,020,133	\$ -	\$ -	\$ -	\$ 1,450,248	\$ 139,470,381
Licenses and permits	379,479	-	-	-	941,563	1,321,042
Federal & State grants	8,094,794	-	10,130,216	6,926,132	33,489,757	58,640,899
Other grants	-	-	-	-	1,962,825	1,962,825
Charges for services	26,820,634	-	830,274	694,109	14,198,257	42,543,274
Investment income	1,431,882	843,359	-	508	423,165	2,698,914
Charges to other funds for administrative services	15,162,426	-	-	-	-	15,162,426
Fines and forfeitures	768,313	-	-	-	1,154,352	1,922,665
Other revenue	103,871	-	-	351	82,157	186,379
Total Revenues	190,781,532	843,359	10,960,490	7,621,100	53,702,324	263,908,805
Expenditures						
Current						
Legislative	2,115,128	-	-	-	-	2,115,128
Judicial	22,854,520	-	-	10,715,553	2,715,486	36,285,559
General government	53,770,073	-	-	-	1,409,335	55,179,408
Public safety	62,914,727	-	-	-	7,460,531	70,375,258
Public works	-	-	-	-	1,850,591	1,850,591
Health and welfare	1,664	-	25,257,497	-	54,095,767	79,354,928
Recreation and cultural	-	-	-	-	1,668,510	1,668,510
Other	4,984,541	-	-	-	-	4,984,541
Capital outlay	270,270	-	34,209	696	5,753,756	6,058,931
Debt service	-	-	-	-	4,585,000	4,585,000
Principal	-	-	-	-	4,585,000	4,585,000
Interest and fees	-	-	-	-	2,882,867	2,882,867
Total Expenditures	146,910,923	-	25,291,706	10,716,249	82,421,843	265,340,721
Excess of Revenues over (under) Expenditures	43,870,609	843,359	(14,331,216)	(3,095,149)	(28,719,519)	(1,431,916)
Other financing sources (uses)						
Transfers in	24,818,276	-	15,190,528	6,095,149	41,630,379	87,734,332
Transfers out	(60,581,440)	(16,096,607)	(169,577)	(3,000,000)	(10,190,896)	(90,038,520)
Total other financing sources (uses)	(35,763,164)	(16,096,607)	15,020,951	3,095,149	31,439,483	(2,304,188)
Net change in fund balances	8,107,445	(15,253,248)	689,735	-	2,719,964	(3,736,104)
Fund Balances, beginning of year	32,428,981	52,482,416	1,860,355	80,761	48,780,525	135,633,038
Fund Balances, end of year	<u>\$ 40,536,426</u>	<u>\$ 37,229,168</u>	<u>\$ 2,550,090</u>	<u>\$ 80,761</u>	<u>\$ 51,500,489</u>	<u>\$ 131,896,934</u>

(1) - Year ended September 30, 2009

MACOMB COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009

Net change in fund balances - total governmental funds \$ (3,736,104)

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 capitalized and allocated over their estimated useful lives.

Expenditures for capital assets	5,097,924
Current year depreciation expense	(13,004,083)
Loss on disposal of assets	(28,973)

Repayment of debt principal is recorded as an expenditure in the governmental funds, but is recorded as a reduction of long-term liabilities in the Statement of Net Assets. (See Note 4)	4,585,000
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The change in amount of accrued interest payable is not recorded in the governmental funds, but is recorded as interest expense in the Government-Wide Statement of Activities.	34,190
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The change in amount of the net OPEB liability is not recorded in the governmental funds, but is recorded as an operating expense in the Government-Wide Statement of Activities.	(27,466,622)
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Internal service funds are used by management to charge the costs of certain activities such as insurance, compensated absences, workers' compensation and central inventory to individual governmental funds. The net income (loss) attributable to those funds is reported with governmental activities	<u>(3,874,425)</u>
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Change in net assets of governmental activities reported in the Statement of Activities	<u><u>\$ (38,393,093)</u></u>
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The accompanying notes are an integral part of these financial statements

MACOMB COUNTY, MICHIGAN
Statement of Net Assets
Proprietary Funds
December 31, 2009

	Major Business-Type Activities - Enterprise Funds		
	Delinquent Tax Revolving	Community Mental Health	Martha T Berry Medical Care Facility
ASSETS			
Current assets			
Cash and pooled investments	\$ 54,315,933	\$ 23,153,202	\$ -
Receivables:			
Property taxes	53,366,552	-	-
Accrued interest	64,502	-	-
Trade accounts, net	14,969,692	1,833,036	2,181,077
Inventories	-	-	-
Due from other governments	-	1,791,952	-
Due from fiduciary funds	-	-	-
Other assets	-	2,398,132	8,173
Total current assets	122,716,679	29,176,322	2,189,250
Noncurrent assets			
Capital assets, net:			
Assets being depreciated	-	103,117	516,895
Total Assets	122,716,679	29,279,439	2,706,145
LIABILITIES			
Current liabilities			
Accounts payable	222,780	18,790,137	895,591
Accrued wages payable	255	763,778	22,659
Due to other governments	-	8,296	-
Due to governmental funds	20,573,829	-	335,090
Compensated absences	-	-	-
Claims and judgements	-	-	-
Unearned revenue	-	1,966,126	-
Total current liabilities	20,796,864	21,528,337	1,253,340
Noncurrent liabilities			
Claims and judgements	-	-	-
Compensated absences	-	-	-
Advances from other funds	-	-	-
Total noncurrent liabilities	-	-	-
Total Liabilities	20,796,864	21,528,337	1,253,340
NET ASSETS			
Invested in capital assets	-	103,117	516,895
Restricted - mental health risk reserve	-	10,220,810	-
Unrestricted surplus (deficit)	101,919,815	(2,572,825)	935,910
Total Net Assets	\$ 101,919,815	\$ 7,751,102	\$ 1,452,805

MACOMB COUNTY, MICHIGAN
Statement of Net Assets (concluded)
Proprietary Funds
December 31, 2009

	<u>Major Business-Type Activities - Enterprise Funds</u>		<u>Governmental Activities</u>
	<u>Freedom Hill</u>	<u>Totals</u>	<u>Internal</u>
	<u>Park</u>		<u>Service Funds</u>
ASSETS			
Current assets			
Cash and pooled investments	\$ 85,807	\$ 77,554,942	\$ 31,397,957
Receivables:			
Property taxes	-	53,366,552	-
Accrued interest	-	64,502	-
Trade accounts, net	326,322	19,310,127	6,715
Inventories	-	-	352,756
Due from other governments	-	1,791,952	351,739
Due from fiduciary funds	-	-	5,656,367
Other assets	-	2,406,305	1,942,295
Total current assets	412,129	154,494,380	39,707,829
Noncurrent assets			
Capital assets, net:			
Assets being depreciated	840,020	1,460,032	2,617,268
Total Assets	1,252,149	155,954,412	42,325,097
LIABILITIES			
Current liabilities			
Accounts payable	337,311	20,245,819	1,549,503
Accrued wages payable	-	786,692	-
Due to other governments	-	8,296	-
Due to governmental funds	-	20,908,919	181,655
Compensated absences	-	-	1,100,000
Claims and judgements	-	-	2,450,000
Unearned revenue	-	1,966,126	-
Total current liabilities	337,311	43,915,852	5,281,158
Noncurrent liabilities			
Claims and judgements	-	-	4,990,430
Compensated absences	-	-	5,017,064
Advances from other funds	-	-	295,000
Total noncurrent liabilities	-	-	10,302,494
Total Liabilities	337,311	43,915,852	15,583,652
NET ASSETS			
Invested in capital assets	840,020	1,460,032	2,617,268
Restricted - mental health risk reserve	-	10,220,810	-
Unrestricted surplus (deficit)	74,818	100,357,718	24,124,177
Total Net Assets	\$ 914,838	\$ 112,038,560	\$ 26,741,445

MACOMB COUNTY, MICHIGAN
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2009

	Major Business-Type Activities - Enterprise Funds		
	Delinquent Tax Revolving	Community Mental Health	Martha T Berry Medical Care Facility
Operating Revenues			
Charges for services	\$ 17,523,782	\$ 183,698,076	\$ 20,856,803
Federal and state grants	-	468,989	-
Total operating revenues	17,523,782	184,167,065	20,856,803
Operating Expenses			
Personal services	336,479	25,336,669	12,626,736
Contractual services	-	147,194,430	2,712,363
Utilities	-	288,125	719,944
Repairs and maintenance	-	36,779	298,331
Benefits and claims expenses	-	-	-
Supplies and services	2,201,778	15,696,077	5,247,609
Depreciation	-	62,914	45,367
Total Operating Expenses	2,538,257	188,614,994	21,650,350
Operating Income (Loss)	14,985,525	(4,447,929)	(793,547)
Nonoperating revenues			
Investment income	494,709	524,513	-
Income (loss) before Transfers	15,480,234	(3,923,416)	(793,547)
Transfers			
Transfers in	-	5,897,808	896,979
Transfers out	(8,655,000)	-	-
Net Transfers	(8,655,000)	5,897,808	896,979
Increase (decrease) in net assets	6,825,234	1,974,392	103,432
Net assets, beginning of year (1)	95,094,581	5,776,710	1,349,373
Net assets, end of year	\$ 101,919,815	\$ 7,751,102	\$ 1,452,805

(1) - As restated for Martha T. Berry Medical Care Facility. See Note 14.

MACOMB COUNTY, MICHIGAN
Statement of Revenues, Expenses and Changes in Fund Net Assets (concluded)
Proprietary Funds
Year Ended December 31, 2009

	<u>Major Business-Type Activities - Enterprise Funds</u>		<u>Governmental Activities</u>
	<u>Freedom Hill Park</u>	<u>Totals</u>	<u>Internal Service Funds</u>
Operating Revenues			
Charges for services	\$ 172,804	\$ 222,251,465	\$ 63,889,745
Federal and state grants	-	468,989	-
Total operating revenues	<u>172,804</u>	<u>222,720,454</u>	<u>63,889,745</u>
Operating Expenses			
Personal services	88,721	38,388,605	-
Contractual services	-	149,906,793	-
Utilities	103,149	1,111,218	-
Repairs and maintenance	11,906	347,016	-
Benefits and claims expenses	-	-	63,284,929
Supplies and services	372,832	23,518,296	4,210,243
Depreciation	60,014	168,295	663,998
Total Operating Expenses	<u>636,622</u>	<u>213,440,223</u>	<u>68,159,170</u>
Operating Income (Loss)	<u>(463,818)</u>	<u>9,280,231</u>	<u>(4,269,425)</u>
Nonoperating revenues			
Investment income	-	1,019,222	-
Income (loss) before Transfers	<u>(463,818)</u>	<u>10,299,453</u>	<u>(4,269,425)</u>
Transfers			
Transfers in	403,804	7,198,591	395,000
Transfers out	-	(8,655,000)	-
Net Transfers	<u>403,804</u>	<u>(1,456,409)</u>	<u>395,000</u>
Increase (decrease) in net assets	<u>(60,014)</u>	<u>8,843,044</u>	<u>(3,874,425)</u>
Net assets, beginning of year (1)	<u>974,852</u>	<u>103,195,516</u>	<u>30,615,870</u>
Net assets, end of year	<u>\$ 914,838</u>	<u>\$ 112,038,560</u>	<u>\$ 26,741,445</u>

(1) - As restated for Martha T. Berry Medical Care Facility. See Note 14.

MACOMB COUNTY, MICHIGAN
Combining Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2009

	Major Business-type Activities - Enterprise Funds		
	Delinquent Tax Revolving	Community Mental Health	Martha T Berry Medical Care Facility
Cash Flows From Operating Activities			
Cash received from customers	\$ 98,467,377	\$ 183,030,245	\$ 20,326,222
Cash received from interfund services	13,828,992	-	208,474
Cash payments for delinquent taxes	(80,546,187)	-	-
Cash payments for interfund services	-	-	-
Cash payments to employees	(336,406)	(25,270,346)	(12,622,601)
Cash payments to suppliers	(2,076,646)	(162,071,708)	(8,660,275)
Net cash provided by (used in) Operating Activities	29,337,130	(4,311,809)	(748,180)
Cash Flows From Noncapital Financing Activities			
Transfers in	-	5,897,808	896,979
Transfers out	(8,655,000)	-	-
Net cash provided by (used in) Noncapital Financing Activities	(8,655,000)	5,897,808	896,979
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	-	-	(148,799)
Cash Flows From Investing Activities			
Interest received on investments	587,180	524,513	-
Increase (decrease) in cash and pooled investments	21,269,310	2,110,512	-
Cash and pooled investments, beginning of year	33,046,623	21,042,690	-
Cash and pooled investments, end of year	\$ 54,315,933	\$ 23,153,202	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 14,985,525	\$ (4,447,929)	\$ (793,547)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	62,914	45,367
Changes in assets and liabilities:			
Taxes receivable	(2,635,549)	-	-
Accounts receivable	3,054,306	(224,285)	(522,408)
Inventory	-	-	-
Due from other governments	-	(1,330,319)	-
Due from other funds	-	-	-
Other assets	-	(698,027)	(8,173)
Accounts payable	125,132	1,143,703	317,972
Accrued employee benefits	73	66,323	4,135
Due to other governments	(21,349)	(47,910)	-
Due to other funds	13,828,992	-	208,474
Deferred revenue	-	1,163,721	-
Accrued claims and judgements	-	-	-
Net cash provided by (used in) Operating Activities	\$ 29,337,130	\$ (4,311,809)	\$ (748,180)

MACOMB COUNTY, MICHIGAN
Combining Statement of Cash Flows - Proprietary Funds (concluded)
Year Ended December 31, 2008

	Major Business-type Activities - Enterprise Funds		Governmental Activities
	Freedom Hill	Totals	Internal
	Park		Service Funds
Cash Flows From Operating Activities			
Cash received from customers	\$ 374,634	\$ 302,198,478	\$ 66,307
Cash received from interfund services	-	14,037,466	62,667,605
Cash payments for delinquent taxes	-	(80,546,187)	-
Cash payments for interfund services	(115,611)	(115,611)	-
Cash payments to employees	(89,253)	(38,318,606)	(1,093,780)
Cash payments to suppliers	(487,767)	(173,296,396)	(64,309,334)
Net cash provided by (used in) Operating Activities	(317,997)	23,959,144	(2,669,202)
Cash Flows From Noncapital Financing Activities			
Transfers in	403,804	7,198,591	395,000
Transfers out	-	(8,655,000)	-
Net cash provided by (used in) Noncapital Financing Activities	403,804	(1,456,409)	395,000
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	-	(148,799)	(209,981)
Cash Flows From Investing Activities			
Interest received on investments	-	1,111,693	-
Increase (decrease) in cash and pooled investments	85,807	23,465,629	(2,484,183)
Cash and pooled investments, beginning of year	-	54,089,313	33,882,140
Cash and pooled investments, end of year	\$ 85,807	\$ 77,554,942	\$ 31,397,957
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (463,818)	\$ 9,280,231	\$ (4,269,425)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	60,014	168,295	663,998
Changes in assets and liabilities:			
Taxes receivable	-	(2,635,549)	-
Accounts receivable	201,830	2,509,443	630
Inventory	-	-	(89,796)
Due from other governments	-	(1,330,319)	16,620
Due from other funds	-	-	(1,144,148)
Other assets	-	(706,200)	(224,076)
Accounts payable	120	1,586,927	726,183
Accrued employee benefits	(532)	69,999	93,243
Due to other governments	-	(69,259)	-
Due to other funds	(115,611)	13,921,855	(8,493)
Deferred revenue	-	1,163,721	-
Accrued claims and judgements	-	-	1,566,062
Net cash provided by (used in) Operating Activities	\$ (317,997)	\$ 23,959,144	\$ (2,669,202)

MACOMB COUNTY, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2009

	Employee Retirement and Postretirement Health Care Benefits	Agency Funds
ASSETS		
Cash and pooled investments	\$ 20,420,522	\$ 15,815,827
Receivables		
Accrued interest	1,118,858	-
Other	1,373,245	58,503
Other assets	546,763	-
Investments, at fair value		
Corporate Bonds	39,456,221	-
Preferred Stock	452,697	-
Common Stock	335,542,967	-
Foreign Stock	14,983,273	-
Limited partnership	51,075,280	-
Mutual funds	364,714,526	-
Due from fiduciary funds	199,179	113,415
Other assets	-	187
	829,883,531	\$ 15,987,932
LIABILITIES		
Accounts payable	572,231	\$ 8,539,727
Accrued compensation and benefits	-	10,048
Deposits	-	6,150,265
Due to other governments	-	1,287,131
Due to governmental funds	5,656,367	-
Due to fiduciary funds	311,833	761
	6,540,431	\$ 15,987,932
NET ASSETS		
Net assets held in trust for pension and other postemployment benefits	\$ 823,343,100	

MACOMB COUNTY, MICHIGAN
Statement of Changes In Fiduciary Net Assets
Fiduciary Funds
Year Ended December 31, 2009

	Employee Retirement and Postretirement Health Care Benefits
ADDITIONS	
Contributions	
Employer	\$ 33,821,649
Employee	4,873,746
	<u>38,695,395</u>
Investment income	
Net appreciation in fair value of assets	117,284,810
Interest	1,664,452
Dividends	8,452,385
Securities lending	65,846
	<u>127,467,493</u>
Less investment expenses	
Management and custodial fees	3,162,668
Securities lending agent fees	19,754
	<u>3,182,422</u>
Net investment income	<u>124,285,071</u>
Total additions	<u>162,980,466</u>
DEDUCTIONS	
Benefit payments	56,278,147
Refunds of contributions	413,674
Administrative expense	183,846
	<u>56,875,667</u>
Net increase in net assets	106,104,799
NET ASSETS	
Beginning of year	<u>717,238,301</u>
End of year	<u>\$ 823,343,100</u>

MACOMB COUNTY, MICHIGAN
Combining Statement of Net Assets - Component Units
December 31, 2009

	Drainage Districts (1)	Road Commission (1)	Workforce Development Board	Total
ASSETS				
Cash and cash equivalents	\$ 49,812,296	\$ 59,425,292	\$ -	\$ 109,237,588
Receivables:				
Accrued interest	28,008	152,850	-	180,858
Trade accounts, net	7,631,943	1,546,399	37,835	9,216,177
Special assessments	109,520,000	-	-	109,520,000
Inventories	-	4,043,905	-	4,043,905
Due from other governments	-	7,205,271	6,475,768	13,681,039
Capital assets, net:				
Assets not being depreciated	26,228,391	186,954,846	-	213,183,237
Assets being depreciated	153,892,266	524,576,048	-	678,468,314
Other assets	-	2,099,868	-	2,099,868
Total assets	347,112,904	786,004,479	6,513,603	1,139,630,986
LIABILITIES				
Accounts payable	12,451,565	10,303,764	6,315,449	29,070,778
Accrued compensation and benefits	-	-	30,825	30,825
Accrued interest payable	819,365	-	-	819,365
Due to other governments	-	-	84,019	84,019
Compensated absences	-	780,469	-	780,469
Accrued workers compensation claims	-	129,678	-	129,678
Long-term debt maturities due within one year	4,985,000	-	-	4,985,000
Long-term liabilities:				
Compensated absences	-	614,134	-	614,134
Accrued workers compensation claims	-	298,422	-	298,422
Accrued general liability claims	-	76,599	-	76,599
Long-term debt maturities due in more than one year	103,861,637	-	-	103,861,637
Total Liabilities	122,117,567	12,203,066	6,430,293	140,750,926
NET ASSETS				
Invested in capital assets, net of related debt	71,274,020	711,530,894	-	782,804,914
Unrestricted	153,721,317	62,270,519	83,310	216,075,146
Total Net Assets	\$ 224,995,337	\$ 773,801,413	\$ 83,310	\$ 998,880,060

(1) - Year-end September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Statement of Activities - Component Units
For the Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Drainage Districts (1)					
Governmental activities					
Public works	\$ 56,266,338	\$ 40,689,604	\$ -	\$ 9,258,251	
Interest on long-term debt	4,388,615	-	-	-	
	60,654,953	40,689,604	-	9,258,251	
Total public works				(10,707,098)	
Road Commission (1)					
Governmental activities					
Public works	65,289,499	11,499,711	-	63,112,999	
				9,323,211	
Workforce Development Board					
Governmental activities					
Health and Welfare	52,632,180	68,740	52,566,252	-	
				2,812	
Total Component Units	\$ 178,576,632	\$ 52,258,055	\$ 52,566,252	\$ 72,371,250	\$ (1,381,075)

(1) - Year ended September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Statement of Activities - Component Units (concluded)
For the Year Ended December 31, 2009

	Drainage Districts (1)	Road Commission (1)	Workforce Development Board	Total
Changes in net assets				
Net (expense) revenue	\$ (10,707,098)	\$ 9,323,211	\$ 2,812	\$ (1,381,075)
General revenues:				
Investment earnings	4,272,483	1,281,167	-	5,553,650
Change in net assets	(6,434,615)	10,604,378	2,812	4,172,575
Net assets, beginning of year (2)	231,429,952	763,197,035	80,498	994,707,485
Net assets, end of year	<u>\$ 224,995,337</u>	<u>\$ 773,801,413</u>	<u>\$ 83,310</u>	<u>\$ 998,880,060</u>

(1) - Year Ended September 30, 2009

(2) - As restated for Drainage Districts. See Note 14

The accompanying notes are an intergal part of these financial statements

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements December 31, 2009

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of Macomb County (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing such principles. All financial statements are for the year ended December 31, 2009, except as follows: the financial statements of the Child Care, Community Services, Friend of the Court, Health Grants, Veterans' Services and certain MSU Extension, Prosecuting Attorney, Senior Citizens and Sheriff Special Revenue Funds, the Community Mental Health Enterprise Fund, and the Road Commission and Public Works Component Units, which are reported as of and for the year ended September 30, 2009.

Financial Reporting Entity - Macomb County was incorporated in 1818 and includes an area of 482 square miles with the county seat located in the city of Mt. Clemens. The County operates under an elected Board of Commissioners (26 members). The Board of Commissioners is a legislative body that is also responsible for the administration of the County. The County provides many services to residents, including law enforcement, administration of justice, community development and enrichment, parks and recreation and human services.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined by GASB Statement No. 14, "The Financial Reporting Entity", and amended by GASB Statement No. 39, as appointment of a voting majority of the component unit's board, and either (a) the ability of the primary government to impose its will on the component unit, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The accompanying financial statements present the financial position and results of operations of Macomb County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. In conformity with generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity either as blended component units or as discretely presented component units.

Blended Component Units – Blended component units are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

The **Macomb County Criminal Justice Building Authority (MCCJBA)** is governed by a three-member board appointed by the County's Board of Commissioners. Although legally separate from the County, the MCCJBA is reported as if it were part of the primary government because its sole purpose is to finance and construct certain County Buildings.

The **Macomb County Building Authority** is governed by a seven-member board appointed by the County Board of Commissioners. Although legally separate from the County, the Building Authority is presented as a blended component unit because its sole purpose is to finance and construct certain County Buildings.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

Discretely Presented Component Units

The **Macomb/St. Clair Workforce Development Board** is governed by a separate board, consisting of 37 members, the majority of which is appointed by the Chair of the Macomb County Board of Commissioners. The Workforce Development Board receives federal funding under the Workforce Investment Act to operate employment and training programs that lead to unsubsidized employment for unskilled adults and youth. Its activities are included in the County's financial statements as the County is financially responsible for the entity and the exclusion of such activities would be misleading to the County's financial statements. Separate independently audited financial statements of the Workforce Development Board are not prepared. All of the funds of the Workforce Development Board are Special Revenue Funds and, therefore, fund level financial statements are not presented herein.

The **Macomb County Road Commission** is governed by a separate board appointed by the County Board of Commissioners. The Road Commission constructs, operates and maintains primary and local roads within the County. The Road Commission's activities are included in the County's financial statements as the exclusion of such activities would be misleading to the financial statements. Complete financial statements of the Road Commission can be obtained from the Road Commission administrative offices, 156 Mallow St., P. O. Box 2347, Mt. Clemens, MI, 48046-2347.

The **Drainage Districts** are governed by separate boards composed of the Public Works Commissioner, the Chair of the County Board of Commissioners and Chair of the Finance Committee of the Board of Commissioners. Each Drainage District is a separate legal entity with the power to contract, sue and be sued and hold, dispose of and manage real property. The primary function of the Drainage Districts is to direct the construction and maintenance of drains, sewers and water supply systems within the County. The activities of the Drainage Districts are included in the County's financial statements as the exclusion of these activities would be misleading. Separate independently audited financial statements of the Drainage Districts are not prepared.

Related Organization

The **County of Macomb Hospital Finance Authority** is governed by a five-member board appointed by the Macomb County Board of Commissioners. The Authority was created pursuant to Public Act 38 of 1969 for the purpose of providing hospitals within the County the opportunity to finance capital projects at favorable interest rates. Public Act 38 allows hospitals to finance capital projects through the Authority, which enjoys the County's excellent credit rating. Because the Authority does not provide a financial benefit or burden to the County, it is not reported as a component unit of the County.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

Basic (Government-Wide) and Fund Financial Statements-

The activities of the County are categorized as either governmental or business-type in both the government-wide and fund financial statements. The majority of the County's activities are governmental activities and are supported primarily by property taxes, charges for services and intergovernmental revenues while business-type activities are supported by fees and charges for services.

For the most part, the effect of inter-fund activity has been eliminated from these statements. However, inter-fund activity between governmental activities and business-type activities has not been eliminated so as to not distort the direct costs and program revenues of the various functions.

The **basic (government-wide) financial statements** report information on the County as a whole. These statements focus on the sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period and consist of the **Statement of Net Assets** and the **Statement of Activities**.

The **Statement of Net Assets** presents information on all of the assets and liabilities of the County, with the difference between the two reported as *net assets*. Net assets are classified into one of three categories for accounting and financial reporting purposes:

- Invested in capital assets, net of related debt. This category represents the cost of the County's capital assets, net of accumulated depreciation and reduced by any outstanding debt used to acquire those assets.
- Restricted. Assets are considered restricted when constraints are placed on their use by external sources such as creditors and grantors, or imposed by statute.
- Unrestricted. Net assets that do not meet the definition of the two preceding categories are considered unrestricted and can be used for new spending. Designations are often placed on unrestricted net assets to indicate that internal restrictions have been placed upon their use. However, designations differ from restrictions in that they may be subsequently removed or modified by management or the Board of Commissioners.

The **Statement of Activities** demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues are segregated into three categories: charges for services, operating grants and capital grants. Charges for services are those revenues generated from charges to customers or applicants who purchase, use or directly benefit from the goods and services provided by a given function or segment. Operating and capital grants are those restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not specifically associated with a particular program are reported as general revenues in the Statement of Activities.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

Basic (Government-Wide) and Fund Financial Statements (continued)-

Fund financial statements report information at the individual fund level and are, in substance, very similar to the financial statements presented in the previous financial reporting model. The focus of the fund financial statements is on the major funds of both governmental and business-type activities. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the basic financial statements and are detailed in the supplementary information. Funds are classified as governmental, proprietary or fiduciary. The fiduciary funds are included in the fund financial statements but are excluded from the government-wide financial statements since these assets are being held for the benefit of third parties and are not available to support the activities or obligations of the County.

The County reports the following major governmental funds:

- The *General Fund* is the chief operating fund of the County. It accounts for all financial resources except those required to be accounted for in another fund.
- The *Revenue Sharing Reserve Fund* is required by the State of Michigan and accounts for property tax collections that serve as a substitute for State revenue sharing payments. This funding mechanism involved a gradual shift in the collection of County property taxes from December to July during the period 2005-2007.
- The *Child Care Fund* accounts for the revenues and expenditures related to juvenile detention and child safety and welfare.
- The *Friend of the Court Fund* is used to account for activities involved in administering and enforcing child support and parenting time orders issued by the 16th Circuit Court.

The County reports the following major enterprise funds:

- The *Delinquent Tax Revolving Fund* accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing jurisdictions in the County and their subsequent collection. In addition, the operations of the personal property tax collection division of the Treasurer's Office are reported here.
- The *Community Mental Health Fund* accounts for the activities of delivering an array of mental health services to County residents.
- The *Martha T. Berry Medical Care Facility* accounts for the activities of delivering long-term nursing care to County residents.
- The *Freedom Hill Park* fund accounts for the operations of the Freedom Hill County Park.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

Financial information regarding the County's Internal Service Funds is presented in summary form as part of the proprietary fund financial statements. Since the principal users of the services of these funds are the County's governmental activities, the financial statements of the internal service funds are consolidated into the governmental activities in the entity-wide financial statements. Surpluses or deficits of the internal service funds are allocated back to the governmental activities within the government-wide financial statements.

Basis of Presentation - Fund Accounting (concluded) - The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds of the County are classified into three broad categories: governmental, proprietary and fiduciary.

Governmental Funds

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, principal, interest and related costs of general long-term debt not being accounted for in proprietary funds.

Capital Projects Funds - Capital projects funds are used to account for the acquisition, construction or renovation of major capital facilities other than those accounted for in proprietary funds.

Proprietary Funds

Internal Service Funds - Internal services funds are used to account for goods and services provided to other departments and governmental agencies on a cost-reimbursement basis. The County utilizes separate internal service funds to account for compensated absences, workers' compensation insurance, liability insurance and central services such as inventory and telephone.

Enterprise Funds - Enterprise funds are used to account for the activities of the County's business-type activities. The operations of these funds are financed primarily through user fees that are intended to recover the cost of services provided.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the principal ongoing operations of any particular proprietary fund. Operating expenses for proprietary funds include cost of sales and services, administrative expenses and depreciation of capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds

Employees' Retirement Fund – The Employees' Retirement Fund is used to account for the accumulation of resources for pension benefit payments to qualified employees.

Retiree Health Care Trust Fund – The Retiree Health Care Trust Fund is used to account for the accumulation of resources to provide health care benefits to County retirees.

Agency Funds – Trust and agency funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The County reports the following agency funds: general agency for items such as court fees collected and passed through to the State of Michigan, payroll and benefits for employee withholdings such as garnishments and union dues and miscellaneous agency, which is used to account for monies such as library penal fines.

Measurement Focus and Basis of Accounting – The government-wide financial statements as well as the financial statements of the proprietary funds and pension trust funds are accounted for using the economic resources measurement focus and the full accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred without regard to the receipt or payment of cash or its equivalent. Agency funds do not have a measurement focus since they report only assets and liabilities and also use the accrual basis of accounting to recognize receivables and payables.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues of governmental funds are recognized when they become both measurable and available. "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used 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 year-end.

Property taxes are recognized as revenue in the period for which they are levied. Federal grants, state distributions and grants and interest earned are recognized as revenue in the period they become both measurable and available. Special assessments are recognized as revenues only to the extent that individual installments are due within one year. Licenses and permits, fines and forfeitures and other revenues are recorded when received in cash because they are generally not measurable until actually received. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, with the exception of principal and interest on general long-term debt, which is recognized when due.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

The majority of the funds of the County are accounted for using the modified accrual basis of accounting. Because the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is provided after each governmental fund financial statement that briefly explains the adjustments necessary to reconcile the fund financial statements to the government-wide financial statements.

When both restricted and unrestricted resources are available for use, restricted assets are used first and then unrestricted resources as needed.

Inventories - Inventories consist of expendable items held for consumption and are valued at cost using the first-in, first-out method. The expenditure related to utilization of inventory items is recorded at the time individual items are consumed.

Other Assets – Other assets represent deposits and prepaid expenses.

Budgetary Accounting – Prior to October 1, the County Finance Director submits to the Board of Commissioners a proposed operating budget for the year commencing January 1. The annual operating budget includes proposed expenditures and the means of financing them for the General Fund, Revenue Sharing Reserve Fund, Friend of the Court, Health, County Library, Human Services, Community Services Agency, Senior Citizens Services and Child Care Special Revenue Funds as well as the Martha T. Berry, Community Mental Health and Parks business-type activities. For those Special Revenue Funds and component units without annual operating budgets (Emergency Management Grants, Employment and Training Fund, Veterans' Trust Fund, MSU Extension Grants, COMET, Sheriff Grants, Urban County Block Grant, Prosecuting Attorney Grants, Health Grants, Other Special Revenue Funds and Michigan Works!), legal authorization for spending is obtained through approval of the Board of Commissioners or other appropriate authoritative body. Similarly, budgetary authorization for Debt Service and Capital Projects Funds is provided by Board approval of bond ordinances, grant agreements, construction contracts and special assessment rolls. A public hearing is conducted to obtain taxpayer comments and the budget is legally enacted through passage of a resolution by the Board of Commissioners no later than December 31.

Formal budgetary integration is employed as a management control device during the year for all funds. Expenditures may not legally exceed budgeted appropriations at the function and object level within an individual department. Management cannot amend the enacted budget without the consent of the Budget Committee of the Board of Commissioners. The Finance Committee is authorized to transfer budgeted amounts within the legal levels of budgetary control. Any revisions that alter the total expenditures of any legal level of budgetary control must be approved by the Board of Commissioners. During the year, supplemental budgetary appropriations were not significant in relation to the original appropriations as adopted. Unexpended appropriations lapse at year-end. Encumbrances open at year-end are re-appropriated in the following year. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts, as presented in the financial statements, represent final budget authorization, including all amendments approved during the year.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

State statutes provide that actual expenditures of a local unit of government shall not exceed the amounts appropriated. Actual expenditures exceeded budgeted amounts at the legal level of control as indicated below. The excess expenditures were funded by either additional unbudgeted revenues or available fund balance.

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Actual in Excess of Final Budget</u>
General Fund			
District Court - New Baltimore			
Salaries and fringe benefits	\$ 1,097,312	\$ 1,100,164	\$ 2,852
Family Court - Juvenile Division			
Capital outlay	-	2,240	2,240
Security			
Salaries and fringe benefits	536,134	574,869	38,735
Technical Services			
Salaries and fringe benefits	681,541	681,940	399
Non - Departmental Appropriations			
Salaries and fringe benefits	3,811,110	4,984,541	1,173,431

Capital Assets – Capital assets of the primary government, including land, land improvements, buildings, equipment and vehicles, are reported in the government-wide financial statements and the applicable proprietary fund financial statements. Capital assets utilized for governmental activities are only capitalized in the government-wide financial statements and are fully expended in the governmental funds. Capital assets of the component units, including infrastructure assets such as roads, bridges and drains, are reported in the Public Works and Road Commission Component Units. The County capitalizes assets whose initial purchase price equals or exceeds \$5,000 and whose estimated useful life exceeds one year. The Road Commission capitalizes assets whose initial cost equals or exceeds \$1,000 and estimated useful life exceeds one year. Capital assets are valued at historical cost or estimated historical cost. Donated properties are recorded at fair market value at the date of donation. Depreciation of all exhaustible capital assets is allocated against the various functions in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets. Depreciation has been provided over the following estimated useful lives using the straight-line method: land improvements - 10-20 years, buildings and improvements – 25-50 years, equipment - 3-20 years, vehicles - 5 years and infrastructure 8-50 years.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences – County employees earn vacation and sick leave benefits based on length of service. Both fully vest upon completion of a probationary period of six months. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement or termination). Certain limitations have been placed on the number of hours of vacation and sick leave that may be accumulated and carried over for payment at separation of service. Unused hours exceeding these limitations are forfeited. Accumulated unpaid vacation, sick pay and other employee benefit liabilities have been accrued in the Compensated Absences Internal Service Fund.

Encumbrances – Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. Encumbrances outstanding at year-end are reported as reserves of fund balances since they do not constitute expenditures or liabilities. In addition, the encumbrances outstanding at year-end are re-appropriated and spent under authorization of a new budget.

Property Taxes – The County property tax is levied July 1 of each year based on the taxable value of property as of the preceding December 31. Taxes are billed and collected for the County by the local units within the County and are payable in one installment no later than February 28 of the following year, at which time they become delinquent and subject to penalty. Taxable value is established annually by the local units, accepted by the County and equalized by the State of Michigan to approximate 50% of market value (SEV). The annual increase in taxable value is limited by State statute to the rate of inflation or 5%, whichever is less. Taxable value reverts to SEV when a property is sold or when SEV drops below taxable value. The taxable value of real and personal property in Macomb County for the July 1, 2009 levy (calendar 2009 revenue) was \$30,887,928,362. The County operating tax rate for the 2009 levy was 4.5685 mills.

The State eliminated State Revenue Sharing in 2004 and enacted Public Act 357 to provide for a gradual shift in County tax levies from December to July to serve as a substitute funding mechanism for State Revenue Sharing. The gradual shift took place over a three year period as follows: in 2005, one-third of the taxes were levied on July 1, and two-thirds on December 1; in 2006, two-thirds of the taxes were levied on July 1 and one third on December 1 and 100% of the taxes were levied on July 1 beginning in 2007 and each year thereafter.

The County, through its Delinquent Tax Revolving Fund, purchases annually from the municipalities within the County, at face value, the delinquent real property taxes receivable, as certified to the County as not collected as of March 1. The Delinquent Tax Revolving Fund is self-supporting at this time. Collection of these delinquent property taxes will be used to purchase future delinquent real property taxes from municipalities within the County.

Deferred Revenue – Deferred revenue in the governmental funds represents property taxes levied on December 1 of each year that are used to support the budget of the following year.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 1 – Summary of Significant Accounting Policies (concluded)

Use of Estimates – The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from such estimates.

Application of FASB Pronouncements – The County and its component units apply all applicable pronouncements of the Financial Accounting Standards Board (FASB) issued prior to December 1, 1989 in accounting for their proprietary operations (excluding internal service funds), unless those pronouncements conflict with guidance issued by the Governmental Accounting Standards Board on or after that date, as prescribed by GASB Statement No. 20. Governments also have the option of following private-sector guidance issued subsequent to December 1, 1989, subject to the same limitation. The County has elected not to do so and follow only guidance issued by the GASB subsequent December 1, 1989.

Fund Equity - Governmental funds may report reservations and/or designations of fund balance. Balances reported as reserved represent amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Balances reported as designated represent tentative management plans that are subject to change.

Note 2 - Deposits and Investments

Primary Government and Component Unit Deposits and Investments - The County maintains a cash and investment pool that is available for use by all funds. In addition to their participation in the pool, certain funds also maintain separate investment accounts, consisting primarily of certificates of deposit and money market accounts. Each fund's portion of the pool as well as any amounts in separate accounts are reported as "Cash and Pooled Investments". The Board of Commissioners adopts a depository resolution, including a list of authorized institutions, each year as recommended by the County Treasurer. The provisions of the depository resolution are as presented below.

- Certificates of deposit must be with institutions with locations in the State of Michigan, shall not exceed 75% of the portfolio and the amount with any one institution may not exceed 25% of the total portfolio.
- Commercial paper must be rated A-1 by Standard & Poors and P-1 by Moodys and may not exceed 75% of the total portfolio.
- Banker's acceptances with any one institution may not exceed 20% of the total portfolio.
- Government investment pools may not exceed 50% of the total portfolio.
- The total of deposits and investments with any one institution may not exceed 50% of the capitalization of that institution.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 2 – Deposits and Investments (continued)

Primary Government and Component Unit Deposits and Investments (continued) –

The deposits and investments of the primary government and component units, excluding the pension and other postemployment benefit trust funds, at December 31, 2009 and September 30, 2009 respectively, are presented below.

	<u>Primary Government</u>	<u>Component Units</u>	<u>Percent of Total</u>
Cash on hand	\$ 60,484	\$ -	0.02%
Bank and money market accounts	37,193,005	15,616,745	16.12%
Certificates of deposit	174,066,089	93,620,843	81.73%
Subtotal - deposits	<u>211,319,578</u>	<u>109,237,588</u>	<u>97.87%</u>
Commercial paper	2,293,887	-	0.70%
US Treasury securities	4,670,677	-	1.43%
Subtotal - investments	<u>6,964,564</u>	<u>-</u>	<u>2.13%</u>
Total deposits and investments	218,284,142	109,237,588	<u>100.00%</u>
Timing effect of different year ends	<u>(167,011)</u>	<u>-</u>	
Amount reported at December 31, 2009	<u>\$ 218,117,131</u>	<u>\$ 109,237,588</u>	
Amount reported in primary government	\$ 202,301,304		
Amount reported in agency funds	<u>15,815,827</u>		
	<u>\$ 218,117,131</u>		

Deposits - The deposits of the primary government and its component units are subject to *custodial credit risk*, which is the risk that the deposits may not be returned in the event of a bank failure. The custodial credit risk assumed by the County is measured by categorizing deposits in one of three categories: 1) insured or collateralized with securities held by the County or its agent in the County's name, 2) collateralized with securities held by the counter-party's trust department or agent in the County's name and 3) uninsured and uncollateralized.

At year-end, the book value of the deposits was \$320,557,166, with corresponding bank balances of \$328,832,847. Qualifying deposits are insured by the FDIC up to \$250,000. Of the bank balances, \$2,750,000 was insured and the remaining \$317,807,166 was uninsured and uncollateralized. The County believes that it is impractical to insure all deposits given the size of the portfolio and the limits of insurance established by the FDIC. As a result, the County evaluates each institution with which it deposits funds and assesses the level of risk associated with each institution and adjusts its deposits accordingly.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 2 – Deposits and Investments (continued)

Primary Government and Component Unit Deposits and Investments (concluded) –

Investments - Investments of the primary government and component units are subject to various types of risks as defined below in accordance with GASB Statement No. 40:

- **Custodial Credit Risk** exists when securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. All investments of the primary government are held in the name of the County and are evidenced by a safekeeping receipt and, therefore, are not exposed to custodial credit risk.

- **Credit Risk** is a measure of the creditworthiness of the issuers of the instruments being held and represents the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Statutes of the State of Michigan authorize the County to invest in the following instruments: obligations of the U.S. Treasury and its agencies and instrumentalities, commercial paper rated within the two highest classifications established by not less than two standard rating services, bankers' acceptances, investment pools of the Treasurer of the State of Michigan, and repurchase agreements. At year-end, all of the commercial paper held by the County was rated A-1 by Standard & Poors and P-1 by Moody's Investor Service. In addition, the entire portfolio of investments issued by the United States Treasury or agencies of the United States were rated AAA by Standard & Poors and Aaa by Moody's.

- **Concentration of Credit Risk** is the risk of loss measured by the magnitude of the County's investment in a single issuer. As defined by GASB Statement NO. 40, the County is exposed to concentration of credit risk if more that 5% of its portfolio is invested in instruments issued by a single issuer. No investments exceed the 5% threshold at year-end.

- **Interest Rate Risk** is the risk that the fair value of the County's investments will be adversely affected by changes in market interest rates and is measured primarily by average days to maturity. Although the County investment policy does not limit investment maturities as a means of limiting its exposure to interest rate risk, the County manages this risk by purchasing a mix of short and longer term investments. Information regarding the County's exposure to interest rate risk is presented below:

Maturities (Years)	Fair Value			Percent of Total
	US Treasury	Commercial Paper	Total	
Less than 1	\$ 1,006,760	\$ 2,293,887	\$ 3,300,647	47.39%
1-5	3,663,917	-	3,663,917	52.61%
	<u>\$ 4,670,677</u>	<u>\$ 2,293,887</u>	<u>\$ 6,964,564</u>	<u>100.00%</u>

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 2 – Deposits and Investments (continued)

Retiree Health Care Trust Fund Investments – The investments of the Retiree Health Care Trust Fund (the "Fund") are held in a bank-administered trust fund. A summary of the investments of the Retiree Health Care Trust Fund at December 31, 2009 are presented below:

<u>Investment Type</u>	<u>Amount</u>	<u>Percent of Total</u>
Equity Mutual Funds	\$ 66,198,565	64.65%
Bond Mutual Fund	20,342,076	19.87%
Foreign Stock	14,983,273	14.63%
Common Stock	865,329	0.85%
	<u>\$ 102,389,243</u>	<u>100.00%</u>

Investments of the Retiree Health Care Trust Fund are subject to various types of risks as defined below in accordance with GASB Statement No. 40:

- ***Custodial Credit Risk*** exists when securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. All investments of the Retiree Health Care Trust Fund are held in trust by a third party institution in the name of the Fund and, therefore, are not exposed to custodial credit risk.
- ***Credit Risk*** is a measure of the creditworthiness of the issuers of the instruments being held and represents the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Statutes of the State of Michigan authorize the Retiree Health Care Trust Fund to invest in the following instruments: obligations of the U.S. Treasury and its agencies and instrumentalities, commercial paper rated within the two highest classifications established by not less than two standard rating services, bankers' acceptances, investment pools of the Treasurer of the State of Michigan, repurchase agreements and corporate bonds rated in the top four major grades as determined by at least two national ratings agencies. The entire portfolio of debt securities of the Retiree Health Care Trust Fund is held in one bond index mutual fund that consists of a mix of corporate, US Treasury and US Agency securities.
- ***Concentration of Credit Risk*** is the risk of loss measured by the magnitude of investments in a single issuer. As defined by GASB Statement NO. 40, the County is exposed to concentration of credit risk if more that 5% of its portfolio is invested in instruments issued by a single issuer. Investments in instruments issued by the US Government, as well as those held in mutual funds and investment pools are exempt from this requirement. None of the investments in common or foreign stock exceeded the 5% threshold at December 31, 2009.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 2 – Deposits and Investments (continued)

Retiree Health Care Trust Fund Investments (concluded) –

- **Interest Rate Risk** is the risk that the fair value of investments in debt securities will be adversely affected by changes in market interest rates and is measured primarily by average days to maturity. The entire portfolio of debt securities of the Retiree Health Care Trust Fund is held in one bond index mutual fund that consists of a mix of corporate, US Treasury and US Agency securities and is therefore not subject to interest rate risk.

Employees’ Retirement System Deposits and Investments - A summary of the investments of the System at December 31, 2009 is presented below:

<u>Investment Type</u>	<u>Amount</u>	<u>Percent of Total</u>
Cash and pooled investments	\$ 20,420,522	2.82%
Corporate bonds	39,456,221	5.45%
Preferred stock	452,697	0.06%
Common stock	334,677,638	46.21%
Limited partnerships	51,075,280	7.05%
Mutual funds	278,173,885	38.41%
	<u>\$ 724,256,243</u>	<u>100.00%</u>

Deposits - The deposits of the Macomb County Employee’s Retirement System (the “System”) are subject to **custodial credit risk**, which is the risk that the deposits may not be returned in the event of a bank failure. The custodial credit risk assumed by the System is measured by categorizing deposits as previously described. At year-end, the book value of the deposits of the System was \$20,420,522, with corresponding bank balances of \$20,645,626. Qualifying deposits are insured by the FDIC up to \$250,000. Of the bank balances of the System, \$500,000 was insured and the remaining \$20,145,626 was uninsured and uncollateralized.

Investments - The investments of the System are subject to various types of risks as defined below in accordance with GASB Statement No. 40:

- **Custodial Credit Risk** exists when securities are uninsured, unregistered or held by a counterparty or its agent but not in the government’s name. All investments of the System are held in trust by a third party institution in the name of the System and are, therefore, are not exposed to custodial credit risk.
- **Credit Risk** is a measure of the creditworthiness of the issuers of the instruments being held and represents the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Statutes of the State of Michigan authorize the System to invest in the following instruments: obligations of the U.S. Treasury and its agencies and instrumentalities, commercial paper rated within the two highest classifications established by not less than two standard rating services, bankers’ acceptances, investment pools of the Treasurer of the State of Michigan, repurchase agreements, corporate stocks and corporate bonds rated in the top four major grades as determined by at least two national ratings agencies. Corporate stock cannot exceed sixty five percent (65%) of the total portfolio.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 2 - Deposits and Investments (continued)

Employees' Retirement System Deposits and Investments (continued) –

At December 31, 2009, the System's investments in debt securities were rated by Standard & Poors as follows:

<u>Quality Rating</u>	<u>Corporate Bonds</u>	<u>Percent of Total</u>
AAA	\$ 8,489,484	21.51%
AA	6,016,456	15.25%
A	16,834,307	42.67%
BBB	7,663,353	19.42%
BB	312,932	0.79%
B	21,901	0.06%
CCC	31,650	0.08%
D	86,138	0.22%
	<u>\$ 39,456,221</u>	<u>100.00%</u>

Interest Rate Risk is the risk that the fair value of investments in debt securities will be adversely affected by changes in market interest rates and is measured primarily by average days to maturity. A summary of the maturities of the System's debt securities at December 31, 2009 were as follows:

<u>Maturities (Years)</u>	<u>Corporate Bonds</u>	<u>Percent of Total</u>
1-5	\$ 39,383,956	99.82%
6-10	-	0.00%
11 or more	72,265	0.18%
	<u>\$ 39,456,221</u>	<u>100.00%</u>

Investments in non-marketable limited partnerships are generally carried at the fair value reported by the management of the investment partnerships as of December 31. The County believes that the carrying value of these investments is a reasonable estimate of the fair value as of December 31, 2009. Because these investments are not readily marketable, the carrying value may differ from the value that would have been reported had a ready market for these investments existed. The carrying value of such investments was \$51,075,280 at December 31, 2009 and constituted 7.05% of the investment portfolio of the System.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 2 - Deposits and Investments (continued)

Employees' Retirement System Deposits and Investments (concluded) --

Securities Lending Credit Risk – The Macomb County Employees' Retirement System is authorized to participate in securities lending agreements with its custodian. Such transactions involve loans of securities to broker/dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future and are perceived to be invisible to the third party money managers who manage segments of the portfolio. The market for securities lending has developed to provide temporary access to a large portfolio of securities for broker/dealers who have a need to borrow specific instruments. Broker/dealers collateralize their borrowings (typically in cash) to 102% of the security value for domestic securities and 105% for foreign securities and this collateral is adjusted daily to maintain the appropriate level. The System had no credit risk exposure to borrowers at year-end since the borrowers had collateralized the securities on loan at 102%. In addition, the system is indemnified through its agreement with its custodian should borrowers fail to return securities lent or fail to pay the System income distributions by the securities' issuers while the securities are on loan. The System may not pledge or sell collateral securities, except in the case of borrower default. The System periodically reviews the custodian's practices to ensure fair distributions by the securities' issuers while the securities are on loan. The System ended its participation in securities lending in May 2009 and there were no securities on loan at December 31, 2009.

Note 3 – Capital Assets

The following is a summary of capital asset activity of the governmental activities of the County for the year ended December 31, 2009:

	Beginning Balance (1)	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 12,998,859	\$ -	\$ -	\$ 12,998,859
Construction in progress	8,219,627	3,655,632	10,352,750	1,522,509
Total capital assets not being depreciated	21,218,486	3,655,632	10,352,750	14,521,368
Capital assets being depreciated				
Land improvements	10,005,026	121,147	-	10,126,173
Buildings	209,274,463	9,844,108	-	219,118,571
Machinery, equipment and vehicles	53,667,760	2,039,768	773,185	54,934,343
Total capital assets being depreciated	272,947,249	12,005,023	773,185	284,179,087
Less accumulated depreciation for				
Land improvements	3,695,307	458,898	-	4,154,205
Buildings	77,526,463	6,109,798	-	83,636,261
Machinery, equipment and vehicles	31,069,174	7,099,385	744,212	37,424,347
Total accumulated depreciation	112,290,944	13,668,081	744,212	125,214,813
Total capital assets being depreciated, net	160,656,305	(1,663,058)	28,973	158,964,274
Governmental activities capital assets, net	<u>\$ 181,874,791</u>	<u>\$ 1,992,574</u>	<u>\$ 10,381,723</u>	<u>\$ 173,485,642</u>

(1) - As restated. See Note 14.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 3 – Capital Assets (continued)

The primary government does not have any infrastructure assets. Infrastructure assets of the County are reported in either the Drainage Districts or Road Commission Discretely Presented Component Units.

Depreciation expense was charged to the functions of the governmental activities as follows:

Governmental activities:	Governmental Assets	Internal Service Assets	Total
Judicial	\$ 2,056,885	\$ -	\$ 2,056,885
General government	2,686,480	663,998	3,350,478
Health and welfare	2,684,200	-	2,684,200
Recreation and culture	71,324	-	71,324
Public safety	5,505,194	-	5,505,194
	<u>\$ 13,004,083</u>	<u>\$ 663,998</u>	<u>\$ 13,668,081</u>

The following is a summary of capital asset activity of the business-type activities of the County for the year ended December 31, 2009

Business-type activities	Beginning Balance (1)	Increases	Decreases	Ending Balance
Capital assets being depreciated				
Land improvements	\$ 350,128	\$ -	\$ -	\$ 350,128
Buildings	1,682,229	-	-	1,682,229
Machinery, equipment and vehicles	540,501	148,799	5,142	684,158
Total capital assets being depreciated	<u>2,572,858</u>	<u>148,799</u>	<u>5,142</u>	<u>2,716,515</u>
Less accumulated depreciation for				
Land improvements	192,451	12,768	-	205,219
Buildings	638,720	61,719	-	700,439
Machinery, equipment and vehicles	262,159	93,808	5,142	350,825
Total accumulated depreciation	<u>1,093,330</u>	<u>168,295</u>	<u>5,142</u>	<u>1,256,483</u>
Total capital assets being depreciated, net	<u>1,479,528</u>	<u>(19,496)</u>	<u>-</u>	<u>1,460,032</u>
Business-type activities capital assets, net	<u>\$ 1,479,528</u>	<u>\$ (19,496)</u>	<u>\$ -</u>	<u>\$ 1,460,032</u>

(1) - As restated. See Note 14.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 3 – Capital Assets (continued)

The following is a summary of changes in the Drainage Districts Component Unit capital assets for the year ended September 30, 2009:

	Beginning Balance (1)	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,992,428	\$ -	\$ -	\$ 1,992,428
Construction in progress	16,915,609	9,071,491	1,751,137	24,235,963
Total capital assets not being depreciated	18,908,037	9,071,491	1,751,137	26,228,391
Capital assets being depreciated				
Infrastructure	228,749,009	1,751,137	-	230,500,146
Less accumulated depreciation for Infrastructure	72,015,389	4,592,491	-	76,607,880
Total capital assets being depreciated, net	156,733,620	(2,841,354)	-	153,892,266
Governmental activities capital assets, net	<u>\$ 175,641,657</u>	<u>\$ 6,230,137</u>	<u>\$ 1,751,137</u>	<u>\$ 180,120,657</u>

(1) - As restated. See Note 14.

The following is a summary of changes in the Road Commission Component Unit capital assets for the year ended September 30, 2009:

	Balance Beginning	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 184,603,914	\$ 2,350,932	\$ -	\$ 186,954,846
Capital assets being depreciated				
Land improvements	1,416,567	1,211	35,655	1,382,123
Buildings	25,185,131	583,745	675,344	25,093,532
Machinery, equipment and vehicles	27,445,816	2,285,975	900,027	28,831,764
Infrastructure	891,202,079	36,689,501	-	927,891,580
Total capital assets being depreciated	945,249,593	39,560,432	1,611,026	983,198,999
Less accumulated depreciation for				
Land improvements	881,519	69,286	-	950,805
Buildings	6,531,327	502,169	178,571	6,854,925
Machinery, equipment and vehicles	23,681,851	1,780,254	773,737	24,688,368
Infrastructure	391,874,890	34,253,963	-	426,128,853
Total accumulated depreciation	422,969,587	36,605,672	952,308	458,622,951
Total capital assets being depreciated, net	522,280,006	2,954,760	658,718	524,576,048
Governmental activities capital assets, net	<u>\$ 706,883,920</u>	<u>\$ 5,305,692</u>	<u>\$ 658,718</u>	<u>\$ 711,530,894</u>

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 4 – Long-Term Debt

The following is a summary of the long-term liability transactions for the year ended December 31, 2009:

Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities					
Criminal Justice Bldg Authority					
Series 2002-B Refunding	\$ 4,425,000	\$ -	\$ 270,000	\$ 4,155,000	\$ 865,000
Building Authority					
Series 1999 Verkuilen Bldg	145,000	-	145,000	-	-
Series 2000 Clemens Center	175,000	-	175,000	-	-
Series 2002 MTB/Youth Home	8,700,000	-	1,300,000	7,400,000	1,350,000
Series 2002-A Refunding	5,630,000	-	705,000	4,925,000	740,000
Series 2004 Warehouse	4,350,000	-	200,000	4,150,000	200,000
Series 2004-A Public Works Bldg	3,625,000	-	175,000	3,450,000	175,000
Series 2005 Clemens Refunding	2,785,000	-	30,000	2,755,000	205,000
Series 2005 Commun System/Dist Court	17,205,000	-	750,000	16,455,000	775,000
Series 2007 Refunding	16,840,000	-	60,000	16,780,000	60,000
MI Transportation Fund					
Series 2000-A Bridge Bonds	340,000	-	340,000	-	-
Series 2004-B Bridge Bonds	6,005,000	-	400,000	5,605,000	400,000
Series 2008- Bridge Refunding Bonds	2,590,000	-	35,000	2,555,000	395,000
	<u>72,815,000</u>	<u>-</u>	<u>4,585,000</u>	<u>68,230,000</u>	<u>5,165,000</u>
Other liabilities					
Compensated Absences	6,023,821	1,280,266	1,187,023	6,117,064	1,100,000
General liability claims	4,085,865	2,100,796	1,952,486	4,234,175	1,450,000
Workers' compensation claims	1,788,503	2,345,015	927,263	3,206,255	1,000,000
	<u>84,713,189</u>	<u>5,726,077</u>	<u>8,651,772</u>	<u>81,787,494</u>	<u>8,715,000</u>
Component Units					
Drainage Districts					
Special Assessment Debt	110,250,000	3,351,637	4,755,000	108,846,637	4,985,000
Road Commission					
Compensated Absences	1,305,389	919,878	830,664	1,394,603	780,469
General liability claims	110,404	(31,605)	2,200	76,599	-
Workers' compensation claims	40,528	654,020	266,448	428,100	129,678
	<u>1,456,321</u>	<u>1,542,293</u>	<u>1,099,312</u>	<u>1,899,302</u>	<u>910,147</u>
Grand Totals	<u>\$ 196,419,510</u>	<u>\$ 10,620,007</u>	<u>\$ 14,506,084</u>	<u>\$ 192,533,433</u>	<u>\$ 14,610,147</u>

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 4 – Long-Term Debt (continued)

Long-term bonded debt of the Primary Government and Component Units consists of the following:

Issue	Interest Rate	Date of Issue	Maturing Through	Original Issue Amount	Balance End of Year
Primary Government					
Governmental activities					
Criminal Justice Building Authority					
Series 2002-B Refunding	2.00-4.00	01/01/2003	7/1/2013	\$ 5,830,000	\$ 4,155,000
Macomb County Building Authority					
Series 2002 MTB/Youth Home Renovation	3.50-5.00	05/01/2002	5/1/2022	32,000,000	7,400,000
Series 2002-A Refunding	2.50-4.00	12/01/2002	5/1/2015	8,885,000	4,925,000
Series 2004 Warehouse	2.00-5.00	05/01/2004	5/1/2024	5,100,000	4,150,000
Series 2004-A Public Works Bldg	3.00-4.50	11/01/2004	5/1/2024	4,250,000	3,450,000
Series 2005 Clemens Refunding	3.25-5.00	12/01/2005	5/1/2020	2,875,000	2,755,000
Series 2005 Commun System/Dist Court	3.75-4.50	12/01/2005	11/1/2025	19,380,000	16,455,000
Series 2007 Refunding	3.50-4.22	04/01/2007	3/1/2022	16,895,000	16,780,000
Michigan Transportation Bonds					
Series 2004-B Bridge Bonds	3.00-4.75	05/01/2004	12/1/2024	10,000,000	5,605,000
Series 2008 Bridge Refunding Bonds	3.00-3.50	06/01/2008	12/1/2015	2,605,000	2,555,000
Total Primary Government				<u>107,820,000</u>	<u>68,230,000</u>
Drainage Districts Component Unit					
Special Assessment Debt					
Busch Drain	3.80- 4.55	10/01/1998	05/01/2014	1,250,000	550,000
Hawken Drain	4.30 - 5.25	08/01/2000	05/01/2015	795,000	350,000
Hayes Drain	4.50 - 5.20	08/01/2000	05/01/2015	1,095,000	650,000
Plumbrook Bridge Replacement	4.00 - 5.00	08/01/2000	05/01/2015	2,800,000	1,500,000
Schmidt Drain	3.60 - 4.30	05/01/2006	06/01/2016	525,000	375,000
17 Mile Road Drain & Branches	4.00 - 8.00	04/01/1973	05/01/2013	2,315,000	1,125,000
17 Mile Road Extension	3.00 - 4.50	11/01/2001	11/01/2016	1,725,000	1,000,000
Sterling Relief Lateral 12B Extension	2.00 - 4.00	09/01/2003	11/01/2012	885,000	415,000
Armada Village MCSSS	2.00	01/23/1992	10/01/2011	1,170,000	145,000
North Gration Interceptor	3.75 - 4.20	11/01/2006	05/01/2032	3,380,000	3,280,000
North Gration Interceptor - Lenox Local	4.00 - 4.25	03/01/2007	05/01/2031	15,200,000	14,400,000
North Gration Interceptor - Phase 1	3.25 - 4.75	06/01/2008	05/01/2033	22,340,000	21,850,000

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 4 – Long-Term Debt (continued)

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturing Through</u>	<u>Original Issue Amount</u>	<u>Balance End of Year</u>
Drainage Districts Component Unit					
Special Assessment Debt					
Lake St. Clair Clean Water Initiative Series A	4.30 - 4.90	01/01/2001	10/1/2018	9,990,000	8,340,000
Lake St. Clair Clean Water Initiative					
State Revolving Fund Series #1 (5186-01)	2.50	Various	10/01/2022	20,670,000	14,580,000
Lake St. Clair Clean Water Initiative Phase II, No. 2		04/01/2002	04/01/2023	5,000,000	4,225,000
Lake St. Clair Clean Water Initiative					
State Revolving Fund Series #2 (5186-02)	2.50	Various	04/01/2022	13,630,000	9,620,000
Lake St. Clair Clean Water Initiative					
State Revolving Fund Series #3 (5186-03)	2.50	Various	04/08/2022	2,640,000	1,860,000
Lake St. Clair Clean Water Initiative					
State Revolving Fund Series #4 (5186-04)	2.50	Various	10/01/2022	5,550,000	3,915,000
Lake St. Clair Clean Water Initiative					
State Revolving Fund Series #5 (5186-05)	2.50	Various	10/01/2022	975,000	730,000
Lake St. Clair Clean Water Initiative Series 2004A	4.375 - 5.150	06/01/2004	10/01/2029	5,000,000	4,365,000
Lake St. Clair Clean Water Initiative Series 2004B	4.375 - 5.150	06/01/2004	10/01/2029	14,000,000	12,220,000
8.5 Mile Relief State Revolving Fund Loan (5306-01)	2.50	Various	10/01/2029	3,351,637	3,351,637
Total Drainage Districts Component Unit				<u>134,286,637</u>	<u>108,846,637</u>
Total Reporting Entity				<u>\$ 242,106,637</u>	<u>\$ 177,076,637</u>

All long-term obligations are presented as of December 31, 2009 except for the Special Assessment Debt with Governmental Commitment and Road Commission obligations, which are presented as of September 30, 2009. Special assessments receivable have been pledged by various local units of government for the payment of principal and interest on the Special Assessment Debt with Governmental Commitment. The County has also pledged its full faith and credit as additional security for the payment of the principal and interest on the Special Assessment Debt with Governmental Commitment in the event that the monies required to pay the principal and interest on the bonds are not collected by the aforementioned special assessments.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 4 – Long-Term Debt (continued)

The annual requirements necessary to pay principal on the obligations of the Primary Government and Component Units outstanding at year-end, exclusive of the compensated absences, general liability and workers' compensation accruals, are as follows:

Principal Maturities						
Year	Primary Government				Drainage Districts	
	Building Authority	Criminal Justice Building Authority	MI Transportation Bonds	Total	Special Assessment Debt	
2010	\$ 3,505,000	\$ 865,000	\$ 795,000	\$ 5,165,000	\$ 4,985,000	
2011	3,660,000	1,155,000	805,000	5,620,000	5,255,000	
2012	3,815,000	1,135,000	920,000	5,870,000	5,375,000	
2013	3,980,000	1,000,000	930,000	5,910,000	5,555,000	
2014	4,165,000	-	945,000	5,110,000	5,625,000	
2015-2019	19,390,000	-	3,060,000	22,450,000	27,540,000	
2020-2024	16,045,000	-	705,000	16,750,000	25,975,000	
2025-2029	1,355,000	-	-	1,355,000	21,286,637	
2030-2034	-	-	-	-	7,250,000	
	<u>\$ 55,915,000</u>	<u>\$ 4,155,000</u>	<u>\$ 8,160,000</u>	<u>\$ 68,230,000</u>	<u>\$ 108,846,637</u>	

The annual requirements to pay interest on the obligations of the Primary Government and Component Units outstanding at year-end, exclusive of the compensated absences, general liability and workers' compensation accruals, are as follows:

Interest Maturities						
Year	Primary Government				Drainage Districts	
	Building Authority	Criminal Justice Building Authority	MI Transportation Bonds	Total	Special Assessment Debt	
2010	\$ 2,231,772	\$ 161,150	\$ 311,050	\$ 2,703,972	\$ 4,134,489	
2011	2,096,741	128,712	283,712	2,509,165	4,003,485	
2012	1,954,078	85,400	256,050	2,295,528	3,821,277	
2013	1,800,716	40,000	224,275	2,064,991	3,631,410	
2014	1,637,014	-	190,725	1,827,739	3,436,870	
2015-2019	5,867,625	-	509,725	6,377,350	14,311,664	
2020-2024	1,944,902	-	35,850	1,980,752	9,196,168	
2025-2029	60,975	-	-	60,975	4,291,017	
2030-2034	-	-	-	-	577,375	
	<u>\$ 17,593,823</u>	<u>\$ 415,262</u>	<u>\$ 1,811,387</u>	<u>\$ 19,820,472</u>	<u>\$ 47,403,755</u>	

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 4 – Long-Term Debt (continued)

New debt issued - On September 22, 2008, the 8 ½ Mile Relief Drain Drainage District (the "District") entered into a loan agreement with the Michigan Municipal Bond Authority, through its State Revolving Fund, to borrow up to \$4,025,000 for the purpose of defraying a portion of the cost of certain intra-county drain projects located in the cities of Eastpointe and St. Clair Shores as well as Macomb County itself (the "Entities"). The loan is evidenced by a single bond issued by the District and purchased by the Authority. The proceeds of the bond are drawn down as construction costs are incurred and approved by the District and the Authority. As of September 30, 2009, the District had drawn down a total of \$3,351,637. The bond bears interest at a rate of 2.50% and is due serially through October 1, 2029 and was issued pursuant to the provisions of Chapter 20 of Act 40, Public Acts of Michigan, 1956, as amended. The bond is to be repaid from assessments against the Entities. These assessments are a general obligation of the Entities and are payable from general funds or ad valorem taxes which may be levied by the Entities. The County has also pledged its full faith and credit as additional security for the payment of the principal and interest on the bond when due. The bond is subject to redemption prior to maturity only with the prior written consent of the Authority.

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the financial statements of the County. At December 31, 2009, the amount of defeased debt outstanding but not reported as long-term debt of the primary government totaled \$19,095,000.

Note 5 – Interfund Receivables, Payables and Transfers

	Due From Other Funds	Due To Other Funds
<u>Major governmental funds</u>		
General Fund	\$ 22,645,662	\$ -
Friend of the Court	-	808,792
	22,645,662	808,792
<u>Nonmajor Governmental Funds</u>		
Nonmajor Special Revenue Funds	-	787,394
Nonmajor Debt Service Funds	41,098	-
	41,098	787,394
<u>Internal Service Funds</u>	5,656,367	181,655
<u>Major Business-Type Activities Funds</u>		
Delinquent Tax Revolving	-	20,573,829
Martha T. Berry	-	335,090
	-	20,908,919
Fiduciary funds	312,594	5,968,961
Reporting Entity Total	\$ 28,655,721	\$ 28,655,721

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 5 – Interfund Receivables, Payables and Transfers (continued)

The majority of the outstanding interfund balances represent short-term working capital loans for funds with negative cash balances in the County's cash and investment pool at year-end. However, certain balances result from the difference between the dates that interfund goods and services are provided and when the related payments are made.

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Major governmental funds</u>		
General Fund	\$ 24,818,276	\$ 60,581,440
Revenue Sharing Reserve	-	16,096,607
Child Care	15,190,528	169,577
Friend of the Court	6,095,149	3,000,000
	<u>46,103,953</u>	<u>79,847,624</u>
<u>Nonmajor governmental funds</u>		
Special revenue	19,686,096	536,877
Debt Service	7,027,042	-
Capital Projects	14,917,241	9,654,019
	<u>41,630,379</u>	<u>10,190,896</u>
<u>Internal Service Funds</u>	<u>395,000</u>	<u>-</u>
<u>Major Business-type activities</u>		
Delinquent Tax Revolving	-	8,655,000
Community Mental Health	5,897,808	-
Martha T. Berry Medical Care Facility - Operations	896,979	-
Freedom Hill Park	403,804	-
	<u>7,198,591</u>	<u>8,655,000</u>
Subtotal	95,327,923	98,693,520
Imbalance caused by the timing effects of interfund transactions in funds with different year-end reporting dates	-	(3,365,597)
	<u>\$ 95,327,923</u>	<u>\$ 95,327,923</u>

Interfund transfers are used to (1) account for the movement of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization and (2) move restricted revenues from the funds that are allowed to collect them to funds that are allowed to expend them, most notably property taxes collected by the Revenue Sharing Reserve Fund and transferred to the General Fund in accordance with Public Act 357 of 2004 (see B-27).

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 5 – Interfund Receivables, Payables and Transfers (concluded)

Interfund advances at December 31, 2009 were:

Fund	Advances Receivable	Advances Payable
General Fund	\$ 295,000	\$ -
Internal Service - Equipment Revolving	-	295,000
	\$ 295,000	\$ 295,000

Note 6 – Leases

The County has commitments under operating lease agreements which provide for minimum annual lease payments as follows:

Year	Amount
2010	\$ 1,791,270
2011	1,374,909
2012	980,165
2013	551,541
2014	110,634
2015	110,634
2016	110,634
2017	59,927
	\$ 5,089,714

Rental expense totaled \$2,094,616 for the year ended December 31, 2009.

Note 7 – Deferred Compensation

The County offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts are held in trust for the exclusive benefit of participants and their beneficiaries. In accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", the assets of the plan are no longer reported as assets of the employer.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 8 – Employees’ Retirement System

Plan Description and Provision – The County sponsors and administers the Macomb County Employees’ Retirement System (the “System”), a single employer defined benefit plan covering substantially all of the County’s employees. The System was established in accordance with state statutes to provide retirement benefits for the employees of the County and its several offices, boards and departments, including the County Road Commission.

At December 31, 2008 (date of the most recent actuarial valuation) the System’s membership consisted of:

Retirees and beneficiaries currently receiving benefits	2,280
Terminated employees entitled to benefits but not yet receiving them	242
Active employees covered by the plan	2,396
Total membership	4,918

Retirement Benefits- The following is a summary of the benefits provided to the members of the system. All members become vested in the System after 8 years of service.

General County- The majority of employees may retire if their age plus years of service equals or exceeds 70 and they have attained a minimum age of 50. The annual retirement benefit, payable monthly for life, is computed at 2.4% of final average compensation for the first 26 years of service and 1% for every year thereafter, with a maximum employer pension of 65%. Employees not covered by the provisions described above may retire at age 55 with 25 or more years of service or age 60 with 8 years of service. The annual retirement benefit, payable monthly for life, for these employees is computed at 2.2% of final average compensation for each year of service, with a maximum employer pension of 66%

Sheriff Department- Employees may retire at any age with 25 or more years of service or age 60 with 8 years of service. The annual retirement benefit for the Sheriff and deputies, payable monthly for life, is computed at 2.64% of final average compensation multiplied by credited years of service with a maximum employer pension of 66%. The factor for the undersheriff, captains, jail administrator, command officers, corrections officers and dispatchers is 2.4% for the first 26 years of service and 1% for every year thereafter, with a maximum employer pension of 66%.

Road Commission- Employees may retire at age 55 with 25 or more years of service, at age 60 with 8 years of service or regardless of age if their age plus years of service equals or exceeds 70. The annual retirement benefit, payable monthly for life, is computed at 2.4% of final average compensation multiplied for the first 26 years of service and 1% for every year thereafter, with a maximum employer pension of 65%.

The System also provides death and disability benefits. If an employee leaves covered employment or dies before 8 years of credited service, accumulated employee contributions plus interest at the rate of 3.5% per year is refunded to the employee or designated beneficiary.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 8— Employees' Retirement System (continued)

Funding Policy – The System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The County's required contribution for 2009 was \$18,507,521. Administrative costs of the System are financed from investment earnings. General County employees contribute 2.5% or 3.5% of their annual salary to the System depending upon classification. Road Commission employees contribute 3.5% of their annual salary. Sheriff employees contribute 4.0% of their annual salary. The County contributes the remaining amounts necessary to fund the System, using the actuarial basis specified by statute.

Annual Pension Cost and Net Pension Obligation – During the year ended December 31, 2009, employer contributions totaled \$18,507,521, as required by the actuarial valuation of the plan as of December 31, 2007. The normal cost and actuarial accrued liability are determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities (UAAL) are amortized as a level percent of payroll over a 20 year open period. The County has historically contributed 100% of the annual required contribution. Three-year trend information regarding the County's annual pension cost, percent contribution and net pension obligation are presented below.

<u>Year Ended</u> <u>December 31</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2007	\$ 19,121,330	100	\$ -
2008	18,658,075	100	-
2009	18,507,521	100	-

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions regarding the probability of the occurrence of events in the future. Examples of such assumptions include future employment and retirement patterns, mortality and investment rate returns. These assumptions are subject to continual revision as actual results are measured against past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplemental information following the notes herein, presents multi-year trend information that indicates whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities of the benefits provided. Significant actuarial assumptions used in determining the annual required contribution include (a) a rate of return on the investment of present and future assets of 7.5% per year compounded annually, (b) projected salary increases of 5.0% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 1.2% to 5.0% for various members per year, depending on service, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Funding Status and Progress – As of December 31, 2008, the date of the most recent actuarial valuation, the plan was 106.1% funded. The actuarial accrued liability for benefits was \$805,888,089 and the actuarial value of assets in the plan was \$855,265,571, resulting in an excess of assets over the actuarial accrued liability of \$49,377,482. Covered payroll was \$121,822,674 and the ratio of the UAAL to covered payroll was 40.5 percent.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 8-- Employees' Retirement System (continued)

Basis of Accounting – The financial statements of the System are prepared using the accrual basis of accounting. Employee and employer contributions are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable according to the terms of the plan.

Method Used to Value Investments – In accordance with GASB Statement 25, "Financial Reporting for Defined Benefit Plans and Note Disclosures for Defined Contribution Plans", investments are reported at fair value, as indicated by quoted market prices as of December 31, 2009.

The System does not issue separate independently audited financial statements; therefore, financial statements as of and for the year ended December 31, 2009 are presented below:

Statement of Fiduciary Net Assets

ASSETS	
Cash and pooled investments	\$ 20,420,522
Receivables	
Accrued interest	849,977
Other	1,373,245
Investments, at fair value	
Corporate Bonds	39,456,221
Preferred Stock	452,697
Common Stock	334,677,638
Limited partnership	51,075,280
Mutual funds	278,173,885
Due from fiduciary funds	<u>199,179</u>
Total Assets	<u>726,678,644</u>
 LIABILITIES	
Accounts payable	433,009
Due to governmental funds	908,839
Due to fiduciary funds	<u>113,415</u>
Total Liabilities	<u>1,455,263</u>
Net assets held in trust for pension and other postemployment benefits	<u>\$ 725,223,381</u>

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 8– Employees’ Retirement System (concluded)

Statement of Changes in Fiduciary Net Assets

ADDITIONS	
Contributions	
Employer	\$ 18,507,521
Employee	4,184,896
	<hr/>
Total contributions	22,692,417
	<hr/>
Investment income	
Net appreciation in fair value of assets	99,699,338
Interest	1,664,452
Dividends	5,272,080
Securities lending	65,846
	<hr/>
	106,701,716
Less investment expenses	
Management and custodial fees	3,118,725
Securities lending agent fees	19,754
	<hr/>
Net investment income	103,563,237
	<hr/>
Total additions	126,255,654
	<hr/>
DEDUCTIONS	
Benefit payments	40,349,612
Refunds of contributions	413,674
Administrative expense	153,346
	<hr/>
Total deductions	40,916,632
	<hr/>
Net increase in net assets	85,339,022
	<hr/>
NET ASSETS	
Beginning of year	639,884,359
	<hr/>
End of year	\$ 725,223,381
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MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 9– Post Employment Benefits Other Than Pensions-General and Sheriff Employees

Plan Description - The County sponsors and administers a single employer defined benefit postretirement healthcare plan (the "County Retiree Health Care Plan") that provides certain health care benefits for retirees and their spouses so long as the retiree is currently receiving a pension from the Macomb County Employees Retirement System. Benefit provisions are established by the County Board of Commissioners and may be amended in accordance with County policy. Hospitalization insurance is provided through insurance companies, whose premiums are based on the benefits paid during the year. The County finances these expenditures for General County and Sheriff Department retirees through the Retiree Health Care Trust Fund of the primary government. Retirees of the Road Commission Component Unit participate in a separate multiple-employer plan described later in this note.

At December 31, 2008 (date of the most recent actuarial valuation), membership consisted of:

Retirees and beneficiaries currently receiving benefits	1,834
Terminated employees entitled to benefits but not yet receiving them	227
Active employees covered by the plan	<u>2,142</u>
 Total membership	 <u><u>4,203</u></u>

Funding Policy– Plan members are required to contribute 25% of the cost of vision and dental coverage as well as co-pays for prescription drugs. The employer contributes the balance of actual current costs for these and all other benefits and administrative expenses of the plan. The employer also contributes additional amounts to pre-fund benefits in years it can afford to do so. The total cost of retiree health care benefits, administrative expenses of the plan and investment management fees for the year ended December 31, 2009 was \$16,002,978, of which the employer contributed \$15,314,128 and plan members contributed \$688,850.

Annual OPEB Cost and Net OPEB Obligation– The County's annual cost of providing other post-employment benefits (OPEB) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities or funding excess over a period not to exceed 30 years.

The following table shows the components of the County's OPEB cost for the year ended December 31, 2009.

Annual required contribution	\$ 40,559,324
Interest on net OPEB obligation	6,082,716
Adjustment to annual required contribution	<u>(3,861,290)</u>
 Annual OPEB cost	 42,780,750
Employer contributions	<u>(15,314,128)</u>
 Increase in OPEB obligation	 27,466,622
Net OPEB obligation, beginning of year	<u>81,102,883</u>
 Net OPEB obligation, end of year	 <u><u>\$ 108,569,505</u></u>

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 9– Postemployment Benefits Other Than Pensions–General and Sheriff Employees (continued)

The County’s annual OPEB cost, percentage of annual OPEB cost contributed and the net OPEB obligation as of December 31, 2009 were as follows:

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2007	\$ 52,841,641	27.5%	\$ 38,332,944
2008	55,483,723	28.1%	81,102,883
2009	42,780,750	35.8%	108,569,505

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions regarding the probability of the occurrence of events in the future. Examples of such assumptions include future employment and retirement patterns, mortality, investment rate returns and health care inflation. These assumptions are subject to continual revision as actual results are measured against past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplemental information following the notes herein, presents multi-year trend information that indicates whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities of the benefits provided.

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

The entry age actuarial cost method was used to prepare the last actuarial valuation dated December 31, 2008. Other significant assumptions were as follows: a) investments are assumed to earn 7.5% per year, (b) health care costs are assumed to increase at an annual rate of 11% in year 1, reduced by 1% each year for the first two years and .5% each year thereafter until an ultimate rate of 5% is reached in the tenth year and beyond, (c) annual covered payroll is assumed to increase 5% per year and (d) active member population was assumed to remain constant. The unfunded liability is being amortized as a level percentage of payroll over a closed period of 30 years.

Funding Status and Progress – As of December 31, 2008, the date of the most recent actuarial valuation, the plan was 13.0% funded. The actuarial accrued liability for benefits was \$595,309,199 and the actuarial value of assets in the plan was \$77,353,942, resulting in an unfunded actuarial accrued liability (UAAL) of \$517,955,257. Covered payroll was \$107,373,375 and the ratio of the UAAL to covered payroll was 482.4 percent.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 9– Postemployment Benefits Other Than Pensions—General and Sheriff Employees (continued)

Basis of Accounting – The financial statements of the Retiree Health Care Trust Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable according to the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value, as indicated by quoted market prices as of December 31, 2009.

Separate independently audited financial statements are not issued for the County Retiree Health Care Plan. Therefore, financial statements as of and for the year ended December 31, 2009 is presented below:

Statement of Fiduciary Net Assets

ASSETS	
Receivables	
Accrued interest	\$ 268,881
Other assets	546,763
Investments, at fair value	
Common Stock	865,329
Foreign Stock	14,983,273
Mutual funds	<u>86,540,641</u>
Total Assets	<u>103,204,887</u>
LIABILITIES	
Accounts payable	139,222
Due to governmental funds	4,747,528
Due to fiduciary funds	<u>198,418</u>
Total Liabilities	<u>5,085,168</u>
Net assets held in trust for pension and other postemployment benefits	<u>\$ 98,119,719</u>

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 9– Postemployment Benefits Other Than Pensions–General and Sheriff Employees (concluded)

Statement of Changes in Fiduciary Net Assets

ADDITIONS	
Contributions	
Employer	\$ 15,314,128
Employee	<u>688,850</u>
Total contributions	<u>16,002,978</u>
Investment income	
Net appreciation in fair value of assets	17,585,472
Dividends	<u>3,180,305</u>
	20,765,777
Less investment expenses	
Management and custodial fees	<u>43,943</u>
Net investment income	<u>20,721,834</u>
Total additions	<u>36,724,812</u>
DEDUCTIONS	
Benefit payments	15,928,535
Administrative expense	<u>30,500</u>
Total deductions	<u>15,959,035</u>
Net increase in net assets	20,765,777
NET ASSETS	
Beginning of year	<u>77,353,942</u>
End of year	<u>\$ 98,119,719</u>

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 10 - Post Employment Benefits Other Than Pensions – Road Commission

Plan Description - The Road Commission of Macomb County provides health care benefits to its retirees and their beneficiaries in accordance with labor contracts. The benefits are administered by the Michigan Employers' Retirement System (MERS), an agent multiple employer pension and other post-employment benefits plan. MERS issues a publicly available financial report that may be obtained by writing to the system at 1134 Municipal Way, Lansing, Michigan 48917.

Funding Policy - The Road Commission bears 100% of the cost of providing health care benefits to its retirees and beneficiaries. The current costs of these benefits was \$5,258,255 for the year ended September 30, 2009. The Road Commission has no obligation to make contributions in advance of when insurance premiums are due. However, it did contribute an additional \$3,000,000 toward future benefits during the year ended September 30, 2009.

Annual OPEB Cost and Net OPEB Obligation - The cost of providing retiree health care benefits (OPEB) for the year ended September 30, 2009 was determined through an actuarial valuation as of December 31, 2007. The valuation computes an annual required contribution (ARC), which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities or funding excess over a period not to exceed 30 years.

The following table shows the components of the Road Commission's OPEB cost for the year ended September 30, 2009.

Annual OPEB cost	\$	6,302,811
Employer contributions		<u>(8,258,255)</u>
Decrease in OPEB obligation		(1,955,444)
Net OPEB obligation, beginning of year		<u>1,021,017</u>
Net OPEB asset, end of year	\$	<u>(934,427)</u>

The Road Commission's s annual OPEB cost, percentage of annual OPEB cost contributed and the net OPEB obligation as of September 30, 2009 were as follows:

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended</u> <u>September 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation (Asset)</u>
2007	\$ 6,147,445	89.4%	\$ 649,979
2008	6,302,811	94.4%	1,021,017
2009	6,302,811	131.0%	(934,427)

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 10 – Post Employment Benefits Other Than Pensions – Road Commission (concluded)

Funding Status and Progress – As of December 31, 2007, the date of the most recent actuarial valuation, the plan was 11.0% funded. The actuarial accrued liability for benefits was \$87,898,593 and the actuarial value of assets in the plan was \$9,621,290, resulting in an unfunded actuarial accrued liability (UAAL) of \$78,277,303. Covered payroll was \$14,621,336 and the ratio of the UAAL to covered payroll was 535.4 percent.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions regarding the probability of the occurrence of events in the future. Examples of such assumptions include future employment and retirement patterns, mortality, investment rate returns and health care inflation. These assumptions are subject to continual revision as actual results are measured against past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplemental information following the notes herein, presents multi-year trend information that indicates whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities of the benefits provided.

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

The entry age actuarial cost method was used to prepare the most actuarial valuation dated December 31, 2007. Other significant assumptions were as follows: a) investments are assumed to earn 8.0% per year, (b) health care costs are assumed to increase at an annual rate of 10% in year 1, reduced in decrements until an ultimate rate of 6% is reached in the tenth year and beyond, (c) annual covered payroll is assumed to increase 4.0% per year and (d) active member population was assumed to remain constant. The unfunded liability is being amortized as a level percentage of payroll over a closed period of 28 years.

Note 11 – Contingencies and commitments

Grants – The County receives funds from various Federal and State units to finance specific activities. The final determination of revenue is subject to the acceptance of project costs by the granting agency, usually after a compliance audit. To the extent that costs are disallowed by the granting agency, County monies would be required to reimburse the grant fund. The County does not believe that any disallowed costs would be material to the financial statements.

Construction projects – At year-end, the County was committed for the estimated cost of completing renovation of its Juvenile Justice Center in the amount of \$114,000.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 12- Risk Management

The County is exposed to various risks of loss related to property damage and loss, torts, errors and omissions, employee injury (workers' compensation) and medical benefits provided to employees and retirees. The County has purchased commercial insurance for property damage coverage and certain medical benefits, but is self-insured for workers' compensation and general liability claims up to certain retention amounts, at which time insurance coverage begins. The County also self-funds certain medical benefits of employees and retirees. There were no significant reductions in insurance coverage in 2009 from the prior year. Claims settled during the past three years have not exceeded the retention amounts. Liabilities include estimates of claims incurred but not reported and are calculated considering the effects of inflation, recent claim settlement trends and other economic and social factors.

Workers' Compensation – Since December 1, 1978, the County has been partially self-insured against workers' compensation claims. Under the plan, the County is obligated to pay the first \$350,000 of an individual settlement or award with commercial insurance covering claims in excess of the retention to an aggregate of \$1,000,000 annually. At December 31, 2009, the primary government has accrued an aggregate of \$3,206,255 for unresolved workers' compensation claims. At September 30, 2009, the Road Commission component unit has accrued an aggregate of \$428,100 for unresolved workers' compensation claims. Changes in the estimated liabilities for workers' compensation claims for the past two fiscal years were as follows:

	Primary Government		Road Commission	
	Year Ended December 31,		Year Ended September 30,	
	2008	2009	2008	2009
Estimated liability - beginning of year	\$ 1,839,542	\$ 1,788,503	\$ 154,035	\$ 40,528
Estimated claims incurred, including changes in estimates	1,147,187	2,345,015	(79,164)	654,020
Claims payments	(1,198,226)	(927,263)	(34,343)	(266,448)
Estimated liability - end of year	<u>\$ 1,788,503</u>	<u>\$ 3,206,255</u>	<u>\$ 40,528</u>	<u>\$ 428,100</u>

General Liability – The County is a defendant in various lawsuits in which plaintiffs seek damages of an indeterminable amount. Since December 1, 1977, the primary government has been partially self-insured for losses of a general liability nature. The County (excluding the Martha T. Berry Medical Care Facility and the Road Commission Component Unit) is currently self-insured for losses of a general liability nature up to \$500,000 per claim, with commercial insurance covering claims in excess of the retention amount to an aggregate of \$10,000,000 annually. The Martha T. Berry Medical Care Facility has been completely self-insured for general liability claims since July 1, 2003. The Road Commission Component Unit is self-insured, within certain limits, for general liability claims arising prior to February 18, 1986 and subsequent to January 17, 1993 and is completely self-insured for claims arising within those dates. At September 30, 2009, the Road Commission had an accrual of \$76,599 for its unresolved general liability claims. The General Liability Insurance Internal Service Fund has been established to account for the self-insured aspects of this program for the primary government. At December 31, 2009, the primary government reported a balance of \$4,234,175 for its unresolved general liability claims.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (continued)
December 31, 2009

Note 12- Risk Management (concluded)

Changes in the estimated liabilities for general liability claims for the past two fiscal years were as follows:

	Primary Government		Road Commission	
	Year Ended December 31,		Year Ended September 30,	
	2008	2009	2008	2009
Estimated liability - beginning of year	\$ 4,624,581	\$ 4,085,865	\$ 375,883	\$ 110,404
Estimated claims incurred, including changes in estimates	3,757,336	2,100,796	(252,039)	(31,605)
Claims payments	<u>(4,296,052)</u>	<u>(1,952,486)</u>	<u>(13,440)</u>	<u>(2,200)</u>
Estimated liability - end of year	<u>\$ 4,085,865</u>	<u>\$ 4,234,175</u>	<u>\$ 110,404</u>	<u>\$ 76,599</u>

Note 13- Fund Balance Deficit

The Community Mental Health business-type unit reported a deficit in its unrestricted net assets of \$2,572,825 at September 30, 2009. The initial deficit in the operating fund was \$3,594,184 and was incurred during the fiscal year ended September 30, 2006 as result of writing off uncollectible receivables. The Community Mental Health Department intends to recover this deficit through interest earnings in future years that could otherwise be utilized for other purposes and is expected to be eliminated by 2013. A formal deficit reduction plan has been filed with and approved by the State of Michigan.

Note 14- Restatements

Martha T. Berry Medical Care Facility - The County began a major renovation project at the Martha T. Berry Medical Care Facility in 2002. The project was accounted for in a governmental activities capital projects fund and was financed primarily by bonds issued by the County. The value of virtually all of the capital assets of the facility were transferred for accounting purposes to the Martha T. Berry Medical Care Facility business-type unit upon completion of the project in 2006. Management re-evaluated this accounting treatment in 2009 and determined that it is more proper to account for these assets as governmental activities assets since the associated debt is accounted for as governmental activities debt. The Martha T. Berry Medical Care Facility is now charged a facility use charge in lieu of depreciation expense. As a result, the net assets of the business-type activities was overstated by \$20,800,998 and the net assets of the governmental activities was understated by the same amount at December 31, 2008. In order to correct these reporting errors, beginning net assets and capital assets, net have both been increased by \$20,800,998 in the governmental activities and decreased by the same amount in the business-type activities in these financial statements.

MACOMB COUNTY, MICHIGAN
Notes to Basic Financial Statements (concluded)
December 31, 2009

Note 14- Restatements (concluded)

Drainage Districts Component Unit - Certain capital assets of the Drainage Districts Component Unit were capitalized at amounts less than their actual cost during the year ended September 30, 2008 and depreciation expense was taken on certain other capital assets that were incorrectly transferred from in-progress status to in-service status during the same reporting period. As a result, the net assets of the Drainage Districts Component Unit were understated by \$2,584,084 at September 30, 2008. In order to correct these reporting errors, beginning net assets and capital assets, net have both been increased by \$2,584,084 in these financial statements.

Deferred revenue related to special assessments receivable recorded in the governmental fund financial statements was not recognized as revenue on the accrual basis of accounting in the Government-Wide Statement of Activities in prior years. As a result, the net assets of the Drainage Districts Component Unit were understated by \$105,495,000 at September 30, 2008. In order to correct this reporting error, beginning net assets were increased by \$105,495,000 and deferred revenue was decreased by the same amount in these financial statements.

MACOMB COUNTY, MICHIGAN

December 31, 2009

Other Required Supplementary Information

Budgetary Comparison Schedule – General Fund

Budgetary Comparison Schedule – Revenue Sharing Reserve Fund

Budgetary Comparison Schedule – Child Care Fund

Budgetary Comparison Schedule – Friend of the Court Fund

Schedule of Funding Progress – Employees' Retirement System

Schedule of Employer Contributions – Employees' Retirement System

Schedule of Funding Progress – Retiree Health Care Plan

Schedule of Employer Contributions – Retiree Health Care Plan

MACOMB COUNTY, MICHIGAN
Required Supplementary Information
Budgetary Comparison Schedule (GAAP Basis) - General Fund Revenues
Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Taxes				
Current property	\$ 127,614,382	\$ 139,862,026	\$ 137,636,396	\$ (2,225,630)
Delinquent personal property	-	-	383,737	383,737
	<u>127,614,382</u>	<u>139,862,026</u>	<u>138,020,133</u>	<u>(1,841,893)</u>
Licenses and Permits	<u>325,400</u>	<u>325,400</u>	<u>379,479</u>	<u>54,079</u>
Federal Grants	<u>50,000</u>	<u>50,000</u>	<u>34,340</u>	<u>(15,660)</u>
State Grants				
Court financing	5,120,695	5,137,251	5,131,144	(6,107)
Cigarette tax	252,634	252,634	196,249	(56,385)
Liquor tax	2,575,809	2,575,809	2,169,343	(406,466)
Other	622,500	622,500	563,718	(58,782)
	<u>8,571,638</u>	<u>8,588,194</u>	<u>8,060,454</u>	<u>(527,740)</u>
Charges for Services				
Court costs and fees	2,429,750	2,429,750	2,442,342	12,592
Certified copies	802,350	806,350	776,168	(30,182)
Probation oversight fees	1,205,000	1,205,000	803,169	(401,831)
Land transfer tax	2,500,000	2,500,000	2,285,210	(214,790)
Recording fees	2,689,500	2,689,500	1,949,308	(740,192)
Rents	76,000	76,000	46,602	(29,398)
Sheriff road patrol	8,024,941	8,192,763	8,282,837	90,074
Other sheriff services	1,129,299	1,169,299	1,171,282	1,983
Foster care	850,000	850,000	545,061	(304,939)
Attorney fees	1,200,000	1,200,000	1,174,366	(25,634)
Public works - pumping station	985,192	985,192	1,067,162	81,970
Personal services	1,650,000	1,650,000	1,305,231	(344,769)
Housing inmates	2,392,000	2,392,000	1,601,628	(790,372)
Soil erosion fees	300,000	300,000	352,006	52,006
Commissions	993,500	993,500	904,156	(89,344)
Miscellaneous	1,931,245	1,934,245	2,114,106	179,861
	<u>29,158,777</u>	<u>29,373,599</u>	<u>26,820,634</u>	<u>(2,552,965)</u>
Investment income	<u>3,300,000</u>	<u>3,300,000</u>	<u>1,431,882</u>	<u>(1,868,118)</u>
Charges to Other Funds for Administrative Services				
Data processing division	6,447,781	6,477,781	5,842,521	(635,260)
Other administrative charges	9,991,866	9,973,766	9,319,905	(653,861)
	<u>16,439,647</u>	<u>16,451,547</u>	<u>15,162,426</u>	<u>(1,289,121)</u>
Fines and Forfeitures	<u>850,100</u>	<u>862,100</u>	<u>768,313</u>	<u>(93,787)</u>
Other Revenue	<u>81,630</u>	<u>81,630</u>	<u>103,871</u>	<u>22,241</u>
Total Revenues	<u>186,391,574</u>	<u>198,894,496</u>	<u>190,781,532</u>	<u>(8,112,964)</u>
Other Financing Sources				
Transfers in	<u>24,660,748</u>	<u>24,978,276</u>	<u>24,818,276</u>	<u>(160,000)</u>
Total Revenues and Other Financing Sources	<u>\$ 211,052,322</u>	<u>\$ 223,872,772</u>	<u>\$ 215,599,808</u>	<u>\$ (8,272,964)</u>

MACOMB COUNTY, MICHIGAN
Required Supplementary Information
Budgetary Comparison Schedule (GAAP Basis) - General Fund Expenditures
Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Legislative				
Board of Commissioners				
Salaries and fringe benefits	\$ 2,150,777	\$ 2,025,263	\$ 1,846,042	\$ 179,221
Operating	157,449	157,449	139,567	17,882
Department Total	2,308,226	2,182,712	1,985,609	197,103
Public Affairs				
Salaries and fringe benefits	179,776	177,890	126,603	51,287
Operating	7,300	7,300	2,916	4,384
Department Total	187,076	185,190	129,519	55,671
Total Legislative	2,495,302	2,367,902	2,115,128	252,774
Judicial				
Circuit Court				
Salaries and fringe benefits	5,184,716	4,910,526	4,528,872	381,654
Operating	4,987,607	4,983,707	4,843,684	140,023
Department Total	10,172,323	9,894,233	9,372,556	521,677
District Court - New Baltimore				
Salaries and fringe benefits	1,197,142	1,097,312	1,100,164	(2,852)
Operating	274,010	296,910	276,922	19,988
Capital outlay	-	2,100	2,091	9
Department Total	1,471,152	1,396,322	1,379,177	17,145
District Court - Romeo				
Salaries and fringe benefits	937,807	876,575	875,320	1,255
Operating	249,037	249,037	232,032	17,005
Department Total	1,186,844	1,125,612	1,107,352	18,260
District Court - 3rd Class				
Operating	59,000	59,000	37,700	21,300
Family Counseling				
Salaries and fringe benefits	62,130	57,891	57,799	92
Operating	151,087	151,087	132,727	18,360
Department Total	213,217	208,978	190,526	18,452
Family Court - Juvenile Division				
Salaries and fringe benefits	4,648,194	4,371,725	4,046,736	324,989
Operating	1,673,291	1,673,291	1,599,784	73,507
Capital Outlay	-	-	2,240	(2,240)
Department Total	6,321,485	6,045,016	5,648,760	396,256
Jury Commission				
Operating	72,156	72,156	65,924	6,232
Capital Outlay	-	13,680	13,680	-
Department Total	72,156	85,836	79,604	6,232

MACOMB COUNTY, MICHIGAN
Required Supplementary Information
Budgetary Comparison Schedule (GAAP Basis) - General Fund Expenditures (continued)
Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Jury Commission				
Operating	72,156	72,156	65,924	6,232
Capital Outlay	-	13,680	13,680	-
Department Total	72,156	85,836	79,604	6,232
Judicial (concluded)				
Probate Court - Mental Division				
Salaries and fringe benefits	\$ 871,981	\$ 824,720	\$ 807,474	\$ 17,246
Operating	299,331	325,390	325,354	36
Department Total	1,171,312	1,150,110	1,132,828	17,282
Probate Court - Wills and Estates Division				
Salaries and fringe benefits	2,479,901	2,289,196	2,192,768	96,428
Operating	250,878	288,412	288,411	1
Department Total	2,730,779	2,577,608	2,481,179	96,429
Probation - Circuit Court				
Operating	147,521	147,521	125,836	21,685
Probation - District Court				
Salaries and fringe benefits	1,500,441	1,309,563	1,213,243	96,320
Operating	96,126	96,126	85,759	10,367
Department Total	1,596,567	1,405,689	1,299,002	106,687
Total Judicial	25,142,356	24,095,925	22,854,520	1,241,405
General Government				
Apportionment Commission				
Operating	-	56,915	-	56,915
Charter Commission				
Salaries and fringe benefits	5,000	31,360	25,656	5,704
Operating	513,345	496,735	296,341	200,394
Capital outlay	14,660	4,910	-	4,910
Department Total	533,005	533,005	321,997	211,008
County Clerk				
Salaries and fringe benefits	4,295,023	4,043,465	3,850,481	192,984

MACOMB COUNTY, MICHIGAN
Required Supplementary Information
Budgetary Comparison Schedule (GAAP Basis) - General Fund Expenditures (continued)
Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Department Total	4,780,187	4,489,984	4,266,169	223,815
Corporation Counsel				
Salaries and fringe benefits	854,200	820,184	811,931	8,253
Operating	50,785	50,785	46,435	4,350
Department Total	904,985	870,969	858,366	12,603
Elections				
Operating	33,721	33,721	13,677	20,044
General Government (continued)				
Facilities and Operations				
Salaries and fringe benefits	\$ 8,162,994	\$ 7,676,852	\$ 6,824,199	\$ 852,653
Operating	9,161,255	9,060,991	7,601,660	1,459,331
Department Total	17,324,249	16,737,843	14,425,859	2,311,984
Finance				
Administration/Accounting				
Salaries and fringe benefits	2,123,111	1,989,680	1,984,216	5,464
Operating	140,344	140,344	133,888	6,456
Department Total	2,263,455	2,130,024	2,118,104	11,920
Equalization				
Salaries and fringe benefits	941,719	892,570	869,472	23,098
Operating	71,192	71,192	61,761	9,431
Department Total	1,012,911	963,762	931,233	32,529
Purchasing				
Salaries and fringe benefits	1,375,072	1,286,121	1,250,351	35,770
Operating	246,996	246,996	228,986	18,010
Department Total	1,622,068	1,533,117	1,479,337	53,780

MACOMB COUNTY, MICHIGAN
Required Supplementary Information
Budgetary Comparison Schedule (GAAP Basis) - General Fund Expenditures (continued)
Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Human Resources				
Salaries and fringe benefits	1,822,979	1,719,388	1,600,564	118,824
Operating	216,944	256,944	181,727	75,217
Department Total	<u>2,039,923</u>	<u>1,976,332</u>	<u>1,782,291</u>	<u>194,041</u>
Information Technology				
Salaries and fringe benefits	4,240,048	3,929,621	3,879,083	50,538
Operating	2,207,733	2,207,733	2,038,777	168,956
Department Total	<u>6,447,781</u>	<u>6,137,354</u>	<u>5,917,860</u>	<u>219,494</u>
General Government (concluded)				
MSU Extension				
Salaries and fringe benefits	\$ 862,284	\$ 816,170	\$ 775,544	\$ 40,626
Operating	244,222	244,222	225,863	18,359
Department Total	<u>1,106,506</u>	<u>1,060,392</u>	<u>1,001,407</u>	<u>58,985</u>
Planning and Economic Development				
Salaries and fringe benefits	2,129,461	2,181,108	2,178,215	2,893
Operating	285,611	285,611	247,555	38,056
Department Total	<u>2,415,072</u>	<u>2,466,719</u>	<u>2,425,770</u>	<u>40,949</u>
Plat Board				
Operating	2,000	2,000	-	2,000
Prosecuting Attorney				
Salaries and fringe benefits	9,710,132	9,190,892	8,052,352	1,138,540
Operating	733,849	733,849	702,745	31,104
Department Total	<u>10,443,981</u>	<u>9,924,741</u>	<u>8,755,097</u>	<u>1,169,644</u>
Public Works				
Salaries and fringe benefits	4,962,849	4,698,007	4,533,614	164,393
Operating	372,628	372,892	323,612	49,280
Department Total	<u>5,335,477</u>	<u>5,070,899</u>	<u>4,857,226</u>	<u>213,673</u>
Register of Deeds				
Salaries and fringe benefits	1,606,146	1,499,672	1,401,495	98,177
Operating	316,644	316,644	134,873	181,771
Department Total	<u>1,922,790</u>	<u>1,816,316</u>	<u>1,536,368</u>	<u>279,948</u>
Reimbursement				
Salaries and fringe benefits	809,113	755,866	705,100	50,766
Operating	89,865	89,865	63,342	26,523
Department Total	<u>898,978</u>	<u>845,731</u>	<u>768,442</u>	<u>77,289</u>
Risk Management and Safety				
Salaries and fringe benefits	346,146	327,626	279,925	47,701
Operating	30,518	30,518	28,769	1,749

MACOMB COUNTY, MICHIGAN
Required Supplementary Information
Budgetary Comparison Schedule (GAAP Basis) - General Fund Expenditures (continued)
Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Department Total	376,664	358,144	308,694	49,450
Treasurer				
Salaries and fringe benefits	2,021,307	1,898,717	1,828,509	70,208
Operating	181,697	181,697	173,667	8,030
Department Total	2,203,004	2,080,414	2,002,176	78,238
Total General Government	61,666,757	59,088,382	53,770,073	5,318,309
Public Safety				
Civil Service Commission				
Operating	\$ 24,650	\$ 24,650	\$ 12,795	\$ 11,855
Court Building Safety				
Salaries and fringe benefits	944,411	946,785	880,173	66,612
Operating	51,118	51,118	42,264	8,854
Capital outlay	2,500	2,500	-	2,500
Department Total	998,029	1,000,403	922,437	77,966
Emergency Management				
Salaries and fringe benefits	250,315	236,566	225,048	11,518
Operating	32,275	32,275	30,021	2,254
Capital outlay	40,000	40,000	29,457	10,543
Department Total	322,590	308,841	284,526	24,315
Security				
Salaries and fringe benefits	570,929	536,134	574,869	(38,735)
Operating	13,230	13,230	6,845	6,385
Capital outlay	200,000	200,000	199,878	122
Department Total	784,159	749,364	781,592	(32,228)
Sheriff Department				

MACOMB COUNTY, MICHIGAN
Required Supplementary Information
Budgetary Comparison Schedule (GAAP Basis) - General Fund Expenditures (concluded)
Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Health and Welfare				
Water Quality Board				
Operating	\$ 6,350	\$ 6,350	\$ 1,664	\$ 4,686
Other Current Operations				
Non-Departmental Appropriations	4,945,655	3,811,110	4,984,541	(1,173,431)
Capital Outlay	592,000	392,000	270,270	121,730
Total Expenditures	161,264,709	156,128,190	146,910,923	9,217,267
Other Financing Uses				
Transfers Out	70,636,523	67,247,838	60,581,440	6,666,398
Total Expenditures and Other Financing Uses	<u>\$ 231,901,232</u>	<u>\$ 223,376,028</u>	<u>\$ 207,492,363</u>	<u>\$ 15,883,665</u>

MACOMB COUNTY, MICHIGAN
Required Supplementary Information
Budgetary Comparison Schedule (GAAP Basis) - Revenue Sharing Reserve Fund
Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ -	\$ -	\$ 843,359	\$ 843,359
Other Financing Uses				
Transfers out	(16,096,607)	(16,096,607)	(16,096,607)	-
Net change in fund balances	(16,096,607)	(16,096,607)	(15,253,248)	843,359
Fund balances, beginning of year	52,482,416	52,482,416	52,482,416	-
Fund balances, end of year	<u>\$ 36,385,809</u>	<u>\$ 36,385,809</u>	<u>\$ 37,229,168</u>	<u>\$ 843,359</u>

MACOMB COUNTY, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Child Care Fund
Year Ended September 30, 2009

	Original	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Federal & State grants	\$ 14,182,648	\$ 13,960,464	\$ 10,130,216	\$ (3,830,248)
Charges for services	772,500	782,765	830,274	47,509
Total Revenues	<u>14,955,148</u>	<u>14,743,229</u>	<u>10,960,490</u>	<u>(3,782,739)</u>
Expenditures				
Salaries and fringe benefits	9,707,423	10,592,375	9,645,014	947,361
Operating	25,003,072	23,443,641	15,612,483	7,831,158
Capital Outlay	22,300	93,099	34,209	58,890
Total Expenditures	<u>34,732,795</u>	<u>34,129,115</u>	<u>25,291,706</u>	<u>8,837,409</u>
Excess of Revenues over (under) Expenditures	<u>(19,777,647)</u>	<u>(19,385,886)</u>	<u>(14,331,216)</u>	<u>5,054,670</u>
Other financing sources (uses)				
Transfers in	19,777,647	19,555,463	15,190,528	(4,364,935)
Transfers out	-	(169,577)	(169,577)	-
Total Other financing sources (uses)	<u>19,777,647</u>	<u>19,385,886</u>	<u>15,020,951</u>	<u>(4,364,935)</u>
Net change in fund balances	-	-	689,735	689,735
Fund Balances, beginning of year	<u>1,860,355</u>	<u>1,860,355</u>	<u>1,860,355</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 1,860,355</u>	<u>\$ 1,860,355</u>	<u>\$ 2,550,090</u>	<u>\$ 689,735</u>

MACOMB COUNTY, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Friend of the Court
Year Ended September 30, 2009

	Original	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Federal & State grants	\$ 7,536,932	\$ 7,554,871	\$ 6,926,132	\$ (628,739)
Charges for services	604,000	604,000	694,109	90,109
Investment income	-	-	508	508
Other revenue	-	-	351	351
Total Revenues	8,140,932	8,158,871	7,621,100	(537,771)
Expenditures				
Salaries and fringe benefits	8,926,226	8,926,226	8,140,813	785,413
Operating	2,704,846	2,722,785	2,574,740	148,045
Capital Outlay	7,500	7,500	696	6,804
Total Expenditures	11,638,572	11,656,511	10,716,249	940,262
Excess of Revenues over (under) Expenditures	(3,497,640)	(3,497,640)	(3,095,149)	402,491
Other financing sources (uses)				
Transfers in	6,497,640	6,497,640	6,095,149	(402,491)
Transfers out	(3,000,000)	(3,000,000)	(3,000,000)	-
Total Other financing sources (uses)	3,497,640	3,497,640	3,095,149	(402,491)
Net change in fund balances	-	-	-	-
Fund Balances, beginning of year	80,761	80,761	80,761	-
Fund Balances, end of year	\$ 80,761	\$ 80,761	\$ 80,761	\$ -

MACOMB COUNTY, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION - EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>December 31</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2003	\$ 639,624,122	\$ 624,212,027	\$ (15,412,095)	102.47	\$ 127,235,644	(12.11)
2004	674,857,869	664,487,155	(10,370,714)	101.56	134,258,243	(7.72)
2005	719,336,871	682,144,687	(37,192,184)	105.45	134,886,588	(27.57)
2006	781,450,248	721,657,669	(59,792,579)	108.29	128,820,986	(46.42)
2007	847,305,155	772,649,767	(74,655,388)	109.66	126,696,252	(58.92)
2008	855,265,571	805,888,089	(49,377,482)	106.13	121,822,674	(40.53)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended <u>December 31</u>	General Employees		Sheriff Employees		Road Employees	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2004	\$ 3,741,031	100	\$ 3,267,545	100	\$ 1,569,268	100
2005	8,282,000	100	4,196,000	100	2,376,000	100
2006	11,807,000	100	5,329,000	100	3,079,000	100
2007	11,286,334	100	5,169,283	100	2,665,713	100
2008	11,962,653	100	4,503,282	100	2,192,140	100
2009	11,940,369	100	4,557,635	100	2,009,517	100

MACOMB COUNTY, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION - RETIREE HEALTH CARE TRUST FUND

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>December 31</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2004	\$ 83,794,483	\$ 492,905,016	\$ 409,110,533	17.00	\$ 117,894,514	347.0%
2006	106,476,217	643,208,474	536,732,257	16.55	113,523,878	472.8%
2008	77,353,942	595,309,199	517,955,257	12.99	107,373,375	482.4%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended <u>December 31</u>	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2007	\$ 52,841,641	27.5%	\$ 38,332,944
2008	55,483,723	28.1%	81,102,883
2009	42,780,750	35.8%	108,569,505

MACOMB COUNTY, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION - ROAD COMMISSION RETIREE HEALTH CARE TRUST FUND

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>December 31</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2006	-	76,651,082	76,651,082	-	15,548,979	493.0%
2007	9,621,290	87,898,593	78,277,303	10.9%	14,621,336	535.4%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended <u>September 30</u>	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation (Asset)
2007	\$ 6,147,445	89.4%	\$ 649,979
2008	6,302,811	94.4%	1,021,017
2009	6,302,811	131.0%	(934,427)

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Fund Types
December 31, 2009

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and pooled investments	\$ 16,531,025	\$ 7,050,120	\$ 19,222,972	\$ 42,804,117
Taxes receivable	1,078,850	94,227	-	1,173,077
Accounts receivable, net	10,344,257	-	1,006,984	11,351,241
Due from other governments	2,999,941	-	193,844	3,193,785
Due from business-type units	-	41,098	-	41,098
Other assets	28,809	-	24,561	53,370
Total Assets	\$ 30,982,882	\$ 7,185,445	\$ 20,448,361	\$ 58,616,688
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 2,380,674	\$ 56	\$ 649,667	\$ 3,030,397
Accrued liabilities	-	-	1,490	1,490
Accrued compensation and benefits	71,669	-	-	71,669
Due to other governments	456,960	-	-	456,960
Due to governmental funds	787,394	-	-	787,394
Unearned revenue	2,620,086	148,203	-	2,768,289
Total Liabilities	6,316,783	148,259	651,157	7,116,199
Fund Balances				
Reserved				
Programs	11,105,627	-	-	11,105,627
Housing rehabilitation loans	9,446,892	-	-	9,446,892
Capital projects	-	-	3,297,900	3,297,900
Unreserved				
Designated				
Subsequent year budget	400,000	-	-	400,000
Capital projects	111,225	-	16,499,304	16,610,529
Programs	625,401	-	-	625,401
Undesignated	2,976,954	7,037,186	-	10,014,140
Total Fund Balances	24,666,099	7,037,186	19,797,204	51,500,489
Total Liabilities and Fund Balances	\$ 30,982,882	\$ 7,185,445	\$ 20,448,361	\$ 58,616,688

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Fund Types
Year Ended December 31, 2009

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Taxes	\$ 1,274,443	\$ 175,805	\$ -	\$ 1,450,248
Licenses and permits	941,563	-	-	941,563
Federal & State grants	33,340,045	-	149,712	33,489,757
Other grants	1,765,677	-	197,148	1,962,825
Charges for services	10,653,214	-	3,545,043	14,198,257
Investment income	90,779	193,032	139,354	423,165
Fines and forfeitures	1,154,352	-	-	1,154,352
Other revenue	82,157	-	-	82,157
Total Revenues	<u>49,302,230</u>	<u>368,837</u>	<u>4,031,257</u>	<u>53,702,324</u>
Expenditures				
Current				
Judicial	2,715,486	-	-	2,715,486
General government	1,409,335	-	-	1,409,335
Public safety	7,460,531	-	-	7,460,531
Public works	313,437	118,545	1,418,609	1,850,591
Health and welfare	54,095,767	-	-	54,095,767
Recreation and cultural	1,668,510	-	-	1,668,510
Capital outlay	706,515	-	5,047,241	5,753,756
Debt service				
Principal	-	4,585,000	-	4,585,000
Interest and fees	-	2,882,867	-	2,882,867
Total Expenditures	<u>68,369,581</u>	<u>7,586,412</u>	<u>6,465,850</u>	<u>82,421,843</u>
Excess of Revenues over (under) Expenditures	<u>(19,067,351)</u>	<u>(7,217,575)</u>	<u>(2,434,593)</u>	<u>(28,719,519)</u>
Other financing sources (uses)				
Transfers in	19,686,096	7,027,042	14,917,241	41,630,379
Transfers out	(536,877)	-	(9,654,019)	(10,190,896)
Total Other financing sources (uses)	<u>19,149,219</u>	<u>7,027,042</u>	<u>5,263,222</u>	<u>31,439,483</u>
Net change in fund balances	81,868	(190,533)	2,828,629	2,719,964
Fund Balances, beginning of year	<u>24,584,231</u>	<u>7,227,719</u>	<u>16,968,575</u>	<u>48,780,525</u>
Fund Balances, end of year	<u>\$ 24,666,099</u>	<u>\$ 7,037,186</u>	<u>\$ 19,797,204</u>	<u>\$ 51,500,489</u>

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	<u>COMET</u>	<u>Community Services Agency (1)</u>	<u>Emergency Management Grants</u>
Assets			
Cash and pooled investments	\$ 1,386,838	\$ 1,961,210	\$ 10,922
Taxes receivable	-	-	-
Accounts receivable, net	-	355,929	-
Due from other governments	-	646,273	570,555
Other assets	27,050	1,759	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 1,413,888</u>	<u>\$ 2,965,171</u>	<u>\$ 581,477</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 10,618	\$ 515,413	\$ 42,159
Accrued compensation and benefits	-	439	-
Due to other governments	-	-	-
Due to governmental funds	-	-	514,093
Unearned revenue	-	589,846	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>10,618</u>	<u>1,105,698</u>	<u>556,252</u>
Fund Balances			
Reserved			
Programs	1,403,270	1,584,441	-
Housing rehabilitation loans	-	-	-
Unreserved			
Designated			
Subsequent year budget	-	-	-
Capital projects	-	-	25,225
Programs	-	-	-
Undesignated	-	275,032	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,403,270</u>	<u>1,859,473</u>	<u>25,225</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 1,413,888</u>	<u>\$ 2,965,171</u>	<u>\$ 581,477</u>

(1) - Balance sheet as of September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2009

	<u>Health Department</u>	<u>Health Grants (1)</u>	<u>County Library</u>
Assets			
Cash and pooled investments	\$ 2,343,881	\$ 387,548	\$ 392,855
Taxes receivable	-	-	-
Accounts receivable, net	250,109	-	132
Due from other governments	120,865	63,143	-
Other assets	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 2,714,855</u>	<u>\$ 450,691</u>	<u>\$ 392,987</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 468,625	\$ 283,800	\$ 11,538
Accrued compensation and benefits	6,660	-	1,237
Due to other governments	18,558	5,830	-
Due to governmental funds	-	-	-
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>493,843</u>	<u>289,630</u>	<u>12,775</u>
Fund Balances			
Reserved			
Programs	563,276	161,061	-
Housing rehabilitation loans	-	-	-
Unreserved			
Designated			
Subsequent year budget	-	-	-
Capital projects	86,000	-	-
Programs	-	-	-
Undesignated	1,571,736	-	380,212
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>2,221,012</u>	<u>161,061</u>	<u>380,212</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 2,714,855</u>	<u>\$ 450,691</u>	<u>\$ 392,987</u>

(1) - Balance sheet as of September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2009

	<u>Macomb/St. Clair Employment and Training</u>	<u>MSU Extension</u>	<u>MSU Extension (1)</u>
Assets			
Cash and pooled investments	\$ -	\$ 442,527	\$ 217,272
Taxes receivable	-	-	-
Accounts receivable, net	136,529	4,201	-
Due from other governments	-	62,800	86,628
Other assets	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 136,529</u>	<u>\$ 509,528</u>	<u>\$ 303,900</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 136,529	\$ 1,119	\$ 4,352
Accrued compensation and benefits	-	-	15,113
Due to other governments	-	-	-
Due to governmental funds	-	-	-
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>136,529</u>	<u>1,119</u>	<u>19,465</u>
Fund Balances			
Reserved			
Programs	-	143,243	68,664
Housing rehabilitation loans	-	-	-
Unreserved			
Designated			
Subsequent year budget	-	-	-
Capital projects	-	-	-
Programs	-	365,166	215,859
Undesignated	-	-	(88)
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>-</u>	<u>508,409</u>	<u>284,435</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 136,529</u>	<u>\$ 509,528</u>	<u>\$ 303,900</u>

(1) - Balance sheet as of September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2009

	<u>Prosecuting Attorney Grants</u>	<u>Prosecuting Attorney Grants (1)</u>	<u>Senior Citizens Services</u>
Assets			
Cash and pooled investments	\$ 57,446	\$ -	\$ 12,339
Taxes receivable	-	-	-
Accounts receivable, net	-	-	51,285
Due from other governments	-	222,748	-
Other assets	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 57,446</u>	<u>\$ 222,748</u>	<u>\$ 63,624</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 1,063	\$ 2,886	\$ 2,405
Accrued compensation and benefits	-	34,787	-
Due to other governments	-	-	-
Due to governmental funds	-	155,267	-
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,063</u>	<u>192,940</u>	<u>2,405</u>
Fund Balances			
Reserved			
Programs	48,298	-	-
Housing rehabilitation loans	-	-	-
Unreserved			
Designated			
Subsequent year budget	-	-	-
Capital projects	-	-	-
Programs	-	-	-
Undesignated	8,085	29,808	61,219
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>56,383</u>	<u>29,808</u>	<u>61,219</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 57,446</u>	<u>\$ 222,748</u>	<u>\$ 63,624</u>

(1) - Balance sheet as of September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2009

	<u>Senior Citizens Services (1)</u>	<u>Sheriff Grants</u>	<u>Sheriff Grants (1)</u>
Assets			
Cash and pooled investments	\$ -	\$ 3,034,531	\$ -
Taxes receivable	-	-	-
Accounts receivable, net	-	-	-
Due from other governments	2,844	-	755,964
Other assets	-	-	-
Total Assets	<u>\$ 2,844</u>	<u>\$ 3,034,531</u>	<u>\$ 755,964</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ 94,165	\$ 161,850
Accrued compensation and benefits	-	-	12,409
Due to other governments	-	2,289	263,283
Due to governmental funds	2,349	-	115,685
Unearned revenue	-	840,554	-
Total Liabilities	<u>2,349</u>	<u>937,008</u>	<u>553,227</u>
 Fund Balances			
Reserved			
Programs	-	1,653,147	200,910
Housing rehabilitation loans	-	-	-
Unreserved			
Designated			
Subsequent year budget	-	400,000	-
Capital projects	-	-	-
Programs	-	44,376	-
Undesignated	495	-	1,827
Total Fund Balances	<u>495</u>	<u>2,097,523</u>	<u>202,737</u>
Total Liabilities and Fund Balances	<u>\$ 2,844</u>	<u>\$ 3,034,531</u>	<u>\$ 755,964</u>

(1) - Balance sheet as of September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2009

	<u>Human Services</u>	<u>Urban County Block Grant</u>	<u>Veterans' Trust Fund (1)</u>
Assets			
Cash and pooled investments	\$ 574,138	\$ 517,492	\$ 2,274
Taxes receivable	-	-	-
Accounts receivable, net	-	9,446,892	-
Due from other governments	194,380	49,310	-
Other assets	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 768,518</u>	<u>\$ 10,013,694</u>	<u>\$ 2,274</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 504,036	\$ 4,184	\$ 2,274
Accrued compensation and benefits	-	-	-
Due to other governments	167,000	-	-
Due to governmental funds	-	-	-
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>671,036</u>	<u>4,184</u>	<u>2,274</u>
Fund Balances			
Reserved			
Programs	-	221,869	-
Housing rehabilitation loans	-	9,446,892	-
Unreserved			
Designated			
Subsequent year budget	-	-	-
Capital projects	-	-	-
Programs	-	-	-
Undesignated	97,482	340,749	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>97,482</u>	<u>10,009,510</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 768,518</u>	<u>\$ 10,013,694</u>	<u>\$ 2,274</u>

(1) - Balance sheet as of September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (concluded)
December 31, 2009

	<u>Veterans'</u> <u>Affairs</u>	<u>Other Special</u> <u>Revenue</u>	<u>Total</u> <u>Special Revenue</u>
Assets			
Cash and pooled investments	\$ 643,495	\$ 4,546,257	\$ 16,531,025
Taxes receivable	1,078,850	-	1,078,850
Accounts receivable, net	-	99,180	10,344,257
Due from other governments	-	224,431	2,999,941
Other assets	-	-	28,809
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 1,722,345</u>	<u>\$ 4,869,868</u>	<u>\$ 30,982,882</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 24,250	\$ 109,408	2,380,674
Accrued compensation and benefits	870	154	71,669
Due to other governments	-	-	456,960
Due to governmental funds	-	-	787,394
Unearned revenue	1,189,686	-	2,620,086
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,214,806</u>	<u>109,562</u>	<u>6,316,783</u>
Fund Balances			
Reserved			
Programs	507,539	4,549,909	11,105,627
Housing rehabilitation loans	-	-	9,446,892
Unreserved			
Designated			
Subsequent year budget	-	-	400,000
Capital projects	-	-	111,225
Programs	-	-	625,401
Undesignated	-	210,397	2,976,954
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>507,539</u>	<u>4,760,306</u>	<u>24,666,099</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 1,722,345</u>	<u>\$ 4,869,868</u>	<u>\$ 30,982,882</u>

(1) - Balance sheet as of September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended December 31, 2009

	<u>COMET</u>	<u>Community Services Agency (1)</u>	<u>Emergency Management Grants</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Federal & State grants	96,957	12,301,385	1,814,448
Other grants	-	559,058	-
Charges for services	5,995	1,292,160	-
Investment income	24,244	-	-
Fines and forfeitures	326,206	-	-
Other revenue	-	-	-
Total Revenues	<u>453,402</u>	<u>14,152,603</u>	<u>1,814,448</u>
Expenditures			
Current			
Judicial	-	-	-
General government	-	-	-
Public safety	596,281	-	-
Public works	-	-	-
Health and welfare	-	14,438,059	1,725,203
Recreation and cultural	-	-	-
Capital outlay	7,898	253,859	89,345
Total Expenditures	<u>604,179</u>	<u>14,691,918</u>	<u>1,814,548</u>
Excess of Revenues over (under) Expenditures	<u>(150,777)</u>	<u>(539,315)</u>	<u>(100)</u>
Other financing sources (uses)			
Transfers in	-	580,192	-
Transfers out	-	-	-
Total Other financing sources (uses)	<u>-</u>	<u>580,192</u>	<u>-</u>
Net change in fund balances	<u>(150,777)</u>	<u>40,877</u>	<u>(100)</u>
Fund Balances, beginning of year	<u>1,554,047</u>	<u>1,818,596</u>	<u>25,325</u>
Fund Balances, end of year	<u>\$ 1,403,270</u>	<u>\$ 1,859,473</u>	<u>\$ 25,225</u>

(1) - Year ended September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds (continued)
Year Ended December 31, 2009

	Health Department	Health Grants (1)	County Library
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	941,563	-	-
Federal & State grants	3,857,110	3,171,786	-
Other grants	761,639	-	-
Charges for services	1,923,082	411,825	79,015
Investment income	-	-	-
Fines and forfeitures	-	-	3,937
Other revenue	5,226	-	1,000
Total Revenues	7,488,620	3,583,611	83,952
Expenditures			
Current			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	20,211,251	3,983,704	-
Recreation and cultural	-	-	1,668,510
Capital outlay	45,322	50,999	-
Total Expenditures	20,256,573	4,034,703	1,668,510
Excess of Revenues over (under) Expenditures	(12,767,953)	(451,092)	(1,584,558)
Other financing sources (uses)			
Transfers in	12,731,976	428,548	1,493,722
Transfers out	(3,238)	-	-
Total Other financing sources (uses)	12,728,738	428,548	1,493,722
Net change in fund balances	(39,215)	(22,544)	(90,836)
Fund Balances, beginning of year	2,260,227	183,605	471,048
Fund Balances, end of year	<u>\$ 2,221,012</u>	<u>\$ 161,061</u>	<u>\$ 380,212</u>

(1) - Year ended September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds (continued)
Year Ended December 31, 2009

	<u>Macomb/St. Clair Employment and Training</u>	<u>MSU Extension</u>	<u>MSU Extension (1)</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Federal & State grants	-	271,450	489,649
Other grants	-	-	-
Charges for services	4,282,399	56,894	142,465
Investment income	-	-	-
Fines and forfeitures	-	-	-
Other revenue	-	-	-
Total Revenues	<u>4,282,399</u>	<u>328,344</u>	<u>632,114</u>
Expenditures			
Current			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	4,282,399	247,983	604,444
Recreation and cultural	-	-	-
Capital outlay	-	225	3,154
Total Expenditures	<u>4,282,399</u>	<u>248,208</u>	<u>607,598</u>
Excess of Revenues over (under) Expenditures	<u>-</u>	<u>80,136</u>	<u>24,516</u>
Other financing sources (uses)			
Transfers in	-	4,204	10,000
Transfers out	-	-	(10,850)
Total Other financing sources (uses)	<u>-</u>	<u>4,204</u>	<u>(850)</u>
Net change in fund balances	<u>-</u>	<u>84,340</u>	<u>23,666</u>
Fund Balances, beginning of year	<u>-</u>	<u>424,069</u>	<u>260,769</u>
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 508,409</u>	<u>\$ 284,435</u>

(1) - Year ended September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds (continued)
Year Ended December 31, 2009

	<u>Prosecuting Attorney Grants</u>	<u>Prosecuting Attorney Grants (1)</u>	<u>Senior Citizens Services</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Federal & State grants	333	1,259,273	97,547
Other grants	-	-	134,751
Charges for services	-	-	370,981
Investment income	832	-	-
Fines and forfeitures	-	66,974	-
Other revenue	-	61	2,257
	<hr/>	<hr/>	<hr/>
Total Revenues	1,165	1,326,308	605,536
Expenditures			
Current			
Judicial	92,833	2,079,389	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	1,644,801
Recreation and cultural	-	-	-
Capital outlay	-	-	10
	<hr/>	<hr/>	<hr/>
Total Expenditures	92,833	2,079,389	1,644,811
Excess of Revenues over (under) Expenditures	<hr/>	<hr/>	<hr/>
	(91,668)	(753,081)	(1,039,275)
Other financing sources (uses)			
Transfers in	-	753,081	1,046,449
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other financing sources (uses)	-	753,081	1,046,449
Net change in fund balances	<hr/>	<hr/>	<hr/>
	(91,668)	-	7,174
Fund Balances, beginning of year	<hr/>	<hr/>	<hr/>
	148,051	29,808	54,045
Fund Balances, end of year	<hr/>	<hr/>	<hr/>
	\$ 56,383	\$ 29,808	\$ 61,219

(1) - Year ended September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds (continued)
Year Ended December 31, 2009

	<u>Senior Citizens Services (1)</u>	<u>Sheriff Grants</u>	<u>Sheriff Grants (1)</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Federal & State grants	33,040	1,002,409	2,489,386
Other grants	-	-	310,229
Charges for services	-	119,671	-
Investment income	-	-	-
Fines and forfeitures	-	732,163	16,572
Other revenue	-	1,405	-
	<hr/>	<hr/>	<hr/>
Total Revenues	33,040	1,855,648	2,816,187
Expenditures			
Current			
Judicial	-	-	-
General government	-	-	-
Public safety	-	1,497,566	3,680,073
Public works	-	-	-
Health and welfare	43,815	-	-
Recreation and cultural	-	-	-
Capital outlay	-	151,233	33,667
	<hr/>	<hr/>	<hr/>
Total Expenditures	43,815	1,648,799	3,713,740
Excess of Revenues over (under) Expenditures	<hr/>	<hr/>	<hr/>
	(10,775)	206,849	(897,553)
Other financing sources (uses)			
Transfers in	10,775	127,589	1,082,090
Transfers out	-	(249,648)	-
	<hr/>	<hr/>	<hr/>
Total Other financing sources (uses)	10,775	(122,059)	1,082,090
Net change in fund balances	-	84,790	184,537
Fund Balances, beginning of year	495	2,012,733	18,200
	<hr/>	<hr/>	<hr/>
Fund Balances, end of year	\$ 495	\$ 2,097,523	\$ 202,737

(1) - Year ended September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds (continued)
Year Ended December 31, 2009

	<u>Human Services</u>	<u>Urban County Block Grant</u>	<u>Veterans' Trust Fund (1)</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Federal & State grants	1,138,529	3,464,224	135,037
Other grants	-	-	-
Charges for services	327,915	176,148	-
Investment income	-	-	-
Fines and forfeitures	-	-	-
Other revenue	-	72,139	-
	<hr/>	<hr/>	<hr/>
Total Revenues	1,466,444	3,712,511	135,037
Expenditures			
Current			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	313,437	-
Health and welfare	2,400,691	3,613,556	135,037
Recreation and cultural	-	-	-
Capital outlay	-	4,524	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,400,691	3,931,517	135,037
Excess of Revenues over (under) Expenditures	<hr/> (934,247)	<hr/> (219,006)	<hr/> -
Other financing sources (uses)			
Transfers in	934,247	225,381	-
Transfers out	-	(60,000)	-
	<hr/>	<hr/>	<hr/>
Total Other financing sources (uses)	934,247	165,381	-
Net change in fund balances	-	(53,625)	-
Fund Balances, beginning of year	<hr/> 97,482	<hr/> 10,063,135	<hr/> -
Fund Balances, end of year	<hr/> <u>\$ 97,482</u>	<hr/> <u>\$ 10,009,510</u>	<hr/> <u>\$ -</u>

(1) - Year ended September 30, 2009

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds (concluded)
Year Ended December 31, 2009

	<u>Veterans'</u> <u>Affairs</u>	<u>Other Special</u> <u>Revenue</u>	<u>Total</u> <u>Special Revenue</u>
Revenues			
Taxes	\$ 1,274,443	\$ -	\$ 1,274,443
Licenses and permits	-	-	941,563
Federal & State grants	-	1,717,482	33,340,045
Other grants	-	-	1,765,677
Charges for services	18,150	1,446,514	10,653,214
Investment income	-	65,703	90,779
Fines and forfeitures	-	8,500	1,154,352
Other revenue	-	69	82,157
	<u>1,292,593</u>	<u>3,238,268</u>	<u>49,302,230</u>
Expenditures			
Current			
Judicial	-	543,264	2,715,486
General government	-	1,409,335	1,409,335
Public safety	-	1,686,611	7,460,531
Public works	-	-	313,437
Health and welfare	764,824	-	54,095,767
Recreation and cultural	-	-	1,668,510
Capital outlay	20,230	46,049	706,515
	<u>785,054</u>	<u>3,685,259</u>	<u>68,369,581</u>
Excess of Revenues over (under) Expenditures	<u>507,539</u>	<u>(446,991)</u>	<u>(19,067,351)</u>
Other financing sources (uses)			
Transfers in	-	257,842	19,686,096
Transfers out	-	(213,141)	(536,877)
	<u>-</u>	<u>44,701</u>	<u>19,149,219</u>
Net change in fund balances	507,539	(402,290)	81,868
Fund Balances, beginning of year	<u>-</u>	<u>5,162,596</u>	<u>24,584,231</u>
Fund Balances, end of year	<u>\$ 507,539</u>	<u>\$ 4,760,306</u>	<u>\$ 24,666,099</u>

(1) - Year ended September 30, 2009

MACOMB COUNTY, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Community Services Agency
Year Ended September 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Federal & State grants	\$ 19,478,977	\$ 12,301,385	\$ (7,177,592)
Other grants	585,520	559,058	(26,462)
Charges for services	1,305,607	1,292,160	(13,447)
Other revenue	280,707	-	(280,707)
Total Revenues	<u>21,650,811</u>	<u>14,152,603</u>	<u>(7,498,208)</u>
Expenditures			
Salaries and fringe benefits	9,667,207	7,569,349	2,097,858
Operating	12,335,719	6,868,710	5,467,009
Capital outlay	308,109	253,859	54,250
Total Expenditures	<u>22,311,035</u>	<u>14,691,918</u>	<u>7,619,117</u>
Excess of Revenues over (under) Expenditures	<u>(660,224)</u>	<u>(539,315)</u>	<u>120,909</u>
Other financing sources (uses)			
Transfers in	660,224	580,192	(80,032)
Net change in fund balances	-	40,877	40,877
Fund Balances, beginning of year	<u>1,818,596</u>	<u>1,818,596</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 1,818,596</u>	<u>\$ 1,859,473</u>	<u>\$ 40,877</u>

MACOMB COUNTY, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Health Department
Year Ended December 31, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Licenses and permits	\$ 893,184	\$ 941,563	\$ 48,379
Federal & State grants	4,109,722	3,857,110	(252,612)
Other grants	870,068	761,639	(108,429)
Charges for services	1,798,848	1,923,082	124,234
Other revenue	371,987	5,226	(366,761)
Total Revenues	8,043,809	7,488,620	(555,189)
Expenditures			
Salaries and fringe benefits	13,898,212	12,205,654	1,692,558
Operating	9,174,114	8,005,597	1,168,517
Capital outlay	154,393	45,322	109,071
Total Expenditures	23,226,719	20,256,573	2,970,146
Excess of Revenues over (under) Expenditures	(15,182,910)	(12,767,953)	2,414,957
Other financing sources (uses)			
Transfers in	15,186,148	12,731,976	(2,454,172)
Transfers out	(3,238)	(3,238)	-
Total Other financing sources (uses)	15,182,910	12,728,738	(2,454,172)
Net change in fund balances	-	(39,215)	(39,215)
Fund Balances, beginning of year	2,260,227	2,260,227	-
Fund Balances, end of year	\$ 2,260,227	\$ 2,221,012	\$ (39,215)

MACOMB COUNTY, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Health Grants
Year Ended September 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Licenses and permits	\$ -	\$ -	\$ -
Federal & State grants	3,261,074	3,171,786	(89,288)
Other grants	-	-	-
Charges for services	425,269	411,825	(13,444)
Other revenue	3,984	-	(3,984)
Total Revenues	3,690,327	3,583,611	(106,716)
Expenditures			
Salaries and fringe benefits	2,593,930	2,587,680	6,250
Operating	1,568,348	1,396,024	172,324
Capital outlay	57,337	50,999	6,338
Total Expenditures	4,219,615	4,034,703	184,912
Excess of Revenues over (under) Expenditures	(529,288)	(451,092)	78,196
Other financing sources (uses)			
Transfers in	529,288	428,548	(100,740)
Net change in fund balances	-	(22,544)	(22,544)
Fund Balances, beginning of year	183,605	183,605	-
Fund Balances, end of year	\$ 183,605	\$ 161,061	\$ (22,544)

MACOMB COUNTY, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
County Library
Year Ended December 31, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Charges for services	\$ 239,325	\$ 79,015	\$ (160,310)
Fines and forfeitures	-	3,937	3,937
Other revenue	90,836	1,000	(89,836)
Total Revenues	330,161	83,952	(246,209)
Expenditures			
Salaries and fringe benefits	1,303,332	1,140,954	162,378
Operating	598,035	527,556	70,479
Capital Outlay	2,500	-	2,500
Total Expenditures	1,903,867	1,668,510	235,357
Excess of Revenues over (under) Expenditures	(1,573,706)	(1,584,558)	(10,852)
Other financing sources (uses)			
Transfers in	1,573,706	1,493,722	(79,984)
Net change in fund balances	-	(90,836)	(90,836)
Fund Balances, beginning of year	471,048	471,048	-
Fund Balances, end of year	\$ 471,048	\$ 380,212	\$ (90,836)

MACOMB COUNTY, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Senior Citizens Services
Year Ended December 31, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Federal & State grants	\$ 112,735	\$ 97,547	\$ (15,188)
Other grants	230,126	134,751	(95,375)
Charges for services	386,039	370,981	(15,058)
Other revenue	51,760	2,257	(49,503)
Total Revenues	780,660	605,536	(175,124)
Expenditures			
Salaries and fringe benefits	1,554,703	1,327,254	227,449
Operating	404,872	317,547	87,325
Capital outlay	2,000	10	1,990
Total Expenditures	1,961,575	1,644,811	316,764
Excess of Revenues over (under) Expenditures	(1,180,915)	(1,039,275)	141,640
Other financing sources (uses)			
Transfers in	1,185,963	1,046,449	(139,514)
Transfers out	(5,048)	-	5,048
Total Other financing sources (uses)	1,180,915	1,046,449	(134,466)
Net change in fund balances	-	7,174	7,174
Fund Balances, beginning of year	54,045	54,045	-
Fund Balances, end of year	\$ 54,045	\$ 61,219	\$ 7,174

MACOMB COUNTY, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Senior Citizens Services
Year Ended September 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Federal & State grants	\$ 42,152	\$ 33,040	\$ (9,112)
Expenditures			
Salaries and fringe benefits	50,924	43,815	7,109
Operating	1,228	-	1,228
Total Expenditures	52,152	43,815	8,337
Excess of Revenues over (under) Expenditures	(10,000)	(10,775)	(775)
Other financing sources (uses)			
Transfers in	10,000	10,775	775
Net change in fund balances	-	-	-
Fund Balances, beginning of year	495	495	-
Fund Balances, end of year	\$ 495	\$ 495	\$ -

MACOMB COUNTY, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Human Services Fund
Year Ended December 31, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Federal & State grants	\$ 1,500,000	\$ 1,138,529	\$ (361,471)
Charges for services	400,000	327,915	(72,085)
Total Revenues	1,900,000	1,466,444	(433,556)
Expenditures			
Operating	3,279,133	2,400,691	878,442
Excess of Revenues over (under) Expenditures	(1,379,133)	(934,247)	444,886
Other financing sources (uses)			
Transfers in	1,379,133	934,247	(444,886)
Net change in fund balances	-	-	-
Fund Balances, beginning of year	97,482	97,482	-
Fund Balances, end of year	\$ 97,482	\$ 97,482	\$ -

MACOMB COUNTY, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Veterans' Affairs Fund
Year Ended December 31, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Taxes	\$ 1,279,345	\$ 1,274,443	\$ (4,902)
Charges for services	18,150	18,150	-
Total Revenues	1,297,495	1,292,593	(4,902)
Expenditures			
Salaries and fringe benefits	533,444	372,026	161,418
Operating	733,152	392,798	340,354
Capital outlay	30,899	20,230	10,669
Total Expenditures	1,297,495	785,054	512,441
Excess of Revenues over (under) Expenditures	-	507,539	507,539
Fund Balances, beginning of year	-	-	-
Fund Balances, end of year	\$ -	\$ 507,539	\$ 507,539

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009

	<u>Bridge Program</u>	<u>District Court Building</u>	<u>District Court Improvement</u>	<u>E-911 Radio System</u>
Assets				
Cash and pooled investments	\$ 2,632,487	\$ 137	\$ 176,306	\$ 704,713
Accounts receivable, net	-	-	-	-
Due from other governments	-	-	-	-
Other assets	-	-	-	-
Total Assets	<u>\$ 2,632,487</u>	<u>\$ 137</u>	<u>\$ 176,306</u>	<u>\$ 704,713</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 137	\$ -	\$ 26,252
Accrued liabilities	-	-	-	-
Total Liabilities	<u>-</u>	<u>137</u>	<u>-</u>	<u>26,252</u>
Fund Balances				
Reserved				
Capital projects	2,632,487	-	176,306	-
Unreserved				
Designated - Capital projects	-	-	-	678,461
Total Fund Balances	<u>2,632,487</u>	<u>-</u>	<u>176,306</u>	<u>678,461</u>
Total Liabilities and Fund Balances	<u>\$ 2,632,487</u>	<u>\$ 137</u>	<u>\$ 176,306</u>	<u>\$ 704,713</u>

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Projects Funds (continued)
December 31, 2009

	<u>Martha T Berry Renovation</u>	<u>Nicholson Nature Center</u>	<u>Orchard Trail</u>
Assets			
Cash and pooled investments	\$ 263,049	\$ 79,165	\$ 91,882
Accounts receivable, net	-	-	8,270
Due from other governments	-	-	130,083
Other assets	-	-	-
Total Assets	<u>\$ 263,049</u>	<u>\$ 79,165</u>	<u>\$ 230,235</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 263,049	\$ -	\$ 25,264
Accrued liabilities	-	-	-
Total Liabilities	<u>263,049</u>	<u>-</u>	<u>25,264</u>
Fund Balances			
Reserved			
Capital projects	-	79,165	204,971
Unreserved			
Designated - Capital projects	-	-	-
Total Fund Balances	<u>-</u>	<u>79,165</u>	<u>204,971</u>
Total Liabilities and Fund Balances	<u>\$ 263,049</u>	<u>\$ 79,165</u>	<u>\$ 230,235</u>

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Projects Funds (continued)
December 31, 2009

	<u>Parking Structure</u>	<u>Public Works Building</u>	<u>Warehouse</u>
Assets			
Cash and pooled investments	\$ 354,976	\$ 163,603	\$ 411,391
Accounts receivable, net	-	-	-
Due from other governments	-	-	-
Other assets	2,433	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 357,409</u>	<u>\$ 163,603</u>	<u>\$ 411,391</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 1,250	\$ -	\$ -
Accrued liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,250</u>	<u>-</u>	<u>-</u>
Fund Balances			
Reserved			
Capital projects	204,971	-	-
Unreserved			
Designated - Capital projects	151,188	163,603	411,391
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>356,159</u>	<u>163,603</u>	<u>411,391</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 357,409</u>	<u>\$ 163,603</u>	<u>\$ 411,391</u>

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Projects Funds (concluded)
December 31, 2009

	<u>Youth Home Renovation</u>	<u>General County Capital Projects</u>	<u>Totals</u>
Assets			
Cash and pooled investments	\$ -	\$ 14,345,263	\$ 19,222,972
Accounts receivable, net	966,922	31,792	1,006,984
Due from other governments	-	63,761	193,844
Other assets	-	22,128	24,561
Total Assets	<u>\$ 966,922</u>	<u>\$ 14,462,944</u>	<u>\$ 20,448,361</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 52,476	\$ 281,239	\$ 649,667
Accrued liabilities	1,490	-	1,490
Total Liabilities	<u>53,966</u>	<u>281,239</u>	<u>651,157</u>
 Fund Balances			
Reserved			
Capital projects	-	-	3,297,900
Unreserved			
Designated - Capital projects	912,956	14,181,705	16,499,304
Total Fund Balances	<u>912,956</u>	<u>14,181,705</u>	<u>19,797,204</u>
Total Liabilities and Fund Balances	<u>\$ 966,922</u>	<u>\$ 14,462,944</u>	<u>\$ 20,448,361</u>

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
Year Ended December 31, 2009

	<u>Bridge Program</u>	<u>District Court Building</u>	<u>District Court Improvement</u>	<u>E-911 Radio System</u>
Revenues				
Federal & State grants	\$ -	\$ -	\$ -	\$ 66,748
Other grants	-	-	-	-
Charges for services	-	1,748	60,225	-
Investment income	6,141	-	-	1,245
	<u>6,141</u>	<u>1,748</u>	<u>60,225</u>	<u>67,993</u>
Total Revenues	<u>6,141</u>	<u>1,748</u>	<u>60,225</u>	<u>67,993</u>
Expenditures				
Current				
Public works	1,418,609	-	-	-
Capital outlay	-	76,744	-	235,084
	<u>1,418,609</u>	<u>76,744</u>	<u>-</u>	<u>235,084</u>
Total Expenditures	<u>1,418,609</u>	<u>76,744</u>	<u>-</u>	<u>235,084</u>
Excess of Revenues over (under) Expenditures	<u>(1,412,468)</u>	<u>(74,996)</u>	<u>60,225</u>	<u>(167,091)</u>
Other financing sources (uses)				
Transfers in	-	76,353	116,081	-
Transfers out	-	(1,357)	-	-
	<u>-</u>	<u>74,996</u>	<u>116,081</u>	<u>-</u>
Total Other financing sources (uses)	<u>-</u>	<u>74,996</u>	<u>116,081</u>	<u>-</u>
Net change in fund balances	<u>(1,412,468)</u>	<u>-</u>	<u>176,306</u>	<u>(167,091)</u>
Fund Balances, beginning of year	<u>4,044,955</u>	<u>-</u>	<u>-</u>	<u>845,552</u>
Fund Balances, end of year	<u>\$ 2,632,487</u>	<u>\$ -</u>	<u>\$ 176,306</u>	<u>\$ 678,461</u>

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds (continued)
Year Ended December 31, 2009

	Martha T Berry Renovation	Nicholson Nature Center	Orchard Trail
Revenues			
Federal & State grants	\$ -	\$ -	\$ 82,964
Other grants	-	150,000	20,000
Charges for services	-	-	4,368
Investment income	-	-	3,600
Total Revenues	-	150,000	110,932
Expenditures			
Current			
Public works	-	-	-
Capital outlay	268,404	70,835	168,731
Total Expenditures	268,404	70,835	168,731
Excess of Revenues over (under) Expenditures	(268,404)	79,165	(57,799)
Other financing sources (uses)			
Transfers in	204,908	-	262,770
Transfers out	-	-	-
Total Other financing sources (uses)	204,908	-	262,770
Net change in fund balances	(63,496)	79,165	204,971
Fund Balances, beginning of year	63,496	-	-
Fund Balances, end of year	\$ -	\$ 79,165	\$ 204,971

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds (continued)
Year Ended December 31, 2009

	<u>Parking Structure</u>	<u>Public Works Building</u>	<u>Warehouse</u>
Revenues			
Federal & State grants	\$ -	\$ -	\$ -
Other grants	-	-	-
Charges for services	7,800	-	-
Investment income	5,909	248	1,217
Total Revenues	13,709	248	1,217
Expenditures			
Current			
Public works	-	-	-
Capital outlay	935	531	706,930
Total Expenditures	935	531	706,930
Excess of Revenues over (under) Expenditures	12,774	(283)	(705,713)
Other financing sources (uses)			
Transfers in	343,385	-	800,000
Transfers out	-	-	-
Total Other financing sources (uses)	343,385	-	800,000
Net change in fund balances	356,159	(283)	94,287
Fund Balances, beginning of year	-	163,886	317,104
Fund Balances, end of year	\$ 356,159	\$ 163,603	\$ 411,391

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds (concluded)
Year Ended December 31, 2009

	Youth Home Renovation	General County Capital Projects	Totals
Revenues			
Federal & State grants	\$ -	\$ -	\$ 149,712
Other grants	-	27,148	197,148
Charges for services	-	3,470,902	3,545,043
Investment income	-	120,994	139,354
Total Revenues	-	3,619,044	4,031,257
Expenditures			
Current			
Public works	-	-	1,418,609
Capital outlay	765,594	2,753,453	5,047,241
Total Expenditures	765,594	2,753,453	6,465,850
Excess of Revenues over (under) Expenditures	(765,594)	865,591	(2,434,593)
Other financing sources (uses)			
Transfers in	787,544	12,326,200	14,917,241
Transfers out	-	(9,652,662)	(9,654,019)
Total Other financing sources (uses)	787,544	2,673,538	5,263,222
Net change in fund balances	21,950	3,539,129	2,828,629
Fund Balances, beginning of year	891,006	10,642,576	16,968,575
Fund Balances, end of year	\$ 912,956	\$ 14,181,705	\$ 19,797,204

MACOMB COUNTY, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2009

	<u>Compensated Absences</u>	<u>Equipment Revolving</u>	<u>General Liability Insurance</u>	<u>Workers' Compensation</u>	<u>Employee Fringe Benefits</u>	<u>Totals</u>
ASSETS						
Current assets						
Cash and pooled investments	\$ 6,720,072	\$ 5,928,058	\$ 5,121,605	\$ 8,461,769	\$ 5,166,453	\$ 31,397,957
Accounts receivable, net	-	6,715	-	-	-	6,715
Inventories	-	352,756	-	-	-	352,756
Due from other governments	-	351,739	-	-	-	351,739
Due from fiduciary funds	-	-	-	-	5,656,367	5,656,367
Other assets	-	73,405	-	83,330	1,785,560	1,942,295
Total current assets	6,720,072	6,712,673	5,121,605	8,545,099	12,608,380	39,707,829
Noncurrent assets						
Capital assets, net:						
Assets being depreciated	-	2,617,268	-	-	-	2,617,268
Total Assets	6,720,072	9,329,941	5,121,605	8,545,099	12,608,380	42,325,097
LIABILITIES						
Current liabilities						
Accounts payable	-	235,769	111,078	59,371	1,143,285	1,549,503
Due to other funds	-	181,655	-	-	-	181,655
Compensated absences	1,100,000	-	-	-	-	1,100,000
Claims and judgements	-	-	1,450,000	1,000,000	-	2,450,000
Total current liabilities	1,100,000	417,424	1,561,078	1,059,371	1,143,285	5,281,158
Noncurrent liabilities						
Claims and judgements	-	-	2,784,175	2,206,255	-	4,990,430
Compensated absences	5,017,064	-	-	-	-	5,017,064
Advances from other funds	-	295,000	-	-	-	295,000
Total noncurrent liabilities	5,017,064	295,000	2,784,175	2,206,255	-	10,302,494
Total Liabilities	6,117,064	712,424	4,345,253	3,265,626	1,143,285	15,583,652
NET ASSETS						
Invested in capital assets	-	2,617,268	-	-	-	2,617,268
Unrestricted	603,008	6,000,249	776,352	5,279,473	11,465,095	24,124,177
Total Net Assets	\$ 603,008	\$ 8,617,517	\$ 776,352	\$ 5,279,473	\$ 11,465,095	\$ 26,741,445

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
Year Ended December 31, 2009

	<u>Compensated Absences</u>	<u>Equipment Revolving</u>	<u>General Liability Insurance</u>	<u>Workers' Compensation</u>	<u>Employee Fringe Benefits</u>	<u>Totals</u>
Operating Revenues						
Charges for services	\$ 1,570,976	\$ 4,750,398	\$ 2,545,845	\$ 724,340	\$ 54,298,186	\$ 63,889,745
Operating Expenses						
Benefits and claims expenses	1,187,023	-	2,333,420	2,345,015	57,419,471	63,284,929
Supplies and services	-	4,210,243	-	-	-	4,210,243
Depreciation	-	663,998	-	-	-	663,998
Total operating expenses	<u>1,187,023</u>	<u>4,874,241</u>	<u>2,333,420</u>	<u>2,345,015</u>	<u>57,419,471</u>	<u>68,159,170</u>
Operating income (loss)	383,953	(123,843)	212,425	(1,620,675)	(3,121,285)	(4,269,425)
Transfers in	-	395,000	-	-	-	395,000
Increase (Decrease) in net assets	383,953	271,157	212,425	(1,620,675)	(3,121,285)	(3,874,425)
Net assets, beginning of year	<u>219,055</u>	<u>8,346,360</u>	<u>563,927</u>	<u>6,900,148</u>	<u>14,586,380</u>	<u>30,615,870</u>
Net assets, end of year	<u>\$ 603,008</u>	<u>\$ 8,617,517</u>	<u>\$ 776,352</u>	<u>\$ 5,279,473</u>	<u>\$ 11,465,095</u>	<u>\$ 26,741,445</u>

MACOMB COUNTY, MICHIGAN
Combining Statement of Cash Flows - Internal Service Funds
Year Ended December 31, 2009

	<u>Compensated Absences</u>	<u>Equipment Revolving</u>	<u>General Liability Insurance</u>	<u>Workers' Compensation</u>	<u>Employee Fringe Benefits</u>	<u>Totals</u>
Cash Flows from Operating Activities						
Cash received from customers	\$ -	\$ 66,307	\$ -	\$ -	\$ -	\$ 66,307
Cash received from interfund services	1,570,976	4,705,638	2,545,845	724,340	53,120,806	62,667,605
Cash payments for interfund services	-	-	-	-	-	-
Cash payments to employees	(1,093,780)	-	-	-	-	(1,093,780)
Cash payments to suppliers	-	(4,270,391)	(2,259,686)	(871,222)	(56,908,035)	(64,309,334)
Net cash provided by Operating Activities	<u>477,196</u>	<u>501,554</u>	<u>286,159</u>	<u>(146,882)</u>	<u>(3,787,229)</u>	<u>(2,669,202)</u>
Cash Flows From Noncapital Financing Activities						
Transfers in	-	395,000	-	-	-	395,000
Cash Flows From Capital and Related Financing Activities						
Acquisition of capital assets	-	(209,981)	-	-	-	(209,981)
Increase (decrease) in cash and pooled investments	477,196	686,573	286,159	(146,882)	(3,787,229)	(2,484,183)
Cash and pooled investments, beginning of year	6,242,876	5,241,485	4,835,446	8,608,651	8,953,682	33,882,140
Cash and pooled investments, end of year	<u>\$ 6,720,072</u>	<u>\$ 5,928,058</u>	<u>\$ 5,121,605</u>	<u>\$ 8,461,769</u>	<u>\$ 5,166,453</u>	<u>\$ 31,397,957</u>
Reconciliation of operating income to net cash provided (used) by operating activities						
Operating income (loss)	\$ 383,953	\$ (123,843)	\$ 212,425	\$ (1,620,675)	\$ (3,121,285)	\$ (4,269,425)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	663,998	-	-	-	663,998
Changes in assets and liabilities:						
Accounts receivable	-	630	-	-	-	630
Inventory	-	(89,796)	-	-	-	(89,796)
Due from other governments	-	16,620	-	-	-	16,620
Due from other funds	-	33,232	-	-	(1,177,380)	(1,144,148)
Other assets	-	(20,442)	-	(3,330)	(200,304)	(224,076)
Accounts payable	-	29,648	(74,576)	59,371	711,740	726,183
Accrued employee benefits	93,243	-	-	-	-	93,243
Due to other funds	-	(8,493)	-	-	-	(8,493)
Accrued claims and judgements	-	-	148,310	1,417,752	-	1,566,062
Net cash provided by (used in) operating activities	<u>\$ 477,196</u>	<u>\$ 501,554</u>	<u>\$ 286,159</u>	<u>\$ (146,882)</u>	<u>\$ (3,787,229)</u>	<u>\$ (2,669,202)</u>

MACOMB COUNTY, MICHIGAN
Combining Statement of Fiduciary Net Assets
Pension and Other Employee Benefit Trust Funds
December 31, 2009

	<u>Employees'</u> <u>Retirement Fund</u>	<u>Retiree Health</u> <u>Care Fund</u>	<u>Total</u>
ASSETS			
Cash and pooled investments	\$ 20,420,522	\$ -	\$ 20,420,522
Receivables			
Accrued interest	849,977	268,881	1,118,858
Other	1,373,245	-	1,373,245
Other assets	-	546,763	546,763
Investments, at fair value			
Corporate Bonds	39,456,221	-	39,456,221
Preferred Stock	452,697	-	452,697
Common Stock	334,677,638	865,329	335,542,967
Foreign Stock	-	14,983,273	14,983,273
Limited partnership	51,075,280	-	51,075,280
Mutual funds	278,173,885	86,540,641	364,714,526
Due from fiduciary funds	199,179	-	199,179
	<u>726,678,644</u>	<u>103,204,887</u>	<u>829,883,531</u>
Total Assets			
LIABILITIES			
Accounts payable	433,009	139,222	572,231
Due to governmental funds	908,839	4,747,528	5,656,367
Due to fiduciary funds	113,415	198,418	311,833
	<u>1,455,263</u>	<u>5,085,168</u>	<u>6,540,431</u>
Total Liabilities			
NET ASSETS			
Net assets held in trust for pension and other postemployment benefits	<u>\$ 725,223,381</u>	<u>\$ 98,119,719</u>	<u>\$ 823,343,100</u>

MACOMB COUNTY, MICHIGAN
Combining Statement of Changes In Fiduciary Net Assets
Pension and Other Employee Benefit Trust Funds
Year Ended December 31, 2009

	<u>Employees'</u> <u>Retirement Fund</u>	<u>Retiree Health</u> <u>Care Fund</u>	<u>Total</u>
ADDITIONS			
Contributions			
Employer	\$ 18,507,521	\$ 15,314,128	\$ 33,821,649
Employee	4,184,896	688,850	4,873,746
	<hr/>	<hr/>	<hr/>
Total contributions	22,692,417	16,002,978	38,695,395
Investment income			
Net appreciation in fair value of assets	99,699,338	17,585,472	117,284,810
Interest	1,664,452	-	1,664,452
Dividends	5,272,080	3,180,305	8,452,385
Securities lending	65,846	-	65,846
	<hr/>	<hr/>	<hr/>
	106,701,716	20,765,777	127,467,493
Less investment expenses			
Management and custodial fees	3,118,725	43,943	3,162,668
Securities lending agent fees	19,754	-	19,754
	<hr/>	<hr/>	<hr/>
Net investment income	103,563,237	20,721,834	124,285,071
	<hr/>	<hr/>	<hr/>
Total additions	126,255,654	36,724,812	162,980,466
DEDUCTIONS			
Benefit payments	40,349,612	15,928,535	56,278,147
Refunds of contributions	413,674	-	413,674
Administrative expense	153,346	30,500	183,846
	<hr/>	<hr/>	<hr/>
Total deductions	40,916,632	15,959,035	56,875,667
	<hr/>	<hr/>	<hr/>
Net increase in net assets	85,339,022	20,765,777	106,104,799
NET ASSETS			
Beginning of year	639,884,359	77,353,942	717,238,301
	<hr/>	<hr/>	<hr/>
End of year	\$ 725,223,381	\$ 98,119,719	\$ 823,343,100
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MACOMB COUNTY, MICHIGAN
Combining Statement of Fiduciary Net Assets
Agency Funds
December 31, 2009

	<u>Trust and Agency</u>	<u>Payroll and Benefits</u>	<u>Miscellaneous Agency Funds</u>	<u>Total</u>
ASSETS				
Cash and pooled investments	\$ 11,431,670	\$ 141,243	\$ 4,242,914	\$ 15,815,827
Receivables				
Other	56,541	-	1,962	58,503
Due from fiduciary funds	113,415	-	-	113,415
Other assets	187	-	-	187
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 11,601,813</u>	<u>\$ 141,243</u>	<u>\$ 4,244,876</u>	<u>\$ 15,987,932</u>
 LIABILITIES				
Accounts payable	\$ 6,042,291	\$ 131,195	\$ 2,366,241	\$ 8,539,727
Accrued compensation and benefits	-	10,048	-	10,048
Deposits	4,276,973	-	1,873,292	6,150,265
Due to other governments	1,281,788	-	5,343	1,287,131
Due to fiduciary funds	761	-	-	761
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>\$ 11,601,813</u>	<u>\$ 141,243</u>	<u>\$ 4,244,876</u>	<u>\$ 15,987,932</u>

MACOMB COUNTY, MICHIGAN
Combined Statement of Changes in Fiduciary Net Assets
Agency Funds
Year Ended December 31, 2009

	<u>Balance 12/31/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2009</u>
ASSETS				
Cash and pooled investments	\$ 20,438,628	\$ 882,991,871	\$ 887,614,672	\$ 15,815,827
Receivables				
Other	2,853	114,487	58,837	58,503
Due from fiduciary funds	113,415	1,029	1,029	113,415
Other assets	190	199,702	199,705	187
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 20,555,086</u>	<u>\$ 883,307,089</u>	<u>\$ 887,874,243</u>	<u>\$ 15,987,932</u>
LIABILITIES				
Accounts payable	\$ 10,819,345	\$ 304,491,389	\$ 306,771,007	\$ 8,539,727
Accrued compensation and benefits	222,494	45,471,318	45,683,764	10,048
Deposits	7,577,729	35,965,907	37,393,371	6,150,265
Due to other governments	1,935,518	191,120,405	191,768,792	1,287,131
Due to fiduciary funds	-	761	-	761
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 20,555,086</u>	<u>\$ 577,049,780</u>	<u>\$ 581,616,934</u>	<u>\$ 15,987,932</u>

MACOMB COUNTY, MICHIGAN
Statement of Changes in Assets and Liabilities
Trust and Agency Fund
Year Ended December 31, 2009

	<u>Balance 12/31/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2009</u>
ASSETS				
Cash and pooled investments	\$ 16,638,137	\$ 152,627,275	\$ 157,833,742	\$ 11,431,670
Receivables				
Other	902	58,301	2,662	56,541
Due from fiduciary funds	113,415	1,029	1,029	113,415
Other assets	190	199,702	199,705	187
	<u>16,752,644</u>	<u>152,886,307</u>	<u>158,037,138</u>	<u>11,601,813</u>
Total Assets	<u>\$ 16,752,644</u>	<u>\$ 152,886,307</u>	<u>\$ 158,037,138</u>	<u>\$ 11,601,813</u>
LIABILITIES				
Accounts payable	\$ 10,814,227	\$ 120,708,262	\$ 125,480,198	\$ 6,042,291
Deposits	4,768,391	33,835,408	34,326,826	4,276,973
Due to other governments	1,170,026	21,716,050	21,604,288	1,281,788
Due to fiduciary funds	-	761		761
	<u>16,752,644</u>	<u>176,260,481</u>	<u>181,411,312</u>	<u>11,601,813</u>
Total Liabilities	<u>\$ 16,752,644</u>	<u>\$ 176,260,481</u>	<u>\$ 181,411,312</u>	<u>\$ 11,601,813</u>

MACOMB COUNTY, MICHIGAN
Statement of Changes in Assets and Liabilities
Payroll and Benefits Agency Funds
Year Ended December 31, 2009

	Balance 12/31/2008	Additions	Deletions	Balance 12/31/2009
ASSETS				
Cash and pooled investments	\$ 227,612	\$ 147,976,534	\$ 148,062,903	\$ 141,243
LIABILITIES				
Accounts payable	\$ 5,118	\$ 8,795,345	\$ 8,669,268	\$ 131,195
Accrued compensation and benefits	222,494	45,471,318	45,683,764	10,048
Total Liabilities	\$ 227,612	\$ 54,266,663	\$ 54,353,032	\$ 141,243

MACOMB COUNTY, MICHIGAN
Statement of Changes in Assets and Liabilities
Miscellaneous Agency Funds
Year Ended December 31, 2009

	Balance 12/31/2008	Additions	Deletions	Balance 12/31/2009
ASSETS				
Cash and pooled investments	\$ 3,572,879	\$ 582,388,062	\$ 581,718,027	\$ 4,242,914
Receivables				
Other	1,951	56,186	56,175	1,962
Total Assets	<u>\$ 3,574,830</u>	<u>\$ 582,444,248</u>	<u>\$ 581,774,202</u>	<u>\$ 4,244,876</u>
LIABILITIES				
Accounts payable	\$ -	\$ 174,987,782	\$ 172,621,541	\$ 2,366,241
Deposits	2,809,338	2,130,499	3,066,545	1,873,292
Due to other governments	765,492	169,404,355	170,164,504	5,343
Total Liabilities	<u>\$ 3,574,830</u>	<u>\$ 346,522,636</u>	<u>\$ 345,852,590</u>	<u>\$ 4,244,876</u>

MACOMB COUNTY, MICHIGAN
Combining Balance Sheet - Governmental Funds
Drainage Districts Component Unit
September 30, 2009

	Special Revenue	Capital Projects	Debt Service	Total
Assets				
Cash and pooled investments	\$ 4,924,529	\$ 43,027,138	\$ 1,860,629	\$ 49,812,296
Special assessments receivable	-	-	109,520,000	109,520,000
Accrued interest receivable	-	26,683	1,325	28,008
Accounts receivable, net	6,399,170	810,703	422,070	7,631,943
Due from governmental funds	2,227,284	-	-	2,227,284
Total Assets	\$ 13,550,983	\$ 43,864,524	\$ 111,804,024	\$ 169,219,531
Liabilities				
Accounts payable	\$ 7,295,809	\$ 4,076,051	\$ 1,079,705	\$ 12,451,565
Due to governmental funds	-	2,227,284	-	2,227,284
Unearned revenue	-	-	104,375,000	104,375,000
Total Liabilities	7,295,809	6,303,335	105,454,705	119,053,849
Fund Balances				
Reserved	6,255,174	37,561,189	6,349,319	50,165,682
Total Liabilities and Fund Balances	\$ 13,550,983	\$ 43,864,524	\$ 111,804,024	\$ 169,219,531

MACOMB COUNTY, MICHIGAN
RECONCILIATION OF THE FUND BALANCES ON THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS OF GOVERNMENTAL ACTIVITIES -
DRAINAGE DISTRICTS COMPONENT UNIT
SEPTEMBER 30, 2009

Total fund balances for governmental funds \$ 50,165,682

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

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

Capital assets	
Land	1,992,428
Infrastructure	230,500,146
Construction in progress	24,235,963
Accumulated depreciation	(76,607,880)

Long-term bonded debt is not due and payable in the current period and, therefore, is not reported in the governmental funds. However, bonded debt is recorded as long-term liabilities in the Government-Wide Statement of Net Assets. (See Note 4)

Bonds issued in prior years	(110,250,000)
Bonds issued during the current year	(3,351,637)
Bond principal repayments	4,755,000

Special assessments receivable are not available to pay for current expenditures and therefore are recorded as deferred revenue in the governmental funds 104,375,000

Accrued interest payable on long-term debt at year-end is not recorded in the governmental funds, but is recorded as a liability in the Statement of Net Assets (819,365)

Net assets of governmental activities reported in the Government-Wide Statement of Net Assets \$ 224,995,337

MACOMB COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Drainage Districts Component Unit
Year Ended September 30, 2009

	Special Revenue	Capital Projects	Debt Service	Total
Revenues				
Special assessments	\$ -	\$ -	\$ 5,145,000	\$ 5,145,000
Charges for services	41,580,497	4,342,358	-	45,922,855
Investment income	58,861	522,204	3,691,418	4,272,483
Total Revenues	41,639,358	4,864,562	8,836,418	55,340,338
Expenditures				
Current				
Public works	40,814,299	2,851,747	-	43,666,046
Capital outlay	-	17,079,292	-	17,079,292
Debt service				
Principal	-	-	4,755,000	4,755,000
Interest and fees	-	7,437	4,339,974	4,347,411
Total Expenditures	40,814,299	19,938,476	9,094,974	69,847,749
Excess of Revenues over (under) Expenditures	825,059	(15,073,914)	(258,556)	(14,507,411)
Other financing sources (uses)				
Issuance of debt	-	3,351,637	-	3,351,637
Net change in fund balances	825,059	(11,722,277)	(258,556)	(11,155,774)
Fund Balances, beginning of year	5,430,115	49,283,466	6,607,875	61,321,456
Fund Balances, end of year	<u>\$ 6,255,174</u>	<u>\$ 37,561,189</u>	<u>\$ 6,349,319</u>	<u>\$ 50,165,682</u>

MACOMB COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES -
DRAINAGE DISTRICTS COMPONENT UNIT
YEAR ENDED SEPTEMBER 30, 2009

Net change in fund balances - total governmental funds	\$ (11,155,774)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives.</p>	
Expenditures for capital assets	9,071,491
Current year depreciation expense	(4,592,491)
Repayment of debt principal is recorded as an expenditure in the governmental funds, but is recorded as a reduction of long-term liabilities in the Statement of Net Assets. (See Note 4)	4,755,000
The proceeds received as a result of issuing of bonds are recorded as revenue in the governmental funds, but are recorded as increases in long-term liabilities in the Statement of Net Assets. (See Note 4)	(3,351,637)
The change in the amount of deferred revenue in the governmental funds does not provide current financial resources in the Government-Wide Statement of Activities.	(1,120,000)
The change in amount of accrued interest payable is not recorded in the governmental funds, but is recorded as interest expense in the Government-Wide Statement of Activities.	<u>(41,204)</u>
Change in net assets of governmental activities reported in the Statement of Activities	<u>\$ (6,434,615)</u>

MACOMB COUNTY, MICHIGAN

December 31, 2009

Statistical Section – Unaudited

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

Financial Trends (pages E-1 through E-6) - These schedules contain trend information to assist the reader in understanding how the County's financial performance and well-being have changed over time.

Revenue Capacity (pages E-7 through E-10) – These schedules contain information to assist the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity (pages E-11 through E-13) – These schedules present information regarding the affordability of the County's current levels of outstanding debt and its ability to issue additional debt in the future.

Demographic and Economic Information (pages E-14 through E-15) – These schedules present data to assist the reader in understanding the demographic and economic environment that the County operates in.

Operating Information (pages E-16 through E-20) – These schedules contain information regarding the County's employees and infrastructure assets to assist the reader in understanding the services provided by the County.

UNAUDITED

Macomb County, Michigan
Net Assets by Component
Last Eight Years (A)
(accrual basis of accounting, in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related debt (1)	\$ 64,025	\$ 84,830	\$ 103,037	\$ 110,592	\$ 99,280	\$ 116,042	\$ 137,857	\$ 113,415
Restricted	37,717	27,338	64,780	97,573	117,133	96,409	80,962	68,686
Unrestricted	111,874	112,919	88,024	61,479	50,704	7,014	(28,288)	(29,964)
Total governmental activities net assets	<u>213,616</u>	<u>225,087</u>	<u>255,841</u>	<u>269,644</u>	<u>267,117</u>	<u>219,466</u>	<u>190,531</u>	<u>152,137</u>
Business-type activities								
Invested in capital assets, net of related debt	3,157	2,574	2,556	6,745	24,214	23,236	1,479	1,460
Restricted	6,309	6,236	6,354	6,411	6,724	7,049	8,267	10,221
Unrestricted	90,389	86,844	85,159	83,860	82,539	87,479	93,449	100,357
Total business-type units net assets	<u>99,855</u>	<u>95,654</u>	<u>94,069</u>	<u>97,016</u>	<u>113,477</u>	<u>117,764</u>	<u>103,195</u>	<u>112,038</u>
Primary Government								
Invested in capital assets, net of related debt (1)	67,182	87,404	105,593	117,337	123,494	139,278	139,335	114,875
Restricted	44,026	33,574	71,134	103,984	123,857	103,458	89,229	78,907
Unrestricted	202,263	199,763	173,183	145,339	133,243	94,494	65,161	70,393
Total primary government net assets	<u>\$ 313,471</u>	<u>\$ 320,741</u>	<u>\$ 349,910</u>	<u>\$ 366,660</u>	<u>\$ 380,594</u>	<u>\$ 337,230</u>	<u>\$ 293,727</u>	<u>\$ 264,176</u>

(A) - The County implemented GASB Statement No. 34 as of and for the year ended December 31, 2002. Data prior to that date is not available.

(1) - 2008 restated. See Note 14.

Source: Macomb County Finance Department

UNAUDITED

Macomb County, Michigan
Changes in Net Assets
Last Eight Years (A)
(accrual basis of accounting, in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental activities								
Legislative	\$ 1,715	\$ 1,833	\$ 1,958	\$ 2,077	\$ 2,250	\$ 2,345	\$ 2,354	\$ 2,115
Judicial	31,820	32,074	32,738	37,466	40,052	40,672	39,843	38,342
General Government	39,247	39,443	47,040	52,597	60,249	94,801	96,873	80,414
Public safety	51,446	53,912	60,513	67,118	73,774	76,046	76,264	75,880
Public works	319	3,657	2,134	953	1,500	1,157	873	1,851
Health and welfare (1)	61,742	61,776	71,578	76,036	81,220	89,362	85,570	82,039
Recreation and culture	2,805	3,503	2,983	2,976	3,096	2,845	2,308	1,740
Other activities	2,917	5,389	2,374	-	-	-	-	-
Interest on long-term debt	2,425	2,896	3,423	3,763	3,637	4,038	3,479	2,849
Total governmental activities expenses	194,436	204,483	224,741	242,986	265,778	311,266	307,564	285,230
Business-type activities								
Delinquent tax collections	718	546	866	703	699	868	1,219	2,538
Community Mental Health	128,422	135,124	138,755	145,169	171,380	174,125	178,395	188,615
Martha T Berry Medical Care Facility	17,410	18,967	19,026	18,017	19,999	21,726	23,393	21,650
Freedom Hill Park	1,012	1,063	1,130	1,131	1,127	1,116	1,080	637
Total business-type activities expenses	145,562	155,700	159,777	165,020	193,205	197,835	204,087	213,440
Total primary government expenses	339,998	360,183	384,518	408,006	458,983	509,101	511,651	498,670
Program revenues								
Governmental activities								
Charges for services								
Judicial	5,593	5,797	6,060	6,666	6,973	7,017	5,935	5,972
General Government	16,658	19,730	18,439	20,085	15,118	13,288	13,250	15,166
Public safety	7,407	8,078	8,812	8,931	12,736	13,864	15,544	13,898
Health and welfare	11,198	12,960	12,821	11,474	11,836	12,660	9,758	10,853
Recreation and culture	-	286	309	310	321	120	115	84
Operating grants and contributions	44,996	43,500	50,190	54,003	56,334	59,335	60,072	56,077
Capital grants and contributions	716	232	3,198	1,538	3,813	2,725	1,062	2,161
Total governmental activities program revenues	86,568	90,583	99,829	103,007	107,130	109,009	105,736	104,211
Business-type activities								
Charges for services								
Delinquent tax collections	6,830	7,401	7,465	8,366	8,211	12,119	14,177	17,524
Community Mental Health	82,850	93,752	97,609	139,403	161,597	167,342	173,065	183,698
Martha T Berry Medical Care Facility	13,723	14,260	13,366	12,340	13,880	18,609	19,723	20,857
Freedom Hill Park	223	259	242	264	254	242	255	173
Operating grants and contributions	38,543	35,907	35,803	288	2,927	372	415	469
Total business-type activities program revenues	141,969	151,579	154,485	158,661	186,869	198,684	207,635	222,720
Total primary government program revenues	228,537	242,162	254,314	261,668	293,999	307,693	313,371	326,932
Net (Expense) Revenue								
Governmental activities	(107,868)	(113,900)	(124,912)	(139,979)	(158,648)	(202,257)	(201,828)	(181,019)
Business-type activities	(3,593)	(4,121)	(5,292)	(6,359)	(6,336)	849	3,548	9,280
Total primary government net expenses	\$ (111,461)	\$ (118,021)	\$ (130,204)	\$ (146,338)	\$ (164,984)	\$ (201,408)	\$ (198,280)	\$ (171,738)

(A) - The County implemented GASB Statement No. 34 as of and for the year ended December 31, 2002.
Data prior to that date is not available.

Source: Macomb County Finance Department

UNAUDITED

Macomb County, Michigan
Changes in Net Assets (concluded)
Last Eight Years (A)
(accrual basis of accounting, in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009
General Revenues								
Governmental activities								
Property taxes	\$ 96,531	\$ 104,047	\$ 145,946	\$ 153,326	\$ 164,855	\$ 141,903	\$ 132,539	\$ 139,470
Intergovernmental revenues - restricted	-	-	-	493	-	-	-	-
Intergovernmental revenues - unrestricted	18,454	16,351	8,260	1,943	2,263	2,392	801	2,365
Investment earnings	5,711	4,152	3,433	6,456	9,529	10,635	6,645	2,699
Gain (loss) on sale of assets	8	(3)	-	-	-	-	-	-
Transfers	(101,422)	825	(1,974)	(8,435)	(20,525)	(325)	(1,486)	(1,909)
Total governmental activities	19,282	125,372	155,665	153,783	156,122	154,605	138,499	142,625
Business-type activities								
Investment earnings	2,059	1,106	1,052	1,856	3,060	2,966	2,164	1,019
Transfers	101,389	(1,184)	2,655	7,449	19,735	473	519	(1,456)
Total business-type activities	103,448	(78)	3,707	9,305	22,795	3,439	2,683	(437)
Total primary government	122,730	125,294	159,372	163,088	178,917	158,044	141,182	142,188
Change in Net Assets								
Governmental activities	(88,586)	11,472	30,753	13,804	(2,526)	(47,652)	(63,329)	(38,394)
Business-type activities	99,855	(4,199)	(1,585)	2,946	16,459	4,288	6,231	8,843
Total primary government net revenue	\$ 11,269	\$ 7,273	\$ 29,168	\$ 16,750	\$ 13,933	\$ (43,364)	\$ (57,098)	\$ (29,550)

(A) - The County implemented GASB Statement No. 34 as of and for the year ended December 31, 2002.
Data prior to that date is not available.

Source: Macomb County Finance Department

UNAUDITED

Macomb County, Michigan
Fund Balances - Governmental Funds
Last Eight Years (A)
(modified accrual basis of accounting, in thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund								
Reserved	\$ 1,365	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 295	\$ 295
Unreserved	59,056	65,214	62,439	53,302	46,012	39,454	32,134	40,241
Total general fund	<u>\$ 60,421</u>	<u>\$ 65,514</u>	<u>\$ 62,739</u>	<u>\$ 53,602</u>	<u>\$ 46,312</u>	<u>\$ 39,754</u>	<u>\$ 32,429</u>	<u>\$ 40,536</u>
All Other Governmental Funds								
Reserved	\$ 37,748	\$ 27,368	\$ 64,811	\$ 97,604	\$ 117,134	\$ 96,409	\$ 80,962	\$ 61,080
Unreserved, reported in								
Special Revenue Funds	11,054	11,212	9,542	9,528	8,884	11,011	11,574	6,633
Debt Service Funds	-	-	-	-	-	-	-	7,037
Capital Projects Funds	29,002	23,104	18,181	15,727	10,782	15,225	10,668	16,611
Total all other governmental funds	<u>\$ 77,804</u>	<u>\$ 61,684</u>	<u>\$ 92,534</u>	<u>\$ 122,859</u>	<u>\$ 136,800</u>	<u>\$ 122,645</u>	<u>\$ 103,204</u>	<u>\$ 91,361</u>

(A) - The County implemented GASB Statement No. 34 as of and for the year ended December 31, 2002.
Data prior to that date is not available.

Source: Macomb County Finance Department

Macomb County, Michigan
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting, in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Property taxes	\$ 84,643	\$ 88,610	\$ 96,531	\$ 104,046	\$ 145,946	\$ 153,326	\$ 164,855	\$ 141,903	\$ 132,539	\$ 139,470
Licenses and permits	981	985	1,030	1,054	1,087	1,203	1,166	1,653	1,243	1,321
Federal & State grants	145,840	162,242	63,981	59,856	61,642	57,690	60,758	64,143	60,587	58,641
Other grants	4,984	4,321	185	313	7	287	251	308	1,348	1,963
Charges for services	141,133	158,752	37,276	43,659	41,958	45,832	45,019	42,484	38,322	42,544
Investment income	16,242	15,343	5,711	4,152	3,433	6,456	9,529	10,635	6,645	2,699
Special assessments	2,850	3,124	-	-	-	-	-	-	-	-
Charges to other funds for administrative services	7,374	7,503	8,855	9,275	10,517	11,088	11,425	11,925	14,522	15,162
Fines and forfeitures	1,265	1,040	1,075	1,097	1,981	1,790	1,438	1,382	3,392	1,923
Other revenue	4,663	8,553	1,476	956	1,415	581	1,455	1,430	1,645	186
Total Revenues	409,975	450,473	216,120	224,408	267,986	278,253	295,896	275,863	260,243	263,909
Expenditures										
Legislative	1,488	1,731	1,715	1,833	1,958	2,077	2,250	2,345	2,354	2,115
Judicial	27,197	28,852	30,125	30,638	31,391	35,369	37,885	37,835	37,506	36,286
General government	40,028	43,299	44,697	46,351	49,570	55,724	60,273	58,640	58,809	55,179
Public safety	42,570	45,923	48,531	52,211	58,294	64,883	69,919	72,748	70,692	70,375
Public works	51,581	56,802	319	3,657	2,134	954	1,500	1,157	873	1,851
Health and welfare	190,882	205,182	60,632	61,370	69,848	73,868	79,290	87,191	83,292	79,354
Recreation and cultural	3,410	3,507	2,763	3,503	2,909	2,904	3,024	2,782	2,232	1,669
Other	2,694	3,267	2,918	3,793	4,733	5,461	5,460	5,619	5,189	4,985
Capital outlay	20,553	43,945	25,652	26,554	29,930	23,771	17,381	19,321	11,343	6,059
Debt service										
Principal	5,664	5,130	1,620	3,070	2,985	3,560	4,470	4,750	4,690	4,585
Interest and fees	2,593	3,034	1,861	2,504	2,733	3,064	3,622	3,412	3,152	2,883
Bond issuance costs	-	-	87	64	220	288	-	114	61	-
Total Expenditures	388,660	440,672	220,920	235,548	256,705	271,943	285,054	295,914	280,193	265,341
Excess of Revenues over (under) Expenditures	21,315	9,801	(4,800)	(11,140)	11,281	6,310	10,842	(20,051)	(19,950)	(1,432)
Other financing sources (uses)										
Issuance of debt	13,535	30,872	40,885	-	19,350	22,255	-	16,895	2,605	-
Transfers in	58,157	69,117	59,682	67,515	76,791	84,041	90,160	102,574	104,057	87,734
Transfers out	(54,459)	(60,951)	(69,710)	(67,467)	(79,176)	(88,412)	(94,350)	(103,350)	(107,817)	(90,038)
Transfers to component units	(83)	(76)	(765)	-	-	-	-	-	-	-
Operating transfers from primary government	83	76	-	-	-	-	-	-	-	-
Bond discounts	-	-	(237)	-	(172)	(205)	-	(168)	34	-
Proceeds of refunding debt	-	-	-	5,830	-	-	-	-	-	-
Payment to refunding debt escrow agent	-	-	(8,798)	(5,765)	-	(2,802)	-	(16,614)	(5,696)	-
Total Other financing sources (uses)	17,233	39,038	21,057	113	16,793	14,877	(4,190)	(663)	(6,817)	(2,304)
Net change in fund balances	\$ 38,548	\$ 48,839	\$ 16,257	\$ (11,027)	\$ 28,074	\$ 21,187	\$ 6,652	\$ (20,714)	\$ (26,767)	\$ (3,736)
Debt service as % of noncapital expenditures	2.12%	1.85%	1.82%	2.68%	2.60%	2.72%	3.00%	2.97%	2.93%	2.81%

Source: Macomb County Finance Department

UNAUDITED

Macomb County, Michigan
Changes in Fund Balances - General Fund
Last Ten Years
(modified accrual basis of accounting, in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 84,479	\$ 88,458	\$ 96,389	\$ 103,905	\$ 108,025	\$ 115,340	\$ 126,970	\$ 141,691	\$ 132,362	\$ 138,020
Licenses and permits	353	366	377	392	397	391	331	308	346	379
Federal & State grants	23,431	30,081	24,247	21,875	14,756	8,422	8,625	8,408	7,058	8,095
Charges for services	22,776	23,604	25,759	28,747	26,754	30,297	30,330	27,571	25,952	26,821
Investment income	9,709	8,409	4,462	2,331	2,565	4,704	5,957	6,591	2,980	1,432
Charges to other funds for administrative services	7,374	7,502	8,855	9,275	10,517	11,088	11,425	11,925	14,522	15,162
Fines and forfeitures	989	888	856	933	1,059	1,046	865	698	672	768
Other revenue	247	238	227	223	207	167	68	277	200	104
Total Revenues	149,358	159,546	161,172	167,681	164,280	171,455	184,571	197,469	184,094	190,781
Expenditures										
Legislative	1,487	1,731	1,715	1,833	1,958	2,077	2,250	2,345	2,354	2,115
Judicial	17,315	19,134	19,219	19,101	19,452	22,779	23,707	24,197	24,200	22,854
General government	40,028	43,299	43,885	45,924	48,848	54,425	58,298	57,996	57,492	53,770
Public safety	38,682	41,614	44,360	47,976	51,927	56,692	62,031	63,860	63,924	62,915
Health and welfare	674	702	712	678	776	713	787	697	452	2
Other	2,399	2,943	2,918	3,793	4,733	5,481	5,460	5,619	5,188	4,985
Capital outlay	697	777	769	749	722	802	706	617	307	270
Total Expenditures	101,282	110,200	113,578	120,054	128,416	142,969	153,239	155,331	153,917	146,911
Excess of Revenues over (under) Expenditures	48,076	49,346	47,594	47,627	35,864	28,486	31,332	42,138	30,177	43,870
Other financing sources (uses)										
Transfers in	6,325	7,655	7,805	9,655	19,669	22,724	23,340	23,877	27,356	24,818
Transfers out	(47,044)	(49,186)	(49,195)	(52,189)	(58,308)	(60,347)	(61,961)	(72,574)	(64,858)	(60,581)
Total Other financing sources (uses)	(40,719)	(41,531)	(41,390)	(42,534)	(38,639)	(37,623)	(38,621)	(48,697)	(37,502)	(35,763)
Net change in fund balances	\$ 7,357	\$ 7,815	\$ 6,204	\$ 5,093	\$ (2,775)	\$ (9,137)	\$ (7,289)	\$ (6,559)	\$ (7,325)	\$ 8,107

Source: Macomb County Finance Department

UNAUDITED

Macomb County, Michigan
Assessed and Actual Value of Taxable Property
Last Ten Years
(in thousands of dollars)

Year	Assessed Values						Total Assessed Value	Total Actual Estimated Value	Total Direct Tax Rate
	Agricultural Property	Commercial Property	Industrial Property	Residential Property	Developmental Property	Personal Property			
2000	86,384	2,378,640	1,642,722	14,304,179	18,434	2,668,898	42,198,512	4.2070	
2001	88,217	2,578,382	1,739,876	15,585,365	17,012	2,693,477	45,404,658	4.2060	
2002	91,710	2,746,541	1,805,521	16,877,117	16,750	2,668,666	48,412,614	4.2058	
2003	86,213	2,899,405	1,904,056	17,928,699	24,403	2,730,451	51,146,450	4.2058	
2004	88,809	3,070,056	1,993,113	19,159,039	32,411	2,637,103	53,961,060	4.2058	
2005	89,477	3,256,304	2,103,638	20,489,780	39,290	2,624,236	57,205,454	4.2058	
2006	90,755	3,493,196	2,206,807	21,920,822	49,452	2,612,885	60,747,836	4.2055	
2007	95,800	3,752,879	2,263,653	23,097,656	50,800	2,601,682	63,725,340	4.2055	
2008	99,611	3,910,548	2,154,165	23,063,322	47,768	2,537,472	63,625,772	4.2455	
2009	104,963	4,036,043	2,146,151	21,941,441	49,434	2,609,895	61,775,856	4.6135	

Source: Macomb County Equalization Department

UNAUDITED

Macomb County, Michigan Direct and Overlapping Property Tax Rates Last Ten Years

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
County direct rate										
Operation	4.2000	4.2000	4.2000	4.2000	4.2000	4.2000	4.2000	4.2000	4.2000	4.5685
County drain debt	0.0070	0.0060	0.0058	0.0058	0.0058	0.0058	0.0055	0.0055	0.0055	0.0050
County Veteran	-	-	-	-	-	-	-	-	0.0400	0.0400
Total direct rate	4.2070	4.2060	4.2058	4.2058	4.2058	4.2058	4.2055	4.2055	4.2455	4.6135
Overlapping rates										
Cities:										
Center Line	19.2520	19.1830	20.1750	20.6360	21.2997	23.1496	23.2656	22.6223	21.2329	23.8266
Eastpointe	18.2634	18.1634	18.1074	18.4002	17.9541	18.9645	25.8009	23.8711	24.1214	24.0133
Fraser	17.8600	18.1100	18.1100	18.0000	18.0000	18.1382	18.1382	18.1382	18.1382	18.1382
Grosse Pointe Shores	-	-	-	-	-	-	-	-	-	15.8900
Memphis	15.7862	15.5511	15.4344	15.1195	15.1195	14.8019	14.3889	14.2953	14.2953	14.2953
Mt. Clemens	22.7620	22.6321	22.4989	22.2498	22.0327	21.2434	21.2434	18.2159	18.2159	18.2159
New Baltimore	14.6652	14.3948	14.1189	13.7745	12.6439	14.4123	13.8955	13.8955	13.9445	14.2795
Richmond	21.4500	21.8436	21.4501	20.8232	20.0127	18.7026	18.6526	18.4826	18.4326	16.6526
Roseville	16.3800	16.3800	16.3800	16.3800	16.3800	16.3800	16.3800	21.3800	21.3800	21.3800
St. Clair Shores	14.9975	14.7980	15.0063	15.4504	15.8504	17.9863	18.2755	18.3316	18.9992	18.2280
Sterling Heights	10.7200	10.6500	10.6300	10.6250	10.6250	10.6250	10.7250	10.7250	10.7858	10.7858
Utica	20.4934	21.1986	21.1418	21.2473	21.4636	21.9024	21.9198	21.4758	21.7201	21.8835
Warren	16.3068	16.2600	16.2524	16.1924	16.1924	16.9424	16.9424	16.9424	16.9424	16.9424
Townships (rates range)										
Low	0.8812	0.8052	0.8043	0.7992	0.7713	0.7797	0.7794	0.7794	0.7794	2.5558
High	13.0115	12.5405	13.7958	13.8955	13.8934	13.7278	15.1516	14.7275	15.0575	15.0575
Villages (rates range)										
Low	13.6312	14.1052	14.5543	14.4987	13.8141	14.7547	14.7438	15.0794	15.0794	16.5004
High	26.0402	25.5613	25.3993	24.6899	19.4654	19.4508	19.4508	19.0936	19.0936	18.8436
School districts (rates range)										
Low	8.3500	9.1500	9.1500	9.3000	9.3000	9.2000	8.9000	8.9000	8.9000	8.9000
High	36.5060	36.5060	36.4488	35.2263	35.9310	35.4143	35.4143	35.4143	35.4143	35.4143
Intermediate school district										
Community college	1.5140	1.6707	1.6925	1.5859	1.5002	1.4212	1.4212	1.4212	1.4212	1.4212
SMART Regional Transportation	0.3273	0.3235	0.6000	0.5973	0.5949	0.5912	0.5900	0.5900	0.5900	0.5900
HCM Park Authority	0.2202	0.2186	0.2170	0.2161	0.2154	0.2146	0.2146	0.2146	0.2146	0.2146
ZOO Authority	-	-	-	-	-	-	-	-	0.1000	0.1000

Source: Macomb County Equalization Department

UNAUDITED

Macomb County, Michigan
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2009			2000		
	Taxable Value	Rank	Percentage of Total County Taxable Value	Taxable Value	Rank	Percentage of Total County Taxable Value
CHRYSLER CORPORATION	\$ 369,127,166	1	1.20%	\$ 372,867,284	3	1.88%
GENERAL MOTORS	315,556,136	2	1.02%	399,345,207	2	2.01%
DETROIT EDISON	258,682,192	3	0.84%	290,082,235	4	1.46%
FORD MOTOR COMPANY	217,872,283	4	0.71%	403,798,913	1	2.03%
CONSUMERS ENERGY	79,978,893	5	0.26%	129,566,485	5	0.65%
INTERNATIONAL TRANS.	79,412,208	6	0.26%	-	-	0.00%
MEIJER	56,694,959	7	0.18%	28,640,640	9	0.14%
ACH	52,441,731	8	0.17%	-	-	0.00%
MICHIGAN CONSOLIDATED GAS	39,865,519	9	0.13%	-	-	0.00%
MT. CLEMENS COATING	37,652,600	10	0.12%	-	-	0.00%
PINE TREE ACRES	-		0.00%	43,582,836	6	0.22%
LAKESIDE ASSOCIATES	-		0.00%	37,486,600	7	0.19%
SELIGMAN & ASSOCIATES	-		0.00%	34,027,589	8	0.17%
DUPONT	-		0.00%	28,036,000	10	0.14%
	<u>\$ 1,507,283,687</u>		<u>4.88%</u>	<u>\$ 1,767,433,789</u>		<u>8.89%</u>

Source: Macomb County Equalization Department

UNAUDITED

MACOMB COUNTY
Property Tax Levies and Collections
Last Ten Years

<u>Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Subsequent Years Collections</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2000	85,418,460	83,958,287	98.29%	1,459,151	85,417,438	100.00%
2001	90,682,439	87,735,241	96.75%	2,943,072	90,678,313	100.00%
2002	97,887,664	95,833,685	97.90%	2,050,898	97,884,583	100.00%
2003	104,447,066	103,230,735	98.84%	1,212,560	104,443,295	100.00%
2004	109,802,442	107,355,031	97.77%	2,429,790	109,784,821	99.98%
2005	115,602,340	114,604,662	99.14%	991,393	115,596,055	99.99%
2006	129,938,194	126,412,193	97.29%	3,476,990	129,889,183	99.96%
2007	136,819,673	123,526,358	90.28%	11,472,131	134,998,489	98.67%
2008	138,024,533	122,395,032	88.68%	8,611,855	131,006,887	94.92%
2009	141,108,452	130,591,323	92.55%	-	130,591,323	92.55%

Source: Collections - Macomb County Treasurer Department
Tax Levy - Macomb County Finance Department

UNAUDITED

MACOMB COUNTY
Ratios of General Bonded Debt Outstanding
Last Ten Years

Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	% of Personal Income	% of Total Assessed Value of Property	Net General Obligation Debt Per Capita
2000	29,930,000	6,983,717	22,946,283	0.09%	0.11%	29.11
2001	28,375,000	6,829,444	21,545,556	0.08%	0.09%	26.93
2002	59,175,000	6,663,027	52,511,973	0.20%	0.22%	65.20
2003	56,385,000	6,620,170	49,764,830	0.18%	0.19%	60.63
2004	72,750,000	6,438,925	66,311,075	0.24%	0.25%	80.61
2005	88,770,000	6,290,152	82,479,848	0.29%	0.29%	99.44
2006	84,300,000	6,036,145	78,263,855	0.36%	0.26%	93.97
2007	80,245,000	5,582,598	74,662,402	0.34%	0.23%	89.84
2008	72,815,000	5,591,223	67,223,777	0.30%	0.21%	80.93
2009	68,230,000	5,343,430	62,886,570	N/A	0.20%	75.46

Source: Macomb County Finance Department and Municipal Advisory Council of Michigan

UNAUDITED

MACOMB COUNTY
Computation of Net Direct and Overlapping Debt
As of December 31, 2009

	<u>Gross Amount Outstanding</u>	<u>Self-Supporting or Paid by Benefited Entity</u>	<u>Net Amount Outstanding</u>
Direct debt			
Macomb County Building Authority	\$ 55,915,000	\$ -	\$ 55,915,000
Criminal Justice Building Authority	4,155,000	-	4,155,000
Michigan Transportation bonds	8,160,000	-	8,160,000
Public Works - water and sewer debt	<u>110,250,000</u>	<u>110,250,000</u>	<u>-</u>
Net direct debt	<u>\$ 178,480,000</u>	<u>\$ 110,250,000</u>	<u>\$ 68,230,000</u>
Overlapping debt			
School districts			\$ 1,936,989,762
Cities			340,648,616
Township			148,964,457
Villages			9,427,720
Intermediate school district			1,119,851
Library			<u>14,595,000</u>
Net overlapping debt			<u>\$ 2,451,745,406</u>
Net direct and overlapping debt			<u>\$ 2,519,975,406</u>

Source: Macomb County Finance Department and Municipal Advisory Council of Michigan

UNAUDITED

MACOMB COUNTY
Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for 2009

2009 Taxable Value	<u>\$ 31,079,989,313</u>
Debt Limit (10% of Assessed Taxable Value)	3,107,998,931
Outstanding Long-term Debt	<u>177,076,637</u>
LEGAL DEBT MARGIN	<u>\$ 2,930,922,294</u>

<u>Years</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2000	2,109,925,642	54,965,000	2,054,960,642	2.61%
2001	2,270,232,886	76,356,546	2,193,876,340	3.36%
2002	2,420,630,650	133,480,598	2,287,150,052	5.51%
2003	2,557,322,540	137,655,000	2,419,667,540	5.38%
2004	2,698,053,037	155,315,604	2,542,737,433	5.76%
2005	2,860,272,652	158,405,000	2,701,867,652	5.54%
2006	3,037,391,836	150,180,000	2,887,211,836	4.94%
2007	3,186,266,993	160,005,000	3,026,264,993	5.02%
2008	3,193,793,316	174,130,000	3,007,158,649	5.45%
2009	3,107,998,931	177,076,637	2,930,922,294	5.70%

Source: Macomb County Finance Department

UNAUDITED

MACOMB COUNTY
Demographic and Economic Statistics
Last Ten Years

Years	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2000	788,149	26,057,293	32,941	3.1%
2001	799,954	26,267,199	32,800	5.1%
2002	805,395	26,724,410	33,054	5.7%
2003	820,739	27,821,090	34,107	6.6%
2004	822,660	27,774,429	33,735	8.2%
2005	829,453	28,814,941	34,761	7.8%
2006	832,861	21,576,097	25,906	8.0%
2007	831,077	22,272,864	26,800	9.0%
2008	830,663	22,763,488	27,404	8.9%
2009	833,430	N/A	N/A	18.4%

Source: Macomb County Finance Department
U.S. Bureau of Labor Statistics

UNAUDITED

MACOMB COUNTY
Principal Employers
Current Year and Nine Years Ago

Employer	2009			2000		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Chrysler Corporation	8,221	1	1.88%	10,467	3	2.47%
U.S. Government	5,561	2	1.27%	4,410	4	1.04%
General Motors	5,529	3	1.27%	14,907	1	3.51%
Ford Motor Company	4,893	4	1.12%	12,102	2	2.85%
St. John Health System	3,891	5	0.89%	2,640	5	0.62%
Henry Ford Health System	3,860	6	0.88%	2,226	7	0.52%
Utica Schools	3,756	7	0.86%	-	-	-
General Dynamics	3,000	8	0.69%	1,545	12	0.36%
Macomb County	2,661	9	0.61%	2,379	6	0.56%
Chippewa Valley School	1,750	10	0.40%	-	-	-
U.S. Postal Service	1,600	11	0.37%	2,084	8	-
Mt. Clemens Med. Center	1,595	12	0.37%	1,785	10	0.42%
L'Anse Creuse Schools	1,401	13	0.32%	-	-	-
Warren Con. Schools	1,341	14	0.31%	-	-	-
State of Michigan	1,186	15	0.27%	1,186	15	0.28%
Asset Acceptance Capital	802	16	0.18%	-	-	-
Art Van Furniture	725	17	0.17%	-	-	-
Macomb Community College	665	18	0.15%	-	-	-
AZ Automotive Corp.	608	19	0.14%	-	-	-
Johnson Controls	560	20	0.13%	-	-	-
Kmart Co	-	-	-	1,996	9	0.47%
Mercy Health Services Inc.	-	-	-	1,735	11	0.41%
EDS	-	-	-	850	19	0.20%
Lamb Technicon	-	-	-	1,395	13	0.33%
TRW Inc.	-	-	-	1,357	14	0.32%
Aetna Industries Inc.	-	-	-	1,157	16	0.27%
Ameritech Michigan	-	-	-	1,000	17	0.24%
TI Group Automotive System	-	-	-	891	18	0.21%
EDS	-	-	-	850	19	0.20%
Farmer Jack	-	-	-	787	20	0.19%
	<u>53,605</u>		<u>12.28%</u>	<u>67,749</u>		<u>15.94%</u>

Source: Macomb County Finance Department
Crain's Detroit Business

MACOMB COUNTY**Full-Time Equivalent County Government Employees by Function/Program
Last Ten Years**

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Legislative										
Board of Commissioners	25	25	25	26	26	26	26	26	26	26
Judicial										
Circuit Court	57	57	57	62	65	65	65	67	67	67
Family Counseling Services	-	-	-	-	-	-	-	-	1	1
District Court Div. 1	13	13	13	13	13	13	13	13	13	13
District Court Div. 2	17	18	18	18	18	18	18	18	18	18
Friend of the Court	118	119	121	122	124	125	125	126	125	121
Probate Court - Estates	27	27	27	31	31	31	31	31	31	31
Probate Court - Juvenile	69	72	70	69	68	68	64	62	62	59
Probate Court - Mental Division	7	8	10	10	10	12	12	12	11	10
Probation	13	13	14	16	16	18	19	19	19	16
General Government										
County Administration	7	7	7	7	9	9	9	9	9	7
Corporation Counsel	7	7	7	8	9	9	9	9	9	8
Budget	2	2	2	2	2	2	2	2	2	
Finance	25	25	25	25	25	25	25	25	25	26
Purchasing	22	22	22	22	24	24	23	23	23	21
Reimbursement	14	14	14	15	15	15	15	15	15	13
Information & Tech Systems	46	46	45	48	48	49	48	49	49	42
Equalization	16	16	16	16	16	15	14	14	13	11
Human Resources	21	22	22	23	29	29	28	28	28	25
Clerk/Register	81	81	86	92	96	98	98	99	99	89
Treasurer	34	34	34	34	34	34	34	34	34	32
Public Works	48	48	51	51	55	57	58	58	60	59
M.S.U. County Extension	65	66	75	76	76	77	76	76	76	51
Planning & Econ Dev	36	36	33	33	35	35	37	37	36	33
Risk Management	4	4	4	4	4	4	4	4	4	4
Facilities & Operations	111	113	113	115	123	124	124	127	126	114
Prosecuting Attorney	109	113	114	117	120	123	140	141	141	117
Public Safety										
Sheriff	429	444	470	478	475	501	503	503	503	498
Technical Services	10	10	10	10	10	10	10	10	10	9
Emergency Services	3	3	3	3	4	4	4	4	7	6
Community Corrections	-	-	-	-	9	10	11	11	11	11
Health										
Environmental Health	45	45	48	48	48	48	50	50	50	
Pubic Health	239	235	229	227	226	229	226	223	223	251
Community Mental Health	325	326	326	328	330	330	330	333	333	334
Substance Abuse	10	10	10	10	10	10	10	10	10	10
Social Services										
Child Care - Youth Home	112	112	112	112	122	122	140	141	141	146
Medical Care Facility	232	232	235	237	236	240	244	244	243	231
Veterans Services	5	5	4	7	6	6	6	6	6	10
Senior Citizen Services	35	36	36	37	39	39	38	38	38	32
Community Services Agency	298	299	284	301	308	267	260	257	243	253
Macomb/St. Clair Employment	46	44	44	45	42	42	43	41	41	68
Culture & Recreation										
Parks & recreation	8	8	8	8	8	8	9	9	9	0
Library	69	69	67	67	67	67	65	65	57	16
Total	2,860	2,886	2,911	2,973	3,031	3,038	3,066	3,069	3,047	2,889

Source: Macomb County Budget

MACOMB COUNTY, MICHIGAN
Operating Indicators By Function/Program
December 31, 2009

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Judicial:										
Circuit Court										
Caseload	16,293	16,972	17,561	17,080	17,225	23,076	23,992	23,988	24,030	23,001
District Court - Romeo										
Caseload	12,756	11,943	13,830	13,630	13,143	14,059	11,362	8,637	9,950	9,502
District Court - New Baltimore										
Caseload	19,138	18,054	17,792	15,346	22,935	25,000	18,965	15,141	15,000	15,607
Prosecuting Attorney										
Felony warrants issued	6,828	6,950	6,523	7,815	8,133	8,758	8,432	8,623	8,990	N/A
Misdemeanors issued	10,280	10,363	11,133	11,038	9,741	9,376	9,902	9,929	10,122	N/A
General Government:										
County Clerk										
Birth records	5,175	5,115	4,772	4,514	4,713	4,445	4,273	3,866	3,539	2,837
Death records	5,677	5,683	5,832	5,558	5,942	6,113	6,084	5,465	4,943	4,881
Marriage licenses	5,562	5,826	5,545	4,934	5,603	5,445	5,221	5,111	4,947	4,625
Public Works										
Inspections	N/A	23,471	20,893	19,844	20,599	16,320	11,577	12,092	14,197	8,021
Public Safety:										
Sheriff										
Complaints handled	102,857	103,661	99,645	88,267	83,078	105,996	109,328	105,323	103,115	100,603
Inmate bookings	25,908	24,548	26,084	21,674	22,563	23,259	22,574	22,059	21,706	20,166
Arrests made	8,035	8,022	8,234	8,147	8,305	10,571	10,420	9,370	8,679	8,139
Crashes investigated	3,588	3,698	4,430	3,262	3,486	4,913	4,150	4,874	4,898	2,971
Health and Welfare:										
Health Department										
Vaccines administered	70,092	71,848	74,467	62,907	53,746	82,245	59,658	79,136	75,036	114,953
Animals received at animal shelter	12,441	12,691	12,908	12,261	12,935	11,700	14,300	12,856	13,571	12,900
Food service inspections	2,058	N/A	3,904	4,048	4,307	4,168	4,419	4,460	4,423	4,420
Autopsies performed	200	217	237	229	283	361	359	365	509	582

MACOMB COUNTY

Schedule of Insurance
As of December 31, 2009

Type of Coverage / Name of Company	Policy Period	Premium	Description
Public Entity Liability St. Paul Fire & Marine	7-1-09 to 8-1-09	\$36,511	Includes Auto Liability, General Liability, Law Enforcement Liability, Public Officials Liability including Employment Practices Liability. Limit \$20,000,000 for Personal Injury Liability, Products/Completed Operations Hazard and Public Officials' Errors & Omissions Combined. \$20,000,000 Each Occurrence or Wrongful Act, or Combination of Occurrence And Wrongful Act. - \$500,000 Self-insured Retention
Public Entity Liability St. Paul Fire & Marine	8-1-09 to 7-1-10	\$457,068	Includes Auto Liability, General Liability, Law Enforcement Liability, Public Officials Liability including Employment Practices Liability. Limit \$20,000,000 for Personal Injury Liability, Products/Completed Operations Hazard and Public Officials' Errors & Omissions Combined. \$20,000,000 Each Occurrence or Wrongful Act, or Combination of Occurrence And Wrongful Act. - \$500,000 Self-insured Retention
Excess Workers' Compensation Insurance Accident Fund	7-1-09 to 7-1-10	\$102,081 (Insurance Premium) \$53,705 (Admin Fee)	Statutory Liability \$1,000,000. Self-Insured Retention per claim \$350,000.
Property Affiliated FM Insurance Co.	7-1-09 to 8-1-09	\$10,703 (Premium Incl Tria & Engineering Fee)	Covers buildings & contents. Limit - up to \$264,668,071 - Deductible \$100,000
Property Affiliated FM Insurance Co.	8-1-09 to 7-1-10	\$123,319 (Premium Incl Tria) \$5,000 (Engineering Fee)	Covers buildings & contents. Limit - up to \$265,291,312 - Deductible \$100,000
Boiler & Machinery Affiliated FM Insurance Co.	7-1-09 to 8-1-09	Included in Property	Repair or replacement of insured property, expediting expenses, liability for injury, damage to property of others, defense costs resulting from an accident to injured object - \$10,000 Deductible - \$250,000 Limit
Boiler & Machinery Affiliated FM Insurance Co.	8-1-09 to 7-1-10	Included in Property	Repair or replacement of insured property, expediting expenses, liability for injury, damage to property of others, defense costs resulting from an accident to injured object - \$10,000 Deductible - \$250,000 Limit

MACOMB COUNTY

Schedule of Insurance
As of December 31, 2009

Type of Coverage / Name of Company	Policy Period	Premium	Description
Electronic Data Processing Affiliated FM Insurance Co.	7-1-09 to 8-1-09	Included in Property	Replacement cost for damaged equipment and media; extra expense to resume operations; all risk less certain excluded perils; included Chapaton Pump Station with separate limits \$1,000,000 Limit' \$5,000 Retention
Electronic Data Processing Affiliated FM Insurance Co.	8-1-09 to 7-1-10	Included in Property	Replacement cost for damaged equipment and media; extra expense to resume operations; all risk less certain excluded perils; included Chapaton Pump Station with separate limits \$1,000,000 Limit' \$5,000 Retention
Public Entity Fiduciary Liability Federal Insurance Co.	7-1-09 to 8-1-09	\$1,170	County Employees Retirement System - \$5,000,000 Aggregate, \$25,000 Deductible
Public Entity Fiduciary Liability Federal Insurance Co.	8-1-09 to 7-1-10	\$14,464	County Employees Retirement System - \$5,000,000 Aggregate, \$25,000 Deductible
Crime National Union Fire Ins	7-1-09 to 8-1-09	\$632	Theft - disappearance and destruction in/out premises. LIMITS: \$1,500,000 Crime; \$200,000 Forgery; \$200,000 Counterfeit Currency; \$200,000 Theft & Destruction - \$25,000 Deductible
Crime National Union Fire Ins	8-1-09 to 7-1-10	\$7,055	Theft - disappearance and destruction in/out premises. LIMITS: \$1,500,000 Crime; \$200,000 Forgery; \$200,000 Counterfeit Currency; \$200,000 Theft & Destruction - \$25,000 Deductible
Life Insurance MetLife	1-1-07 to 12-31-09	\$200,789	Death benefit equals one year salary
Dental Insurance Delta Dental	1-1-07 to 12-31-09	\$190,742 (2007) \$194,482 (2008) \$198,638 (2009)	\$1,000 Annual Maximum per Individual/ Calendar Year
Dental Insurance Golden Dental	1/1/07 to 12-31-09	\$132,359 (annual premium)	\$1250 Annual Maximum per Individual / Calendar year - 100% Diagnostic & Preventive; 90% Restorative; 75% Prosthetics & Special Care; 30% Orthodontics

MACOMB COUNTY

Schedule of Insurance
As of December 31, 2009

Type of Coverage / Name of Company	Policy Period	Premium	Description
Long Term Disability Insurance The Hartford	1-1-07 to 12-31-09	\$179,654 (annual premium) plus \$50,939 (Basic AD&D)	60% of salary to age 65; up to \$4,500 per month subject to coordination of benefits
Health/Hospital Insurance Blue Care Network	1-1-09 to 12-31-09	\$2,303,628 active \$232,228 retirees \$103,929 MTB active \$17,171 MTB retirees	HMO offers primary care physicians, network hospitals, affiliated pharmacies and labs and other providers within the particular HMO network
Health/Hospital Insurance HAP	1-1-09 to 12-31-09	\$6,092,517 active \$1,512,576 retirees \$338,936 MTB active \$57,061 MTB retirees	HMO offers primary care physicians, network hospitals, affiliated pharmacies and labs and other providers within the particular HMO network - Includes Vision
Health/Hospital Insurance BCBS of Michigan	1-1-07 to 12-31-09	\$3,681,015 (2007 - including retirees) \$2,661,399 (2008) \$2,737,535 (2009)	Self insured medical plan - \$1,000,000 Lifetime Maximum Includes Vision
Vision Care SVS Vision	1-1-07 to 12-31-09	\$16,908 (annual premium)	Vision care pays for certain tests & supplies when obtained by participating provider

Source: Risk Management & Safety