



COUNTY OF MONROE
MICHIGAN

**Comprehensive
Annual Financial
Report**

For Year Ended
December 31, 2010

Prepared By:

Monroe County Finance Department

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COUNTY OF MONROE, MICHIGAN



**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

**FOR YEAR ENDED
DECEMBER 31, 2010**

PREPARED BY:

MONROE COUNTY FINANCE DEPARTMENT
125 EAST SECOND STREET • MONROE, MICHIGAN 48161
TELEPHONE: 734.240.7250 • FAX: 734.240.7266
TOLL FREE: 1.888.354.5500 EXT. 7250

SUSAN MAIER
MONROE COUNTY DIRECTOR of FISCAL SERVICES

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2010**

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INTRODUCTORY SECTION

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Royce R. Maniko
ADMINISTRATOR/CHIEF FINANCIAL OFFICER
MONROE COUNTY, MICHIGAN

125 East Second Street · Monroe, Michigan 48161-2197
Telephone: (734) 240-7046 · Fax: (734) 240-7266
E-MAIL: royce_maniko@monroemi.org

June 16, 2011

To the Citizens of the
County of Monroe, Michigan:

The Comprehensive Annual Financial Report of the County of Monroe, Michigan, for the year ended December 31, 2010, is submitted herewith. The County of Monroe Finance Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County.

The Michigan Uniform Accounting and Budgeting Act requires that every general-purpose government publish, within six months of the close of the fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the year ended December 31, 2010.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement. Management believes the data as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that the disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activity have been included.

Rehmann Robson, Certified Public Accountants, have issued an unqualified ("clean") opinion on the County of Monroe's financial statements for the year ended December 31, 2010. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

VISIT THE MONROE COUNTY WEBSITE: WWW.CO.MONROE.MI.US

The County is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The results of the County's single audit for the year ended December 31, 2010, are contained in a separately issued single audit report.

PROFILE OF THE COUNTY AND IT'S SERVICES

The County of Monroe, organized in 1811, is located in the southeast corner of Michigan's Lower Peninsula, approximately 20 miles southeast of Detroit. The estimated population in 2010 was 152,021. Its major population areas include the City of Monroe, Village of Dundee and Bedford Township. The County seat is located in the City of Monroe. The County of Monroe is empowered to levy a property tax, the primary source of funding, on both real and personal property located within its boundaries. The governmental structure of the County is based upon the State Constitution and the general laws of the State of Michigan. The County's legislative body, and its administrative body for many functions, is the County Board of Commissioners. The Board consists of nine commissioners elected by direct vote from single-member districts every two years. In addition to the Board of Commissioners, there are numerous elected officials serving the County in judicial, administrative, or staff officer roles. An organization chart depicting the County structure is shown on the page following this letter. The County of Monroe provides many services to County residents including those in the following areas of interest: public safety and justice, emergency preparedness and response, planning and environment, housing and homelessness, health, children's well-being, civic infrastructure, and support services. The County also supports cultural and recreational services such as the MSU Cooperative Extension, Library System, Historical Museums, and Parks and Recreation.

The Monroe County Municipal Building Authority functions for all practical purposes as a department of the County and is presented as a blended component unit. The County is also financially responsible for five legally separate component units. The Monroe County Road Commission, Community Mental Health Authority, Monroe County Library System, Monroe County Drain Commission, and County Agency Department are presented as discrete component units in the financial statements. Additional information on all of these legally separate entities can be found in the notes to the financial statements.

FINANCIAL MANAGEMENT AND CONTROL

The Board of Commissioners has the primary responsibility for establishing financial management policy for the County. The State of Michigan Constitution divides the administration duties of the County among various elected officials and the County Administrator/Chief Financial Officer. The general administration of all non-elected departments and agencies fall under the County Administrator/Chief Financial Officer.

The Board of Commissioners is committed to ensuring the long-term fiscal stability of the County. The County has operated very deliberately over the past several years, making sound financial but operationally difficult decisions to keep from having to react to a crisis situation. As a result of these actions, the unreserved, undesignated fund balance in the general fund for 2010 is within amounts of the financial management policy guidelines set by the Board of Commissioners for budgetary and planning purposes. The Board has continued its commitment to plan future budgets to meet the goal of a reserve for subsequent years representing one-twelfth of the annual general fund operating budget. Relevant financial policy guidelines that affected current year operations include budget guidelines, budget modeling, purchasing and investment policies.

Management of the County is responsible for establishing and maintaining internal control designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that financial statements are in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The County has established a Finance Department that is responsible for the administration of the countywide general ledger activities and financial reporting. The Finance Department works collaboratively with various departments to maintain an up to date and accurate financial reporting system. Additionally, an independent audit of the County's Comprehensive Annual Financial Report is completed annually.

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

Relevant Financial Issues

In October 2004, the State legislature passed legislation that shifted the timing of property tax payments to create a revenue stream that, for the next several years will offset the reduction in state revenue sharing. The measure gradually moved up property tax collections from the winter to the summer over three years, beginning July, 2005. Counties annually transfer from this pool the exact amount of funding that would have been available through state revenue sharing. Each year the State publishes the allowable spending amount that can be transferred from the revenue sharing reserve fund. The allowable spending amount is calculated using the growth in the U.S. Consumer Price Index from the State's 2004 and 2005 fiscal years. The inflation rate used for fiscal year 2010 was (0.3%).

Budgeting Control

The County maintains budgetary control with the objective of ensuring compliance with legal provisions embodied in the annual appropriation act approved by the County Board of Commissioners. Activities of the general and special revenue funds are included in the annual budget. The level of budgetary control is established at the department level within an individual fund. The County maintains an encumbrance accounting system as one technique of achieving budgetary control. Encumbrances outstanding at December 31, 2010, do not lapse, instead are set aside within the fund balance and brought forward to the new fiscal year.

Single Audit

As a recipient of federal financial assistance, the County is responsible for ensuring that sufficient internal control is in place to achieve compliance with applicable laws and regulations related to program funds. This internal control is subject to periodic evaluation by management and the independent auditors of the County.

As part of the County's single audit, tests are made to determine the adequacy of the internal control, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations. Information related to this single audit, including the schedule of expenditures of federal awards, a schedule of findings and questioned costs, and independent auditor's reports on internal control and compliance, are included in a separately issued single audit report.

ECONOMIC CONDITION AND OUTLOOK

Like other communities, the County has been subject to cycles of economic growth and contraction with associated changes in the workforce employment rate. Monroe County had an overall unemployment rate in 2010 of 12.4 percent, compared to 12.5 percent for the State of Michigan and 9.6 percent for the nation. A trend of generally declining unemployment in the County had been observed since the early '80s, when double-digit rates were prevalent.

Unemployment rates slightly higher than those seen in previous years began to emerge in the early months of 2001, reflecting a nationwide economic downturn. While the nation's unemployment rate dropped in 2004, only to rise again in late 2008 due to the current economic downturn, Michigan's unemployment rate has consistently remained higher than that of the rest of the country since 2001. The following is a summary of some recent economic developmental activity occurring during 2010 in the County:

Building Activities

Local governments administer building permits. The Monroe County Planning Department, using building permit data, compiles countywide records of building activities. These figures can be interpreted as an indicator of economic health. For 2010, residential development totaled 101 living units, an increase of 40% over the prior year with a total investment value of \$15,587,669.

The value of new commercial unit permits in 2010 was \$3,245,590 from 20 building permits. The number of new industrial units has fallen in recent years, averaging 7 permits annually from 2000 to 2010 and included 7 permits in 2010 for a value of \$36,859,325. In 2010, industrial development was markedly better over the prior year when only 2 permits were issued for a value of \$670,000.

Industrial

The Monroe County Industrial Development Corporation (MCIDC) is a public-private partnership providing support services to longtime area companies as well as to new business prospects in the County, with site reviews, marketing profiles, transportation surveys, information on area suppliers, infrastructure and government regulations.

Since 1982, the MCIDC has been actively engaged in marketing the economic benefits of the area to commercial and industrial interests and is a member of "Automation Alley," a regional consortium whose mission is to bring high-tech businesses to southeast Michigan.

The MCIDC has expanded from strictly industrial development to include commercial development. Its "Business First" program was established in 2005 as a one-stop resource for commercial developers seeking to expand or locate within Monroe County. It has made significant progress in promoting our advantages and attracting commercial businesses.

DTE Energy held public hearings in 2009 and continued associated efforts in 2010 regarding its application with the Federal Nuclear Regulatory Commission for a combined construction and operation license of another nuclear power plant at the site of its Fermi 2 generating plant in Frenchtown Township. DTE Energy is awaiting formal approval for a plant to operate a simplified boiling water reactor constructed at the southwest of Fermi 2, which is a boiling water reactor. If the project is approved and plans proceed, the project would represent a significant economic boost to not only Monroe County, but to southeast Michigan.

Gerdau-Macsteel, a leading North American specialty bar quality steel producer, announced plans for a \$67 million capital investment program for its production mill located in the City of Monroe. The capital program will allow the plant to improve reliability and quality as well as increase its installed capacity by 225,000 short tons through 2013. An additional possible investment of \$60 million over the next three years was announced in May 2011 for unspecified improvements to the production line.

Ventower Industries, LLC, which broke ground in 2010 on Port of Monroe property for its new \$22 million, 115,000 square foot plant, is on track to begin production this year. Capitalizing on the trend toward alternative energy production by manufacturing towers for industrial-sized wind generators, the company will initially employ about 50 workers, with eventual plans to hire about 150. State legislation passed in 2008 requires that 10% of Michigan's electricity be derived from alternative energy sources, such as wind or solar power, by 2015. The company received \$2.6 million in federal energy manufacturing tax credits through the American Recovery and Reinvestment Act, and \$4.4 million in state tax credits.

DTE Energy began a major environmental construction project in the first quarter of 2010 at its Monroe Power Plant. The \$600 million project was estimated to create 600 construction jobs and be one of the largest construction projects in Michigan over the next few years. The project included the installation of two additional flue gas desulfurization (FGD) systems at the coal-fired Monroe plant to further reduce sulfur dioxide (SO₂) emissions. FGDs, also known as scrubbers, reduce SO₂ emissions by about 97 percent. The Monroe Power Plant is the first coal-fired power plant in Michigan to operate with scrubbers. The project was also estimated to create another 300 jobs and \$300 million in indirect economic activity in the region.

The former Dana Corporation Technical Research Center in Ottawa Lake has been purchased by investors with plans to convert the 332 acre complex into a multipurpose incubator site for high-tech firms engaging in business interests such as wind power generation and research.

General Motors Corporation announced plans to invest \$2 billion in 17 facilities in eight states, including Michigan, with \$109 million going to facilities in Flint and Bay City. However, \$260 million will go to a nearby Toledo, Ohio facility in response to increased demand for more fuel-efficient transmissions. The County expects a number of new jobs to go to Monroe County residents, although the number of new jobs has not been announced.

Commercial/Retail

The Monroe County Chamber of Commerce, the City of Monroe, the Downtown Development Authority (DDA), and the Downtown Business Network all work together to improve the Monroe downtown area. Efforts have included a Retail Market Analysis for the downtown, an ongoing streetscape project, grant programs to assist property owners with improvements, and various promotional activities.

Residential

The County's communities in 2010 issued 2,421 permits totaling \$45.2 million for alterations, additions, and accessory buildings, of which 2,189 permits totaling \$21.1 million made improvements to the existing housing stock. The County also has a Strategic Housing Plan and a Housing Commission, which, in conjunction with the Monroe County Opportunity Program, oversees implementation of the Plan, and administers local housing programs.

MAJOR INITIATIVES

As the County plans for the future, many new initiatives are being undertaken within the organization. The County is continuing to invest in technology improvements, including continuing upgrades to data and telephony systems, and also continuing to upgrade web page design and applications for both business and citizen customer applications for enhanced access to programs, services and information.

The County was successful in obtaining federal grant funding for a number of energy efficiency capital projects under an Energy, Efficiency & Conservation Block Grant. Total funding of \$612,543 resulted in replacement of both major and critical energy consuming equipment with new energy efficient and cost effective operating equipment in County facilities.

New employee benefit and compensation strategies negotiated by the County have assisted the County in cost control efforts in areas of compensation and benefit program costs. Additional efforts with this strategy are planned for the balance of employee groups as agreements are negotiated. This strategy is linked to overall efforts to reduce the workforce while maintaining programs and services focused on core services. This is being accomplished by leveraging technology investments with workplace efficiencies.

OTHER INFORMATION - Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Monroe, Michigan, for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2009. This was the tenth consecutive year, and thirteenth of the past fourteen years, the County has achieved this honor. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The 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. We are confident our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Appreciation is extended to the Monroe County Board of Commissioners and the employees throughout the organization responsible for financial management and reporting. In particular, on behalf of the County, I want to acknowledge the special efforts of the Finance Department employees, primarily Susan Maier, Director of Fiscal Services, who directly authored this report and Crystal Comer, Accountant who participated directly in the drafting of the report.

Respectfully submitted,

A handwritten signature in black ink that reads "Royce R. Maniko". The signature is written in a cursive style with a long horizontal stroke at the end.

Royce R. Maniko
Administrator/Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Monroe
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

**Monroe County Board of Commissioners
at December 31, 2010**

William Sisk, Chairman
District 5

Dale W. Zorn, Vice-Chairman
District 2

Members

Henry Lievens
District 1

Albert Potratz
District 3

Floreine M. Mentel
District 4

Jerry Oley
District 6

John Fowler
District 7

Connie Velliquette
District 8

LaMar Frederick
District 9

Circuit, Probate and First District Court Judges

Circuit Court

Hon. Michael W. LaBeau
Hon. Joseph A. Costello
Hon. Michael A. Weipert

District Court

Hon. Terrence Bronson
Hon. Mark S. Braunlich
Hon. Jack Vitale

Probate Court

Hon. Frank L. Arnold
Hon. John A. Hohman, Jr.

Other Elected Officials

Sharon LeMasters
County Clerk/Register

Kay Sisung
County Treasurer

William P. Nichols
Prosecuting Attorney

Tilman Crutchfield
Sheriff

Daniel W. Stefanski
Drain Commissioner

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 16, 2011

To the Board of Commissioners
of Monroe County
Monroe, 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 the **COUNTY OF MONROE, MICHIGAN**, as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Monroe'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 Monroe County Road Commission, Monroe County Library System and Monroe County Agency that collectively represent 85.8% of the assets and 58.0% 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 Monroe County Road Commission, Monroe County Library System and Monroe County Agency, 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. The financial statements of the Monroe County Road Commission and Monroe County Library System were not audited in accordance with *Government Auditing Standards*. 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 the *County of Monroe, Michigan*, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds 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 16, 2011, on our consideration of the *County of Monroe, Michigan's* internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 14-24, historical pension information on page 98 and historical other postemployment benefits information on page 99 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 the County of Monroe'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.

A handwritten signature in cursive script, reading "Lehmann Johnson".

**MANAGEMENT'S
DISCUSSION
AND ANALYSIS**

This page has been intentionally left blank.

Management's Discussion and Analysis

As management of the County of Monroe, Michigan, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the accompanying basic financial statements.

Financial Highlights

- The assets of the County of Monroe primary government exceeded its liabilities at the close of the most recent fiscal year by \$60,125,202 (*net assets*). Of this amount, \$31,831,182 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by \$2,377,383. This decrease was largely due to a change in property tax revenue related to the accelerated tax levy established to fund the reduction in state shared revenues combined with declining property values and decreased investment earnings.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general, special revenue, debt service and capital projects funds) reported combined ending fund balances of \$23,163,168, a decrease of \$587,981 in comparison with the prior year. Approximately 78 percent of the ending fund balances are subject to the underlying limitations applicable to the particular special revenue, debt service and capital projects funds. Approximately 22 percent of the amount, \$5,050,268, is *available for spending* at the government's discretion (general fund *unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$5,050,268 or 12 percent of total general fund expenditures and transfers out.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County of Monroe's basic financial statements. These statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the County of Monroe that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). *Governmental activities* include general government, public safety, public works, health and welfare, community and economic development, and recreation and culture. *Business-type activities* include delinquent tax collections, property tax foreclosures, equipment rental, a revolving loan program, imaging services, engineering and operation of an inmate commissary.

The County also includes legally separate entities (component units) for which the County is financially accountable. The *component units* include the Monroe County Road Commission, Monroe County Community Mental Health Authority, the Monroe County Library System, the Monroe County Drain Commission, and the Monroe County Drain Commissioner County Agency. Financial information for these component units is reported separately from the financial information presented for the primary government. The Monroe County Municipal Building Authority, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government as a blended component unit in the County's governmental activities.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *government funds* and *governmental activities*.

The County of Monroe maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, county health fund, revenue sharing reserve fund, federal prisoner housing fund, senior citizen fund, and capital projects fund, each of which is considered to be a major fund. Data for the remaining governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary funds. The County maintains two different types of proprietary funds: enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its delinquent tax, equipment rental, imaging services, engineering, inmate commissary, property tax foreclosure and revolving loan operations. *Internal service funds* are used to accumulate and allocate costs internally among the County's various functions. The various support services that are accounted for using internal service funds include telephone, self-insurance, computer and office equipment replacement. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only with more detail. The proprietary funds financial statements provide separate information for the delinquent tax revolving fund, which is considered to be a major fund. Data for the remaining enterprise funds is combined into a single aggregated presentation. All internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the nonmajor enterprise funds and internal service funds is provided in combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County of Monroe's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental and enterprise funds and internal service funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

The government-wide financial analysis focuses on the net assets and changes in net assets of the governmental and business-type activities. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the County's assets exceeded its liabilities by \$60,125,202 at December 31, 2010.

MONROE COUNTY NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and other assets	\$ 38,159,294	\$ 36,718,707	\$ 23,296,356	\$ 18,547,573	\$ 61,455,650	\$ 55,266,280
Capital assets, net	36,651,309	39,080,684	6,026	11,493	36,657,335	39,092,177
Total assets	<u>74,810,603</u>	<u>75,799,391</u>	<u>23,302,382</u>	<u>18,559,066</u>	<u>98,112,985</u>	<u>94,358,457</u>
Liabilities						
Long-term liabilities	20,396,488	17,146,392	8,300,000	6,500,000	28,696,488	23,646,392
Other liabilities	<u>8,862,347</u>	<u>8,131,523</u>	<u>428,948</u>	<u>77,956</u>	<u>9,291,295</u>	<u>8,209,479</u>
Total liabilities	<u>29,258,835</u>	<u>25,277,915</u>	<u>8,728,948</u>	<u>6,577,956</u>	<u>37,987,783</u>	<u>31,855,871</u>
Net assets						
Invested in capital assets, net of related debt	24,950,605	26,684,877	6,026	11,493	24,956,631	26,696,370
Restricted	3,337,389	3,899,754	-	-	3,337,389	3,899,754
Unrestricted	<u>17,263,774</u>	<u>19,936,845</u>	<u>14,567,408</u>	<u>11,969,617</u>	<u>31,831,182</u>	<u>31,906,462</u>
Total net assets	<u>\$ 45,551,768</u>	<u>\$ 50,521,476</u>	<u>\$ 14,573,434</u>	<u>\$ 11,981,110</u>	<u>\$ 60,125,202</u>	<u>\$ 62,502,586</u>

The largest portion of the County's net assets, \$31,831,182 (53 percent), represents *unrestricted net assets* that may be used to meet the County's ongoing obligations to citizens and creditors.

An additional portion of the County's net assets, \$24,956,631 (42 percent), reflects its investment in capital assets (i.e., land, buildings, vehicles, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of \$3,337,389 (5 percent) represents resources that are subject to external restrictions on how they may be used.

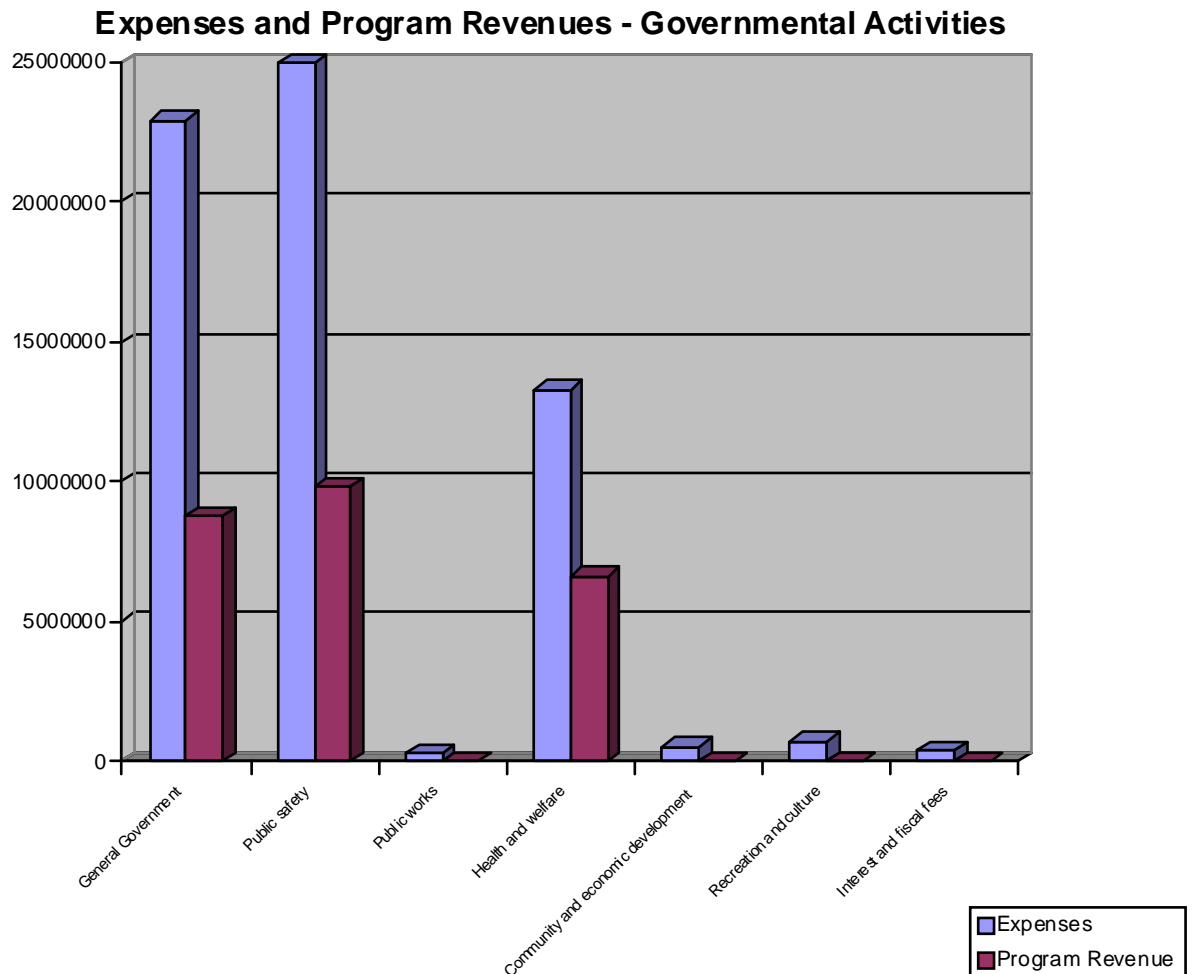
At the end of the current fiscal year, the County is able to report positive balances in all three categories (invested in capital assets-net of related debt, restricted and unrestricted) of net assets, both for the primary government as a whole, as well as for its separate governmental and business-type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

MONROE COUNTY CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	\$ 7,963,047	\$ 8,147,407	\$ 3,351,946	\$ 3,327,134	\$ 11,314,993	\$ 11,474,542
Operating grants and contributions	17,318,732	17,101,298	367,137	-	17,685,869	17,101,298
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	31,190,431	32,028,207	-	-	31,190,431	32,028,207
Grants and contributions not restricted to specific programs	3,439,742	3,455,701	-	-	3,439,742	3,455,701
Unrestricted interest and other revenue	729,893	903,852	21,990	11,274	751,883	915,126
Total revenues	60,641,845	61,636,465	3,741,073	3,338,409	64,382,918	64,974,874
Expenses						
General government	20,461,519	22,816,240	-	-	20,461,519	22,816,240
Public safety	30,035,874	31,237,187	-	-	30,035,874	31,237,187
Public works	86,797	323,637	-	-	86,797	323,637
Health and welfare	13,322,243	14,407,143	-	-	13,322,243	14,407,143
Community and economic development	531,409	886,670	-	-	531,409	888,670
Recreation and culture	717,709	777,223	-	-	717,709	777,223
Interest on long-term debt	402,002	523,552	-	-	402,002	523,552
Delinquent tax revolving	-	-	216,624	159,642	216,624	159,642
Equipment rental	-	-	228,714	272,148	228,714	272,148
Printing	-	-	134,874	179,844	134,874	179,844
Engineering	-	-	26,275	136,311	26,275	136,311
Inmate commissary	-	-	65,156	40,716	65,156	40,716
Property Tax Foreclosures	-	-	308,139	261,027	308,139	261,027
Revolving Loan	-	-	222,966	3,200	222,966	3,200
Total expenses	65,557,553	70,971,652	1,202,748	1,052,888	66,760,301	72,024,540
Change in net assets before transfers	(4,915,708)	(9,335,187)	2,538,225	2,285,521	(2,377,383)	(7,049,666)
Transfers	(53,999)	617,233	53,999	(617,233)	-	-
Change in net assets	(4,969,707)	(8,717,954)	2,592,324	1,668,288	(2,377,383)	(7,049,666)
Net assets, beginning of year	50,521,475	59,239,430	11,981,110	10,312,822	62,502,586	69,552,252
Net assets, end of year	\$ 45,551,768	\$ 50,521,476	\$ 14,573,434	\$ 11,981,110	\$ 60,125,202	\$ 62,502,586

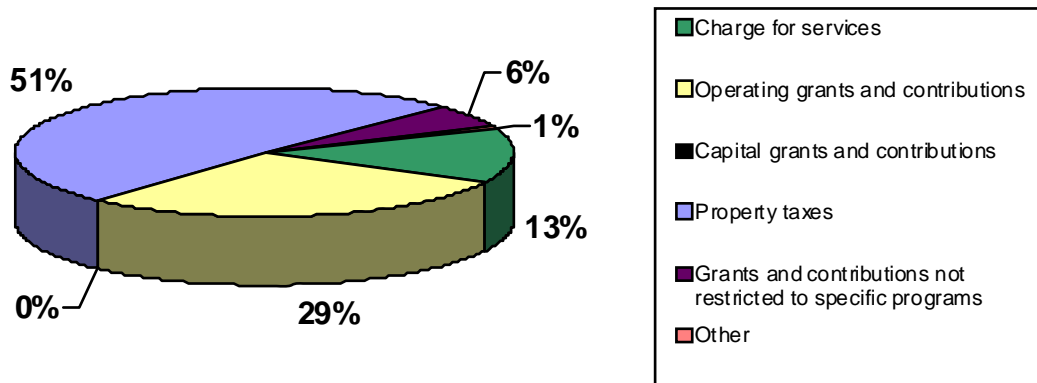
The County's net assets decreased by \$2,377,383 during the current fiscal year; the decrease that occurred in governmental activities was attributable to the change in property taxes collected related to the accelerated tax levy established to fund the reduction in state shared revenues combined with declining property values. All revenues except operating grants and contributions decreased. All expense categories also decreased in 2010; significant decreases include a \$2,354,721 decrease in general government, a \$1,201,313 decrease in public safety, and a \$1,084,900 decrease in health and welfare expenses.

Governmental activities. Governmental activities decreased the County's net assets by \$4,969,707. As previously mentioned, the major reasons for this decrease were related to decreased property tax collections for both the current year and the accelerated tax levy, as well as decreases in most revenue categories and decreases in all expense categories.



The 2010 decrease in governmental activity expenses is primarily in the general government, public safety and health and welfare areas. Employee expenses were less in all categories, primarily due to position eliminations resulting from the County's early retirement programs.

Revenue by Source - Governmental Activities



Business-type activities. Business type activities increased the County’s net assets by \$2,592,324. The majority of this increase is due to the change in net assets of \$2,209,712 in the Delinquent Tax Revolving Fund. These changes are attributable to increased fees and interest on taxes received because of increased delinquent and foreclosure activity due to the economic downturn.

Financial Analysis of the County’s Funds

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

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

At the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$23,163,168, a decrease of \$587,981 when compared with the prior year. This was primarily due to the changes in the activity in tax collections and interest revenue. Approximately 78 percent of the ending fund balances are subject to the underlying limitations applicable to the particular special revenue, debt service and capital projects funds. Approximately 22 percent of the amount, \$5,050,268, is available for spending at the government’s discretion (*general fund unreserved, undesignated fund balance*).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$5,050,268, with a total fund balance of \$5,959,955. Unreserved, undesignated fund balance represents approximately 12 percent of total general fund expenditures and transfers out. The fund balance of the County’s general fund increased by \$1,991,171 during the current fiscal year. This is primarily attributable to decreases in several expense categories.

The county health fund had a total fund balance of \$2,366,321, with \$1,621,709 reserved for specific programs. All revenue categories except charges for services declined, as did service and supplies expenditures. The increase in reserved fund balance is due to the excess of solid waste fees over expenditures.

The fund balance of the revenue sharing reserve fund decreased \$3,095,726 to a total of \$6,785,385. The decrease is because the tax revenues of the accelerated tax levy established to fund the reduction in state shared revenues ended in 2006. Each year the State publishes the allowable spending amount that can be transferred from the reserve fund which will occur until the fund is depleted.

The federal prisoner housing fund increased intergovernmental revenues and decreased personnel costs, services and supply expenditures, and had a total fund balance of \$514,235.

The senior citizen fund had a total fund balance of \$825,937. The increase of \$48,374 is primarily due to decreased expenses.

The fund balance of the capital projects fund decreased \$127,389 to a total of \$878,788. The decrease is due to the completion of projects begun in prior years.

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

Total net assets of the enterprise and internal service funds at year-end amounted to \$14,573,434, and \$6,348,923, respectively. The enterprise funds had an increase in net assets for the year of \$2,592,324, due mainly to increases in interest on taxes received in the delinquent tax revolving fund and in charges for services in the property tax foreclosure fund. A decrease in claims and expenses caused the majority of the \$1,150,118 increase in internal service funds' net assets.

General Fund Budgetary Highlights

Differences between the original and final amended budgets for expenditures resulted in a 1.38 percent increase (an increase in appropriations of approximately \$496,000), primarily from an increase in budgeted capital outlay. The adopted budget included a negative contingency amount of \$219,018 which was eliminated using a voluntary early retirement program which resulted in the elimination of 11 full-time positions. Budgeted transfers out decreased from the original to final amended budgets by \$1,008,456; the largest decreases were \$315,024 less for the Health department, \$386,510 less for the New Jail, and \$429,304 less for Child Care operations. An additional \$238,697, however, was required by the Friend of the Court fund operations because of lower than budgeted revenue collections.

Overall during 2010, general fund revenues were greater than the budgetary estimates by over \$218,000. The areas of greatest variance include property taxes and intergovernmental revenues. Property taxes were more than the budgeted amount primarily due to a conservative estimate used when budgeting this revenue. Property tax values did not fall as far as estimated, resulting in actual taxes higher than budgeted. Differences in intergovernmental revenues were greatest in the areas of homeland security, energy efficiency and state court equity grants.

Expenditures were less than budgetary estimates overall and for each of the major classifications. Specifically, actual personnel costs (salaries, wages and fringes) were less than budgeted amounts in most general fund departments due to budgeted positions that were not filled after the voluntary early retirement program. In addition, actual expenditures for services and supplies were under the amended budget amounts by approximately \$923,000, the majority of this difference being due to decreased expenditures in groceries and provisions, professional, contractual and temporary services, and utilities.

Overall during the year, actual general fund revenues and expenditures, including other financing sources and uses resulted in an actual increase in fund balance of \$1,991,171 compared to a final budgeted decrease of approximately \$39,707.

Capital Asset and Debt Administration

Capital Assets. The County's capital assets (net of accumulated depreciation) for its governmental activities as of December 31, 2010, amounted to \$36,651,309. These capital assets include land and land improvements, buildings and improvements, machinery and equipment and vehicular equipment. The total decrease in the County's capital assets for the current fiscal year was approximately 6.2 percent. Major capital asset events during the current fiscal year included the following:

- Over \$450,000 for energy efficient improvements including boilers at the Youth Center and Jail facilities, and lighting at various facilities.
- Over \$136,000 in Sheriff's Department additions, including several patrol vehicles.
- Over \$316,000 in computer equipment related purchases for general governmental operations.
- Over \$144,000 in public safety equipment to benefit Homeland Security.

County of Monroe's Capital Assets
(net of depreciation)

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Land and improvements	\$ 308,041	\$ 370,701
Construction in progress	-	150,500
Collections	113,500	113,500
Buildings and improvements	26,521,579	27,740,298
Machinery and equipment	9,149,520	9,955,746
Vehicular equipment	<u>558,669</u>	<u>749,939</u>
Total	<u>\$ 36,651,309</u>	<u>\$ 39,080,684</u>

Additional information on the County's capital assets can be found in Note G of this report.

Long-term debt. Debt is classified as long-term if it matures over a period greater than one year. At the end of the current fiscal year, the County had total general obligation debt outstanding of \$11,830,000.

County of Monroe's Outstanding Debt
General Obligation

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds	\$11,830,000	\$12,465,000	\$ -	\$ -	\$11,830,000	\$ 12,465,000
General obligation tax notes	<u>-</u>	<u>-</u>	<u>13,500,000</u>	<u>6,500,000</u>	<u>13,500,000</u>	<u>6,500,000</u>
Total	<u>\$11,830,000</u>	<u>\$12,465,000</u>	<u>\$13,500,000</u>	<u>\$ 6,500,000</u>	<u>\$25,330,000</u>	<u>\$ 18,965,000</u>

The County's bonded debt decreased by \$635,000 during the current fiscal year because of scheduled payments on outstanding bonds and no addition of new long term debt.

The County has an "AA-" rating for general obligation bonds from Standard & Poor's and an A2 rating from Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (State Equalized Value). The current debt limitation for the County is \$643,128,330 which is significantly in excess of the County's outstanding general obligation debt.

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

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's 2011 budget:

- Wages for non-union employees were held at 2009 levels. County Commissioner salaries were reduced 5% for 2011 by the Monroe County Compensation Commission while the salaries of other elected officials remained at 2010 levels.
- Health care benefits for all non-union employees were changed to a cost sharing formula whereby the County will pay 90% of the illustrated premium of the Blue Cross/Blue Shield PPO Option 3 Plan.
- The General Fund budget no longer includes an appropriation for the Fairview Home infirmary. Monroe County voters approved a millage of 0.20 mills in August, 2010, to fund the infirmary in 2011 and nine additional years, replacing the General Fund transfer-in amount.
- In December, 2010, the Board of Commissioners adopted a Resolution approving a millage of 0.06 mills under Public Act 88 of 1913 to promote the tourism industry associated with local history through operations of the Monroe County Historical Commission. A special revenue fund has been established to account for this, and the general fund department was eliminated.
- Property tax revenues were projected to decrease 5.4 percent from 2010 budgeted revenues due to expected decreased taxable values and the housing market decline.
- The unemployment rate for the County is currently 12.4%, slightly lower than a year ago. This nearly matches the state's average unemployment rate of 12.5% and compares unfavorably to the national average rate of 9.6%.
- The County has committed to maintaining a fund balance in the general fund that is at least one-twelfth of operating expenditures; the 2010 ending balance is well within this amount.

During the current fiscal year, unreserved, undesignated fund balance in the general fund increased to \$5,050,268. The general rule of thumb is that fund balances can be used to help government weather bad times, but should not be used as a means of funding routine operations. In the 2011 budget, the County has no plans to use the fund balance of the general fund.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances to all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Monroe Finance Department, 125 East Second Street, Monroe, Michigan 48161.

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**BASIC
FINANCIAL
STATEMENTS**

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COUNTY OF MONROE, MICHIGAN
Statement of Net Assets
December 31, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 2,616,012	\$ 3,579,647	\$ 6,195,659	\$ 12,903,510
Investments	22,317,371	6,705,063	29,022,434	5,955,453
Land held for resale	-	-	-	310,000
Receivables, net	10,629,271	12,542,143	23,171,414	78,419,281
Internal balances	1,385,086	(1,385,086)	-	-
Prepaid items and other assets	71,353	-	71,353	2,293,022
Restricted assets - cash and cash equivalents	540,201	-	540,201	20,202,829
Loans receivable	-	1,854,589	1,854,589	-
Advance to component unit	600,000	-	600,000	-
Capital assets not being depreciated	218,500	-	218,500	24,551,347
Capital assets being depreciated, net	36,432,809	6,026	36,438,835	134,319,983
	<u>\$ 74,810,603</u>	<u>\$ 23,302,382</u>	<u>\$ 98,112,985</u>	<u>\$ 278,955,425</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities				
Accounts payable and accrued expenses	\$ 4,391,600	\$ 428,948	\$ 4,820,548	\$ 6,189,393
Unearned revenue	4,470,747	-	4,470,747	7,333,520
Noncurrent liabilities:				
Compensated absences due within one year	1,207,541	-	1,207,541	494,864
Compensated absences due beyond one year	-	-	-	928,481
Advance from primary government	-	-	-	600,000
Net other postemployment benefit liability	7,488,243	-	7,488,243	3,377,421
Long-term debt due within one year	750,000	1,500,000	2,250,000	6,372,516
Long-term debt due beyond one year	10,950,704	6,800,000	17,750,704	64,021,256
	<u>29,258,835</u>	<u>8,728,948</u>	<u>37,987,783</u>	<u>89,317,451</u>
Net assets				
Invested in capital assets, net of related debt	24,950,605	6,026	24,956,631	145,565,164
Restricted for:				
Debt service	440,858	-	440,858	3,296,027
Construction	1,201,355	-	1,201,355	17,703,461
Health and welfare programs	1,695,176	-	1,695,176	-
Unrestricted	17,263,774	14,567,408	31,831,182	23,073,322
	<u>45,551,768</u>	<u>14,573,434</u>	<u>60,125,202</u>	<u>189,637,974</u>
	<u>\$ 74,810,603</u>	<u>\$ 23,302,382</u>	<u>\$ 98,112,985</u>	<u>\$ 278,955,425</u>

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

COUNTY OF MONROE, MICHIGAN
Statement of Activities
For the Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 20,461,519	\$ 4,863,446	\$ 3,899,674	\$ -	\$ (11,698,399)
Public safety	30,035,874	1,898,450	7,947,344	-	(20,190,080)
Public works	86,797	-	-	-	(86,797)
Health and welfare	13,322,243	1,166,408	5,466,806	-	(6,689,029)
Community and economic development	531,409	30,400	-	-	(501,009)
Recreation and culture	717,709	4,343	4,908	-	(708,458)
Interest on long-term debt	402,002	-	-	-	(402,002)
Total governmental activities	<u>65,557,553</u>	<u>7,963,047</u>	<u>17,318,732</u>	-	<u>(40,275,774)</u>
Business-type activities:					
Delinquent tax	216,624	2,406,439	-	-	2,189,815
Equipment rental	228,714	214,093	-	-	(14,621)
Imaging services	134,874	85,858	-	-	(49,016)
Engineering	26,275	10,054	-	-	(16,221)
Inmate commissary	65,156	65,059	-	-	(97)
Property tax foreclosure	308,139	570,443	-	-	262,304
Revolving loan	222,966	-	367,137	-	144,171
Total business-type activities	<u>1,202,748</u>	<u>3,351,946</u>	<u>367,137</u>	-	<u>2,516,335</u>
Total primary government	<u>\$ 66,760,301</u>	<u>\$ 11,314,993</u>	<u>\$ 17,685,869</u>	<u>\$ -</u>	<u>\$ (37,759,439)</u>
Component units					
Road Commission	\$ 21,803,595	\$ -	\$ 17,825,933	\$ -	\$ (3,977,662)
Mental Health Authority	27,505,711	22,638,239	4,977,259	-	109,787
Library Services	9,789,324	167,167	56,901	-	(9,565,256)
Drain Commission	3,415,969	161,541	5,000	4,555,420	1,305,992
County Agency	12,804,081	7,227,207	10,507,397	-	4,930,523
Total component units	<u>\$ 75,318,680</u>	<u>\$ 30,194,154</u>	<u>\$ 33,372,490</u>	<u>\$ 4,555,420</u>	<u>\$ (7,196,616)</u>

continued...

COUNTY OF MONROE, MICHIGAN
Statement of Activities
For the Year Ended December 31, 2010

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (40,275,774)	\$ 2,516,335	\$ (37,759,439)	\$ (7,196,616)
General revenues:				
Property taxes	31,190,431	-	31,190,431	6,160,122
Grants and contributions not restricted to specific programs	3,439,742	-	3,439,742	1,396,001
Other revenue	-	-	-	471,437
Unrestricted investment earnings	729,893	21,990	751,883	143,432
Unrealized gain on investments	-	-	-	578
Gain on disposal of capital assets	-	-	-	784,758
Transfers - internal activities	(53,999)	53,999	-	-
 Total general revenues and transfers	 35,306,067	 75,989	 35,382,056	 8,956,328
 Change in net assets	 (4,969,707)	 2,592,324	 (2,377,383)	 1,759,712
 Net assets, beginning of year	 50,521,475	 11,981,110	 62,502,585	 187,878,262
 Net assets, end of year	 \$ 45,551,768	 \$ 14,573,434	 \$ 60,125,202	 \$ 189,637,974

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

COUNTY OF MONROE, MICHIGAN
Balance Sheet
Governmental Funds
December 31, 2010

	General	County Health	Revenue Sharing Reserve	Federal Prisoner Housing	Senior Citizen	Capital Projects	Nonmajor Funds	Totals
<u>ASSETS</u>								
Assets								
Cash and cash equivalents	\$ 324,979	\$ 85,454	\$ 27,696	\$ 25,005	\$ 530,962	\$ 194,106	\$ 1,294,067	\$ 2,482,269
Investments	9,007,626	-	6,757,689	-	451,775	-	3,396,295	19,613,385
Taxes receivable	2,834,091	-	-	-	2,933,294	-	1,173,318	6,940,703
Accounts receivable, net	19,284	-	-	29,204	-	-	331,086	379,574
Interfund receivable	-	-	-	-	-	-	285,822	285,822
Due from other governments	1,660,639	92,598	-	607,926	-	-	681,236	3,042,399
Due from other funds	1,431,800	2,602,183	-	-	-	835,000	1,235,550	6,104,533
Advance to other funds	183,300	-	-	-	-	-	91,026	274,326
Advance to component unit	600,000	-	-	-	-	-	-	600,000
<u>TOTAL ASSETS</u>	\$ 16,061,719	\$ 2,780,235	\$ 6,785,385	\$ 662,135	\$ 3,916,031	\$ 1,029,106	\$ 8,488,400	\$ 39,723,011
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities								
Accounts payable	\$ 573,280	\$ 158,921	\$ -	\$ 25,058	\$ 156,800	\$ 50,318	\$ 233,168	\$ 1,197,545
Interfund payable	-	-	-	-	-	-	285,822	\$ 285,822
Accrued wages and fringes	977,316	79,993	-	122,842	-	-	332,301	1,512,452
Due to other governments	-	175,000	-	-	-	-	-	175,000
Due to other funds	8,480,362	-	-	-	-	-	212,614	8,692,976
Advances from other governments	-	-	-	-	-	-	42,000	42,000
Advances from other funds	-	-	-	-	-	100,000	83,301	183,301
Deferred revenue	70,806	-	-	-	2,933,294	-	1,466,647	4,470,747
Total liabilities	10,101,764	413,914	-	147,900	3,090,094	150,318	2,655,853	16,559,843
Fund balances								
Reserved for:								
Encumbrances	126,387	-	-	-	-	-	17,980	144,367
Long-term advances	783,300	-	-	-	-	-	91,026	874,326
Health ordinances	-	1,621,709	-	-	-	-	-	1,621,709
Donations	-	-	-	-	-	-	2,003	2,003
Unreserved:								
Designated for subsequent expenditures	-	250,515	2,936,791	-	314,747	62,809	-	3,564,862
Designated for subsequent expenditures, reported in nonmajor special revenue funds	-	-	-	-	-	-	409,218	409,218
Undesignated	5,050,268	494,097	3,848,594	514,235	511,190	815,979	-	11,234,363
Undesignated, reported in nonmajor:								
Special revenue funds	-	-	-	-	-	-	4,871,462	4,871,462
Debt service funds	-	-	-	-	-	-	440,858	440,858
Total fund balances	5,959,955	2,366,321	6,785,385	514,235	825,937	878,788	5,832,547	23,163,168
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 16,061,719	\$ 2,780,235	\$ 6,785,385	\$ 662,135	\$ 3,916,031	\$ 1,029,106	\$ 8,488,400	\$ 39,723,011

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

COUNTY OF MONROE, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
December 31, 2010

Fund balances - total governmental funds	\$ 23,163,168
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Amounts reported for *governmental activities* in the statement of net assets are different because:

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

Add: capital assets not being depreciated	218,500
Add: capital assets being depreciated	84,245,866
Subtract: accumulated depreciation	(47,989,350)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	6,348,923
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Liabilities related to other postemployment benefits are not due in the current period and, therefore, are not reported in the funds.

Subtract: other postemployment benefit plan obligation	(7,488,243)
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds and notes payable	(11,830,000)
Add: unamortized deferred loss on refunding	79,483
Subtract: unamortized premium on refunding bonds	(15,536)
Add: unamortized bond issuance costs	71,353
Add: unamortized bond discount	65,349
Subtract: accrued interest on long-term liabilities	(110,204)
Subtract: accrued compensated absences	(1,207,541)

Net assets of governmental activities	<u>\$ 45,551,768</u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	County Health	Revenue Sharing Reserve	Federal Prisoner Housing	Senior Citizen	Capital Projects	Nonmajor Funds	Totals
Revenues								
Taxes	\$ 28,123,892	\$ -	\$ -	\$ -	\$ 3,060,902	\$ -	\$ 5,637	\$ 31,190,431
Licenses and permits	187,810	304,003	-	-	-	-	10,410	502,223
Intergovernmental revenues	2,921,910	2,920,958	-	2,411,720	-	-	6,701,966	14,956,554
Contributions from local units	2,362,178	-	-	-	-	-	-	2,362,178
Charges for services	4,521,188	850,935	-	274,610	-	-	1,062,310	6,709,043
Fines and forfeits	402,070	-	-	-	-	-	300,302	702,372
Interest and rents	107,184	-	29,632	-	2,996	72	631,667	771,551
Other revenue	2,148,143	222,474	-	8,682	75,214	44,762	940,467	3,439,742
Total revenues	40,774,375	4,298,370	29,632	2,695,012	3,139,112	44,834	9,652,759	60,634,094
Expenditures								
Current:								
General government	14,182,816	-	-	-	-	-	2,738,875	16,921,691
Public safety	17,110,288	-	-	3,801,449	-	-	6,570,593	27,482,330
Public works	69,762	-	-	-	-	-	17,035	86,797
Health and welfare	1,663,786	4,943,060	-	-	2,770,930	-	3,752,872	13,130,648
Community and economic development	535,291	-	-	-	-	-	-	535,291
Recreation and culture	360,639	-	-	-	-	-	41,611	402,250
Other expenditures	108,303	-	-	-	-	-	-	108,303
Debt service:								
Principal	-	-	-	-	-	-	690,000	690,000
Interest	-	-	-	-	-	-	415,055	415,055
Issuance costs	-	-	-	-	-	-	71,353	71,353
Capital outlay	738,429	67,403	-	-	-	144,621	364,958	1,315,411
Total expenditures	34,769,314	5,010,463	-	3,801,449	2,770,930	144,621	14,662,352	61,159,129
Revenues over (under) expenditures	6,005,061	(712,093)	29,632	(1,106,437)	368,182	(99,787)	(5,009,593)	(525,035)
Other financing sources (uses)								
Issuance of refunding bonds	-	-	-	-	-	-	4,070,000	4,070,000
Premium on refunding bonds	-	-	-	-	-	-	15,536	15,536
Payment to escrow agent	-	-	-	-	-	-	(4,094,483)	(4,094,483)
Transfers in	3,492,634	1,052,341	-	1,533,613	-	100,000	4,946,074	11,124,662
Transfers (out)	(7,506,524)	-	(3,125,358)	-	(319,808)	(127,602)	(99,369)	(11,178,661)
Total other financing sources (uses)	(4,013,890)	1,052,341	(3,125,358)	1,533,613	(319,808)	(27,602)	4,837,758	(62,946)
Net change in fund balances	1,991,171	340,248	(3,095,726)	427,176	48,374	(127,389)	(171,835)	(587,981)
Fund balances, beginning of year	3,968,784	2,026,073	9,881,111	87,059	777,563	1,006,177	6,004,382	23,751,149
Fund balances, end of year	\$ 5,959,955	\$ 2,366,321	\$ 6,785,385	\$ 514,235	\$ 825,937	\$ 878,788	\$ 5,832,547	\$ 23,163,168

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

COUNTY OF MONROE, MICHIGAN
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2010

Net change in fund balances - total governmental funds \$ (587,981)

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

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

Add: capital outlay	1,315,411
Subtract: depreciation expense	(3,685,409)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.

Add: principal payments on long-term liabilities	690,000
Subtract: bond refunding proceeds received	(4,070,000)
Subtract: premium on refunding	(15,536)
Add: escrow	4,094,483
Add: bond issuance costs	71,353

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

Add: change in accrued interest on bonds and amortized bond discount	13,052
Subtract: increase in other postemployment benefits obligation	(4,180,828)
Add: decrease in accrual for compensated absences	235,629

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

Add: net operating income from governmental activities accounted for in internal service funds	1,142,367
Add: interest revenue from governmental internal service funds	7,751

Change in net assets of governmental activities \$ (4,969,708)

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

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenues				
Taxes	\$ 28,115,678	\$ 26,936,479	\$ 28,123,892	\$ 1,187,413
Licenses and permits	176,125	176,125	187,810	11,685
Intergovernmental revenues	3,231,364	3,822,232	2,921,910	(900,322)
Contributions from local units	2,428,031	2,304,864	2,362,178	57,314
Charges for services	4,464,834	4,521,246	4,521,188	(58)
Fines and forfeits	509,000	509,000	402,070	(106,930)
Interest and rents	117,000	117,000	107,184	(9,816)
Other revenue	2,101,233	2,150,213	2,148,143	(2,070)
Total revenues	41,143,265	40,537,159	40,774,375	237,216
Expenditures				
Current:				
General government	15,151,596	14,938,890	14,182,816	(756,074)
Public safety	17,638,966	17,707,213	17,110,288	(596,925)
Public works	69,762	69,762	69,762	-
Health and welfare	1,670,070	1,673,819	1,663,786	(10,033)
Community and economic development	604,535	606,287	535,291	(70,996)
Recreation and cultural	402,419	377,832	360,639	(17,193)
Other expenditures	(135,218)	282,779	108,303	(174,476)
Capital outlay	681,611	925,348	738,429	(186,919)
Total expenditures	36,083,741	36,581,931	34,769,314	(1,812,617)
Revenues over (under) expenditures	5,059,524	3,955,228	6,005,061	2,049,833
Other financing sources (uses)				
Transfers in	3,455,956	3,511,588	3,492,634	(18,954)
Transfers (out)	(8,514,980)	(7,506,524)	(7,506,524)	-
Total other financing (uses)	(5,059,024)	(3,994,935)	(4,013,890)	(18,954)
Net change in fund balance	500	(39,707)	1,991,171	2,030,879
Fund balance, beginning of year	3,968,784	3,968,784	3,968,784	-
Fund balance, end of year	\$ 3,969,284	\$ 3,929,077	\$ 5,959,955	\$ 2,030,879

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

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
County Health Special Revenue Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenues				
Licenses and permits	\$ 393,000	\$ 393,000	\$ 304,003	\$ (88,997)
Intergovernmental revenues	2,573,361	2,847,375	2,920,958	73,583
Charges for services	561,952	900,078	850,935	(49,143)
Other revenue	161,350	218,494	222,474	3,980
Total revenues	3,689,663	4,358,947	4,298,370	(60,577)
Expenditures				
Current -				
Health and welfare	5,614,218	5,927,118	4,943,060	(984,058)
Capital outlay	-	71,555	67,403	(4,152)
Total expenditures	5,614,218	5,998,672	5,010,463	(988,209)
Total expenditures				
Revenues over (under) expenditures	(1,924,555)	(1,639,726)	(712,093)	927,633
Other financing sources				
Transfers in	1,367,365	1,052,341	1,052,341	-
Net change in fund balance	(557,190)	(587,385)	340,248	927,633
Fund balance, beginning of year	2,026,073	2,026,073	2,026,073	-
Fund balance, end of year	\$ 1,468,883	\$ 1,438,688	\$ 2,366,321	\$ 927,633

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

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Revenue Sharing Reserve Special Revenue Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenues				
Interest and rents	\$ 250,000	\$ 250,000	\$ 29,632	\$ (220,368)
Other financing uses				
Transfers (out)	(3,134,160)	(3,134,160)	(3,125,358)	8,802
Net change in fund balance	(2,884,160)	(2,884,160)	(3,095,726)	(211,566)
Fund balance, beginning of year	9,881,111	9,881,111	9,881,111	-
Fund balance, end of year	<u>\$ 6,996,951</u>	<u>\$ 6,996,951</u>	<u>\$ 6,785,385</u>	<u>\$ (211,566)</u>

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

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Federal Prisoner Housing Special Revenue Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenues				
Intergovernmental revenues	\$ 1,828,124	\$ 2,170,124	\$ 2,411,720	\$ 241,596
Charges for services	218,000	218,000	274,610	56,610
Interest and rents	-	-	-	-
Other revenues	1,000	1,000	8,682	7,682
Total revenues	2,047,124	2,389,124	2,695,012	305,888
Expenditures				
Current -				
Public safety	3,967,247	3,924,217	3,801,449	(122,768)
Revenues over (under) expenditures	(1,920,123)	(1,535,093)	(1,106,437)	428,656
Other financing sources				
Transfers in	1,920,123	1,533,613	1,533,613	-
Net change in fund balance	-	(1,480)	427,176	428,656
Fund balance, beginning of year	87,059	87,059	87,059	-
Fund balance, end of year	\$ 87,059	\$ 85,579	\$ 514,235	\$ 428,656

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

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Senior Citizen Special Revenue Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenues				
Taxes	\$ 3,062,486	\$ 3,062,486	\$ 3,060,902	\$ (1,584)
Interest and rents	1,000	1,000	2,996	1,996
Other revenues	-	39,194	75,214	36,020
Total revenues	3,063,486	3,102,680	3,139,112	36,432
Expenditures				
Current -				
Health and welfare	3,032,565	3,069,376	2,770,930	(298,446)
Revenues over (under) expenditures	30,921	33,304	368,182	334,878
Other financing (uses)				
Transfers (out)	(321,796)	(324,179)	(319,808)	4,371
Net change in fund balance	(290,875)	(290,875)	48,374	339,249
Fund balance, beginning of year	777,563	777,563	777,563	-
Fund balance, end of year	\$ 486,688	\$ 486,688	\$ 825,937	\$ 339,249

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

COUNTY OF MONROE, MICHIGAN
Statement of Net Assets
Proprietary Funds
December 31, 2010

	<u>Business-type Activities / Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Delinquent</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Internal Service</u>
	<u>Tax Revolving</u>			
<u>ASSETS</u>				
Assets				
Current assets:				
Cash and cash equivalents	\$ 2,613,733	\$ 965,914	\$ 3,579,647	\$ 133,743
Investments	6,204,537	500,526	6,705,063	2,703,986
Taxes receivable - delinquent	11,098,489	-	11,098,489	-
Accounts receivable	-	7,351	7,351	266,595
Interest receivable	1,433,978	-	1,433,978	-
Due from other governments	-	2,325	2,325	-
Due from other funds	-	40,000	40,000	3,974,529
Loans receivable due within one year	-	48,750	48,750	-
Total current assets	<u>21,350,737</u>	<u>1,564,866</u>	<u>22,915,603</u>	<u>7,078,853</u>
Noncurrent assets:				
Loans receivable due beyond one year	-	1,805,839	1,805,839	-
Restricted assets - cash and cash equivalents	-	-	-	540,201
Capital assets being depreciated, net	-	6,026	6,026	176,293
Total noncurrent assets	<u>-</u>	<u>1,811,865</u>	<u>1,811,865</u>	<u>716,494</u>
<u>TOTAL ASSETS</u>	<u>\$ 21,350,737</u>	<u>\$ 3,376,731</u>	<u>\$ 24,727,468</u>	<u>\$ 7,795,347</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities				
Current liabilities:				
Accounts payable	\$ 376,052	\$ 25,524	\$ 401,576	\$ 45,985
Accrued wages and fringes	-	3,936	3,936	-
Compensated absences payable	-	-	-	33,778
Other accrued liabilities	-	-	-	1,274,635
Due to other governments	-	23,436	23,436	1,000
Due to other funds	1,425,086	-	1,425,086	-
Long-term debt due within one year	1,500,000	-	1,500,000	-
Total current liabilities	<u>3,301,138</u>	<u>52,896</u>	<u>3,354,034</u>	<u>1,355,398</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	91,026
Long-term debt due beyond one year	6,800,000	-	6,800,000	-
Total noncurrent liabilities	<u>6,800,000</u>	<u>-</u>	<u>6,800,000</u>	<u>91,026</u>
Total liabilities	<u>10,101,138</u>	<u>52,896</u>	<u>10,154,034</u>	<u>1,446,424</u>
Net assets				
Invested in capital assets	-	6,026	6,026	176,293
Unrestricted	11,249,599	3,317,809	14,567,408	6,172,630
Total net assets	<u>11,249,599</u>	<u>3,323,835</u>	<u>14,573,434</u>	<u>6,348,923</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 21,350,737</u>	<u>\$ 3,376,731</u>	<u>\$ 24,727,468</u>	<u>\$ 7,795,347</u>

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

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities / Enterprise Funds			Governmental Activities
	Delinquent			Internal Service
	Tax Revolving	Nonmajor Funds	Totals	
Operating revenues				
Charges for services	\$ 160	\$ 766,167	\$ 766,327	\$ 81,120
Interest on taxes	1,859,915	-	1,859,915	-
Interest on loan repayments	-	13	13	-
Tax administration fees	546,364	-	546,364	-
Employer contributions	-	-	-	7,764,632
Employee contributions	-	-	-	443,416
Other operating revenue	-	179,340	179,340	372,877
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating revenues	2,406,439	945,520	3,351,959	8,662,045
Operating expense				
Cost of services	-	980,657	980,657	-
Administrative costs	68,070	-	68,070	145,285
Benefit payments	-	-	-	6,084,294
Liability insurance	-	-	-	1,222,848
Depreciation	-	5,467	5,467	67,251
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating expense	68,070	986,124	1,054,194	7,519,678
Operating income (loss)	<hr/>	<hr/>	<hr/>	<hr/>
	2,338,369	(40,604)	2,297,765	1,142,367
Nonoperating revenues (expense)				
Interest and rentals	19,897	2,093	21,990	7,751
Intergovernmental revenue	-	367,124	367,124	-
Interest expense	(148,554)	-	(148,554)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total nonoperating revenue (expenses)	(128,657)	369,217	240,560	7,751
Income before transfers	<hr/>	<hr/>	<hr/>	<hr/>
	2,209,712	328,613	2,538,325	1,150,118
Transfers				
Transfers in	1,000,000	53,999	1,053,999	-
Transfers out	(1,000,000)	-	(1,000,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total transfers	-	53,999	53,999	-
Change in net assets	<hr/>	<hr/>	<hr/>	<hr/>
	2,209,712	382,612	2,592,324	1,150,118
Net assets, beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	9,039,887	2,941,223	11,981,110	5,198,805
Net assets, end of year	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 11,249,599	\$ 3,323,835	\$ 14,573,434	\$ 6,348,923

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

COUNTY OF MONROE, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities / Enterprise Funds			Governmental
	Delinquent			Activities
	Tax Revolving	Nonmajor Funds	Totals	Internal Service
Cash flows from operating activities				
Cash received from customers	\$ 3,408,560	\$ 904,378	\$ 4,312,938	\$ 6,437,013
Collections of housing loan principal	-	62,236	62,236	-
Collections of housing loan interest	-	13	13	-
Cash payments for delinquent taxes	(1,478,116)	-	(1,478,116)	-
Cash payments to suppliers for goods and services	(68,070)	(749,656)	(817,726)	(847,551)
Cash payments to employees for services	-	(245,040)	(245,040)	-
Cash payments for employee benefits	-	-	-	(6,828,887)
Loan to other fund repayment	-	-	-	(47,392)
Housing loans issued	-	(176,939)	(176,939)	-
Net cash provided (used) by operating activities	1,862,374	(205,008)	1,657,366	(1,286,817)
Cash flows from noncapital financing activities				
Intergovernmental revenue	-	367,124	367,124	-
Repayment of long-term advances	-	-	-	(41,025)
Proceeds from issuing long-term debt	12,000,000	-	12,000,000	-
Principal payments	(10,200,000)	-	(10,200,000)	-
Interest paid on long-term debt	(148,554)	-	(148,554)	-
Transfers in	1,000,000	53,999	1,053,999	-
Transfers out	(1,000,000)	-	(1,000,000)	-
Net cash provided (used) by noncapital financing activities	1,651,446	421,123	2,072,569	(41,025)
Cash flows from investing activities				
Proceeds from maturity of investments	-	544	544	798,326
Purchase of investments	(3,001,574)	-	(3,001,574)	(499,723)
Interest received	19,897	2,093	21,990	7,751
Net cash provided (used) by investing activities	(2,981,677)	2,637	(2,979,040)	306,354
Net increase (decrease) in cash and cash equivalents	532,143	218,752	750,895	(1,029,362)
Cash and cash equivalents, beginning of year	2,081,590	747,162	2,828,752	1,703,306
Cash and cash equivalents, end of year	\$ 2,613,733	\$ 965,914	\$ 3,579,647	\$ 673,944

(Continued...)

COUNTY OF MONROE, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	<u>Business-type Activities / Enterprise Funds</u>			<u>Governmental</u>
	<u>Delinquent</u>	<u>Nonmajor</u>	<u>Totals</u>	<u>Activities</u>
	<u>Tax</u>			<u>Internal</u>
	<u>Revolving</u>	<u>Funds</u>		<u>Service</u>
Cash flows from operating activities				
Operating income	\$ 2,338,369	\$ (40,604)	\$ 2,297,765	\$ 1,142,367
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	5,467	5,467	67,251
Bad debt expense	-	5,600	5,600	-
(Increase) decrease in:				
Taxes receivable - delinquent	(534,625)	-	(534,625)	-
Accounts receivable	-	(1,129)	(1,129)	(125,363)
Interest receivable	(106,850)	-	(106,850)	-
Due from other funds	-	(40,000)	(40,000)	(2,147,061)
Loans receivable	-	(114,703)	(114,703)	-
Increase (decrease) in:				
Accounts payable	370,631	(11,185)	359,446	15,349
Accrued wages and fringes	-	(8,090)	(8,090)	-
Compensated absences payable	-	-	-	(30,767)
Due to other governments	-	(364)	(364)	-
Other accrued liabilities	-	-	-	(209,593)
Due to other funds	(205,151)	-	(205,151)	1,000
Net cash provided (used) by operating activities	<u>\$ 1,862,374</u>	<u>\$ (205,008)</u>	<u>\$ 1,657,366</u>	<u>\$ (1,286,817)</u>

Non-cash transactions

There were no non-cash transactions during the fiscal year.

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

COUNTY OF MONROE, MICHIGAN
Statement of Fiduciary Net Assets
December 31, 2010

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 442,885	\$ 7,441,893
Investments at fair value:		
U.S. treasuries	16,288,331	755,950
U.S. agencies	11,302,629	-
Foreign government bonds	10,035,931	-
Corporate bonds	38,281,815	-
Municipal bonds	715,893	-
Bond mutual fund	9,909,424	-
Domestic equities	47,060,793	-
International equities	11,656,389	-
American depository receipts	34,778,284	-
Domestic real estate investment trusts	1,987,802	-
International real estate investment trusts	2,686,448	-
Collateralized mortgage obligations	3,989,568	-
Money market accounts	13,208,199	-
Contributions receivable	647,639	-
Interest receivable	873,590	-
	203,865,620	\$ 8,197,843
Liabilities		
Accounts payable	1,564,272	\$ 5,562
Obligation for impaired investment of securities lending collateral	347,334	-
Foreign currency forward contracts payable	91,947	-
Due to other governments	-	343,309
Undistributed taxes - current levy	-	7,066,288
Undistributed taxes - other	-	78,902
Other undistributed receipts	-	703,782
	2,003,553	\$ 8,197,843
Net assets held in trust for pension benefits and other purposes	\$ 201,862,067	

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

COUNTY OF MONROE, MICHIGAN
Statement of Changes in Fiduciary Net Asset
For the Year Ended December 31, 2010

	<u>Pension and Other Employee Benefit Trust Funds</u>
Additions	
Investment income:	
<i>From investing activities</i>	
Net appreciation in fair value of investments	\$ 13,134,563
Interest and dividends	6,168,403
Total investment gain	<u>19,302,966</u>
Less: investment management fees	<u>(1,154,477)</u>
Net gain from investing activities	<u>18,148,489</u>
<i>From securities lending activities</i>	
Gross earnings	35,972
Borrower rebates	1,182
Security lending fees	(13,205)
Loss on impairment of invested securities lending collateral	<u>(347,334)</u>
Net loss from securities lending activities	<u>(323,385)</u>
Total net investment gain	<u>17,825,104</u>
Contributions:	
Employer	8,685,192
Employee	455,344
Retiree and other	266,684
Time purchase	<u>1,666,173</u>
Total contributions	<u>11,073,393</u>
Total additions	<u>28,898,497</u>
Deductions	
Benefit payments	15,377,804
Refunds of contributions	1,491,894
Administrative expenses/premiums paid	<u>361,959</u>
Total deductions	<u>17,231,657</u>
Net additions to net assets held in trust	11,666,840
Net assets held in trust for pension benefits and other purposes	
Beginning of year	<u>190,195,227</u>
End of year	<u>\$ 201,862,067</u>

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

COUNTY OF MONROE, MICHIGAN
Combining Statement of Net Assets
Component Units
December 31, 2010

	Road Commission	Mental Health	Library	Drain Commission	County Agency	Total
<u>ASSETS</u>						
Assets						
Cash and cash equivalents	\$ 2,791,786	\$ 2,877,301	\$ 3,900,583	\$ 1,762,299	\$ 1,571,541	\$ 12,903,510
Investments	-	1,527,402	997,076	1,301,679	2,129,296	5,955,453
Land held for resale	310,000	-	-	-	-	310,000
Taxes receivable	-	-	5,916,563	-	-	5,916,563
Special assessments receivable	-	-	-	1,205,213	-	1,205,213
Unlevied special assessments	-	-	-	4,726,342	-	4,726,342
Accounts receivable	4,603,589	421,534	10,802	-	1,256,082	6,292,007
Due from other governments	-	1,919,997	-	-	1,271,553	3,191,550
Inventories	1,351,652	-	-	-	78,580	1,430,232
Prepaid items	152,509	653,815	39,266	-	15,700	861,290
Deposits	-	-	-	-	1,500	1,500
Restricted assets - cash and cash equivalents	-	-	-	-	20,202,829	20,202,829
Leases receivable	-	-	-	-	57,087,606	57,087,606
Deferred expense	-	-	-	-	-	-
Capital assets not being depreciated	16,554,948	54,000	7,596,825	-	345,574	24,551,347
Capital assets being depreciated, net	85,518,300	623,886	2,556,964	22,589,593	23,031,240	134,319,983
	<u>\$ 111,282,784</u>	<u>\$ 8,077,935</u>	<u>\$ 21,018,079</u>	<u>\$ 31,585,126</u>	<u>\$ 106,991,501</u>	<u>\$ 278,955,425</u>
<u>LIABILITIES AND NET ASSETS</u>						
Liabilities						
Accounts payable and accrued expenses	\$ 971,961	\$ 2,062,793	\$ 701,212	\$ 32,527	\$ 1,568,877	\$ 5,337,370
Accrued interest payable	-	-	-	34,686	417,956	452,642
Due to other governments	-	387,244	-	-	6,045	393,289
Deposits payable	-	-	-	-	6,092	6,092
Unearned revenue	1,291,543	181,891	5,837,914	-	22,172	7,333,520
Compensated absences due within one year	175,637	38,593	218,453	-	62,181	494,864
Compensated absences and other long-term liabilities	622,274	218,692	87,515	-	-	928,481
Advances from primary government	-	-	-	600,000	-	600,000
Net other postemployment benefit liability	3,377,421	-	-	-	-	3,377,421
Long-term debt due within one year	1,121,399	-	-	551,117	4,700,000	6,372,516
Long-term debt due beyond one year	4,189,121	-	-	3,776,229	56,055,906	64,021,256
	<u>11,749,356</u>	<u>2,889,213</u>	<u>6,845,094</u>	<u>4,994,559</u>	<u>62,839,229</u>	<u>89,317,451</u>
Net assets						
Invested in capital assets, net of related debt	96,762,728	677,886	10,153,789	18,262,247	19,708,514	145,565,164
Restricted for debt service	-	-	8,138	3,239,303	48,586	3,296,027
Restricted for construction	-	-	-	5,022,130	12,681,331	17,703,461
Unrestricted	2,770,700	4,510,836	4,011,058	66,887	11,713,841	23,073,322
	<u>99,533,428</u>	<u>5,188,722</u>	<u>14,172,985</u>	<u>26,590,567</u>	<u>44,152,272</u>	<u>189,637,974</u>
	<u>\$ 111,282,784</u>	<u>\$ 8,077,935</u>	<u>\$ 21,018,079</u>	<u>\$ 31,585,126</u>	<u>\$ 106,991,501</u>	<u>\$ 278,955,425</u>

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

COUNTY OF MONROE, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2010

	Road Commission	Mental Health	Library	Drain Commission	County Agency	Total
Expenses						
Road Commission	\$ 21,803,595	\$ -	\$ -	\$ -	\$ -	\$ 21,803,595
Mental Health Authority	-	27,505,711	-	-	-	27,505,711
Library Services	-	-	9,789,324	-	-	9,789,324
Drain Commission	-	-	-	3,415,969	-	3,415,969
County Agency	-	-	-	-	12,804,081	12,804,081
Total expenses	21,803,595	27,505,711	9,789,324	3,415,969	12,804,081	75,318,680
Program revenues						
Charges for services	-	22,638,239	167,167	161,541	7,227,207	30,194,154
Operating grants and contributions	17,825,933	4,977,259	56,901	5,000	10,507,397	33,372,490
Capital grants and contributions	-	-	-	4,555,420	-	4,555,420
Total program revenues	17,825,933	27,615,498	224,068	4,721,961	17,734,604	68,122,064
Net (expense) revenue	(3,977,662)	109,787	(9,565,256)	1,305,992	4,930,523	(7,196,616)
General revenues						
Property taxes	-	-	6,160,122	-	-	6,160,122
Grants and contributions not restricted to specific programs	-	-	1,396,001	-	-	1,396,001
Other revenue	423,443	-	47,994	-	-	471,437
Unrestricted investment earnings	-	38,344	21,001	22,450	61,637	143,432
Unrealized gain on investments	-	-	-	-	578	578
Gain on disposal of capital assets	772,260	11,197	-	-	1,301	784,758
Total general revenues	1,195,703	49,541	7,625,118	22,450	63,516	8,956,328
Change in net assets	(2,781,959)	159,328	(1,940,138)	1,328,442	4,994,039	1,759,712
Net assets, beginning of year	102,315,387	5,029,394	16,113,123	25,262,125	39,158,233	187,878,262
Net assets, end of year	\$ 99,533,428	\$ 5,188,722	\$ 14,172,985	\$ 26,590,567	\$ 44,152,272	\$ 189,637,974

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

**NOTES TO
BASIC
FINANCIAL
STATEMENTS**

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COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Monroe County (the “County” or “government”) was organized in 1811 and covers an area of 560 square miles divided into 15 townships, 5 villages and 4 cities. The County seat is located in the City of Monroe. The County operates under an elected Board of Commissioners (9 members) and provides services to its estimated 153,612 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

REPORTING ENTITY

As defined by generally accepted accounting principles established by the Government 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 as appointment of a voting majority of the component unit’s board, and either (a) the ability to impose will by the primary government, 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 Monroe County (the primary government) and its component units. The financial data of the component units are included in the County’s reporting entity because of the significance of their operational or financial relationships with the County.

BLENDING COMPONENT UNIT

Monroe County Building Authority - The Monroe County Building Authority was created under the provisions of Act 31, Public Acts of 1948 (Extra Session), as amended, and is governed by a five-member board appointed by the Monroe County Board of Commissioners. The purpose of the Authority is to finance, through tax-exempt bonds, the construction of public buildings for use by the County, with the bonds secured by lease agreements with the County and retired through lease payments from the County. Although it is legally separate from the County, the Monroe County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance the construction of and improvements to the County’s public buildings. As a result, the County has included in its financial statements the Authority’s debt service and capital projects funds. Also, the County has incorporated the bond issues into its long-term debt and capital assets are included in governmental capital assets. A separate report is prepared for the Building Authority and may be obtained from its administrative offices at 125 East Second Street, Monroe, Michigan 48161.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

DISCRETELY PRESENTED COMPONENT UNITS

Monroe County Road Commission - The Monroe County Road Commission, which was established pursuant to the County Road Law (MCL 224.1), is governed by a three-member Board of County Road Commissioners appointed by the County Board of Commissioners. The Road Commission may not issue debt without the County's approval and any tax levy is subject to County Board of Commissioners approval. If approval is granted, the Road Commission's taxes are levied under the taxing authority of the County, as approved by the County electors, and would be included as part of the County's total tax levy as well as reported in the County Road Commission. Complete financial statements that are separately audited may be obtained from the administrative office at Monroe County Road Commission, 840 South Telegraph Road, Monroe, Michigan 48161.

Community Mental Health Authority - The Monroe County Community Mental Health Services Board was established in 1964 to provide mental health services to residents of Monroe County under the provisions of Act 54, Public Acts of 1963, as amended. The current provision is Act 258 Public Acts of 1974. The Monroe County Community Mental Health Services Board was an agency of the County of Monroe and served as a policy making board only. This status as an agency of the County of Monroe ended December 31, 1996. On January 1, 1997, the Monroe County Community Mental Health Services Board, with all its assets, debt obligations and personnel, became the Monroe County Community Mental Health Authority. Upon receiving certification by the Michigan Department of Community Health under Section 232a of the Michigan Mental Health Code and through a resolution adopted by the Monroe County Board of Commissioners on October 1, 1996, it became an authority. As an authority, the Monroe County Community Mental Health Authority has become an autonomous and distinct legal entity separate and apart from the County of Monroe.

The Monroe County Board of Commissioners has the authority to appoint the voting members of the Community Mental Health Authority Board of Directors, which governs the Authority. By law, the primary government (Monroe County) can remove appointed members of the component unit's (Community Mental Health Authority) governing body at will. The Authority is also accountable to the County of Monroe and may be terminated by a majority vote of either the Monroe County Board of Commissioners or the Monroe County Community Mental Health Authority Board of Directors. Complete financial statements that are separately audited may be obtained from the administrative office at Community Mental Health Authority, 1001 South Raisinville Road, Monroe, Michigan 48161.

Monroe County Library System - The Monroe County Library System operates under the provisions of Section 397.301 of the 1979 Compiled Laws and is governed by a five-member board appointed by the Monroe County Board of Commissioners. As recommended by the Michigan Committee on Governmental Accounting and Auditing Statement No. 4, the Monroe County Library System is treated as a discretely presented component unit. As well as appointing the Library Board, the County has the ability to impose its will over the County Library System and would incur a financial benefit or burden if operations of the Library System ceased or changed significantly. The purpose of the Monroe County Library System is to account for earmarked revenue from penal fines, a special millage set aside for library operations, and state grants earmarked to provide public library services. Complete financial statements that are separately audited may be obtained from the administrative office at Monroe County Library System, 3700 South Custer Road, Monroe, Michigan 48161.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Monroe County Drain Commission - Each of the drainage districts established pursuant to the Drain Code of 1956 and included in the financial statements of the Monroe County Drain Commission are separate legal entities with the power to contract; to sue and be sued; and to hold, manage and dispose of real and personal property. The Statutory Drain Board consists of the Drain Commissioner, the Chair of the County Board of Commissioners, and one other member of the Board of Commissioners. The Drain Commissioner is responsible for the construction and maintenance of storm drains within the County. The County is financially accountable for the Drain Commission because the Board of Commissioners approves the budget for the Drain Commission. The full faith and credit of the County is often given for the long-term debt of the drainage districts. A separate report is not prepared for the Monroe County Drain Commission.

County Agency - In 1968, the County of Monroe entered into a program of water supply and sanitary sewer facility construction under Act 342, Public Acts of 1939, as amended. Pursuant to this Act, the County Board of Commissioners appointed the Monroe County Drain Commissioner as the County Agency. The Drain Commissioner as County Agency may not issue debt or levy a special assessment except upon resolution adopted by the County Board of Commissioners. The County Agency manages water supply and sanitary sewer system construction projects of other separate legal units of government. The County pledges its full faith and credit for bonds to finance the projects, but title passes to the local unit when the debt is retired. In addition, the County Agency oversees debt retirement of bonded debt that was used to finance the construction projects that it has managed, and operates and maintains water supply and sanitary sewer systems for other local units of government as appointed by the Board of Commissioners. The County Agency also handles the billing and collection of utility bills when contracted to do so by local units of government. Complete financial statements that are separately audited may be obtained from the administrative office at Monroe County Drain Commissioner County Agency, 1005 South Raisinville Road, Monroe, Michigan 48161.

Complete financial statements of the individual component units that are separately audited can be obtained from their respective administrative offices as noted above or the County Clerk's office at 125 East Second Street, Monroe, MI 48161.

Related disclosures for the County's component units have been incorporated into the notes to the basic financial statements and are referenced to the above mentioned component units when applicable.

Fiscal Year Ends Other than December 31, 2010

The financial information presented in this report is for the fiscal year ended December 31, 2010, except for the Community Mental Health Authority, which is for the fiscal year ended September 30, 2010.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

RELATED ORGANIZATION

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

County of Monroe Hospital Finance Authority - is governed by a five-member board appointed by the Chairman of the Monroe County Board of Commissioners, with the approval of the majority of the entire membership of the Monroe County Board of Commissioners. No member of the Board of Commissioners may serve on the Hospital Finance Authority Board. The County of Monroe Hospital Finance Authority (the "Authority") is a legally separate entity established to facilitate nonpublic, nonprofit hospitals in obtaining financing or refinancing for capital improvements. To accomplish this purpose, the Authority is authorized to issue bonds for the purpose of making related loans to the hospitals. Because the Authority does not provide a financial benefit or burden to the County and the County does not have the ability to impose its will, the Authority is not reported as a component unit of the County.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1, the Delinquent Tax Revolving Fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Thus, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants that use one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

General Fund – This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

County Health Fund – This fund is used to account for the activities of delivering an array of public health services to residents of the County. Monies are provided by federal, state, and county appropriations, contributions, and charges for services.

Revenue Sharing Reserve Fund – This fund is used to account for activities related to the establishment of a fund used to reserve current property tax collections that will supplant future year state revenue sharing payments.

Federal Prisoner Housing Fund – This fund is used to account for the activity of the second jail facility.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Senior Citizen Fund – This fund is used to account for the special tax levy and general fund appropriation for services and special programs for senior citizens.

Capital Projects Fund - This fund is used to account for nonmajor renovation/construction projects and the acquisition or construction of facilities other than those financed by proprietary fund operations.

The County reports the following major proprietary fund:

Delinquent Tax Revolving Fund – This enterprise fund accounts for the County’s annual purchase of delinquent real property taxes from each of the local taxing units within the County and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County’s issuance of debt when needed (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

Additionally, the County reports the following fund types:

Special Revenue Funds - These funds account for revenue from specific revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

Debt Service Fund - This fund is used to record revenues which are restricted for the payment of principal and interest on debt recorded as long-term obligations of the governmental activities.

Enterprise Funds - These funds are used to report any activity for which a fee is charged to external users for goods or services.

Internal Service Funds – These funds account for operations that provide services (such as the County’s telephone system, self-insurance, and equipment purchases) to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Pension and Other Employee Benefit Trust Funds – These funds account for the activities of the Employees’ Retirement System and the Retirement Health Care employee benefit program for qualified employees.

Agency Funds – These funds account for assets collected and held in a custodial capacity on behalf of outside parties and other governments, including fines, tax collections, fees, licenses and permits.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues and expenses of the delinquent tax fund and of the government's internal service funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

DEPOSITS AND INVESTMENTS

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments that do not have established market values are reported at estimated fair value; and (d) cash deposits are reported at carrying amounts which reasonably approximates fair value. Earnings from investments are allocated to various funds as required by federal regulations, state statutes, and local ordinances.

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

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

RECEIVABLES AND PAYABLES

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

INVENTORIES AND PREPAID ITEMS

Inventories for the County Agency component unit are valued at cost, using the first-in first-out method.

Inventories for the Road Commission component unit are priced at cost as determined using an average cost method. Inventory items are charged to road construction and maintenance, equipment repairs and operations, as used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The County establishes a reserve of fund balance for all prepaid items.

RESTRICTED ASSETS

Certain resources are classified as restricted assets on the statement of net assets because funds are set aside for debt retirement of general obligation bonds, construction, capital asset replacement, vehicles, necessary building improvement requirements, and general liability claims.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, drains, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For the County, infrastructure exists in the Drain Commission and Road Commission component units. The capitalization threshold for infrastructure is \$25,000. Only infrastructure assets acquired subsequent to 1980 have been reported. Capital assets other than infrastructure assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value as of the donation date. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Depreciation on the capital assets (including infrastructure) of the primary government, as well as the component units, is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Buildings	30 - 50
Building improvements	20
Machinery and equipment	5 - 10
Vehicles	5 - 7
Public domain infrastructure	8 - 50

Provisions for depreciation are computed at rates designed to amortize the cost of the assets over the estimated useful lives of those assets.

LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund type statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

COMPENSATED ABSENCES

The County has an accrued liability to its employees for accumulated vested vacation benefits of \$1,207,541 at December 31, 2010. The County's employment policy provides that vacation days can be carried over one year from the end of the calendar year in which they are earned. Vacation days are forfeited if they are not taken within the two-year period. This policy applies to all employees except Road Commission employees.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

As of July 1, 1986, all accumulated sick leave for employees was frozen and placed in a bank. Regular full-time non-union employees with banked sick days may utilize them for illness. Unused sick days are maintained in the bank and the employee shall be paid for one-half of those unused days at the time the employee terminates employment. At December 31, 2010, the County has a liability of \$33,778 for the banked sick time recorded in the financial statements of the Banked Sick Pay Fund, an internal service fund. The County's current employment policy for sick leave calls for yearly payout of one-half of the unused balance. The remaining one-half does not accumulate. This policy requires payment in the second payroll of the subsequent fiscal year and is accrued at year end.

FUND EQUITY

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

NOTE B - BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted by the County Board of Commissioners for the general and special revenue funds. The budget basis of accounting does not differ significantly from the modified accrual basis used to reflect the actual revenues and expenditures for these funds. All annual appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund, function, and department. The Board of Commissioners holds a public hearing and a final budget is adopted prior to December 31 and presented in a separate document. The County's department heads may make transfers of appropriations within a department, with the exception of a personnel services object. Transfers of appropriations between a personnel and non-personnel services object require prior approval of the Board of Commissioners. Transfers of appropriations between departments also require the approval of the Board. The level of budgetary control is the department level for the general fund and fund level for special revenue funds. The Finance Officer is authorized to transfer budget amounts, with the exception of personnel services, and to make authorized amendments to the original approved budget.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

The Board of Commissioners made several supplemental budgetary appropriations throughout the year, including a net decrease of \$510,267 in the general fund budget and net decreases of \$990,457 in the special revenue funds. The general fund net decreases were due primarily to additional grant activity and Capital outlay items; and there were decreases in property tax revenues, contributions from local units, as well as the results of the voluntary early retirement program for the actual net decrease. The special revenue fund decreases were for similar reasons as the general fund. The property tax change was not as great in the special revenue funds as the general fund.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances are recorded at the time that the purchase orders and contracts are issued. The encumbrances are liquidated when the goods or services are received. Encumbrances outstanding at December 31, 2010 do not lapse but are reserved within the fund balance and brought forward to the new fiscal year.

NOTE C – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local unit shall not incur expenditures in excess of the amounts appropriated. The approved budgets of the County were adopted on a department level basis for the general fund and the fund level for the special revenue funds. During the year there were not expenditures in excess of appropriations.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

NOTE D - DEPOSITS, INVESTMENTS AND SECURITIES LENDING

Following is a reconciliation of deposits and investments as of December 31, 2010:

	Primary Government	Component Units	Total
Statement of Net Assets			
Cash and cash equivalents	\$ 6,195,659	\$ 12,903,510	\$ 19,099,169
Investments	29,022,434	5,955,453	34,977,887
Restricted cash and cash equivalents	540,201	20,202,829	20,743,030
Statement of Fiduciary Net Assets			
Cash and cash equivalents	7,884,778	-	7,884,778
Investments	202,657,456	-	202,657,456
Total	\$ 246,300,528	\$ 39,061,792	\$ 285,362,320
Deposits and Investments			
Bank deposits (checking and savings accounts, and certificates of deposit)			\$ 60,568,822
Investments in securities, mutual funds and similar vehicles:			
Treasurer's investment pool			22,826,471
Employees' retirement system			177,138,910
Retiree health insurance fund			24,762,596
Cash on hand			65,521
Total			\$ 285,362,320

Bank Deposits and Treasurer's Investment Pool

Custodial Credit Risk - Deposits. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. As of December 31, 2010, \$51,333,709 of the County's total bank balance of \$62,536,258 (total book balance was \$60,568,822) was exposed to custodial credit risk as it was uninsured and uncollateralized; this was after \$7,009,025 of collateralized deposits.

Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to insure all bank deposits. As a result, the County's depository policy is to evaluate each financial institution and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Custodial Credit Risk - Investments. Following is a summary of the Treasurer's investment pool as of December 31, 2010:

U.S. treasury bills	\$ 2,996,172
Money market accounts	<u>19,830,299</u>
	<u>\$ 22,826,471</u>

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. In accordance with the County's investment policy, all investments are held in the name of the County and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

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

As of December 31, 2010, all of the Treasurer's investment pool in U.S. treasury bills are explicitly guaranteed by the U.S. government, and were rated AAA by Standard & Poor's (S&P).

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy requires diversification by security type and institution, but does not place a fixed percentage limit for any one issuer. At December 31, 2010, the County's investment portfolio was not exposed to concentration credit risk.

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The County's investments in U.S. treasury bills mature in less than six months from December 31, 2010.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Employees Retirement System Investments

The System's investments are primarily held in a bank-administered trust fund. Following is a summary of the System's investments as of December 31, 2010:

Investments at fair value, as determined by quoted market price:	
U.S. treasuries	\$ 15,120,941
U.S. agencies:	
Not on securities loan	9,573,787
On securities loan	260,300
Foreign government bonds	10,035,931
Corporate bonds:	
Not on securities loan	32,458,812
On securities loan	1,215,917
Municipal bonds	715,893
Bond mutual fund	3,688,369
Domestic equities:	
Not on securities loan	19,468,272
On securities loan	17,504,909
International equities	11,656,389
American depository receipts	34,778,284
Domestic real estate investment trusts	1,987,802
International real estate investment trusts	2,686,448
Collateralized mortgage obligations	3,989,569
Money market	11,997,287
Total investments	<u>\$ 177,138,910</u>

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

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

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

As of December 31, 2010, the System's investments in debt securities were rated by Standard & Poor's as follows:

<u>Rating</u>	<u>U.S. agencies</u>	<u>Foreign government bonds</u>	<u>Corporate bonds</u>	<u>Municipal bonds</u>	<u>Collateralized mortgage obligations</u>
AAA	\$ 9,834,087	\$ 3,357,144	\$ 660,037	\$ -	\$ 456,244
AA+	-	-	2,368,719	-	-
AA	-	-	793,118	-	369,535
AA-	-	-	3,246,124	-	-
A+	-	-	3,286,283	715,893	100,402
A	-	1,506,195	11,432,819	-	-
A-	-	-	4,199,813	-	-
BBB+	-	-	4,529,777	-	-
BBB	-	-	1,682,952	-	-
BBB-	-	-	1,460,860	-	-
BB-	-	-	-	-	98,204
B+	-	-	14,227	-	-
B	-	-	-	-	152,529
CCC	-	-	-	-	83,901
Not rated	-	5,172,592	-	-	2,728,754
	<u>\$ 9,834,087</u>	<u>\$ 10,035,931</u>	<u>\$ 33,674,729</u>	<u>\$ 715,893</u>	<u>\$ 3,989,569</u>

United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk. The System's investments in bond mutual and money market funds are not rated.

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy requires that no manager will hold more than 5% of its portion of the total fund in any single company and no more than 5% may be held in any single common stock. At December 31, 2010 the System's investment portfolio was not concentrated.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

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

As of December 31, 2010, maturities of the System's debt securities were as follows:

	<u>Fair Value</u>	<u>Investment Maturities (fair value by years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. treasuries	\$ 15,120,941	\$ 1,077,562	\$ 6,907,624	\$ 3,626,078	\$ 3,509,677
U.S. agencies	9,834,087	151,575	6,598,874	360,698	2,722,940
Foreign government bonds	10,035,931	2,295,842	2,706,500	3,725,272	1,308,317
Corporate bonds	33,674,729	2,593,031	16,666,159	11,241,228	3,174,311
Municipal bonds	715,893	-	-	-	715,893
CMO	3,989,569	-	-	-	3,989,569
	<u>\$ 73,371,150</u>	<u>\$ 6,118,010</u>	<u>\$ 32,879,157</u>	<u>\$ 18,953,276</u>	<u>\$ 15,420,707</u>

Foreign Currency Risk. Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The System has no policies relating to foreign currency risk. The System's exposure to foreign currency risk is summarized as follows:

<u>Investment / Country</u>	<u>Currency</u>	<u>Fair Value (in U.S. Dollars)</u>
Foreign government bonds		
Australia	Australian dollar	\$ 1,999,652
Canada	Canadian dollar	1,568,465
Malaysia	Malaysian ringgit	1,068,309
New Zealand	New Zealand dollar	386,858
Norway	Norwegian krone	966,406
Poland	Polish zloty	1,506,195
Sweden	Swedish krona	1,248,260
United Kingdom	British pound	1,291,786
		<u>10,035,931</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

<u>Investment / Country</u>	<u>Currency</u>	<u>Fair Value (in U.S. Dollars)</u>
International equities		
Australia	Australian dollar	\$ 35,979
Bermuda	Bermudian dollar	1,135,824
Canada	Canadian dollar	3,008,607
Cayman Islands	Cayman Islands dollar	228,833
China	Chinese renminbi	280,205
France	European euro	104,991
Germany	European euro	1,073,634
India	Indian rupee	306,085
Ireland	European euro	273,109
Israel	Israeli new shekel	500,856
Italy	European euro	1,005,042
Luxembourg	European euro	591,479
Netherlands	European euro	448,151
Norway	Norwegian krone	455,312
Singapore	Singapore dollar	239,245
Sweden	Swedish krona	56,536
Switzerland	Swiss franc	1,258,293
Taiwan	Taiwan dollar	97,365
United Kingdom	British pound	556,843
		<u>11,656,389</u>
Total		<u>\$ 21,692,320</u>

In addition, as part of a foreign currency overlay plan in conjunction with the foreign government bonds, the System has entered into certain forward contracts (derivatives) to reduce overall portfolio volatility caused by foreign currency risk.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Following is a summary of these forward contracts, for which a liability in the amount of \$91,947 as of December 31, 2010, representing the fair value of those contracts, has been reported in the accompanying statement of plan net assets:

<u>Investment / Currency</u>	<u>Current Maturity Date</u>	<u>Receivable (Payable) [in U.S. Dollars]</u>
Australian dollar payable	01/12/11	\$ (1,597,566)
British pounds receivable	03/02/11	2,079,828
Canadian dollar payable	02/16/11	(453,417)
Chinese yuan receivable	01/21/11	487,489
Chinese yuan payable	01/21/11	(75,279)
European euros payable	02/03/11	(934,971)
New Zealand dollars payable	03/09/11	(254,842)
Polish zloty payable	01/25/11	(444,710)
Polish zloty receivable	01/25/11	444,710
South Korea won receivable	02/22/11	1,016,998
Swedish krona payable	03/14/11	(410,944)
Swedish krona receivable	03/14/11	410,944
United States dollars payable	01/21/11	(486,004)
United States dollars payable	02/22/11	(1,025,318)
United States dollars payable	03/02/11	(2,067,923)
United States dollars payable	01/25/11	(439,047)
United States dollars payable	03/14/11	(403,596)
United States dollars receivable	01/21/11	1,596,810
United States dollars receivable	01/25/11	461,051
United States dollars receivable	02/03/11	911,045
United States dollars receivable	02/16/11	446,729
United States dollars receivable	03/09/11	245,875
United States dollars receivable	03/14/11	400,191
Net contracts payable		\$ (91,947)

Securities Lending. A contract approved by the System's Board of Directors permits the System to lend its securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives securities or irrevocable bank letters of credit as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral securities and letters of credit are initially pledged at 102 percent of the market value of the securities lent, and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

At year-end, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The contract with the custodial bank requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

Also at year-end, through a cash collateral investing program provided by the custodial bank, the System has an obligation to repay \$347,334 of cash collateral that was invested in a Sigma Finance Medium Term Note which is impaired. Any current or future recoveries from Sigma Finance are not expected.

Retiree Health Insurance Fund Investments

The Retiree Health Insurance Fund (RHIF) investments are similarly governed by Public Act 314 of 1965 and follow the investment policies of the Employees' Retirement System, although the RHIF is independent of the System. The RHIF's investments are held by an independent investment management company.

Following is a summary of the RHIF's investments as of December 31, 2010:

Investments at fair value, as determined by quoted market prices:	
U.S. treasuries	\$ 1,167,390
U.S. agencies	1,468,542
Corporate bonds	4,607,086
Bond mutual funds	6,221,055
Domestic equities	10,087,613
Money market accounts	<u>1,210,910</u>
Total investments	<u>\$ 24,762,596</u>

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The RHIF's investment policy emphasizes appropriate risk/return parameters and compliance with Public Act 314, and gives discretionary authority to its investment managers as opposed to establishing specific credit rating benchmarks. As of December 31, 2010, the RHIF's investments in debt securities were rated by Standard & Poor's as follows:

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

<u>Rating</u>	<u>U.S. agencies</u>	<u>Corporate bonds</u>
AAA	\$ 1,122,787	\$ 36,129
AA+	-	245,239
AA	-	74,884
AA-	-	484,361
A+	-	384,081
A	-	1,573,025
A-	-	465,974
BBB+	-	649,822
BBB	-	207,543
BBB-	-	182,625
Not rated	345,755	303,403
	<u>\$ 1,468,542</u>	<u>\$ 4,607,086</u>

United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk. The RHIF's investments in bond mutual and money market funds are not rated.

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the RHIF's investment in a single issuer. The RHIF's investment policy requires that no manager will hold more than 5% of its portion of the total fund in any single company and no more than 5% may be held in any single common stock. At December 31, 2010 the RHIF's investment portfolio was not concentrated.

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

COUNTY OF MONROE

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2010**

As of December 31, 2010, maturities of the RHIF's debt securities were as follows:

	<u>Fair Value</u>	<u>Investment Maturities (fair value by years)</u>			<u>More Than 10</u>
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	
U.S. treasuries	\$ 1,167,390	\$ -	\$ 682,170	\$ 485,220	\$ -
U.S. agencies	1,468,542	-	1,122,787	36,211	309,544
Corporate bonds	4,607,086	254,060	2,350,271	1,581,511	421,244
	<u>\$ 7,243,018</u>	<u>\$ 254,060</u>	<u>\$ 4,155,228</u>	<u>\$ 2,102,942</u>	<u>\$ 730,788</u>

NOTE E - RECEIVABLES

Receivables in the governmental activities are as follows:

Accounts	\$ 323,133
Current taxes	7,234,032
Other agencies and governments	<u>3,072,106</u>
Total	<u>\$10,629,271</u>

Receivables for the business-type activities are composed primarily of amounts due from taxpayers for delinquent taxes and related interest and collections fees, along with loans receivable for housing rehabilitation programs.

Governmental funds report deferred revenue in connection with receivables that are not available to liquidate liabilities of the current period, and with resources that have been received, but not earned. At year end, deferred revenue reported in the governmental funds, and the unearned revenue in the governmental activities based on the nature of the respective items, was comprised of the following:

Property taxes receivable:	
General fund	\$ 70,806
Senior citizen fund	2,933,294
Nonmajor governmental funds	<u>1,466,647</u>
Total	<u>\$ 4,470,747</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

NOTE F - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2010, is as follows:

	Receivable	Payable
<u>Due to/from other funds</u>		
General fund	\$ 1,431,800	\$ 8,480,362
County health fund	2,602,183	-
Capital projects fund	835,000	-
Nonmajor governmental funds	1,235,550	212,614
Delinquent tax revolving fund	-	1,425,086
Nonmajor enterprise funds	40,000	-
Internal service funds	3,974,529	1,000
Total	\$ 10,119,062	\$ 10,119,062
 <u>Advances to/from other funds</u>		
General fund	\$ 183,300	\$ -
Capital projects fund	-	100,000
Nonmajor governmental funds	91,026	83,300
Internal service funds	-	91,026
Total	\$ 274,326	\$ 274,326
 <u>Advances to/from primary government and component units</u>		
Primary government - General fund	\$ 600,000	\$ -
Component unit - Drain Commission	-	600,000
Total	\$ 600,000	\$ 600,000

The County reports interfund balances between certain of its funds. These interfund balances which are short-term in nature result primarily from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund advances are provided for working capital, and are long-term in nature.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

A summary of interfund transfers for the year ended December 31, 2010 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 3,492,634	\$ 7,506,524
County health fund	1,052,341	-
Revenue sharing reserve fund	-	3,125,358
Federal prisoner housing fund	1,533,613	-
Senior citizen fund	-	319,808
Capital projects fund	100,000	127,602
Nonmajor governmental funds	4,946,074	99,369
Delinquent tax revolving fund	1,000,000	1,000,000
Nonmajor enterprise funds	53,999	-
Total	<u>\$ 12,178,661</u>	<u>\$ 12,178,661</u>

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due. Significant transfers include the transfer of monies from the revenue sharing reserve special revenue fund to the general fund and from the general fund to the county health, federal prisoner housing and nonmajor governmental funds.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

NOTE G - CAPITAL ASSETS

Primary Government

Capital asset activity of the primary government for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 105,000	\$ -	\$ -	\$ 105,000
Collections	113,500	-	-	113,500
Construction in progress	150,500	-	150,500	-
Total capital assets, not being depreciated	<u>369,000</u>	<u>-</u>	<u>150,500</u>	<u>218,500</u>
Capital assets, being depreciated:				
Land improvement	855,938	-	-	855,938
Buildings and improvements	62,857,227	591,724	55,573	63,393,378
Machinery and equipment	17,759,872	781,738	1,049,380	17,492,230
Vehicles	3,046,008	100,322	-	3,146,330
Total capital assets, being depreciated	<u>84,519,045</u>	<u>1,473,784</u>	<u>1,104,953</u>	<u>84,887,876</u>
Less accumulated depreciation for:				
Land improvement	590,237	62,660	-	652,897
Buildings and improvements	35,116,929	1,810,443	55,573	36,871,799
Machinery and equipment	7,804,126	1,587,964	1,049,380	8,342,710
Vehicles	2,296,069	291,592	-	2,587,661
Total accumulated depreciation	<u>45,807,361</u>	<u>3,752,659</u>	<u>1,104,953</u>	<u>48,455,067</u>
Total capital assets, being depreciated, net	<u>38,711,684</u>	<u>(2,278,875)</u>	<u>-</u>	<u>36,432,809</u>
Governmental activities capital assets, net	<u>\$ 39,080,684</u>	<u>\$ (2,278,875)</u>	<u>\$ 150,500</u>	<u>\$ 36,651,309</u>
Business-type activities				
Capital assets, being depreciated:				
Machinery and equipment	\$ 313,436	\$ -	\$ -	\$ 313,436
Vehicles	19,398	-	-	19,398
Total capital assets, being depreciated	<u>332,834</u>	<u>-</u>	<u>-</u>	<u>332,834</u>
Less accumulated depreciation for:				
Machinery and equipment	311,055	1,587	-	312,642
Vehicles	10,286	3,880	-	14,166
Total accumulated depreciation	<u>321,341</u>	<u>5,467</u>	<u>-</u>	<u>326,808</u>
Business-type activities capital assets, net	<u>\$ 11,493</u>	<u>\$ (5,467)</u>	<u>\$ -</u>	<u>\$ 6,026</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

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

Governmental activities:	
General government	\$1,148,755
Public safety	1,862,709
Health and welfare	353,633
Recreation and culture	320,312
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	67,250
Total depreciation expense-governmental activities	<u>\$3,752,659</u>

Discretely Presented Component Units

Capital asset activity for the discretely presented component units for fiscal 2010 was as follows:

Monroe County Road Commission

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 437,983	\$ -	\$ -	\$ 437,983
Land improvements - infrastructure	15,782,672	334,293	-	16,116,965
Total capital assets, not being depreciated	16,220,655	334,293	-	16,554,948
Capital assets, being depreciated:				
Land improvement	175,982	866	-	176,848
Buildings	4,227,146	181,766	200,212	4,208,700
Equipment and storage	11,669,274	344,807	193,255	11,820,826
Infrastructure	184,936,479	4,748,049	-	189,684,528
Total capital assets, being depreciated	201,008,881	5,275,488	393,467	205,890,902
Less accumulated depreciation for:				
Land improvement	114,162	14,313	-	128,475
Buildings	2,474,119	303,851	140,966	2,637,004
Equipment and storage	8,917,445	497,838	223,029	9,192,254
Infrastructure	99,825,990	8,588,879	-	108,414,869
Total accumulated depreciation	111,331,716	9,404,881	363,995	120,372,602
Total capital assets, being depreciated, net	89,677,165	(4,129,393)	29,472	85,518,300
Road Commission capital assets, net	\$ 105,897,820	\$ (3,795,100)	\$ 29,472	\$ 102,073,248

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Community Mental Health Authority

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 54,000	\$ -	\$ -	\$ 54,000
Capital assets, being depreciated:				
Buildings and improvements	693,832	-	-	693,832
Equipment and furnishings	1,325,628	33,230	-	1,358,858
Vehicular equipment	513,638	-	14,255	499,383
Total capital assets, being depreciated	<u>2,533,098</u>	<u>33,230</u>	<u>14,255</u>	<u>2,552,073</u>
Less accumulated depreciation for:				
Buildings and improvements	290,572	27,753	-	318,325
Equipment and furnishings	1,131,716	63,663	-	1,195,379
Vehicular equipment	372,720	56,018	14,255	414,483
Total accumulated depreciation	<u>1,795,008</u>	<u>147,434</u>	<u>14,255</u>	<u>1,928,187</u>
Total capital assets, being depreciated, net	<u>738,090</u>	<u>(114,204)</u>	<u>-</u>	<u>623,886</u>
Community Mental Health capital assets, net	<u>\$ 792,090</u>	<u>\$ (114,204)</u>	<u>\$ -</u>	<u>\$ 677,886</u>

Monroe County Library System

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 1,740,928	\$ -	\$ 1,740,928
Capital assets, being depreciated:				
Library collection	9,305,010	704,646	2,412,831	7,596,825
Buildings and improvements	369,012	-	-	369,012
Equipment and furnishings	1,041,434	303,416	-	1,344,850
Vehicular equipment	124,790	-	-	124,790
Total capital assets, being depreciated	<u>10,840,246</u>	<u>1,008,062</u>	<u>2,412,831</u>	<u>9,435,477</u>
Less accumulated depreciation	<u>866,944</u>	<u>155,672</u>	<u>-</u>	<u>1,022,616</u>
Total capital assets, being depreciated, net	<u>9,973,302</u>	<u>852,390</u>	<u>2,412,831</u>	<u>8,412,861</u>
Library System capital assets, net	<u>\$ 9,973,302</u>	<u>\$ 2,593,318</u>	<u>\$ 2,412,831</u>	<u>\$ 10,153,789</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Monroe County Drain Commission

	Beginning Balance	Increases	Decreases	Ending Balance
Land improvements - infrastructure:				
Capital assets, being depreciated	\$ 33,929,991	\$ -	\$ -	\$ 33,929,991
Less accumulated depreciation	10,844,163	496,235	-	11,340,398
Drain Commission capital assets, net	\$ 23,085,828	\$ (496,235)	\$ -	\$ 22,589,593

County Agency Component Unit

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land and rights of way	\$ 345,574	\$ -	\$ -	\$ 345,574
Construction in progress	52,569	404,654	457,223	-
Total capital assets, not being depreciated	398,143	404,654	457,223	345,574
Capital assets, being depreciated:				
Utility plant in service	32,769,984	509,792	-	33,279,776
Buildings and improvements	719,877	5,250	-	725,127
Equipment	569,517	5,512	-	575,029
Vehicles	825,527	49,038	-	874,565
Total capital assets, being depreciated	34,884,905	569,592	-	35,454,497
Less accumulated depreciation	11,770,803	652,454	-	12,423,257
Total capital assets, being depreciated, net	23,114,102	(82,862)	-	23,031,240
County Agency capital assets, net	\$ 23,512,245	\$ 321,792	\$ 457,223	\$ 23,376,814

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

NOTE H - LONG-TERM DEBT

Primary Government

Long-term liability activity for governmental activities for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
General obligation bonds:					
Building Authority, Series 1998B	\$ 4,410,000	\$ -	\$ 4,410,000	\$ -	\$ -
Building Authority, Series 2007	8,055,000	-	295,000	7,760,000	310,000
Building Authority, 2010 Refunding	-	4,070,000	-	4,070,000	440,000
Deferred amounts for:					
Issuance discounts	(69,193)	-	(3,844)	(65,349)	-
Issuance premiums	-	15,536	-	15,536	-
Loss on refunding	-	(79,483)	-	(79,483)	-
Compensated absences	1,443,170	1,207,541	1,443,170	1,207,541	1,207,541
	<u>\$ 13,838,977</u>	<u>\$ 5,213,594</u>	<u>\$ 6,144,326</u>	<u>\$ 12,908,245</u>	<u>\$ 1,957,541</u>
Business-type activities					
General obligation tax notes	<u>\$ 6,500,000</u>	<u>\$ 12,000,000</u>	<u>\$ 10,200,000</u>	<u>\$ 8,300,000</u>	<u>\$ 1,500,000</u>

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

General Obligation Bonds. The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the County and pledge the County's full faith and credit. General obligation bonds currently outstanding are as follows:

	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Outstanding Principal</u>
General Obligation Bonds			
2007 Building Authority	4.00-4.25%	2027	\$ 7,760,000
2010 Refunding, Building Authority	2.00-3.00%	2018	<u>4,070,000</u>
Total			<u>\$ 11,830,000</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

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

Year Ended December 31	Principal	Interest
2011	\$ 750,000	\$ 416,903
2012	790,000	381,838
2013	825,000	359,037
2014	855,000	335,287
2015	890,000	310,537
2016-2020	3,800,000	1,126,606
2021-2025	2,675,000	559,408
2026-2027	1,245,000	53,444
	<u>\$ 11,830,000</u>	<u>\$ 3,543,060</u>

Advance Refunding. During the year, the Building Authority issued \$4,070,000 of 2010 refunding bonds to defease \$4,015,000 of 1998B Building Authority bonds. As a result, the \$4,015,000 bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$79,483. This amount is being netted against the new debt and amortized over the refunded debt's life. The advance refunding resulted in an economic gain of \$172,977 and a reduction of \$192,977 in future debt service payments.

General Obligation Tax Notes. Of the total outstanding tax notes of \$8.3 million, \$1.5 million is due within one year and the balance of \$6.8 million is due within two years, corresponding with the actual delinquent property tax collections, plus interest on the quarterly outstanding balance at rates ranging from 1.25% to 2.25%.

COUNTY OF MONROE

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2010**

Discretely Presented Component Units

Long-term debt activity for the discretely presented component units for fiscal 2010 was as follows:

Road Commission

The debt of the Road Commission as of December 31, 2010, is summarized as follows:

	<u>Interest Rate</u>	<u>Maturing Through</u>	<u>Principal Outstanding</u>
1999 Michigan Transportation Fund Bonds, Series 1999	4.80%-5.00%	2012	\$ 470,000
2002 Michigan Transportation Fund Notes, Series 2002	3.875%-4.00%	2012	700,000
2005 Michigan Transportation Fund Bonds, Series 2005	3.50%-3.85%	2017	1,450,000
2008 Michigan Transportation Fund Notes, Series 2008	3.00%-4.00%	2017	1,950,000
Installment lease purchase agreements	3.75%-4.50%	2013	643,233
Installment debt - Township contracts	0%	2011	<u>66,000</u>
Total bonded and other contractual indebtedness			<u><u>\$ 5,279,233</u></u>

Bonds and notes payable include the following:

The 1999 and 2005 Michigan Transportation Fund Bonds were issued by the County on behalf of the Road Commission. The Road Commission is a co-signer on these bond agreements and is solely responsible for the repayment of these bonds.

The 2002, 2005, and 2008 Michigan Transportation Fund Notes have been issued in accordance with the statutory requirements of Michigan Public Act 143 of 1943, as amended. The financing from these notes will be used to fund improvements on county highways

The Road Commission has pledged future Michigan Transportation Fund revenue to repay the above MTF notes and bonds. The remaining principal and interest on the bonds and notes is \$5,165,738. During the year, MTF revenue was \$9.7 million compared to annual debt requirements of \$1.1 million.

The installment lease purchase agreements consist of multi-equipment obligations, including two Cat loaders, two Cat graders and a vactor truck.

The township contract installment debt consists of amounts owed on construction projects that were completed during the last two years.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Following is a summary of long-term debt transactions of the Road Commission for the year ended December 31, 2010:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Michigan Transportation Fund:					
Bonds, Series 1999	\$ 690,000	\$ -	\$ 220,000	\$ 470,000	\$ 230,000
Notes, Series 2002	1,050,000	-	350,000	700,000	350,000
Notes, Series 2005	150,000	-	150,000	-	-
Bonds, Series 2005	1,650,000	-	200,000	1,450,000	200,000
Notes, Series 2008	2,270,000	-	320,000	1,950,000	165,000
Premium on notes	35,756	-	4,469	31,287	4,469
Installment lease purchase agreements	750,746	-	107,513	643,233	105,930
Installment agreements - Township	222,815	-	156,815	66,000	66,000
Other postemployment benefits obligation	2,544,054	1,888,704	1,055,337	3,377,421	-
Provision for workers compensation losses	313,000	-	42,000	271,000	-
Compensated absences	573,739	-	46,828	526,911	175,637
Totals Road Commission	<u>\$ 10,250,110</u>	<u>\$ 1,888,704</u>	<u>\$ 2,652,962</u>	<u>\$ 9,485,852</u>	<u>\$ 1,297,036</u>

Annual debt service requirements to maturity for the bonds, notes and lease purchase agreements are as follows (excluding the unamortized premium):

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,116,930	\$ 193,805
2012	1,065,345	151,691
2013	1,081,958	114,976
2014	495,000	76,950
2015	490,000	59,425
2016-2017	<u>1,030,000</u>	<u>61,550</u>
Total	<u>\$ 5,279,233</u>	<u>\$ 658,397</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Community Mental Health Authority

Following is a summary of the changes in the long-term debt of the Community Mental Health Authority:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 223,596	\$ 48,689	\$ 15,000	\$ 257,285	\$ 38,593

Operating Leases

The Authority has entered into various operating leases for the use of real and personal property. Operating leases do not give rise to property rights or lease obligations and, therefore, the lease agreements are not reflected in the government-wide financial statements or the fund financial statements. At September 30, 2010, the Authority was committed, subject to cancellation provisions, for rental payments under operating leases as follows:

Year Ending September 30,	Amount
2011	\$ 276,199
2012	74,642
2013	32,220
2014	32,220
2015	24,164
Total	\$ 439,445

Library System

Following is a summary of the changes in the long-term liabilities of the Library System:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 284,325	\$ 230,430	\$ 208,787	\$ 305,968	\$ 218,453

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Drain Commission

Drain bonds and notes are issued for the construction and maintenance of County drains. Bonds and notes issued by the Drain Commission are generally collateralized by the full faith and credit of the drainage districts and the County of Monroe.

Long-term liability activity for the Drain Commission for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
1996 Drainage District Bonds (limited tax general obligation bonds; original issuance \$1,340,000); annual installments of \$70,000-\$115,000 through 2019; interest at 5.85% to 6.00%	\$ 675,000	\$ -	\$ 80,000	\$ 595,000	\$ 85,000
2009 Drainage District Bonds (limited tax general obligation bonds; original issuance \$350,000); annual installments of \$5,000-\$20,000 through 2029; interest at 4.25% to 5.25%	350,000	-	5,000	345,000	15,000
2010 Drainage District Bonds (limited tax general obligation bonds; original issuance \$520,000); annual installments of \$40,000-\$65,000 through 2021; interest at 3.50% to 4.20%	-	520,000	-	520,000	-
2010 Drainage District Bonds (limited tax general obligation bonds; original issuance \$1,400,000); annual installments of \$45,000-\$75,000 through 2030; interest at 2.500% to 4.875%	-	1,400,000	-	1,400,000	45,000
Drainage district notes payable	<u>743,811</u>	<u>1,100,888</u>	<u>377,353</u>	<u>1,467,346</u>	<u>406,117</u>
	<u>\$ 1,768,811</u>	<u>\$ 3,020,888</u>	<u>\$ 462,353</u>	<u>\$ 4,327,346</u>	<u>\$ 551,117</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 551,117	\$ 158,637
2012	544,852	156,332
2013	519,019	133,752
2014	294,626	112,002
2015	329,625	98,345
2016-2020	1,093,107	322,243
2021-2025	540,000	160,151
2026-2030	<u>455,000</u>	<u>52,563</u>
Total	<u>\$ 4,327,346</u>	<u>\$ 1,194,025</u>

County Agency

The County has issued general obligation bonds for various waterworks and sewage disposal systems under Act 342, P.A. 1939, as amended. These bonds are supported by a pledge of the County's full faith and credit as well as by the various local units which make payments through contractual agreements with the County to meet the principal and interest of these bonds; title passes to the local unit when the debt is retired.

The following is a summary of changes in long-term debt of the County Agency for the year ended December 31, 2010:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 58,280,000	\$ 10,527,606	\$ 8,020,000	\$ 60,787,606	\$ 4,700,000
Unamortized issuance discounts	(33,850)	-	(2,150)	(31,700)	-
Compensated absences	<u>92,513</u>	<u>62,181</u>	<u>92,513</u>	<u>62,181</u>	<u>62,181</u>
	<u>\$ 58,338,663</u>	<u>\$ 10,589,787</u>	<u>\$ 8,110,363</u>	<u>\$ 60,818,087</u>	<u>\$ 4,762,181</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

The annual requirements to pay principal and interest on the long-term debt outstanding at December 31, 2010, excluding compensated absences, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 4,700,000	\$ 2,016,830
2012	4,690,000	1,887,321
2013	3,760,000	1,742,318
2014	3,815,000	1,616,005
2015	3,645,000	1,506,717
2016-2020	18,090,000	5,663,540
2021-2025	14,042,606	2,739,960
2026-2030	7,075,000	789,539
2031-2035	970,000	97,013
Total	<u>\$ 60,787,606</u>	<u>\$ 18,059,243</u>

NOTE I - PENSION PLAN

Plan Description

The Monroe County Employees Retirement Plan (the Plan) is a single-employer defined benefit pension plan administered by the Monroe County Employees Retirement System Board of Trustees (the Board). The Plan covers substantially all full-time employees of the County and discretely presented component units. The Plan was adopted and established by Monroe County in accordance with Michigan Compiled Laws, Section 46.12a.

The Plan provides retirement, deferred allowance, disability and death benefits to plan members and their beneficiaries in accordance with the County's retirement plan ordinance. The Plan also provides retiree health care benefits to the employees of the Monroe County Library. All other covered employees receive retiree health care benefits through a separate plan (See Note J). Benefit provisions are established and may be amended by the Board.

The Monroe County Employees Retirement System's financial statements are included in the financial statements of Monroe County as a pension trust fund. A separate, publicly available financial report that includes financial statements and required supplementary information is also issued; it may be obtained by writing to the Monroe County Employees Retirement System, 125 East Second Street, Monroe, MI 48161.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Basis of Accounting

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

Method Used to Value Investments

Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments for which market quotations are not readily available are valued at their fair values as determined by the portfolio manager under the direction of the Board.

Funding Policy

Plan employers (General County, Monroe County Library, Monroe County Road Commission, Monroe County Drain Commission, County Agency, and Monroe County Community Mental Health Authority) are required to make periodic contributions that are expressed as percentages of their annual covered payrolls. These contributions are determined as part of an actuarial valuation, using the entry age normal cost method, and are designed to accumulate sufficient assets to pay benefits when due. Normal cost is funded on a current basis. Unfunded and overfunded actuarial accrued liabilities are being amortized as a level percent of payroll over periods ranging from 7 to 20 years depending on plan employer. Significant actuarial assumptions used include (a) a 7.0 percent investment rate of return, (b) projected salary increases ranging from 5.0 percent to 12.0 percent per year, and (c) no cost of living adjustments other than 4.5 percent for certain Road Commission members. Both (a) and (b) include an inflation component of 4.0 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over five years.

Central Dispatch supervisors are required to contribute 3.0% of the first \$7,800 in earnings and 5.0% of earnings thereafter to the System. Sheriff Command officers are required to contribute 1.53% of their annual earnings. Technical, Professional and Officeworkers union members hired after October 26, 2010 are required to contribute 3.0% of their annual earnings. Road Commission employees are required to contribute 3.1% of their annual earnings. All other County employees, along with employees of the Library System, Drain Commissioner, County Agency and Community Mental Health Authority, are not required to contribute.

The funding requirements for the Monroe County Employees Retirement Plan are established and may be amended by the Monroe County Employees Retirement System Board of Trustees.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Annual Pension Cost

For the year ended December 31, 2010, contributions, with the rate of annual covered payroll by class of employee, were made as follows (based on an actuarial valuation as of December 31, 2008):

Employer contributions:

General County:		
Central Dispatch	\$ 184,022	19.45%
Sheriff	1,922,997	19.43%
Other	2,028,688	14.92%
Road Commission	737,517	17.17%
County Agency	247,904	17.63%
County Library	355,740	9.60%
Community Mental Health	461,557	7.12%
	<u>\$ 5,938,425</u>	

Employee contributions:

General County:	
Central Dispatch	\$ 15,950
Sheriff	17,940
Road Commission	136,469
	<u>\$ 170,359</u>

The County's annual pension cost and net pension obligation for the current year are as follows:

Annual required contribution/retirement benefit cost	\$ 5,938,425
Contributions made	<u>5,938,425</u>
Increase (decrease) in net retirement benefit obligation	-
Net retirement benefit obligation, beginning of year	<u>-</u>
Net retirement benefit obligation, end of year	<u><u>\$ -</u></u>

The annual required contribution for the current year was determined as part of the December 31, 2008, actuarial valuation using the entry age normal cost method and is designed to accumulate sufficient assets to pay benefits when due.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 5,391,367	100%	\$ -
12/31/09	5,547,369	100%	-
12/31/10	5,938,425	100%	-

Funded Status and Funding Progress

The funded status of the System as of December 31, 2009, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$ 211,333,497	
Actuarial value of assets	(2)	<u>188,779,278</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 22,554,219</u>	(1) - (2)
Funded ratio	(4)	<u>89.3%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 42,893,801</u>	
UAAL as % of covered payroll	(6)	<u>52.6%</u>	(3) / (5)

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of trust assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. For purposes of the schedule of funding progress, the actuarial accrued liability value as shown is determined using the entry age actuarial cost method.

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the System by the employer in comparison to the ARC (annual required contribution), an amount that is actuarially determined in accordance with the parameters of GASB Statement 25. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

NOTE J - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Primary Government (including Drain Commission and County Agency)

Plan Description. The Monroe County Retiree Health Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Retiree Health Care Board (the Board). The Plan was adopted and established by the Monroe County Board of Commissioners. The Plan provides postemployment healthcare and life insurance benefits to eligible retirees of the primary government, Drain Commission and County Agency (collectively referred to as the “County” for purposes of this note), in accordance with the various labor contracts and personnel policies. Eligible retirees are those individuals who meet the requirements to receive retirement benefits pursuant to the Monroe County Employees Retirement System, except for employees hired on or after October 28, 2003, who receive no benefits under the Plan.

The Plan is reported as an other employee benefit trust fund in the accompanying financial statements. The Plan does not issue a separate or stand-alone report.

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

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Method Used to Value Investments. Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments for which market quotations are not readily available are valued at their fair values as determined by the portfolio manager under the direction of the Board.

Plan Membership. Plan membership consisted of the following at December 31, 2009 (the date of the latest actuarial valuation):

Retirees and beneficiaries currently receiving benefits	486
Terminated employees entitled to but not yet receiving benefits	-
Active participants	464

Funding Policy. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners, subject to applicable labor contracts. Active plan members hired before January 1, 1996 are not required to contribute; those hired between January 1, 1996 and December 31, 1998 are required to contribute 1.5% of their covered payroll to the Plan; and those hired between January 1, 1999 and October 28, 2003 are required to contribute 3.0% of covered payroll. Additionally, plan members receiving healthcare benefits contribute on a sliding scale basis for spouse and dependent coverage, ranging from 0% to 50% of the monthly premium, based on years of service; plan members receiving benefits are not required to contribute towards their own individual coverage. Total contributions from active plan members and from plan members receiving benefits were \$551,669 or 11.8% of the total cost of benefits for 2010.

The County is required to contribute the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current combined ARC is 26.2% of annual covered payroll.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Annual OPEB Cost and Net OPEB Obligation. For 2010, the components of the County's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan are as follows:

Annual required contribution	\$ 6,950,811
Interest on net OPEB obligation	231,519
Adjustment to annual required contribution	<u>(254,736)</u>
Annual OPEB cost	6,927,594
Contributions made	<u>(2,746,766)</u>
Increase in net OPEB obligation	4,180,828
Net OPEB obligation, beginning of year	<u>3,307,415</u>
Net OPEB obligation, end of year	<u><u>\$ 7,488,243</u></u>

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

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/08	\$ 7,947,043	\$ 7,362,214	92.6%	\$ 320,625
12/31/09	7,790,662	4,803,872	61.7%	3,307,415
12/31/10	6,927,594	2,746,766	39.6%	7,488,243

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2009, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)	\$ 88,099,692
Actuarial value of plan assets	<u>27,766,030</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 60,333,662</u></u>
Funded ratio	31.5%
Covered payroll (active plan membership)	\$ 23,660,370
UAAL as a percentage of covered payroll	255.0%

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

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

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

Actuarial valuation date	12/31/09
Actuarial cost method	Entry age
Amortization method	Level percent of payroll or level of dollar contributions depending on division; closed
Remaining amortization period	22 years; closed basis
Asset valuation method	5-year smoothing
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	6.8%
Healthcare inflation rate	9.0% initially; 4.0% ultimately

A stand alone financial report has not been issued for the Monroe County Retiree Health Plan; accordingly, those financials are presented on the next page.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Statement of Plan Net Assets - December 31, 2010

Assets	
Cash and cash equivalents	\$ 442,885
Investments at fair value:	
U.S. treasuries	1,167,390
U.S. agencies	1,468,542
Corporate bonds	4,607,086
Bond mutual fund	6,221,055
Domestic equities	10,087,613
Money market accounts	1,210,910
Contributions receivable	153,431
Total assets	<u>25,358,912</u>
Liabilities	
Accounts payable	<u>199,476</u>
Net assets held in trust for other postemployment benefits	<u>\$ 25,159,436</u>

Statement of Changes in Plan Net Assets Year Ended December 31, 2010

Additions	
Investment income:	
Net appreciation in fair value of investments	\$ 1,549,806
Interest and dividends	<u>691,534</u>
Total investment gain	2,241,340
Less: investment management fees	<u>(178,325)</u>
Net gain from investing activities	<u>2,063,015</u>
Contributions:	
Employer	2,746,767
Employee	284,985
Retiree and other	<u>266,684</u>
Total contributions	<u>3,298,436</u>
Total additions	<u>5,361,451</u>
Deductions	
Benefit payments	4,660,265
Refunds of contributions	14,644
Administrative expenses/premiums paid	<u>76,087</u>
Total deductions	<u>4,750,996</u>
Net additions to net assets held in trust	610,455
Net assets held in trust for other postemployment benefits	
Beginning of year	<u>24,548,981</u>
End of year	<u>\$ 25,159,436</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Road Commission

Plan Description. The Road Commission provides retiree health and life insurance benefits to all full-time employees, in accordance with labor contracts and personnel policy. Currently, 77 retirees and/or surviving spouses are eligible for health and life insurance benefits. Participants are required to contribute 3.1 percent of their compensation to the plan. There are currently 95 active members contributing to the plan. This is a single employer plan administered by the Road Commission. The plan does not issue a separate stand-alone financial statement.

Funding Policy. The Road Commission has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a “pay-as-you-go” basis). However, as shown below, the Road Commission has made contributions to advance fund these benefits. Administrative costs of the plan are paid for by the Road Fund.

Funding progress. For the year ended December 31, 2010, the Road Commission has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2008. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The computed contribution and actual funding are summarized as follows:

Annual required contribution/Annual OPEB cost	\$ 1,761,501
Interest on net OPEB obligation	127,203
Annual OPEB cost	1,888,704
Amounts contributed:	
Payments of current premiums	1,027,423
Advance funding	27,914
Increase in net OPEB obligation	833,367
Net OPEB obligation - Beginning of year	2,544,054
Net OPEB obligation - End of year	\$ 3,377,421

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for fiscal years ended December 31, 2008, 2009, and 2010 were as follows:

	2008	2009	2010
Annual OPEB cost	\$ 1,853,789	\$ 1,972,090	\$ 1,888,704
Percentage contributed	49.34%	42.47%	44.12%
Net OPEB obligation	\$ 1,706,554	\$ 2,544,054	\$ 3,377,421

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

The current funding progress of the plan as of December 31, 2008 is as follows:

Actuarial accrued liabilities (AAL)	\$ 26,036,827
Actuarial value of plan assets	<u>216,737</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 25,820,090</u>
Funded ratio	0.8%
Covered payroll (active plan membership)	\$ 4,295,381
UAAL as a percentage of covered payroll	601.1%

Actuarial methods and assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

In the December 31, 2008 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses), which is the expected long-term investment return on plan assets, and a payroll growth rates of 4.5% to 6.0%. Both rates include a 4.0% inflation assumption. The UAAL is being amortized as a level of percentage of projected payroll on an open basis, using a 30 year amortization period.

Community Mental Health Authority

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

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

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Method Used to Value Investments. Plan investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price. Investments that do not have established market values are reported at estimated fair values as determined by the custodian under the direction of the Authority Board of Directors with the assistance of a valuation service.

Funding Policy. The contribution requirements of plan members and the Authority are established and may be amended by the Authority Board of Directors, subject to applicable labor contracts. The Authority has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the Plan may be financed on a pay-as-you-go basis. Plan members are not required to contribute to the plan. For the year ended September 30, 2010, the Authority paid \$385,216 towards the cost of benefits and/or advance funding the Plan.

Funding Progress. For the year ended September 30, 2010, the Authority estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of June 30, 2009. Such a valuation computes an *annual required contribution* (ARC) that represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC is 5.93% of annual covered payroll.

Annual OPEB Cost and Net OPEB Obligation. For the years ended September 30, 2010 and 2009 (which are the first two years since adoption of the new OPEB standards), the Authority's annual OPEB (other postemployment benefit) cost of \$385,216 and \$1,012,816, respectively, was equal to the Authority's required and actual contributions. The Authority has no net OPEB obligations.

Funded Status and Funding Progress. The funded status of the Plan as of June 30, 2009, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)	\$ 5,320,979
Actuarial value of plan assets	<u>1,485,294</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 3,835,685</u>
Funded ratio	27.9%
Covered payroll (active plan members)	\$ 6,496,054
UAAL as a percentage of covered payroll	59.0%

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Actuarial Methods and Assumptions. Significant methods and assumptions were as follows:

Valuation date	June 30, 2009
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Asset valuation method	5-year smoothing
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.0%
Healthcare cost trend rate	6.0% initially, 4.0% ultimately

Library System

Plan Description. The Monroe County Library System contributes to the Retiree Health Care Benefits Plan and Trust which was adopted on December 17, 2001. The Monroe County Library Retiree Health Care Benefits Plan and Trust (Plan and Trust) was established under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999. The assets of the Plan and Trust shall be held in trust for the exclusive purpose of providing healthcare and life insurance benefits to eligible retirees and their beneficiaries who are receiving retirement benefits from the Monroe County Employees Retirement System. The Plan and Trust is a single-employer defined benefit postemployment healthcare plan, which is presented as a fiduciary fund type in the Library System's stand-alone report.

Funding Policy and Annual OPEB Cost. Employees hired before October 21, 2002, are not required to contribute toward the cost of health insurance premiums. Employees hired after October 21, 2002, will earn 5% toward retiree health care premium coverage for each year of full time service with the Library. Also, an inflation cap was put in place for employees hired after October 21, 2002. Any employee hired after October 21, 2002, will be required to pay for health care premium increases in excess of 5% annually of the premium in effect at retirement. The required contribution changes each year as a result of the experience of the Plan and Trust. Contributions are calculated as a percentage of payroll. The Library's contribution rate for 2010 was 23.76%. The Library's contribution to the Plan and Trust for 2010 was \$385,470 to fund retiree health benefits as a result of an actuarial valuation as of December 31, 2008. The contributions for the previous two fiscal years were \$654,094 and \$619,596. The contributions for the current and two prior years were equal to the annual other postemployment benefit cost (100% of the annual required contribution); the Library has no net OPEB obligation. The Library drew \$175,667 from the Plan and Trust to pay the 2010 current year costs of the retiree health benefits.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Funded Status and Funding Progress. The funded status of the Plan and Trust as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percent of Covered Payroll ((b-a)/c)
12/31/2007	\$ 2,173,748	\$ 9,540,966	\$ 7,367,218	22.8%	\$ 2,427,137	303.5%
12/31/2008	1,815,059	5,751,073	3,936,014	31.6%	2,625,130	149.9%
12/31/2009	2,393,723	6,048,099	3,654,286	39.6%	2,724,365	134.1%

Actuarial Methods and Assumptions. Significant methods and assumptions were as follows:

Valuation date	December 31, 2009
Actuarial cost method	Entry age
Amortization method	Level percent of pay
Remaining amortization period	22 years
Asset valuation method	Market value
 Actuarial assumptions:	
Investment rate of return	7.0%
Healthcare cost trend rate	9.0% initially, 4.0% ultimately

NOTE K - RISK MANAGEMENT

Monroe County and its component units are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has self-insurance plans for workers' compensation, unemployment, dental care, health care, and disability coverage. Each participating fund of the County makes payments to the respective internal service fund equal to an established percentage of gross salaries for that fund. These payments are accounted for as other employee benefits in the paying fund and charges for services revenue in the receiving fund. The County has established liabilities for incurred but not reported claims (IBNR) in the worker's compensation, health care, dental care, unemployment, and long-term disability funds. Historical data was used as a basis for the development of the IBNR liabilities.

In 2010, there were no significant reductions in insurance coverage from prior year levels by major categories of risk. Also, there have been no settlements that exceeded insurance coverage during each of the past four fiscal years.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Worker's compensation self-insurance plan - The County has a self-insurance program for worker's compensation accounted for in a separate internal service fund. An independent third party administrator processes the daily claims and performs internal control and management duties. Currently, the County self-insures \$550,000 in liability for each occurrence and purchases excess insurance through various reinsurance companies, for up to \$5,000,000 per occurrence. The fund has net assets of \$1,002,432 at December 31, 2010. The changes in estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2009	\$398,100	\$ 222,068	\$ 248,714	\$371,454
2010	371,454	(25,893)	127,018	218,543

Health care self-insurance plan - The County offers health care options through two health maintenance organizations (HMOs), a preferred provider organization (PPO), or traditional coverage with Blue Cross Blue Shield. A separate internal service fund is used to account for health care self-insurance plan activities. The revenues for this fund's operation are charges to various funds and employee payroll withholdings. The fund has net assets of \$3,736,527 at December 31, 2010. The changes in the estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2009	\$636,783	\$5,606,113	\$5,381,274	\$861,622
2010	861,622	5,351,735	5,876,750	336,607

Dental care self-insurance plan - The County has a self-insured plan for dental care coverage accounted for in a separate internal service fund. An independent administrator processes the daily claims and performs management duties. Benefits under the program are capped at \$800 per covered person annually. The revenues for this fund's operation are charges to various funds and payroll withholdings. The fund has net assets of \$330,695 at December 31, 2010. The changes in the estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2009	\$ 43,798	\$367,456	\$368,459	\$ 42,795
2010	42,795	376,239	408,514	10,520

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

Unemployment self-insurance plan - The County is self-insured for unemployment and uses a separate internal service fund to account for unemployment claims. The revenues for this fund's operation are charges to various funds and payroll withholdings. The changes in the estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2009	\$ 920	\$ 38,156	\$ 31,796	\$ 7,280
2010	7,280	77,911	65,693	19,498

Long-term disability plan - The County is self-insured for long term disability liabilities. A separate internal service fund is used to account for long-term disability claims. The revenues for this fund's operation are charges to various funds and payroll withholdings. An independent administrator is hired to process claims and to perform management duties. The changes in the estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2009	\$ 9,310	\$183,220	\$183,264	\$ 9,266
2010	9,266	166,579	167,468	8,377

General liability self-insurance - The County is a voluntary member of the Michigan Municipal Risk Management Authority (MMRMA) established in January 1980, pursuant to laws of the State of Michigan which authorizes local units of government to exercise jointly any power, privilege or authority which each might exercise separately. The MMRMA administers a risk management fund providing Monroe County with loss protection for general and auto liability, and property and crime coverage. Under most circumstances the County's maximum loss per occurrence is limited as follows:

<u>Type of Risk</u>	<u>Maximum Retention Per Occurrence</u>
General and auto liability	\$250,000
Property and crime coverage	\$11,000 - \$1,000 deductible and 10% of next \$100,000
Flood and earthquake	\$1,000

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

The administration of the MMRMA is directed by a 10-member Board of Directors composed of municipal representatives elected by the membership. The Board established the general policy of the MMRMA that creates and publishes rules to be followed by the Executive Director and Board, and is empowered with the authority to impose sanctions or terminate membership. The County's Finance Department has been designated the representative to the MMRMA to be responsible for the execution of all loss control measures, to ensure the payment of all annual, supplementary or other payment requirements, to ensure the filing of all required lawsuits, claims, litigation, and reporting, and to act as a liaison between the County and MMRMA.

The MMRMA provides risk management, underwriting, reinsurance, litigation oversight and claim services with member contributions allocated to meet these obligations. The MMRMA has reserves to pay losses incurred by members that exceed individual retention levels and are not covered under reinsurance agreements. Losses incurred within the established limits are general obligations of the MMRMA.

After the County has paid the self-insured retention portion, the MMRMA and its reinsurers are responsible for paying losses, including damages, loss adjustment expense and defense costs, with the limits at \$15,000,000 per occurrence for liability coverage. For property losses, the MMRMA insures the County property at replacement value for any property rebuilt or repaired. If not replaced, the property is adjusted at actual cash value. If for any reason the Authority's resources available to pay losses are depleted, the payment of all unpaid losses of the County is the sole obligation of Monroe County.

The reinsurance agreements discussed above include provisions for minimum annual premiums. As of December 31, 2010 the Authority had met the minimum requirements.

The County uses a separate internal service fund to account for the activities of the retention fund held by MMRMA. At December 31, 2010, the fund has net assets of \$172,011.

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claims <u>Payments</u>	End of Year <u>Liability</u>
2009	\$444,059	\$(97,505)	\$154,742	\$191,812
2010	191,812	855,277	365,999	681,090

Road Commission Component Unit

The Road Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The Road Commission has purchased commercial insurance for medical benefits claims and participates in the Michigan County Road Commission Self-Insurance Pool for claims relating to general liability, excess liability, auto liability, errors and omissions, and physical damage (equipment, building and contents). The Road Commission uses the Accident Fund of Michigan for workers' compensation insurance. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past four fiscal years.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

The county road commissions in the State of Michigan established a trust fund, known as the Michigan County Road Commission Self-Insurance Pool (the "Pool") pursuant to the provisions of Act 138 of the Michigan Public Acts of 1982. The Pool provides for joint and cooperative action relative to members' financial and administrative resources for the purpose of providing risk management services along with property and liability protection. Membership is restricted to road commissions and related road commission activities within the State.

The Pool program operates as a common risk-sharing management program for road commissions in Michigan; member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts.

NOTE L - CONTINGENT LIABILITIES

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

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

NOTE M - PROPERTY TAXES

County property taxes are levied annually on July 1 (the lien date) to fund operations for the current year. The property taxes are due in full within nine months (prior to March 1), at which time uncollected taxes became delinquent.

The assessed value of real and personal property is established by the local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold. Property taxes are levied based on the *taxable value* of the property (as defined under Proposal A). Taxable value is determined by using such factors as equalized value, assessed value, and capped value, along with a value change multiplier.

The taxable value of real and personal property for the July 1, 2010 levy was \$5.79 billion. The general operating tax rate for this levy was at the maximum rate of 4.7952 mills, as adjusted by the Headlee Amendment to the State of Michigan Constitution. The County also had a voter approved tax of 0.5 mills for senior citizen services on the December 31, 2010 voter-approved levy.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2010

By agreement with various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable.

The Monroe County Library System was authorized by a special election to levy 1.0 mills. The Library's 2010 property taxes were levied on December 1, 2009 based on assessed valuations as of July 1, 2009. The taxable value for real and personal property for the year amounted to \$6.1 billion based on a percentage of the property's fair market value. Taxes levied December 1, 2010, totaling \$5,916,563 were recorded as taxes receivable and deferred revenue. At December 31, 2010, taxes receivable were \$5,916,563.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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COUNTY OF MONROE
Employees' Retirement System
Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded (Overfunded) AAL (UAAL)	Covered Payroll	UAAL as a Percentage of of Covered Payroll
12/31/00	143,765,352	105,824,598	135.9%	(37,940,754)	32,749,688	-115.9%
12/31/01	150,304,504	116,359,159	129.2%	(33,945,345)	35,250,392	-96.3%
12/31/02	148,404,995	125,652,447	118.1%	(22,752,548)	35,895,185	-63.4%
12/31/03	162,683,115	139,141,015	116.9%	(23,542,100)	37,862,618	-62.2%
12/31/04	162,725,639	150,510,011	108.1%	(12,215,628)	38,712,508	-31.6%
12/31/05	163,151,579	163,641,875	99.7%	490,296	41,047,874	1.2%
12/31/06	169,283,765	174,001,978	97.3%	4,718,213	41,821,305	11.3%
12/31/07	181,320,182	186,841,313	97.0%	5,521,131	43,152,156	12.8%
12/31/08	184,967,843	199,860,437	92.5%	14,892,594	43,961,798	33.9%
12/31/09	188,779,278	211,333,497	89.3%	22,554,219	42,893,801	52.6%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Annual Required Contribution	Percentage Contributed
12/31/01	133,907	100.00%
12/31/02	41,744	100.00%
12/31/03	191,979	100.00%
12/31/04	1,411,037	100.00%
12/31/05	2,034,222	100.00%
12/31/06	3,170,195	100.00%
12/31/07	4,910,784	100.00%
12/31/08	5,391,367	100.00%
12/31/09	5,547,369	100.00%
12/31/10	5,938,425	100.00%

COUNTY OF MONROE
Retiree Health Plan
Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of of Covered Payroll
12/31/05	\$ 12,404,997	\$ 80,736,245	15.4%	\$ 68,331,248	\$ 25,441,192	268.6%
12/31/06	17,080,952	87,109,351	19.6%	70,028,399	25,270,126	277.1%
12/31/07	21,413,565	90,534,928	23.7%	69,121,363	26,982,828	256.2%
12/31/08	26,350,668	87,155,864	30.2%	60,805,196	26,551,067	229.0%
12/31/09	27,766,030	88,099,692	31.5%	60,333,662	23,660,370	255.0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
12/31/06	\$ 4,374,135	\$ 5,577,801	127.52%
12/31/07	6,124,074	5,178,953	84.57%
12/31/08	7,946,073	7,362,214	92.65%
12/31/09	7,788,155	4,803,872	61.68%
12/31/10	6,950,811	2,746,766	39.52%

**SUPPLEMENTARY
INFORMATION**

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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MAJOR GOVERNMENTAL FUNDS

General Fund

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

County Health Special Revenue Fund

The *County Health Special Revenue Fund* is used to account for revenue reserved for the purpose of providing health protection, maintenance, and improvement for the residents of Monroe County.

Revenue Sharing Reserve Special Revenue Fund

The *Revenue Sharing Reserve Special Revenue Fund* was permitted by Public Act 357 of 2004 which provides a funding mechanism to serve as a substitute to county revenue sharing payments. This substitute funding mechanism involves a gradual shift of county property tax millage from a winter tax levy to a summer tax levy and, additionally, required the establishment of a restricted fund.

Federal Prisoner Housing Fund

The *Federal Prisoner Housing Fund* is used to account for the activity of the second jail facility.

Senior Citizen Special Revenue Fund

The *Senior Citizen Special Revenue Fund* controls the special tax levy and general fund appropriation for services and special programs for seniors.

Capital Projects Fund

The *Capital Projects Fund* is used to account for the accumulation of resources for, and the payment of costs, for activity related to the acquisition and improvement of county property.

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COUNTY OF MONROE, MICHIGAN
Schedule of Revenues and Other Sources - by Source
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Taxes				
Current property taxes	\$ 26,925,000	\$ 26,115,801	\$ 27,320,121	\$ 1,204,320
Delinquent personal property taxes	45,000	45,000	138,059	93,059
Industrial facilities tax	1,089,678	719,678	591,138	(128,540)
Trailer tax	38,000	38,000	31,246	(6,754)
Payments in lieu of taxes	18,000	18,000	43,328	25,328
Total taxes	28,115,678	26,936,479	28,123,892	1,187,413
Licenses and permits				
Pistol permits	25,000	25,000	41,422	16,422
Other	151,125	151,125	146,388	(4,737)
Total licenses and permits	176,125	176,125	187,810	11,685
Intergovernmental				
UASI homeland security equipment grant	-	145,000	144,043	(957)
Emergency management division grant	27,492	27,492	-	(27,492)
OPSG 2009 Grant	-	100,000	-	(100,000)
UASI homeland security grant	118,887	229,887	115,779	(114,108)
Marine safety (Federal)	15,000	15,000	20,736	5,736
Energy Efficiency Block Grant	612,543	612,543	458,239	(154,304)
Bullet proof vest program	9,975	9,975	-	(9,975)
Justice department 2005-DJ-BX	-	22,745	-	(22,745)
Justice department 2009-DJ-BX-0158	22,095	22,095	368	(21,727)
Welfare grant	3,000	3,000	-	(3,000)
Assistant prosecutor	-	-	17,332	17,332
Justice-Byrne-2009-SB-B9-2232	-	78,973	3,791	(75,182)
State Criminal Alien Assistance program - 06	4,240	4,240	-	(4,240)
State Criminal Alien Assistance program - 07	5,457	5,457	-	(5,457)
State Criminal Alien Assistance program - 08	2,115	2,115	-	(2,115)
State Criminal Alien Assistance program - 10	-	1,124	1,124	-
Marine Northern Border Initiative	10,000	10,000	5,901	(4,099)
Intersection enforcement	75,767	79,612	71,146	(8,466)
Probate court judges salaries	285,000	285,000	208,754	(76,246)
Circuit court judges salaries	185,000	185,000	170,903	(14,097)
District court judges salaries	140,000	140,000	171,465	31,465
Crime victim/witness grant	116,100	117,662	119,927	2,265
Assistant prosecutor	35,000	35,000	17,332	(17,668)
Family court - juvenile officer	78,300	78,300	78,370	70
District court caseload assistance	43,000	43,000	45,138	2,138
District court drug caseload assistance	3,000	3,000	2,580	(420)

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues and Other Sources - by Source
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Intergovernmental (concluded)				
State court equity fund	\$ 890,000	\$ 890,000	\$ 739,541	\$ (150,459)
Remonumentation	43,780	54,184	25,192	(28,992)
Critical Infrastructure	-	30,495	24,659	(5,836)
Other state grants	18,500	18,500	23,146	4,646
Secondary road patrol	195,000	306,899	199,022	(107,877)
Justice training program	68,933	42,753	37,855	(4,898)
Community services grant	190,550	190,550	183,551	(6,999)
Community corrections grant	-	-	9,575	9,575
Cigarette tax	19,630	19,630	8,504	(11,126)
Liquor licenses	13,000	13,000	17,937	4,937
Total intergovernmental	3,231,364	3,822,232	2,921,910	(900,321)
Contributions from local units	2,428,031	2,304,864	2,362,178	57,314
Charges for services				
Attorney fee reimbursement	244,000	257,525	286,191	28,666
Circuit court costs	100,000	100,000	89,914	(10,086)
District court costs	1,500,000	1,500,000	1,471,599	(28,401)
District court services	741,000	741,000	806,034	65,034
Probate court services	61,670	61,670	64,010	2,340
Family court services	31,725	31,725	29,713	(2,012)
District court - day reporting fees	85,000	85,000	64,047	(20,953)
Treasurer services	12,010	12,010	22,461	10,451
Clerk services	209,000	209,000	206,518	(2,482)
Register of deeds services	635,000	635,000	665,001	30,001
Equalization services	38,000	38,000	38,151	151
Elections	115,000	115,000	10,080	(104,920)
Planning department services	16,500	26,500	25,810	(690)
Sheriff services	265,500	266,190	317,246	51,056
Sheriff contract special services	39,852	71,139	64,901	(6,238)
Jail	253,125	253,125	240,900	(12,225)
Animal Control	27,890	27,890	27,994	104
Medical examiner fees	11,000	11,000	11,470	470
Parks and recreation	3,000	3,910	4,590	680
Historical commission	3,750	3,750	4,343	593
County extension services	2,000	2,000	-	(2,000)
Fees and permits - soil erosion	69,812	69,812	70,215	403
Total charges for services	4,464,834	4,521,246	4,521,188	(58)

**COUNTY OF MONROE, MICHIGAN
Schedule of Revenues and Other Sources - by Source
Budget and Actual
General Fund
For the Year Ended December 31, 2010**

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Fines and forfeits				
Ordinance fines and costs	\$ 451,000	\$ 451,000	\$ 348,318	\$ (102,682)
Bond forfeitures	55,000	55,000	38,112	(16,888)
Forfeitures - other	3,000	3,000	15,640	12,640
Total fines and forfeitures	509,000	509,000	402,070	(106,930)
Interest and rents				
Interest on deposits	72,000	72,000	57,775	(14,225)
Rental income	45,000	45,000	49,409	4,409
Total interest and rents	117,000	117,000	107,184	(9,816)
Other revenues				
Contributions from private sources	74,000	74,000	79,928	5,928
Finance department revenue	72,430	67,595	79,111	11,516
General reimbursements	474,392	503,703	443,332	(60,371)
Gain on sale of capital assets	2,000	4,970	9,511	4,541
Rebates - food services	5,000	5,000	5,327	327
Retirement board reimbursements	75,048	75,048	76,816	1,768
Indirect costs reimbursements	1,364,463	1,385,997	1,394,198	8,201
Other	33,900	33,900	59,920	26,020
Total other revenues	2,101,233	2,150,213	2,148,143	(2,070)
Other financing sources				
Transfers in	3,455,956	3,511,588	3,492,634	(18,954)
Total revenues and other financing sources	\$ 44,599,221	\$ 44,048,747	\$ 44,267,009	\$ 218,263

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government				
Board of Commissioners				
Salaries and wages	\$ 183,802	\$ 179,193	\$ 178,251	\$ (942)
Employee benefits	83,844	75,249	73,309	(1,940)
Services and supplies	41,076	39,102	37,353	(1,749)
	<u>308,722</u>	<u>293,544</u>	<u>288,913</u>	<u>(4,631)</u>
Circuit Court				
Salaries and wages	268,410	279,611	274,398	(5,213)
Employee benefits	103,576	109,108	109,306	198
Services and supplies	469,308	469,607	446,009	(23,598)
	<u>841,294</u>	<u>858,325</u>	<u>829,713</u>	<u>(28,612)</u>
District Court				
Salaries and wages	1,372,967	1,289,550	1,273,453	(16,097)
Employee benefits	738,643	645,090	631,359	(13,731)
Services and supplies	397,643	425,742	411,671	(14,071)
	<u>2,509,253</u>	<u>2,360,382</u>	<u>2,316,483</u>	<u>(43,899)</u>
District Court Probation				
Salaries and wages	295,510	322,879	320,377	(2,502)
Employee benefits	191,010	181,680	176,623	(5,057)
Services and supplies	21,275	21,017	18,860	(2,157)
	<u>507,795</u>	<u>525,576</u>	<u>515,860</u>	<u>(9,716)</u>
District Court Probation - Day Reporting				
Salaries and wages	53,034	53,034	51,709	(1,325)
Employee benefits	31,133	30,715	30,292	(423)
Services and supplies	2,666	2,666	1,953	(713)
	<u>86,833</u>	<u>86,415</u>	<u>83,954</u>	<u>(2,461)</u>
Probate Court				
Salaries and wages	390,271	390,271	382,905	(7,366)
Employee benefits	147,576	134,455	131,271	(3,184)
Services and supplies	104,084	107,355	94,675	(12,680)
	<u>641,931</u>	<u>632,081</u>	<u>608,851</u>	<u>(23,230)</u>

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government (continued)				
County Guardian				
Services and supplies	\$ 72,800	\$ 78,875	\$ 78,867	\$ (8)
Adult Probation				
Services and supplies	16,886	16,886	11,628	(5,258)
Family Court				
Salaries and wages	762,644	741,706	742,171	465
Employee benefits	317,457	277,593	281,966	4,373
Services and supplies	327,244	331,891	324,780	(7,111)
	1,407,345	1,351,189	1,348,917	(2,272)
Family Court - Probation Officer				
Salaries and wages	288,725	304,420	303,176	(1,244)
Employee benefits	135,272	145,922	150,007	4,085
Services and supplies	20,863	20,863	15,282	(5,581)
	444,860	471,205	468,465	(2,740)
District Court Pretrial Services				
Salaries and wages	112,240	98,831	77,664	(21,167)
Employee benefits	48,605	48,097	35,296	(12,801)
Services and supplies	4,877	4,798	3,932	(866)
	165,722	151,726	116,892	(34,834)
Jail Alternative Work Services				
Salaries and wages	37,231	37,254	36,829	(425)
Employee benefits	9,311	9,008	8,910	(98)
Services and supplies	2,794	3,086	2,587	(499)
	49,336	49,348	48,326	(1,022)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government (continued)				
Administrator				
Salaries and wages	\$ 105,414	\$ 106,239	\$ 106,037	\$ (202)
Employee benefits	41,994	41,133	37,981	(3,152)
Services and supplies	6,764	5,939	3,935	(2,004)
	154,172	153,311	147,953	(5,358)
Elections				
Services and supplies	179,130	179,130	95,824	(83,306)
Finance Department				
Salaries and wages	212,109	207,141	189,721	(17,420)
Employee benefits	74,571	70,810	69,503	(1,307)
Services and supplies	60,308	59,581	45,946	(13,635)
	346,988	337,532	305,170	(32,362)
Clerk				
Salaries and wages	589,289	577,882	583,601	5,719
Employee benefits	324,066	303,935	278,528	(25,407)
Services and supplies	110,556	110,700	83,583	(27,117)
	1,023,911	992,517	945,712	(46,805)
Equalization				
Salaries and wages	174,761	174,761	174,744	(17)
Employee benefits	87,432	86,003	80,055	(5,948)
Services and supplies	131,566	131,566	74,173	(57,393)
	393,759	392,330	328,972	(63,358)
Register of Deeds				
Salaries and wages	120,487	116,314	114,985	(1,329)
Employee benefits	78,905	79,151	79,283	132
Services and supplies	27,935	27,935	13,200	(14,735)
	227,327	223,401	207,468	(15,933)
Human Resources				
Salaries and wages	119,446	124,054	124,540	486
Employee benefits	58,545	58,713	57,480	(1,233)
Services and supplies	8,789	8,789	7,151	(1,638)
	186,780	191,555	189,171	(2,384)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government (continued)				
Prosecuting Attorney				
Salaries and wages	\$ 1,024,157	\$ 1,061,516	\$ 1,061,516	\$ -
Employee benefits	442,792	460,008	461,468	1,460
Services and supplies	96,468	90,608	89,137	(1,471)
	1,563,417	1,612,132	1,612,121	(11)
Crime Victims Services				
Salaries and wages	76,198	76,835	76,835	-
Employee benefits	67,729	68,594	68,591	(3)
Services and supplies	2,707	2,144	2,144	-
	146,634	147,573	147,570	(3)
Drug Prosecution Grant				
Salaries and wages	90,319	91,246	91,260	14
Employee benefits	39,975	39,237	39,255	18
Services and supplies	2,502	2,502	2,470	(32)
	132,796	132,985	132,985	-
Retirement Board				
Salaries and wages	35,315	35,315	34,958	(357)
Employee benefits	38,590	38,301	37,911	(390)
Services and supplies	1,143	1,143	1,153	10
	75,048	74,759	74,022	(737)
Remonumentation				
Salaries and wages	-	5,660	6,461	801
Employee benefits	489	400	465	65
Services and supplies	43,184	48,017	47,151	(866)
	43,673	54,077	54,077	-
Treasurer				
Salaries and wages	226,096	226,096	224,133	(1,963)
Employee benefits	120,513	118,665	116,244	(2,421)
Services and supplies	48,736	44,436	39,129	(5,307)
	395,345	389,197	379,506	(9,691)
Cooperative Extension Services				
Salaries and wages	176,481	141,228	135,210	(6,018)
Employee benefits	101,043	64,067	62,512	(1,555)
Services and supplies	92,452	92,452	80,703	(11,749)
	369,976	297,747	278,425	(19,322)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government (continued)				
Information Services				
Salaries and wages	\$ 390,378	\$ 375,317	\$ 373,059	\$ (2,258)
Employee benefits	157,500	139,926	151,828	11,902
Services and supplies	72,855	72,855	52,153	(20,702)
	620,733	588,098	577,040	(11,058)
Purchasing and Property Maintenance				
Salaries and wages	408,641	409,384	392,713	(16,671)
Employee benefits	186,273	178,849	188,951	10,102
Services and supplies	541,794	569,844	437,062	(132,782)
	1,136,708	1,158,078	1,018,726	(139,352)
I.C.E. Operations				
Services and supplies	53,086	53,086	19,898	(33,188)
Courthouse Security				
Services and supplies	88,515	88,515	87,816	(699)
Drain Commission				
Salaries and wages	188,534	226,534	211,785	(14,749)
Employee benefits	53,376	51,907	54,162	2,255
Services and supplies	43,383	43,383	32,962	(10,421)
	285,293	321,824	298,909	(22,915)
Energy Efficiency Block Grant				
Services and supplies	55,543	55,543	66	(55,477)
Parks Maintenance				
Salaries and wages	59,127	59,127	48,761	(10,366)
Employee benefits	22,713	22,277	21,277	(1,000)
Services and supplies	91,374	92,284	72,022	(20,262)
	173,214	173,687	142,060	(31,627)
Soil Erosion				
Salaries and wages	62,371	62,371	59,864	(2,507)
Employee benefits	36,902	36,392	35,388	(1,004)
Services and supplies	7,315	7,315	6,776	(539)
	106,588	106,078	102,028	(4,050)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government (concluded)				
General County Expense				
Services and supplies	\$ 339,888	\$ 339,888	\$ 320,218	\$ (19,670)
Building Authority				
Services and supplies	295	295	210	(85)
Total General Government	15,151,596	14,938,890	14,182,816	(756,074)
Public Safety				
Sheriff - Administrator and Road Patrol				
Salaries and wages	604,431	605,420	560,187	(45,233)
Employee benefits	301,217	298,304	297,399	(905)
Services and supplies	623,282	581,935	570,609	(11,326)
	1,528,930	1,485,659	1,428,195	(57,464)
Detectives Bureau				
Salaries and wages	403,660	396,364	396,223	(141)
Employee benefits	207,554	201,699	201,331	(368)
Services and supplies	10,366	10,366	10,366	-
	621,580	608,429	607,920	(509)
M.A.N.T.I.S. Services				
Salaries and wages	160,203	147,503	145,154	(2,349)
Employee benefits	97,224	106,012	104,309	(1,703)
Services and supplies	4,073	4,073	4,073	-
	261,500	257,588	253,536	(4,052)
Road Patrol				
Salaries and wages	2,920,433	2,800,351	2,800,145	(206)
Employee benefits	1,421,465	1,358,946	1,358,767	(179)
Services and supplies	72,459	80,709	80,701	(8)
	4,414,357	4,240,006	4,239,613	(393)
Sheriff Records				
Salaries and wages	177,733	174,203	173,714	(489)
Employee benefits	103,281	108,018	107,562	(456)
Services and supplies	4,500	4,500	4,500	-
	285,514	286,721	285,776	(945)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Public Safety (continued)				
Youth Services				
Salaries and wages	\$ 125,302	\$ 125,460	\$ 125,445	\$ (15)
Employee benefits	74,036	72,742	72,712	(30)
Services and supplies	3,147	3,147	3,147	-
	202,485	201,349	201,304	(45)
Contractual-Local Units				
Salaries and wages	1,336,449	1,311,212	1,213,700	(97,512)
Employee benefits	1,022,849	957,768	927,877	(29,891)
Services and supplies	46,745	46,745	45,659	(1,086)
	2,406,043	2,315,725	2,187,236	(128,489)
Contractual-Schools				
Salaries and wages	460,849	467,399	466,497	(902)
Employee benefits	351,512	341,290	339,037	(2,253)
Services and supplies	16,495	16,495	11,922	(4,573)
	828,856	825,184	817,456	(7,728)
State Criminal Alien Assistance Programs				
Services and supplies	11,812	15,118	15,118	-
Justice Department Grant 2005 - DJ - BX0007				
Salaries and wages	-	11,153	-	(11,153)
Employee benefits	-	6,127	-	(6,127)
	-	17,280	-	(17,280)
Justice Department Grant 2009-DJ-BX-0158				
Services and supplies	22,095	21,982	368	(21,614)
Drug Enforcement				
Salaries and wages	83,039	95,525	94,709	(816)
Employee benefits	57,398	67,340	65,872	(1,468)
Services and supplies	2,100	2,100	2,100	-
	142,537	164,965	162,681	(2,284)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Public Safety (continued)				
Secondary Road Patrol				
Salaries and wages	\$ 190,926	\$ 256,321	\$ 256,275	\$ (46)
Employee benefits	147,540	195,287	194,884	(403)
Services and supplies	21,934	22,740	22,432	(308)
	360,400	474,349	473,591	(758)
Special Contractual				
Salaries and wages	25,200	45,650	45,438	(212)
Employee benefits	13,984	24,821	24,753	(68)
Services and supplies	668	668	668	-
	39,852	71,139	70,859	(280)
Bullet Proof Vest Program				
Services and supplies	9,975	9,975	-	(9,975)
Justice Training				
Services and supplies	68,933	42,753	40,871	(1,882)
Intersection Enforcement				
Salaries and wages	43,547	45,678	40,782	(4,896)
Employee benefits	24,077	25,022	22,340	(2,682)
Services and supplies	8,143	8,561	8,024	(537)
	75,767	79,261	71,146	(8,115)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Public Safety (continued)				
Marine Safety				
Salaries and wages	\$ 25,000	\$ 25,000	\$ 22,765	\$ (2,235)
Employee benefits	7,271	9,167	8,307	(860)
Services and supplies	14,268	12,168	11,248	(920)
	46,539	46,335	42,320	(4,015)
Marine Northern Border Initiative				
Services and supplies	10,000	10,000	5,901	(4,099)
Corrections - Jail				
Salaries and wages	2,426,490	2,545,449	2,545,391	(58)
Employee benefits	1,391,007	1,394,564	1,394,464	(100)
Services and supplies	1,221,881	1,074,796	1,055,126	(19,670)
	5,039,378	5,014,810	4,994,981	(19,829)
Corrections - Medical Services				
Salaries and wages	88,505	101,205	100,207	(998)
Employee benefits	55,719	41,896	40,237	(1,659)
Services and supplies	80,663	81,063	79,233	(1,830)
	224,887	224,164	219,677	(4,487)
Community Work Services Program				
Salaries and wages	47,944	52,776	54,205	1,429
Employee benefits	28,055	34,211	36,595	2,384
Services and supplies	181,700	176,474	172,660	(3,814)
	257,699	263,461	263,460	(1)
Emergency Management				
Salaries and wages	144,461	144,461	128,292	(16,169)
Employee benefits	76,486	75,305	60,740	(14,565)
Services and supplies	98,123	98,123	86,620	(11,503)
	319,070	317,889	275,652	(42,237)
UASI homeland security grant				
Services and supplies	94,276	205,276	115,778	(89,498)
OPSG 2009 Grant				
Salaries and wages	-	3,018	-	(3,018)
Employee benefits	-	1,732	-	(1,732)
Services and supplies	-	80,000	-	(80,000)
	-	84,750	-	(84,750)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Public Safety (concluded)				
Animal Control				
Salaries and wages	\$ 169,593	\$ 169,593	\$ 163,921	\$ (5,672)
Employee benefits	85,060	85,995	84,845	(1,150)
Services and supplies	111,828	113,744	84,292	(29,452)
	<u>366,481</u>	<u>369,332</u>	<u>333,058</u>	<u>(36,274)</u>
Justice-Byrne-2009-SB-B9-2232				
Salaries and wages	-	31,554	-	(31,554)
Employee benefits	-	16,853	-	(16,853)
Services and supplies	-	5,305	3,791	(1,514)
	<u>-</u>	<u>53,711</u>	<u>3,791</u>	<u>(49,920)</u>
Total Public Safety	17,638,966	17,707,213	17,110,288	(596,924)
Public Works				
Drains at Large				
Services and supplies	<u>69,762</u>	<u>69,762</u>	<u>69,762</u>	<u>-</u>
Health and Welfare				
Medical Examiner				
Salaries and wages	49,278	49,278	48,645	(633)
Employee benefits	13,944	13,651	11,469	(2,182)
Services and supplies	110,216	110,216	106,507	(3,709)
	<u>173,438</u>	<u>173,145</u>	<u>166,621</u>	<u>(6,524)</u>

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Health and Welfare (concluded)				
Commission on Aging				
Salaries and wages	\$ 119,937	\$ 119,937	\$ 120,002	\$ 65
Employee benefits	81,816	80,908	79,524	(1,384)
Services and supplies	120,043	122,426	121,015	(1,411)
	321,796	323,271	320,541	(2,730)
Veterans' Bureau				
Salaries and wages	26,869	27,559	26,840	(719)
Employee benefits	10,105	13,606	13,604	(2)
Services and supplies	5,409	3,785	3,727	(58)
	42,383	44,950	44,171	(779)
Soil Conservation District				
Services and supplies	26,200	26,200	26,200	-
Area Wide Water Quality Board				
Services and supplies	7,000	7,000	7,000	-
Industrial Development Corporation				
Services and supplies	51,850	51,850	51,850	-
Monroe County Opportunity Program				
Services and supplies	25,600	25,600	25,600	-
Head Start				
Services and supplies	24,000	24,000	24,000	-
Mental Health Facility				
Services and supplies	997,803	997,803	997,803	-
Total Health and Welfare	1,670,070	1,673,819	1,663,786	(10,033)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Community and Economic Development				
Economic Development - Dundee				
Services and supplies	\$ 126,742	\$ 126,712	\$ 118,916	\$ (7,796)
Planning				
Salaries and wages	252,300	257,727	201,363	(56,364)
Employee benefits	115,800	102,155	101,787	(368)
Services and supplies	67,509	77,509	71,441	(6,068)
	435,609	437,391	374,591	(62,800)
Plat Board				
Services and supplies	250	250	-	(250)
State Boundary Commission				
Services and supplies	150	150	-	(150)
Economic Development				
Services and supplies	29,784	29,784	29,784	-
MDEC - Food System Economic Partnership				
Services and supplies	12,000	12,000	12,000	-
Total Community and Economic Development	604,535	606,287	535,291	(70,996)
Recreation and Cultural				
Historical Commission				
Salaries and wages	171,872	160,571	158,860	(1,711)
Employee benefits	73,213	62,685	62,087	(598)
Services and supplies	66,089	63,302	48,908	(14,394)
	311,174	286,557	269,855	(16,702)
Community Center				
Services and supplies	26,200	26,200	26,200	-
S.E. Michigan Council of Governments				
Services and supplies	45,359	45,389	45,388	(1)
Monroe County Fair Association				
Services and supplies	12,000	12,000	11,510	(490)
Toledo Met Area Council of Governments				
Services and supplies	7,686	7,686	7,686	-
Total Recreation and Cultural	402,419	377,832	360,639	(17,193)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Other Expenditures				
Insurance, Bonds and Fringes				
Services and supplies	\$ 83,800	\$ 108,304	\$ 108,303	\$ (1)
Contingencies				
Services and supplies	(219,018)	174,475	-	(174,475)
Total Other Expenditures	(135,218)	282,779	108,303	(174,476)
Capital Outlay	681,611	925,348	738,429	(186,919)
Total Expenditures	36,083,741	36,581,931	34,769,314	(1,812,616)
Other Uses - Transfers out				
Health Department	1,367,365	1,052,341	1,052,341	-
Ambulance Authority	5,000	5,000	5,000	-
Friend of the Court	654,165	892,862	892,862	-
Self Help Road	-	7,685	7,685	-
Computer Capital Outlay	340,000	340,000	340,000	-
New Jail	1,920,123	1,533,613	1,533,613	-
Central Dispatch	1,199,497	1,096,014	1,096,014	-
Social Services	38,968	38,968	38,968	-
Social Services Infirmary	415,865	413,347	413,347	-
Child Care	2,167,149	1,737,845	1,737,845	-
Building Authority Debt	309,850	309,850	309,850	-
911/Emergency Operations Center Construction	25,000	25,000	25,000	-
Imaging	71,998	53,999	53,999	-
Total Other Uses - Transfers Out	8,514,980	7,506,524	7,506,524	-
Total Expenditures and Transfers Out	\$ 44,598,721	\$ 44,088,454	\$ 42,275,838	\$ (1,812,616)

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
County Health Special Revenue Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenues				
Licenses and permits	\$ 393,000	\$ 393,000	\$ 304,003	\$ (88,997)
Intergovernmental revenue	2,573,361	2,847,375	2,920,958	73,583
Charges for services	561,952	900,078	850,935	(49,143)
Other revenue	161,350	218,494	222,474	3,980
Total revenues	3,689,663	4,358,947	4,298,370	(60,577)
Expenditures				
Current				
Health and welfare:				
Salaries and wages	2,121,830	2,218,382	2,043,453	(174,929)
Employee benefits	1,063,273	1,089,818	981,607	(108,211)
Services and supplies	2,429,115	2,618,918	1,918,000	(700,918)
Capital outlay	-	71,555	67,403	(4,152)
Total expenditures	5,614,218	5,998,672	5,010,463	(988,209)
Revenues over (under) expenditures	(1,924,555)	(1,639,726)	(712,093)	927,633
Other financing sources				
Transfers in	1,367,365	1,052,341	1,052,341	-
Net change in fund balance	(557,190)	(587,385)	340,248	927,633
Fund balance, beginning of year	2,026,073	2,026,073	2,026,073	-
Fund balance, end of year	\$ 1,468,883	\$ 1,438,688	\$ 2,366,321	\$ 927,633

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Federal Prisoner Housing Special Revenue Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental revenues	\$ 1,828,124	\$ 2,170,124	\$ 2,411,720	\$ 241,596
Charges for services	218,000	218,000	274,610	56,610
Interest and rents	-	-	-	-
Other revenues	1,000	1,000	8,682	7,682
Total revenues	2,047,124	2,389,124	2,695,012	305,888
Expenditures				
Current				
Public safety:				
Salaries and wages	1,747,509	1,743,930	1,707,517	(36,413)
Employee benefits	1,357,474	1,316,544	1,326,183	9,639
Services and supplies	862,264	863,744	767,749	(95,995)
Other	-	-	-	-
Total expenditures	3,967,247	3,924,217	3,801,449	(122,768)
Revenues over (under) expenditures	(1,920,123)	(1,535,093)	(1,106,437)	428,656
Other financing sources				
Transfers in	1,920,123	1,533,613	1,533,613	-
Net changes in fund balances	-	(1,480)	427,176	428,656
Fund balances, beginning of year	87,059	87,059	87,059	-
Fund balances, end of year	\$ 87,059	\$ 85,579	\$ 514,235	\$ 428,656

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- | | |
|---|--|
| Friend of the Court Fund | <ul style="list-style-type: none">• Accounts for the County revenue that is reserved for the operation of this division of the Circuit Court. |
| Self-Help Road Fund | <ul style="list-style-type: none">• Records the activity involving appropriations from other funds and construction costs for this road program. |
| Budget Stabilization Fund | <ul style="list-style-type: none">• Established by resolution as provided in Act 30 of the Public Acts of 1978 to account for monies set aside for this purpose. |
| Central Dispatch Authority Fund | <ul style="list-style-type: none">• Accounts for the activity of the public safety answering point for all of Monroe County, including villages, townships and cities participating in the Emergency Telephone District of the 9-1-1 Service Plan. |
| Marriage Counseling Fund | <ul style="list-style-type: none">• Established under Act 4 of the Public Acts of 1980 for fees allocated to be used for family counseling services. |
| Prosecutor Drug Forfeiture Fund | <ul style="list-style-type: none">• Established to account for monies received by the prosecutor's office for drug forfeiture cases. |
| Special Investigation Drug Enforcement Fund | <ul style="list-style-type: none">• Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Drug Enforcement activities. |
| Federally Forfeited Property Fund | <ul style="list-style-type: none">• Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Local Law Enforcement activities. |
| MANTIS Drug Forfeiture Fund | <ul style="list-style-type: none">• Accounts for monies received by the Monroe Area Narcotics Team and Investigative Services (MANTIS) which is a multi-jurisdictional task force combining the efforts of the Michigan State Police, Monroe County Sheriff's Office and the Monroe Police Department. |

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

- | | |
|---|---|
| Forfeited Property Non-Drug Fund | <ul style="list-style-type: none">• Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Local Law Enforcement activities. |
| Job Training and Placement Fund | <ul style="list-style-type: none">• Accounts for costs involved with the training and placement of qualified county residents. |
| Workforce Investment Fund | <ul style="list-style-type: none">• Accounts for costs related to the Adult Program, for adults who are economically disadvantaged, and the Dislocated Workers Program, for certain laid-off individuals. |
| Sheriff Training Fund | <ul style="list-style-type: none">• Utilizes State funds to provide corrective and protective service officers with training seminars to update and enhance the officers' knowledge of criminal activities. |
| Social Services Fairview Infirmary Fund | <ul style="list-style-type: none">• Functions under the directions of the County Board and State Family Independence Agency to provide general relief for indigent persons and medical care for eligible persons who are unable to provide it for themselves. |
| Probate Court Youth Center Fund | <ul style="list-style-type: none">• Accounts for the revenue reserved for this division of the Probate Court and is used for the care of all juveniles under the jurisdiction of the Court. |
| Other Special Revenue Funds | <ul style="list-style-type: none">• These funds account for specific grants requiring separate accounting as stipulated in the grant provisions as well as several other small funds. These funds are not significant and are combined into one category of special revenue funds. Financing is provided primarily by federal and state grants, other revenues and reimbursements, and transfers. |

Debt Service Fund

- | | |
|--------------|---|
| Debt Service | <ul style="list-style-type: none">• This fund accounts for the accumulation of resources for, and the payment of, the general long-term obligations issued for the county and the Building Authority and other general obligations. |
|--------------|---|

COUNTY OF MONROE, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals</u>
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 1,236,818	\$ 57,249	\$ 1,294,067
Investments	3,012,686	383,609	3,396,295
Accounts receivable	331,086	-	331,086
Due from other governments	681,236	-	681,236
Due from other funds	1,235,550	-	1,235,550
Advances to other funds	91,026	-	91,026
	<hr/>	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	\$ 7,761,720	\$ 440,858	\$ 8,202,578
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 233,168	\$ -	\$ 233,168
Accrued wages and fringes	332,301	-	332,301
Due to other funds	212,614	-	212,614
Advances from other governments	42,000	-	42,000
Advances from other funds	83,301	-	83,301
Deferred revenue	1,466,647	-	1,466,647
	<hr/>	<hr/>	<hr/>
Total liabilities	2,370,031	-	2,370,031
Fund balances			
Reserved for:			
Encumbrances	17,980	-	17,980
Long-term advances	91,026	-	91,026
Donations	2,003	-	2,003
Unreserved:			
Designated for subsequent expenditures	409,218	-	409,218
Undesignated	4,871,462	440,858	5,312,320
	<hr/>	<hr/>	<hr/>
Total fund balances	5,391,689	440,858	5,832,547
	<hr/>	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 7,761,720	\$ 440,858	\$ 8,202,578

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Special Revenue	Debt Service	Totals
Revenues			
Taxes	\$ 5,637	\$ -	\$ 5,637
Licenses and permits	10,410	-	10,410
Intergovernmental revenues	6,701,966	-	6,701,966
Charges for services	1,062,310	-	1,062,310
Fines and forfeits	300,302	-	300,302
Interest and rents	6,078	625,589	631,667
Other revenue	940,467	-	940,467
	<hr/>		
Total revenues	9,027,170	625,589	9,652,759
<hr/>			
Expenditures			
Current:			
General government	2,738,875	-	2,738,875
Public safety	6,570,593	-	6,570,593
Public works	17,035	-	17,035
Health and welfare	3,752,872	-	3,752,872
Recreation and culture	41,611	-	41,611
Debt service:			
Principal	-	690,000	690,000
Interest	-	415,055	415,055
Issuance costs	-	71,353	71,353
Capital outlay	364,958	-	364,958
	<hr/>		
Total expenditures	13,485,944	1,176,408	14,662,352
	<hr/>		
Revenues (under) expenditures	(4,458,774)	(550,819)	(5,009,593)
<hr/>			
Other financing sources (uses)			
Issuance of refunding bonds	-	4,070,000	4,070,000
Premium on refunding bonds	-	15,536	15,536
Payment to escrow agent		(4,094,483)	(4,094,483)
Transfers in	4,583,622	362,452	4,946,074
Transfers (out)	(99,369)	-	(99,369)
	<hr/>		
Total other financing sources	4,484,253	353,505	4,837,758
	<hr/>		
Net changes in fund balances	25,479	(197,314)	(171,835)
	<hr/>		
Fund balances, beginning of year	5,366,210	638,172	6,004,382
	<hr/>		
Fund balances, end of year	\$ 5,391,689	\$ 440,858	\$ 5,832,547

COUNTY OF MONROE, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Friend of the Court	Self Help Road	Budget Stabilization	Central Dispatch Authority	Marriage Counseling
<u>ASSETS</u>					
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 108,871	\$ 5,646	\$ 1,716
Investments	-	-	2,301,794	-	-
Taxes receivable, current	-	-	-	-	-
Accounts receivable	-	-	-	3,837	-
Interfund receivable	-	-	-	-	-
Due from other governments	301,089	-	-	77,079	-
Due from other funds	63,868	-	-	140,000	25,000
Advances to other funds	-	-	91,026	-	-
	<hr/>				
<u>TOTAL ASSETS</u>	\$ 364,957	\$ -	\$ 2,501,691	\$ 226,562	\$ 26,716
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 2,071	\$ -	\$ -	\$ 7,255	\$ 2,955
Interfund payable	285,822	-	-	-	-
Accrued wages and fringes	77,063	-	-	71,311	-
Due to other funds	-	-	-	-	-
Advances from other governments	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
	<hr/>				
Total liabilities	364,956	-	-	78,566	2,955
Fund balances					
Reserved for:					
Encumbrances	-	-	-	-	-
Long-term advances	-	-	91,026	-	-
Donations	-	-	-	-	-
Unreserved:					
Designated for subsequent expenditures	-	-	216,000	-	54,790
Undesignated	1	-	2,194,665	147,996	(31,029)
	<hr/>				
Total fund balances (deficit)	1	-	2,501,691	147,996	23,761
	<hr/>				
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 364,957	\$ -	\$ 2,501,691	\$ 226,562	\$ 26,716

continued...

COUNTY OF MONROE, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Prosecutor Drug Forfeiture	Special Investigation Drug Enforcement	Federally Forfeited Property	MANTIS Drug Forfeiture	Forfeited Property Non-Drug	Job Training and Placement
<u>ASSETS</u>						
Assets						
Cash and cash equivalents	\$ 10,034	\$ 35,291	\$ 47,526	\$ 210,377	\$ 2,397	\$ 1,452
Investments	-	-	-	710,892	-	-
Taxes receivable, current	-	-	-	-	-	-
Accounts receivable	-	-	-	503	-	-
Interfund receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	119,523
Due from other funds	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
<u>TOTAL ASSETS</u>	\$ 10,034	\$ 35,291	\$ 47,526	\$ 921,772	\$ 2,397	\$ 120,975
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	\$ 330	\$ -	\$ -	\$ 23,082	\$ -	\$ 14,387
Interfund payable	-	-	-	-	-	-
Accrued wages and fringes	-	-	-	-	-	6,770
Due to other funds	-	-	-	-	-	82,000
Advances from other governments	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	330	-	-	23,082	-	103,157
Fund balances						
Reserved for:						
Encumbrances	-	-	-	-	-	-
Long-term advances	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Unreserved:						
Designated for subsequent expenditures	9,704	25,001	12,413	30,742	995	-
Undesignated	-	10,290	35,113	867,948	1,402	17,818
Total fund balances (deficit)	9,704	35,291	47,526	898,690	2,397	17,818
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 10,034	\$ 35,291	\$ 47,526	\$ 921,772	\$ 2,397	\$ 120,975

continued...

COUNTY OF MONROE, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Workforce Investment	Sheriff Training	Social Services Fairview Infirmary	Probate Court Youth Center	Other Special Revenue Funds	Total
<u>ASSETS</u>						
Assets						
Cash and cash equivalents	\$ 1,709	\$ 54,216	\$ 770	\$ 734,066	\$ 22,747	\$ 1,236,818
Investments	-	-	-	-	-	3,012,686
Taxes receivable, current	-	-	1,173,318	-	-	1,173,318
Accounts receivable	-	-	-	-	326,746	331,086
Interfund receivable	-	-	-	-	285,822	285,822
Due from other governments	100,346	-	43,201	-	39,998	681,236
Due from other funds	-	-	5,781	-	1,000,901	1,235,550
Advances to other funds	-	-	-	-	-	91,026
<u>TOTAL ASSETS</u>	\$ 102,055	\$ 54,216	\$ 1,223,070	\$ 734,066	\$ 1,676,214	\$ 8,047,542
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	\$ 7,928	\$ -	\$ 20,341	\$ 66,944	\$ 87,875	\$ 233,168
Interfund payable	-	-	-	-	-	285,822
Accrued wages and fringes	52,406	-	19,110	104,590	1,051	332,301
Due to other funds	32,000	6,714	9,901	-	81,999	212,614
Advances from other governments	-	-	-	-	42,000	42,000
Advances from other funds	-	-	-	-	83,301	83,301
Deferred revenue	-	-	1,173,318	-	293,329	1,466,647
Total liabilities	92,334	6,714	1,222,670	171,534	589,555	2,655,853
Fund balances						
Reserved for:						
Encumbrances	-	-	-	-	17,980	17,980
Long-term advances	-	-	-	-	-	91,026
Donations	-	-	-	-	2,003	2,003
Unreserved:						
Designated for subsequent expenditures	-	-	-	-	59,573	409,218
Undesignated	9,721	47,502	400	562,532	1,007,103	4,871,462
Total fund balances (deficit)	9,721	47,502	400	562,532	1,086,659	5,391,689
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 102,055	\$ 54,216	\$ 1,223,070	\$ 734,066	\$ 1,676,214	\$ 8,047,542

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Friend of the Court	Self Help Road	Budget Stabilization	Central Dispatch Authority	Marriage Counseling
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	10,410
Intergovernmental revenue	1,721,123	-	-	327,989	-
Charges for services	178,317	-	-	764,148	-
Fines and forfeits	-	-	-	-	-
Interest and rents	-	-	4,431	183	-
Other revenue	-	-	-	-	-
Total revenues	1,899,440	-	4,431	1,092,320	10,410
Expenditures					
Current:					
General government	2,617,771	-	-	-	41,942
Public safety	-	-	-	2,224,189	-
Public works	-	17,035	-	-	-
Health and welfare	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	2,617,771	17,035	-	2,224,189	41,942
Revenues over (under) expenditures	(718,331)	(17,035)	4,431	(1,131,869)	(31,532)
Other financing sources (uses)					
Transfers in	892,862	7,685	-	1,096,014	-
Transfers (out)	-	(47,468)	-	-	-
Total other financing sources (uses)	892,862	(39,783)	-	1,096,014	-
Net changes in fund balances	174,531	(56,818)	4,431	(35,855)	(31,532)
Fund balances, beginning of year	(174,530)	56,818	2,497,260	183,851	55,293
Fund balances (deficit), end of year	\$ 1	\$ -	\$ 2,501,691	\$ 147,996	\$ 23,761

continued...

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Prosecutor Drug Forfeiture	Special Investigation Drug Enforcement	Federally Forfeited Property	MANTIS Drug Forfeiture	Forfeited Property Non-Drug	Job Training and Placement
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	1,262,538
Charges for services	-	-	-	-	-	-
Fines and forfeits	22,168	-	36,244	227,173	-	-
Interest and rents	-	153	-	1,299	11	-
Other revenue	-	69,518	-	22,690	-	1,244
Total revenues	22,168	69,671	36,244	251,162	11	1,263,782
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	23,846	48,811	23,915	189,120	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1,263,777
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	10,549	2,588	-	-	-
Total expenditures	23,846	59,360	26,503	189,120	-	1,263,777
Revenues over (under) expenditures	(1,678)	10,311	9,741	62,042	11	5
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers (out)	(50,000)	-	-	-	-	-
Total other financing sources (uses)	(50,000)	-	-	-	-	-
Net changes in fund balances	(51,678)	10,311	9,741	62,042	11	5
Fund balances, beginning of year	61,382	24,980	37,785	836,648	2,386	17,813
Fund balances (deficit), end of year	\$ 9,704	\$ 35,291	\$ 47,526	\$ 898,690	\$ 2,397	\$ 17,818

continued...

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Workforce Investment	Sheriff Training	Social Services Fairview Infirmary	Probate Court Youth Center	Other Special Revenue Funds	Total
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,637	\$ 5,637
Licenses and permits	-	-	-	-	-	10,410
Intergovernmental revenue	1,245,419	25,053	-	2,102,098	17,746	6,701,966
Charges for services	-	-	-	83,393	36,452	1,062,310
Fines and forfeits	-	-	-	-	14,717	300,302
Interest and rents	-	-	-	-	1	6,078
Other revenue	400	-	309,136	51,164	486,315	940,467
Total revenues	1,245,819	25,053	309,136	2,236,655	560,868	9,027,170
Expenditures						
Current:						
General government	-	-	-	-	79,162	2,738,875
Public safety	-	19,230	-	4,001,909	39,573	6,570,593
Public works	-	-	-	-	-	17,035
Health and welfare	1,244,490	-	774,352	-	470,253	3,752,872
Recreation and culture	-	-	-	-	41,611	41,611
Capital outlay	-	-	-	-	351,821	364,958
Total expenditures	1,244,490	19,230	774,352	4,001,909	982,420	13,485,944
Revenues over (under) expenditures	1,329	5,823	(465,216)	(1,765,254)	(421,552)	(4,458,774)
Other financing sources (uses)						
Transfers in	-	-	413,347	1,737,845	435,869	4,583,622
Transfers (out)	-	-	(1,901)	-	-	(99,369)
Total other financing sources (uses)	-	-	411,446	1,737,845	435,869	4,484,253
Net changes in fund balances	1,329	5,823	(53,770)	(27,409)	14,317	25,479
Fund balances, beginning of year	8,392	41,679	54,170	589,941	1,072,342	5,366,210
Fund balances (deficit), end of year	\$ 9,721	\$ 47,502	\$ 400	\$ 562,532	\$ 1,086,659	\$ 5,391,689

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Friend of the Court			Actual Over (Under) Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,952,106	1,952,106	1,721,123	(230,983)
Contributions from local units	-	-	-	-
Charges for services	210,000	210,000	178,317	(31,683)
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	100	100	-	(100)
Total revenues	2,162,206	2,162,206	1,899,440	(262,766)
Expenditures				
Current:				
General government				
Salaries and wages	1,351,348	1,351,348	1,270,291	(81,057)
Employee benefits	1,004,843	1,004,843	888,754	(116,089)
Services and supplies	460,180	460,180	458,726	(1,454)
Other expenditures	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	2,816,371	2,816,371	2,617,771	(198,600)
Revenues over (under) expenditures	(654,165)	(654,165)	(718,331)	(64,166)
Other financing sources (uses)				
Transfers in	654,165	892,862	892,862	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	654,165	892,862	892,862	-
Net changes in fund balances	-	238,697	174,531	(64,166)
Fund balances, beginning of year	(174,530)	(174,530)	(174,530)	-
Fund balances (deficit), end of year	\$ (174,530)	\$ 64,167	\$ 1	\$ (64,166)

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Self Help Road			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
Public works				
Services and supplies	50,000	57,685	17,035	(40,650)
Capital outlay	-	-	-	-
Total expenditures	50,000	57,685	17,035	(40,650)
Revenues over (under) expenditures	(50,000)	(57,685)	(17,035)	40,650
Other financing sources (uses)				
Transfers in	-	7,685	7,685	-
Transfers (out)	-	(47,468)	(47,468)	-
Total other financing sources (uses)	-	(39,783)	(39,783)	-
Net changes in fund balances	(50,000)	(97,468)	(56,818)	40,650
Fund balances, beginning of year	56,818	56,818	56,818	-
Fund balances, end of year	\$ 6,818	\$ (40,650)	\$ -	\$ 40,650

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Budget Stabilization			Actual Over (Under) Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	4,431	4,431
Other revenues	-	-	-	-
Total revenues	-	-	4,431	4,431
Expenditures				
Current:				
General government				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	4,431	4,431
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	4,431	4,431
Fund balances, beginning of year	2,497,260	2,497,260	2,497,260	-
Fund balances, end of year	\$ 2,497,260	\$ 2,497,260	\$ 2,501,691	\$ 4,431

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Central Dispatch Authority			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	323,733	323,733	327,989	4,256
Contributions from local units	-	-	-	-
Charges for services	749,586	749,586	764,148	14,562
Fines and forfeits	-	-	-	-
Interest and rents	300	300	183	(117)
Other revenues	500	500	-	(500)
Total revenues	1,074,119	1,074,119	1,092,320	18,201
Expenditures				
Current:				
Public safety				
Salaries and wages	1,093,173	1,094,452	1,076,297	(18,155)
Employee benefits	771,889	767,127	768,773	1,646
Services and supplies	408,554	408,554	379,119	(29,435)
Capital outlay	-	-	-	-
Total expenditures	2,273,616	2,270,133	2,224,189	(45,944)
Revenues over (under) expenditures	(1,199,497)	(1,196,014)	(1,131,869)	64,145
Other financing sources (uses)				
Transfers in	1,199,497	1,096,014	1,096,014	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	1,199,497	1,096,014	1,096,014	-
Net changes in fund balances	-	(100,000)	(35,855)	64,145
Fund balances, beginning of year	183,851	183,851	183,851	-
Fund balances, end of year	\$ 183,851	\$ 83,851	\$ 147,996	\$ 64,145

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Marriage Counseling			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	15,000	15,000	10,410	(4,590)
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	-	-
Total revenues	15,000	15,000	10,410	(4,590)
Expenditures				
Current:				
General government				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	69,790	69,790	41,942	(27,848)
Capital outlay	-	-	-	-
Total expenditures	69,790	69,790	41,942	(27,848)
Revenues over (under) expenditures	(54,790)	(54,790)	(31,532)	23,258
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(54,790)	(54,790)	(31,532)	23,258
Fund balances, beginning of year	55,293	55,293	55,293	-
Fund balances, end of year	\$ 503	\$ 503	\$ 23,761	\$ 23,258

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Prosecutor Drug Forfeiture			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	28,564	28,564	22,168	(6,396)
Interest and rents	1,092	1,092	-	(1,092)
Other revenues	-	-	-	-
Total revenues	29,656	29,656	22,168	(7,488)
Expenditures				
Current:				
Public safety				
Salaries and wages	4,500	4,500	2,026	(2,474)
Employee benefits	1,114	1,114	496	(618)
Services and supplies	39,921	39,921	21,324	(18,597)
Capital outlay	-	-	-	-
Total expenditures	45,535	45,535	23,846	(21,689)
Revenues over (under) expenditures	(15,879)	(15,879)	(1,678)	14,201
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	(50,000)	(50,000)	(50,000)	-
Net changes in fund balances	(65,879)	(65,879)	(51,678)	14,201
Fund balances, beginning of year	61,382	61,382	61,382	-
Fund balances, end of year	\$ (4,497)	\$ (4,497)	\$ 9,704	\$ 14,201

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Special Investigation Drug Enforcement			Actual Over (Under) Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	500	500	153	(347)
Other revenues	25,000	59,028	69,518	10,490
Total revenues	25,500	59,528	69,671	10,143
Expenditures				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	50,500	84,466	48,811	(35,655)
Capital outlay	-	10,549	10,549	-
Total expenditures	50,500	95,015	59,360	(35,655)
Revenues over (under) expenditures	(25,000)	(35,487)	10,311	45,798
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	(61)	-	61
Total other financing sources (uses)	-	(61)	-	61
Net changes in fund balances	(25,000)	(35,548)	10,311	45,859
Fund balances, beginning of year	24,980	24,980	24,980	-
Fund balances, end of year	\$ (20)	\$ (10,568)	\$ 35,291	\$ 45,859

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Federally Forfeited Property			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	40,300	40,300	36,244	(4,056)
Interest and rents	-	-	-	-
Other revenues	-	-	-	-
Total revenues	40,300	40,300	36,244	(4,056)
Expenditures				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	55,300	52,713	23,915	(28,798)
Capital outlay	-	2,588	2,588	-
Total expenditures	55,300	55,300	26,503	(28,797)
Revenues over (under) expenditures	(15,000)	(15,000)	9,741	24,741
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(15,000)	(15,000)	9,741	24,741
Fund balances, beginning of year	37,785	37,785	37,785	-
Fund balances, end of year	\$ 22,785	\$ 22,785	\$ 47,526	\$ 24,741

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	MANTIS Drug Forfeiture			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	241,300	241,300	227,173	(14,127)
Interest and rents	3,000	3,000	1,299	(1,701)
Other revenues	8,900	8,900	22,690	13,790
Total revenues	253,200	253,200	251,162	(2,038)
Expenditures				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	285,491	285,491	189,120	(96,371)
Capital outlay	5,000	5,000	-	(5,000)
Total expenditures	290,491	290,491	189,120	(101,371)
Revenues over (under) expenditures	(37,291)	(37,291)	62,042	99,333
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(37,291)	(37,291)	62,042	99,333
Fund balances, beginning of year	836,648	836,648	836,648	-
Fund balances, end of year	\$ 799,357	\$ 799,357	\$ 898,690	\$ 99,333

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Forfeited Property - Non-Drug			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	5	5	11	6
Other revenues	-	-	-	-
Total revenues	5	5	11	6
Expenditures				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	1,000	1,000	-	(1,000)
Capital outlay	-	-	-	-
Total expenditures	1,000	1,000	-	(1,000)
Revenues over (under) expenditures	(995)	(995)	11	1,006
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(995)	(995)	11	1,006
Fund balances, beginning of year	2,386	2,386	2,386	-
Fund balances, end of year	\$ 1,391	\$ 1,391	\$ 2,397	\$ 1,006

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Job Training and Placement			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,677,734	1,749,525	1,262,538	(486,987)
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	1,244	1,244
Total revenues	1,677,734	1,749,525	1,263,782	(485,743)
Expenditures				
Current:				
Health and welfare				
Salaries and wages	645,684	650,988	504,801	(146,187)
Employee benefits	523,453	543,125	373,342	(169,783)
Services and supplies	508,597	555,412	385,634	(169,778)
Capital outlay	-	-	-	-
Total expenditures	1,677,734	1,749,525	1,263,777	(485,748)
Revenues over (under) expenditures	-	-	5	5
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	5	5
Fund balances, beginning of year	17,813	17,813	17,813	-
Fund balances, end of year	\$ 17,813	\$ 17,813	\$ 17,818	\$ 5

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Workforce Investment			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,645,477	1,745,812	1,245,419	(500,393)
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	400	400
Total revenues	1,645,477	1,745,812	1,245,819	(499,993)
Expenditures				
Current:				
Health and welfare				
Salaries and wages	679,280	711,479	537,617	(173,862)
Employee benefits	530,585	564,971	400,071	(164,900)
Services and supplies	435,612	469,362	306,802	(162,560)
Capital outlay	-	-	-	-
Total expenditures	1,645,477	1,745,812	1,244,490	(501,322)
Revenues over (under) expenditures	-	-	1,329	1,329
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances		-	1,329	1,329
Fund balances, beginning of year	8,392	8,392	8,392	-
Fund balances, end of year	\$ 8,392	\$ 8,392	\$ 9,721	\$ 1,329

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Sheriff Training			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	22,000	22,000	25,053	3,053
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	-	-
Total revenues	22,000	22,000	25,053	3,053
Expenditures				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	22,000	22,000	19,230	(2,770)
Capital outlay	-	-	-	-
Total expenditures	22,000	22,000	19,230	(2,770)
Revenues over (under) expenditures	-	-	5,823	5,823
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	5,823	5,823
Fund balances, beginning of year	41,679	41,679	41,679	-
Fund balances, end of year	\$ 41,679	\$ 41,679	\$ 47,502	\$ 5,823

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Social Services Fairview Infirmary			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	330,000	330,000	309,136	(20,864)
Total revenues	330,000	330,000	309,136	(20,864)
Expenditures				
Current:				
Health and welfare				
Salaries and wages	348,698	346,057	356,831	10,774
Employee benefits	139,260	192,956	171,393	(21,563)
Services and supplies	257,907	257,907	246,128	(11,779)
Other	-	3,880	-	(3,880)
Capital outlay	-	-	-	-
Total expenditures	745,865	800,801	774,352	(26,449)
Revenues over (under) expenditures	(415,865)	(470,801)	(465,216)	5,585
Other financing sources (uses)				
Transfers in	415,865	413,347	413,347	-
Transfers (out)	-	(7,682)	(1,901)	5,781
Total other financing sources (uses)	415,865	405,665	411,446	5,781
Net changes in fund balances	-	(65,136)	(53,770)	11,366
Fund balances, beginning of year	54,170	54,170	54,170	-
Fund balances, end of year	\$ 54,170	\$ (10,966)	\$ 400	\$ 11,366

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Probate Court Youth Center			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	2,076,803	1,969,249	2,102,098	132,849
Contributions from local units	-	-	-	-
Charges for services	150,175	150,175	83,393	(66,782)
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	53,500	53,500	51,164	(2,336)
Total revenues	2,280,478	2,172,924	2,236,655	63,731
Expenditures				
Current:				
Public safety				
Salaries and wages	1,885,020	1,732,980	1,714,341	(18,639)
Employee benefits	1,292,850	1,159,061	1,128,238	(30,823)
Services and supplies	1,269,757	1,373,247	1,159,330	(213,917)
Capital outlay	-	-	-	-
Total expenditures	4,447,627	4,265,288	4,001,909	(263,379)
Revenues over (under) expenditures	(2,167,149)	(2,092,364)	(1,765,254)	327,110
Other financing sources (uses)				
Transfers in	2,167,149	1,737,845	1,737,845	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	2,167,149	1,737,845	1,737,845	-
Net changes in fund balances	-	(354,519)	(27,409)	327,110
Fund balances, beginning of year	589,941	589,941	589,941	-
Fund balances, end of year	\$ 589,941	\$ 235,422	\$ 562,532	\$ 327,110

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Other Special Revenue Funds			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 201,000	\$ 201,000	\$ 5,637	\$ (195,363)
Licenses and permits	-	-	-	-
Intergovernmental revenues	30,300	30,300	17,746	(12,554)
Contributions from local units	-	-	-	-
Charges for services	50,000	50,000	36,452	(13,548)
Fines and forfeits	20,000	20,000	14,717	(5,283)
Interest and rents	-	-	1	1
Other revenues	976,240	986,040	486,315	(499,725)
Total revenues	1,277,540	1,287,340	560,868	(726,472)
Expenditures				
Current:				
General government				
Salaries and wages	25,000	25,000	21,927	(3,073)
Employee benefits	2,225	2,225	1,822	(403)
Services and supplies	138,029	142,575	55,413	(87,162)
Public Safety				
Salaries and wages	47,250	47,250	19,239	(28,011)
Employee benefits	25,591	25,591	5,819	(19,772)
Services and supplies	39,636	39,636	14,515	(25,121)
Health and welfare				
Salaries and wages	22,943	24,984	22,438	(2,546)
Employee benefits	6,736	13,725	13,235	(490)
Services and supplies	924,836	927,790	434,580	(493,210)
Recreation and culture				
Salaries and wages	3,950	3,950	2,991	(959)
Services and supplies	46,750	65,275	38,620	(26,655)
Other	125,358	115,275	-	(115,275)
Capital outlay	390,000	962,128	351,821	(610,307)
Total expenditures	1,798,304	2,395,404	982,420	(1,412,984)
Revenues over (under) expenditures	(520,764)	(1,108,064)	(421,552)	686,512
Other financing sources (uses)				
Transfers in	433,348	435,249	435,869	620
Transfers (out)	-	-	-	-
Total other financing sources (uses)	433,348	435,249	435,869	620
Net changes in fund balances	(87,416)	(672,815)	14,317	687,132
Fund balances, beginning of year	1,072,342	1,072,342	1,072,342	-
Fund balances, end of year	\$ 984,926	\$ 399,527	\$ 1,086,659	\$ 687,132

NONMAJOR ENTERPRISE FUNDS

- | | |
|-------------------------------|--|
| Equipment Rental Fund | <ul style="list-style-type: none">• Accounts for the reimbursement to the County by Drain districts for the use of county equipment and drain maintenance and repair. |
| Imaging Services Fund | <ul style="list-style-type: none">• Accounts for the reimbursement of the printing department costs by user departments, government entities and agencies. |
| Engineering Fund | <ul style="list-style-type: none">• Accounts for the reimbursement to the County by Drain Districts for the services of engineers, who are employed by the County. |
| Inmate Commissary Fund | <ul style="list-style-type: none">• Used to account for the concession activity for inmates in the county jails. |
| Property Tax Foreclosure Fund | <ul style="list-style-type: none">• This fund is used to account for the forfeit, foreclosure, and sale of property for delinquent property taxes. |
| Revolving Loan Fund | <ul style="list-style-type: none">• This fund is used to report activity related to the issuance and repayment of Housing Rehabilitation Loans made to County residents that are eligible to participate in the Community Development Block Grant Housing Rehabilitation Loan program. |

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COUNTY OF MONROE, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2010

<u>ASSETS</u>	Equipment Rental	Imaging Services	Engineering	Inmate Commissary	Property tax Foreclosure	Revolving Loan	Total
Assets							
Current assets:							
Cash and cash equivalents	\$ 192,588	\$ 7,618	\$ 2,074	\$ 206,497	\$ 474,063	\$ 83,074	\$ 965,914
Investments	-	-	-	-	500,526	-	500,526
Accounts receivable	-	-	-	-	7,351	-	7,351
Due from other funds	-	40,000	-	-	-	-	40,000
Due from other governments	-	2,325	-	-	-	-	2,325
Loans receivable due within one year	-	-	-	-	-	48,750	48,750
Total current assets	192,588	49,943	2,074	206,497	981,940	131,824	1,564,866
Noncurrent assets:							
Loans receivable	-	-	-	-	-	1,805,839	1,805,839
Capital assets, net	5,233	793	-	-	-	-	6,026
Total noncurrent assets	5,233	793	-	-	-	1,805,839	1,811,865
<u>TOTAL ASSETS</u>	\$ 197,821	\$ 50,736	\$ 2,074	\$ 206,497	\$ 981,940	\$ 1,937,663	\$ 3,376,731
<u>LIABILITIES AND NET ASSETS</u>							
Liabilities							
Current liabilities:							
Accounts payable	\$ 4,551	\$ 4,564	\$ -	\$ 2,448	\$ 5,211	\$ 8,750	\$ 25,524
Accrued wages and fringes	1,979	1,957	-	-	-	-	3,936
Due to other governments	-	-	-	-	-	23,436	23,436
Total liabilities	6,530	6,521	-	2,448	5,211	32,186	52,896
Net assets							
Invested in capital assets	5,233	793	-	-	-	-	6,026
Unrestricted	186,058	43,422	2,074	204,049	976,729	1,905,477	3,317,809
Total net assets	191,291	44,215	2,074	204,049	976,729	1,905,477	3,323,835
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 197,821	\$ 50,736	\$ 2,074	\$ 206,497	\$ 981,940	\$ 1,937,663	\$ 3,376,731

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2010

	Equipment Rental	Imaging Services	Engineering	Inmate Commissary	Property tax Foreclosure	Revolving Loan	Total
Operating revenues							
Charges for services	\$ 34,753	\$ 85,858	\$ 10,054	\$ 65,059	\$ 570,443	\$ -	\$ 766,167
Interest on loan repayments	-	-	-	-	-	13	13
Other operating revenue	179,340	-	-	-	-	-	179,340
Total operating revenues	214,093	85,858	10,054	65,059	570,443	13	945,520
Operating expense							
Cost of services	224,834	133,287	26,275	65,156	308,139	222,966	980,657
Depreciation	3,880	1,587	-	-	-	-	5,467
Total operating expense	228,714	134,874	26,275	65,156	308,139	222,966	986,124
Operating income (loss)	(14,621)	(49,016)	(16,221)	(97)	262,304	(222,953)	(40,604)
Nonoperating revenue							
Intergovernmental revenue	-	-	-	-	-	367,124	367,124
Interest revenue	-	-	-	-	2,093	-	2,093
Total nonoperating revenue	-	-	-	-	2,093	367,124	369,217
Income (loss) before transfers	(14,621)	(49,016)	(16,221)	(97)	264,397	144,171	328,613
Transfers							
Transfers in	-	53,999	-	-	-	-	53,999
Change in net assets	(14,621)	4,983	(16,221)	(97)	264,397	144,171	382,612
Net assets, beginning of year	205,912	39,232	18,295	204,146	712,332	1,761,306	2,941,223
Net assets, end of year	\$ 191,291	\$ 44,215	\$ 2,074	\$ 204,049	\$ 976,729	\$ 1,905,477	\$ 3,323,835

COUNTY OF MONROE, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2010

	Equipment Rental	Imaging Services	Engineering	Inmate Commissary	Property Tax Foreclosure	Revolving Loan	Total
Cash flows from operating activities							
Cash received from customers	\$ 214,093	\$ 45,867	\$ 10,054	\$ 65,059	\$ 569,305	\$ -	\$ 904,378
Collections of housing loan principal	-	-	-	-	-	62,236	62,236
Collections of housing loan interest	-	-	-	-	-	13	13
Cash payments to suppliers for goods and services	(188,178)	(27,477)	(25,834)	(63,734)	(234,253)	(210,180)	(749,656)
Cash payments for employee services	(45,757)	(109,617)	(12,001)	-	(77,665)	-	(245,040)
Housing loans issued	-	-	-	-	-	(176,939)	(176,939)
Net cash provided (used) by operating activities	(19,842)	(91,227)	(27,781)	1,325	257,387	(324,870)	(205,008)
Cash flows from noncapital financing activities							
Intergovernmental revenue	-	-	-	-	-	367,124	367,124
Loans issued to borrowers	-	-	-	-	-	-	-
Loans repaid by borrowers	-	-	-	-	-	-	-
Transfers in	-	53,999	-	-	-	-	53,999
Net cash provided (used) by noncapital financing activities	-	53,999	-	-	-	367,124	421,123
Cash flows from investing activities							
Sale of investments	-	-	-	-	544	-	544
Interest received	-	-	-	-	2,093	-	2,093
Net cash provided (used) by investing activities	-	-	-	-	2,637	-	2,637
Net increase (decrease) in cash and cash equivalents	(19,842)	(37,228)	(27,781)	1,325	260,024	42,254	218,752
Cash and cash equivalents, beginning of year	212,430	44,846	29,855	205,172	214,039	40,820	747,162
Cash and cash equivalents, end of year	\$ 192,588	\$ 7,618	\$ 2,074	\$ 206,497	\$ 474,063	\$ 83,074	\$ 965,914
Cash flows from operating activities							
Operating income (loss)	\$ (14,621)	\$ (49,016)	\$ (16,221)	\$ (97)	\$ 262,304	\$ (222,953)	\$ (40,604)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	3,880	1,587	-	-	-	-	5,467
Bad dept expense	-	-	-	-	-	5,600	5,600
(Increase) decrease in:							
Accounts receivable	-	-	-	-	(1,138)	-	(1,138)
Due from other governments	-	9	-	-	-	-	9
Due from other funds	-	(40,000)	-	-	-	-	(40,000)
Due from component unit	-	-	-	-	-	-	-
Advance from other governments	-	-	-	-	-	(364)	(364)
Loans receivable	-	-	-	-	-	(114,703)	(114,703)
Increase (decrease) in:							
Accounts payable	(10,590)	(694)	(5,094)	1,422	(3,779)	7,550	(11,185)
Accrued wages and fringes	1,489	(3,113)	(6,466)	-	-	-	(8,090)
Net cash provided (used) by operating activities	\$ (19,842)	\$ (91,227)	\$ (27,781)	\$ 1,325	\$ 257,387	\$ (324,870)	\$ (205,008)

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INTERNAL SERVICE FUNDS

- | | |
|--------------------------------|--|
| Office Equipment Pool Fund | <ul style="list-style-type: none">• Used to record the operations of an office equipment pool. |
| Telephone Fund | <ul style="list-style-type: none">• Accounts for the reimbursement of telephone costs by user departments. |
| Banked Sick Pay Fund | <ul style="list-style-type: none">• Established to record the liability and related costs associated with banked sick pay accumulated prior to July 1, 1986. |
| Dental Insurance Fund | <ul style="list-style-type: none">• Established to accumulate and disburse monies related to dental insurance claims. |
| Unemployment Compensation Fund | <ul style="list-style-type: none">• Established to accumulate and disburse monies related to unemployment compensation claims. |
| Health Insurance Fund | <ul style="list-style-type: none">• Established to accumulate and disburse monies related to health insurance claims. |
| Workers' Compensation Fund | <ul style="list-style-type: none">• Established to accumulate and disburse monies related to workers' compensation claims. |
| Long-Term Disability Fund | <ul style="list-style-type: none">• Established in order to pay employee wages and certain benefits while on short or long-term disability. |
| Liability Insurance Fund | <ul style="list-style-type: none">• Established in order to pay the liability insurance of the County. |
| Tax Collection Insurance Fund | <ul style="list-style-type: none">• Established to accumulate and disburse monies related to insurance for local entities for tax collection requirements. |

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COUNTY OF MONROE, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2010

	Office Equipment Pool	Telephone	Banked Sick Pay	Dental Insurance	Unemployment Compensation	Health Insurance	Worker's Compensation	Long-Term Disability	Liability Insurance	Tax Collection Insurance	Total
<u>ASSETS</u>											
Assets											
Current assets:											
Cash and cash equivalents	\$ 1,922	\$ 2,194	\$ 33,778	\$ 32,345	\$ 1,969	\$ 9,356	\$ 42,695	\$ 3,600	\$ 5,573	\$ 311	\$ 133,743
Investments	-	-	-	-	-	1,703,633	1,000,353	-	-	-	2,703,986
Accounts receivable	-	-	-	-	-	265,906	-	-	-	689	266,595
Due from other funds	235,000	222,202	-	335,000	245,000	2,110,000	180,000	340,000	307,327	-	3,974,529
Total current assets	236,922	224,396	33,778	367,345	246,969	4,088,895	1,223,048	343,600	312,900	1,000	7,078,853
Noncurrent assets:											
Restricted assets - cash and cash equivalents	-	-	-	-	-	-	-	-	540,201	-	540,201
Capital assets being depreciated, net	176,293	-	-	-	-	-	-	-	-	-	176,293
Total noncurrent assets	176,293	-	-	-	-	-	-	-	540,201	-	716,494
<u>TOTAL ASSETS</u>	\$ 413,215	\$ 224,396	\$ 33,778	\$ 367,345	\$ 246,969	\$ 4,088,895	\$ 1,223,048	\$ 343,600	\$ 853,101	\$ 1,000	\$ 7,795,347
<u>LIABILITIES AND NET ASSETS</u>											
Liabilities											
Current liabilities:											
Accounts payable	\$ -	\$ -	\$ -	\$ 26,130	\$ -	\$ 15,761	\$ 2,073	\$ 2,021	\$ -	\$ -	\$ 45,985
Compensated absences payable	-	-	33,778	-	-	-	-	-	-	-	33,778
Other accrued liabilities	-	-	-	10,520	19,498	336,607	218,543	8,377	681,090	-	1,274,635
Due to other funds	-	-	-	-	-	-	-	-	-	1,000	1,000
Total current liabilities	-	-	33,778	36,650	19,498	352,368	220,616	10,398	681,090	1,000	1,355,398
Noncurrent liabilities:											
Advances from other funds	91,026	-	-	-	-	-	-	-	-	-	91,026
Total liabilities	91,026	-	33,778	36,650	19,498	352,368	220,616	10,398	681,090	1,000	1,446,424
Net assets											
Invested in capital assets	176,293	-	-	-	-	-	-	-	-	-	176,293
Unrestricted	145,896	224,396	-	330,695	227,471	3,736,527	1,002,432	333,202	172,011	-	6,172,630
Total net assets	322,189	224,396	-	330,695	227,471	3,736,527	1,002,432	333,202	172,011	-	6,348,923
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 413,215	\$ 224,396	\$ 33,778	\$ 367,345	\$ 246,969	\$ 4,088,895	\$ 1,223,048	\$ 343,600	\$ 853,101	\$ 1,000	\$ 7,795,347

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2010

	Office Equipment Pool	Telephone	Banked Sick Pay	Dental Insurance	Unemployment Compensation	Health Insurance	Worker's Compensation	Long-Term Disability	Liability Insurance	Tax Collection Insurance	Total
Operating revenues											
Charges for services	\$ -	\$ 81,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,120
Employer contributions	-	-	-	377,096	138,874	5,970,031	397,219	172,290	709,122	-	7,764,632
Employee contributions	-	-	-	-	-	443,416	-	-	-	-	443,416
Other revenue	94,964	5	-	92,330	-	156,686	1,182	-	1,000	26,710	372,877
Total operating revenues	94,964	81,125	-	469,426	138,874	6,570,133	398,401	172,290	710,122	26,710	8,662,045
Operating expense											
Administrative costs	-	68,763	-	43,211	-	-	18,257	955	14,099	-	145,285
Benefit payments	-	-	-	376,239	77,910	5,440,107	9,216	180,822	-	-	6,084,294
Liability insurance	-	-	-	-	-	-	-	-	1,196,138	26,710	1,222,848
Depreciation	67,251	-	-	-	-	-	-	-	-	-	67,251
Total operating expense	67,251	68,763	-	419,450	77,910	5,440,107	27,473	181,777	1,210,237	26,710	7,519,678
Operating income (loss)	27,713	12,362	-	49,976	60,964	1,130,026	370,928	(9,487)	(500,115)	-	1,142,367
Non-operating revenue											
Interest earned on investments	-	-	-	-	-	7,398	353	-	-	-	7,751
Change in net assets	27,713	12,362	-	49,976	60,964	1,137,424	371,281	(9,487)	(500,115)	-	1,150,118
Net assets beginning of year	294,476	212,034	-	280,719	166,507	2,599,103	631,151	342,689	672,126	-	5,198,805
Net assets, end of year	\$ 322,189	\$ 224,396	\$ -	\$ 330,695	\$ 227,471	\$ 3,736,527	\$ 1,002,432	\$ 333,202	\$ 172,011	\$ -	\$ 6,348,923

COUNTY OF MONROE, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010

	Office Equipment Pool	Telephone	Banked Sick Pay	Dental Insurance	Unemployment Compensation	Health Insurance	Worker's Compensation	Long-Term Disability	Liability Insurance	Tax Collection Insurance	Total
Cash flows from operating activities											
Cash received from customers	\$ 94,964	\$ 61,713	\$ -	\$ 424,426	\$ 63,874	\$ 5,135,459	\$ 218,401	\$ 2,290	\$ 409,865	\$ 26,021	\$ 6,437,013
Cash payments to suppliers for goods and services	-	(69,835)	(31,047)	-	-	-	-	-	(720,959)	(25,710)	(847,551)
Cash payments for employee benefits	-	-	-	(425,595)	(65,692)	(5,964,629)	(190,685)	(182,286)	-	-	(6,828,887)
Loan to other fund repayment	(47,392)	-	-	-	-	-	-	-	-	-	(47,392)
Net cash provided (used) by operating activities	47,572	(8,122)	(31,047)	(1,169)	(1,818)	(829,170)	27,716	(179,996)	(311,094)	311	(1,286,817)
Cash flows from noncapital financing activities											
Repayment of long-term advances	(41,025)	-	-	-	-	-	-	-	-	-	(41,025)
Cash flows from capital and related financing activities											
Purchase of capital assets	(7,874)	-	-	-	-	-	-	-	-	-	(7,874)
Cash flows from investing activities											
Proceeds from maturity of investments	-	-	-	-	-	798,326	-	-	-	-	798,326
Purchase of investments	-	-	-	-	-	-	(499,723)	-	-	-	(499,723)
Interest received	-	-	-	-	-	7,398	353	-	-	-	7,751
Net cash provided (used) by investing activities	-	-	-	-	-	805,724	(499,370)	-	-	-	306,354
Net increase (decrease) in cash and cash equivalents	(1,327)	(8,122)	(31,047)	(1,169)	(1,818)	(23,446)	(471,654)	(179,996)	(311,094)	311	(1,029,362)
Cash and cash equivalents, beginning of year	3,249	10,316	64,825	33,514	3,787	32,802	514,349	183,596	856,868	-	1,703,306
Cash and cash equivalents, end of year	\$ 1,922	\$ 2,194	\$ 33,778	\$ 32,345	\$ 1,969	\$ 9,356	\$ 42,695	\$ 3,600	\$ 545,774	\$ 311	\$ 673,944
Cash flows from operating activities											
Operating income (loss)	\$ 27,713	\$ 12,362	\$ -	\$ 49,976	\$ 60,964	\$ 1,130,026	\$ 370,928	\$ (9,487)	\$ (500,115)	\$ -	\$ 1,142,367
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:											
Depreciation expense	67,251	-	-	-	-	-	-	-	-	-	67,251
(Increase) decrease in:											
Accounts receivable	-	-	-	-	-	(124,674)	-	-	-	(689)	(125,363)
Due from other funds	(47,392)	(19,412)	-	(45,000)	(75,000)	(1,310,000)	(180,000)	(170,000)	(300,257)	-	(2,147,061)
Increase (decrease) in:											
Accounts payable	-	(1,072)	-	26,130	-	213	(10,301)	379	-	-	15,349
Compensated absences payable	-	-	(31,047)	-	-	280	-	-	-	-	(30,767)
Other accrued liabilities - IBNR	-	-	-	(32,275)	12,218	(525,015)	(152,911)	(888)	489,278	-	(209,593)
Due to other funds	-	-	-	-	-	-	-	-	-	1,000	1,000
Net cash provided (used) by operating activities	\$ 47,572	\$ (8,122)	\$ (31,047)	\$ (1,169)	\$ (1,818)	\$ (829,170)	\$ 27,716	\$ (179,996)	\$ (311,094)	\$ 311	\$ (1,286,817)

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FIDUCIARY FUNDS

- | | |
|---|--|
| Employees' Retirement System Trust Fund | <ul style="list-style-type: none">• Used to account for the financial operations of the Monroe County Employees' Retirement System. The system is administered by a nine-member board of trustees, while the County acts as the custodian of the system. |
| Retiree Health Insurance Trust Fund | <ul style="list-style-type: none">• Used to account for the operations of this fund for current retiree hospitalization benefits and their subsequent disbursement. |
| General Agency Fund | <ul style="list-style-type: none">• Used to account for monies deposited with the County Treasurer that are to be released at a later date. |
| Current Tax Collection Agency Fund | <ul style="list-style-type: none">• Used to record the collection of current property taxes and their subsequent disbursement to various municipalities, school districts and other governmental units. |
| Imprest Payroll Agency Fund | <ul style="list-style-type: none">• Used to account for the County's payroll and related withholdings. |
| Penal Fines Agency Fund | <ul style="list-style-type: none">• Used to account for monies received by the District and Circuit Courts for penal fines that are subsequently disbursed to public libraries. |
| Escheats Probate Court Agency Fund | <ul style="list-style-type: none">• Used to account for monies that have not been claimed and are subsequently disbursed to the State of Michigan. |
| MANTIS Safe and Non-adjudicated | <ul style="list-style-type: none">• Used to account for cash seized from defendants upon arrest and bonds posted in accordance with the laws of the State of Michigan, until settlement of a case. |
| Clearing Account Agency Fund | <ul style="list-style-type: none">• Used as a clearing account for the County's disbursements. |

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COUNTY OF MONROE, MICHIGAN
Combining Statement of Fiduciary Net Assets
Pension and Other Employee Benefit Trust Funds
December 31, 2010

	Employees' Retirement System	Retiree Health Insurance	Total
Assets			
Cash and cash equivalents	\$ -	\$ 442,885	\$ 442,885
Investments at fair value:			
U.S. treasuries	15,120,941	1,167,390	16,288,331
U.S. agencies	9,834,087	1,468,542	11,302,629
Foreign government bonds	10,035,931	-	10,035,931
Corporate bonds	33,674,729	4,607,086	38,281,815
Municipal bonds	715,893	-	715,893
Bond mutual fund	3,688,369	6,221,055	9,909,424
Domestic equities	36,973,181	10,087,612	47,060,793
International equities	11,656,389	-	11,656,389
American depository receipts	34,778,284	-	34,778,284
Domestic real estate investment trusts	1,987,802	-	1,987,802
International real estate investment trusts	2,686,448	-	2,686,448
Collateralized mortgage obligations	3,989,568	-	3,989,568
Money market accounts	11,997,288	1,210,911	13,208,199
Accounts receivable	494,208	153,431	647,639
Interest receivable	873,590	-	873,590
Total assets	178,506,708	25,358,912	203,865,620
Liabilities			
Accounts payable	1,364,796	199,476	1,564,272
Obligation for impaired investment of securities lending collateral	347,334	-	347,334
Foreign currency forward contracts payable	91,947	-	91,947
Total liabilities	1,804,077	199,476	2,003,553
Net assets held in trust for pension benefits and other purposes	\$ 176,702,631	\$ 25,159,436	\$ 201,862,067

COUNTY OF MONROE, MICHIGAN
Combining Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Trust Funds
For the Year Ended December 31, 2010

	Employees' Retirement System	Retiree Health Insurance	Total
Additions			
Investment income:			
<i>From investing activities</i>			
Net appreciation in fair value of investments	\$ 11,584,757	\$ 1,549,806	\$ 13,134,563
Interest and dividends	5,476,869	691,534	6,168,403
Total investment gain	17,061,626	2,241,340	19,302,966
Less: investment management fees	(976,152)	(178,325)	(1,154,477)
Net gain from investing activities	16,085,474	2,063,015	18,148,489
<i>From securities lending activities</i>			
Gross earnings	35,972	-	35,972
Borrower rebates	1,182	-	1,182
Security lending fees	(13,205)	-	(13,205)
Loss on impairment of invested securities lending collateral	(347,334)	-	(347,334)
Net loss from securities lending activities	(323,385)	-	(323,385)
Total net investment gain	15,762,089	2,063,015	17,825,104
Contributions:			
Employer	5,938,425	2,746,767	8,685,192
Employee	170,359	284,985	455,344
Retiree and other	-	266,684	266,684
Time purchase	1,666,173	-	1,666,173
Total contributions	7,774,957	3,298,436	11,073,393
Total additions	23,537,046	5,361,451	28,898,497
Deductions			
Benefit payments	10,717,539	4,660,265	15,377,804
Refunds of contributions	1,477,250	14,644	1,491,894
Administrative expenses/premiums paid	285,872	76,087	361,959
Total deductions	12,480,661	4,750,996	17,231,657
Net additions to net assets held in trust	11,056,385	610,455	11,666,840
Net assets held in trust for pension benefits and other purposes			
Beginning of year	165,646,246	24,548,981	190,195,227
End of year	\$ 176,702,631	\$ 25,159,436	\$ 201,862,067

COUNTY OF MONROE, MICHIGAN
Combining Statement of Assets and Liabilities
All Agency Funds
December 31, 2010

	General Agency	Current Tax Collection	Imprest Payroll	Penal Fines	Escheats Probate Court	MANTIS Safe and Non-adjudicated	Clearing Account	Total
Assets								
Cash and cash equivalents	\$ 223,551	\$ 7,061,432	\$ 90,542	\$ 3,359	\$ 17,715	\$ 45,294	\$ -	\$ 7,441,893
Investments	750,921	5,029	-	-	-	-	-	755,950
Total assets	\$ 974,472	\$ 7,066,461	\$ 90,542	\$ 3,359	\$ 17,715	\$ 45,294	\$ -	\$ 8,197,843
Liabilities								
Accounts payable	\$ 5,389	\$ 173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,562
Due to other governments	249,964	-	89,986	3,359	-	-	-	343,309
Undistributed taxes - current levy	-	7,066,288	-	-	-	-	-	7,066,288
Undistributed taxes - other	78,902	-	-	-	-	-	-	78,902
Other undistributed receipts	640,217	-	556	-	17,715	45,294	-	703,782
Total liabilities	\$ 974,472	\$ 7,066,461	\$ 90,542	\$ 3,359	\$ 17,715	\$ 45,294	\$ -	\$ 8,197,843

COUNTY OF MONROE, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>General Agency</u>				
Assets				
Cash and cash equivalents	\$ 553,667	\$ 7,127,425	\$ 7,457,541	\$ 223,551
Investments	500,315	751,236	500,630	750,921
Total assets	\$ 1,053,982	\$ 7,878,661	\$ 7,958,171	\$ 974,472
Liabilities				
Accounts payable	\$ 3,842	\$ 5,794,016	\$ 5,792,469	\$ 5,389
Due to other governments	242,135	4,116,478	4,108,649	249,964
Undistributed taxes - other	99,793	274,472	295,363	78,902
Other undistributed receipts	708,212	2,546,276	2,614,271	640,217
Total liabilities	\$ 1,053,982	\$ 12,731,242	\$ 12,810,752	\$ 974,472
<u>Current Tax Collection</u>				
Assets				
Cash and cash equivalents	\$ 2,970,677	\$ 70,625,735	\$ 66,534,980	\$ 7,061,432
Investments	5,020	5,048	5,039	5,029
Total assets	\$ 2,975,697	\$ 70,630,783	\$ 66,540,019	\$ 7,066,461
Liabilities				
Accounts payable	\$ -	\$ 29,084,259	\$ 29,084,086	\$ 173
Undistributed taxes - current levy	2,975,697	70,683,813	66,593,222	7,066,288
Total liabilities	\$ 2,975,697	\$ 99,768,072	\$ 95,677,308	\$ 7,066,461

continued...

COUNTY OF MONROE, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Imprest Payroll</u>				
Assets				
Cash and cash equivalents	\$ 105,900	\$ 30,483,166	\$ 30,498,524	\$ 90,542
Liabilities				
Accounts payable	\$ 2,452	\$ 3,041,165	\$ 3,043,617	\$ -
Due to other governments	103,161	8,495,754	8,508,929	89,986
Other undistributed receipts	287	23,526,773	23,526,504	556
Total liabilities	\$ 105,900	\$ 35,063,692	\$ 35,079,050	\$ 90,542

Penal Fines

Assets				
Cash and cash equivalents	\$ 8,014	\$ 1,390,463	\$ 1,395,118	\$ 3,359
Liabilities				
Due to other governments	\$ 8,014	\$ 1,390,463	\$ 1,395,118	\$ 3,359

Escheats Probate Court

Assets				
Cash and cash equivalents	\$ 27,945	\$ 27,982	\$ 38,212	\$ 17,715
Liabilities				
Other undistributed receipts	\$ 27,945	\$ 27,982	\$ 38,212	\$ 17,715

continued...

COUNTY OF MONROE, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>MANTIS-Safe and Non-adjudicated</u>				
Assets				
Cash and cash equivalents	\$ 309,240	\$ 309,581	\$ 573,527	\$ 45,294
Liabilities				
Other undistributed receipts	\$ 309,240	\$ 334,626	\$ 598,572	\$ 45,294
<u>Clearing Account</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 184,021,858	\$ 184,021,858	\$ -
Liabilities				
Other undistributed receipts	\$ -	\$ 92,186,410	\$ 92,186,410	\$ -
<u>Total Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 3,975,443	\$ 293,986,210	\$ 290,519,760	\$ 7,441,893
Investments	505,335	751,236	500,630	755,950
Total assets	\$ 4,480,778	\$ 294,737,446	\$ 291,020,390	\$ 8,197,843
Liabilities				
Accounts payable	\$ 6,294	\$ 37,919,440	\$ 37,920,172	\$ 5,562
Due to other governments	353,310	14,002,695	14,012,696	343,309
Undistributed taxes - current levy	2,975,697	70,683,813	66,593,222	7,066,288
Undistributed taxes - other	99,793	274,472	295,363	78,902
Other undistributed receipts	1,045,684	118,622,067	118,963,969	703,782
Total liabilities	\$ 4,480,778	\$ 241,502,487	\$ 237,785,422	\$ 8,197,843

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

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COUNTY OF MONROE, MICHIGAN
Comparative Schedule of Capital Assets Used in the
Operation of Governmental Funds by Source
December 31, 2010 and 2009

	2010	2009
Capital assets used in governmental funds :		
Land and improvements	\$ 947,708	\$ 947,708
Buildings and improvements	63,649,585	63,263,932
Machinery and equipment	16,720,743	16,996,261
Vehicular equipment	3,146,328	3,046,007
	\$ 84,464,364	\$ 84,253,908
Capital assets used in governmental funds by source:		
General fund	\$ 12,159,244	\$ 11,937,240
Special revenue funds	6,896,378	7,048,468
Capital projects funds	65,408,742	65,268,200
	\$ 84,464,364	\$ 84,253,908

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

COUNTY OF MONROE, MICHIGAN
Schedule of Capital Assets Used in the
Operation of Governmental Funds
By Function and Activity
December 31, 2010

	Land and Improvements	Buildings and Improvements	Machinery and Equipment	Vehicular Equipment	Total
General government					
District Court	\$ -	\$ 243,422	\$ 37,957	\$ 21,639	\$ 303,018
Prosecutor	-	27,439	-	-	27,439
Clerk/Register of Deeds	-	-	140,568	-	140,568
General Services Administration	233,323	17,610,515	4,262,412	126,420	22,232,670
Total general government	233,323	17,881,376	4,440,937	148,059	22,703,695
Public safety					
Law Enforcement and Corrections - Sheriff	-	19,375,053	2,192,614	2,533,578	24,101,245
Youth Center	-	1,451,001	42,865	-	1,493,866
Emergency Management Division	-	566,220	1,849,595	-	2,415,815
Central Dispatch	-	3,763,196	8,008,384	46,263	11,817,843
Animal Control Division	-	489,708	-	98,409	588,117
Total public safety	-	25,645,178	12,093,458	2,678,250	40,416,886
Public works - Drain Commissioner	-	-	-	22,802	22,802
Health and welfare					
Public Health Department	-	2,418,904	67,403	123,942	2,610,249
Community Mental Health	-	6,901,026	-	-	6,901,026
Fairview Infirmary	-	1,491,385	-	-	1,491,385
Total health and welfare	-	10,811,315	67,403	123,942	11,002,660
Community and economic development	-	-	38,764	-	38,764
Culture and recreation					
Historical Commission	-	2,037,329	-	10,580	2,047,909
Parks and Recreation	714,385	2,637,686	80,181	162,695	3,594,947
Library System	-	4,636,701	-	-	4,636,701
Total culture and recreation	714,385	9,311,716	80,181	173,275	10,279,557
Total capital assets used in governmental funds	\$ 947,708	\$ 63,649,585	\$ 16,720,743	\$ 3,146,328	\$ 84,464,364

COUNTY OF MONROE, MICHIGAN
Schedule of Changes in Capital Assets Used in the
Operation of Governmental Funds
By Function and Activity
For the Year Ended December 31, 2010

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
General government					
District Court	\$ 409,135	\$ -	\$ 106,117	\$ -	\$ 303,018
Prosecutor	27,439	-	-	-	27,439
Clerk/Register of Deeds	196,435	-	55,867	-	140,568
General Services Administration	21,716,539	948,467	432,336	-	22,232,670
Total general government	22,349,548	948,467	594,320	-	22,703,695
Public safety					
Law Enforcement and Corrections - Sheriff	23,907,097	257,502	63,354	-	24,101,245
Youth Center	1,493,866	-	-	-	1,493,866
Emergency Management Division	2,798,815	-	383,000	-	2,415,815
Central Dispatch	11,775,806	42,037	-	-	11,817,843
Animal Control Division	601,227	-	13,110	-	588,117
Total public safety	40,576,811	299,539	459,464	-	40,416,886
Public works - Drain Commissioner	30,991	-	8,189	-	22,802
Health and welfare					
Public Health Department	2,585,826	67,403	42,980	-	2,610,249
Community Mental Health	6,901,026	-	-	-	6,901,026
Fairview Infirmary	1,491,385	-	-	-	1,491,385
Total health and welfare	10,978,237	67,403	42,980	-	11,002,660
Planning and development	38,764	-	-	-	38,764
Culture and recreation					
Historical Commission	2,047,909	-	-	-	2,047,909
Parks and Recreation	3,594,947	-	-	-	3,594,947
Library System	4,636,701	150,500	150,500	-	4,636,701
Total culture and recreation	10,279,557	150,500	150,500	-	10,279,557
Total capital assets used in governmental funds	\$ 84,253,908	\$ 1,465,909	\$ 1,255,453	\$ -	\$ 84,464,364

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**DRAIN
COMPONENT UNIT**

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COUNTY OF MONROE, MICHIGAN
Statement of Net Assets / Governmental Funds Balance Sheet
Drain Commission Component Unit
December 31, 2010

	Debt Service		Capital Projects		Total	Adjustments	Statement of Net Assets
	Special Drain	Drain	Special Drain	Drain Revolving			
Assets							
Cash and cash equivalents	\$ 60,562	\$ 671,088	\$ 916,671	\$ 113,978	\$ 1,762,299	\$ -	\$ 1,762,299
Investments	-	1,301,679	-	-	1,301,679	-	1,301,679
Special assessments receivable	273,370	931,843	-	-	1,205,213	-	1,205,213
Unlevied special assessments	2,940,057	1,786,285	-	-	4,726,342	-	4,726,342
Due from other funds	-	122,144	-	501,675	623,819	(623,819)	-
Capital assets, net	-	-	-	-	-	22,589,593	22,589,593
Total assets	\$ 3,273,989	\$ 4,813,039	\$ 916,671	\$ 615,653	\$ 9,619,352	\$ 21,965,774	\$ 31,585,126
Liabilities							
Accounts payable	\$ -	\$ 10,095	\$ 6,779	\$ 15,653	\$ 32,527	\$ -	\$ 32,527
Due to other funds	-	501,675	122,144	-	623,819	(623,819)	-
Due to primary government	-	-	-	-	-	-	-
Interest payable	-	-	-	-	-	34,686	34,686
Advance from primary government	-	-	-	600,000	600,000	-	600,000
Deferred revenue	3,213,732	2,826,622	66,887	-	6,107,241	(6,107,241)	-
Long-term liabilities:							
Due within one year	-	-	-	-	-	551,117	551,117
Due beyond one year	-	-	-	-	-	3,776,229	3,776,229
Total liabilities	3,213,732	3,338,392	195,810	615,653	7,363,587	(2,369,028)	4,994,559
Fund balances							
Unreserved, undesignated	60,257	1,474,647	720,861	-	2,255,765	(2,255,765)	-
Total liabilities and fund balances	\$ 3,273,989	\$ 4,813,039	\$ 916,671	\$ 615,653	\$ 9,619,352		
Net assets							
Invested in capital assets, net of related debt						18,262,247	18,262,247
Restricted for debt service						3,239,303	3,239,303
Restricted for construction						5,022,130	5,022,130
Total net assets						\$ 26,590,567	26,590,567
Total liabilities and net assets							\$ 31,585,126

COUNTY OF MONROE, MICHIGAN
Statement of Activities / Governmental Funds Revenues,
Expenditures, and Changes in Fund Balances
Drain Commission Component Unit
For the Year Ended December 31, 2010

	Debt Service	Capital Projects			Total	Adjustments	Statement of Activities
	Special Drain	Drain	Special Drain	Drain Revolving			
Revenues							
Special assessments	\$ 218,407	\$ 1,314,457	\$ -	\$ -	\$ 1,532,864	\$ 3,022,556	\$ 4,555,420
Charges for services	-	161,541	-	-	161,541	-	161,541
Interest revenue	137	7,473	14,840	-	22,450	-	22,450
Other revenue	-	5,000	-	-	5,000	-	5,000
Total revenues	218,544	1,488,471	14,840	-	1,721,855	3,022,556	4,744,411
Expenditures/Expenses							
Debt service:							
Principal	462,353	-	-	-	462,353	(462,353)	-
Interest and fiscal charges	121,759	-	-	-	121,759	10,561	132,320
Public works	-	659,379	2,128,034	-	2,787,413	496,236	3,283,649
Total expenditures/expenses	584,112	659,379	2,128,034	-	3,371,525	44,444	3,415,969
Revenues over (under) expenditures/expenses	(365,568)	829,092	(2,113,194)	-	(1,649,670)	2,978,112	1,328,442
Other financing sources (uses)							
Transfers in	425,825	215,884	170	-	641,879	(641,879)	-
Transfers (out)	-	(388,626)	(253,253)	-	(641,879)	641,879	-
Proceeds from drain notes	-	-	3,020,888	-	3,020,888	(3,020,888)	-
Total other financing sources (uses)	425,825	(172,742)	2,767,805	-	3,020,888	(3,020,888)	-
Change in fund balances / net assets	60,257	656,350	654,611	-	1,371,218	(42,776)	1,328,442
Fund balances / net assets, beginning of year	-	818,297	66,250	-	884,547	24,377,578	25,262,125
Fund balances / net assets, end of year	\$ 60,257	\$ 1,474,647	\$ 720,861	\$ -	\$ 2,255,765	\$ 24,334,802	\$ 26,590,567

STATISTICAL SECTION

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

Contents

Financial Trends (schedules 1 through 4)

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity (schedules 5 through 8)

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity (schedules 9 through 11)

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information (schedules 12 and 13)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information (schedules 14 through 16)

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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MONROE COUNTY
Net Assets by Component
Last Nine Years (A)
(accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities									
Invested in capital assets, net of related debt	\$ 31,168,752	\$ 25,272,494	\$ 19,321,982	\$ 20,584,332	\$ 24,232,587	\$ 22,606,508	\$ 26,710,429	\$ 26,684,877	\$ 24,950,605
Restricted	2,243,437	2,413,275	5,742,120	5,157,304	8,095,270	8,415,893	4,435,832	3,899,754	3,337,389
Unrestricted	37,094,267	10,862,697	27,108,655	32,714,604	38,137,043	35,639,984	28,093,169	19,936,845	17,263,774
Total governmental activities net assets	<u>\$ 70,506,456</u>	<u>\$ 38,548,466</u>	<u>\$ 52,172,757</u>	<u>\$ 58,456,240</u>	<u>\$ 70,464,900</u>	<u>\$ 66,662,385</u>	<u>\$ 59,239,430</u>	<u>\$ 50,521,476</u>	<u>\$ 45,551,768</u>
Business-type activities									
Invested in capital assets, net of related debt	\$ 27,433	\$ 74,045	\$ 48,833	\$ 31,393	\$ 24,148	\$ 21,331	\$ 16,960	\$ 11,493	\$ 6,026
Unrestricted	6,499,350	6,723,144	6,689,342	8,431,906	8,579,254	9,317,362	10,295,862	11,969,617	14,567,408
Total business-type activities net assets	<u>\$ 6,526,783</u>	<u>\$ 6,797,189</u>	<u>\$ 6,738,175</u>	<u>\$ 8,463,299</u>	<u>\$ 8,603,402</u>	<u>\$ 9,338,693</u>	<u>\$ 10,312,822</u>	<u>\$ 11,981,110</u>	<u>\$ 14,573,434</u>
Primary government									
Invested in capital assets, net of related debt	\$ 31,196,185	\$ 25,346,539	\$ 19,370,815	\$ 20,615,725	\$ 24,256,735	\$ 22,627,839	\$ 26,727,389	\$ 26,696,370	\$ 24,956,631
Restricted	2,243,437	2,413,275	5,742,120	5,157,304	8,095,270	8,415,893	4,435,832	3,899,754	3,337,389
Unrestricted	43,593,617	17,585,841	33,797,997	41,146,510	46,716,297	44,957,346	38,389,031	31,906,462	31,831,182
Total primary government net assets	<u>\$ 77,033,239</u>	<u>\$ 45,345,655</u>	<u>\$ 58,910,932</u>	<u>\$ 66,919,539</u>	<u>\$ 79,068,302</u>	<u>\$ 76,001,078</u>	<u>\$ 69,552,252</u>	<u>\$ 62,502,586</u>	<u>\$ 60,125,202</u>

(A) - Monroe County implemented GASB Statement No. 34 as of and for the year ended December 31, 2002. Accordingly, data prior to 2002 is not available.

Source: Monroe County Finance Department

MONROE COUNTY
Changes in Net Assets
Last Nine Years (A)
(accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities:									
General government	\$ 18,164,870	\$ 17,810,280	\$ 17,781,908	\$ 18,692,546	\$ 18,404,915	\$ 21,715,114	\$ 21,851,465	\$ 22,816,240	\$ 20,461,519
Public safety	24,910,624	24,035,943	27,174,720	27,191,465	28,641,779	32,729,974	34,042,675	31,237,187	30,035,874
Public works	158,600	518,335	638,423	1,076,479	1,346,748	680,074	1,017,553	323,637	86,797
Health and welfare	10,443,789	11,515,050	11,166,659	11,104,236	12,096,024	14,264,277	14,278,807	14,407,143	13,322,243
Community and economic development	802,985	734,342	832,725	721,829	679,131	837,872	747,451	886,670	531,409
Recreation and culture	5,771,465	641,762	559,637	593,013	626,794	663,104	842,633	777,223	717,709
Other activities	70,755	829,875	1,109,005	1,098,830	-	-	-	-	-
Interest on long-term debt	589,087	508,342	470,727	435,690	337,307	557,314	573,983	523,552	402,002
Total governmental activities expenses	60,912,175	56,593,929	59,733,804	60,914,088	62,132,698	71,447,729	73,354,567	70,971,652	65,557,553
Business-type activities:									
Delinquent tax	32,588	99,116	-	102,933	182,571	164,815	45,840	159,642	216,624
Equipment rental	138,497	99,689	270,452	227,823	208,652	265,936	292,074	272,148	228,714
Printing	147,985	157,643	165,297	161,890	155,215	171,745	184,104	179,844	134,874
Engineering	90,877	99,363	98,410	99,067	112,874	127,202	134,106	136,311	26,275
Inmate Commissary	37,123	49,655	37,046	38,791	22,500	26,721	40,931	40,716	65,156
Property tax foreclosure	-	-	-	-	-	-	212,971	261,027	308,139
Revolving loan	-	-	-	11,086	252,843	118,596	271,570	3,200	222,966
Total business-type activities expenses	447,070	505,466	571,205	641,590	934,655	875,015	1,181,596	1,052,888	1,202,748
Total primary government expenses	61,359,245	57,099,395	60,305,009	61,555,678	63,067,353	72,322,744	74,536,163	72,024,540	66,760,301
Program revenues									
Governmental activities:									
Charges for services:									
General government	4,311,770	6,556,146	5,670,054	6,076,183	5,807,235	5,697,499	5,183,272	4,925,331	4,863,446
Public safety	5,959,351	6,202,635	2,063,039	2,198,258	2,273,765	1,882,605	1,892,531	1,790,654	1,898,450
Health and welfare	1,833,578	1,997,615	1,600,143	1,420,800	1,388,373	1,621,553	1,588,877	1,407,253	1,166,408
Community and economic development	49,288	31,706	31,117	13,928	59,666	19,849	14,122	19,702	30,400
Recreation and culture	259,468	7,465	4,022	2,361	522,040	5,435	3,868	4,467	4,343
Other activities	-	-	-	471,903	-	-	-	-	-
Operating grants and contributions	10,518,822	10,650,357	16,235,565	14,982,978	16,465,868	16,722,341	16,929,721	17,101,298	17,318,732
Capital grants and contributions	693	137,456	5,965,098	-	96,320	863,206	-	-	-
Total governmental activities program revenues	22,932,970	25,583,380	31,569,038	25,166,411	26,613,267	26,812,488	25,612,391	25,248,705	25,281,779
Business-type activities:									
Charges for services:									
Delinquent tax	-	-	1,083,871	1,389,228	1,502,971	1,921,541	1,821,500	2,212,490	2,406,439
Equipment rental	185,006	120,264	239,052	215,777	205,795	247,199	298,290	255,573	214,093
Imaging services	148,042	156,910	154,205	142,687	102,605	97,813	114,747	100,083	85,858
Engineering	43,568	84,527	106,033	105,060	100,024	87,856	122,434	152,234	10,054
Inmate commissary	53,602	55,896	52,344	59,202	59,985	59,080	58,980	58,959	65,059
Property tax foreclosure	-	-	-	-	-	-	430,230	518,081	570,443
Revolving loan	-	-	-	6,753	376,787	175,991	277,296	29,715	-
Operating grants and contributions	-	-	-	-	-	-	-	-	367,137
Total business-type activities program revenues	430,218	417,597	1,635,505	1,918,707	2,348,167	2,589,480	3,123,477	3,327,135	3,719,083
Total primary government program revenues	23,363,188	26,000,977	33,204,543	27,085,118	28,961,434	29,401,968	28,735,868	28,575,840	29,000,862
Net (Expense)/Revenue									
Government activities	(37,979,205)	(31,010,549)	(28,164,766)	(35,747,677)	(35,519,431)	(44,635,241)	(47,742,176)	(45,722,947)	(40,274,774)
Business-type activities	(16,852)	(87,869)	1,064,300	1,277,117	1,413,512	1,714,465	1,941,881	2,274,247	2,516,335
Total primary government net expense	(37,996,057)	(31,098,418)	(27,100,466)	(34,470,560)	(34,105,919)	(42,920,776)	(45,800,295)	(43,448,700)	(37,758,439)

Continued...

MONROE COUNTY
Changes in Net Assets (Concluded)
Last Nine Years (A)
(accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues									
Governmental activities:									
Property taxes	\$ 30,902,856	\$ 27,672,966	\$ 36,717,917	\$ 38,059,005	\$ 41,085,203	\$ 33,743,806	\$ 33,979,237	\$ 32,028,207	\$ 31,190,431
Unrestricted grants and contributions	3,768,647	2,597,140	2,592,308	3,367,087	2,875,071	3,181,874	3,112,541	3,455,701	3,439,742
Rents and other revenue	3,627,274	1,161,546	676,881	-	-	-	-	-	-
Investment earnings	808,397	587,589	502,858	1,077,198	2,212,567	2,717,940	2,216,835	903,852	729,893
Transfers	(1,171,789)	1,106,902	1,130,883	1,145,000	1,330,250	1,035,000	1,010,608	617,233	(53,999)
Total governmental activities	37,935,385	33,126,143	41,620,847	43,648,290	47,503,091	40,678,620	40,319,221	37,004,993	35,306,067
Business-type activities:									
Unrestricted grants and contributions	1,038,224	966,672	-	-	-	-	-	-	-
Rents and other revenue	3,689	-	-	-	-	-	-	-	-
Investment earnings	-	34,692	7,566	40,945	56,841	55,826	42,855	11,274	21,990
Transfers	(782,930)	(1,106,902)	(1,130,883)	(1,145,000)	(1,330,250)	(1,035,000)	(1,010,608)	(617,233)	53,999
Total business-type activities	258,983	(105,538)	(1,123,317)	(1,104,055)	(1,273,409)	(979,174)	(967,753)	(605,959)	75,989
Total primary government	38,194,368	33,020,605	40,497,530	42,544,235	46,229,682	39,699,446	39,351,468	36,399,034	35,382,056
Change in Net Assets									
Government activities	(43,820)	2,115,594	13,456,081	7,900,613	11,983,660	(3,956,621)	(7,422,955)	(8,717,954)	(4,969,707)
Business-type activities	242,131	(193,407)	(59,017)	173,062	140,103	735,291	974,128	1,668,288	2,592,324
Total primary government	\$ 198,311	\$ 1,922,187	\$ 13,397,064	\$ 8,073,675	\$ 12,123,763	\$ (3,221,330)	\$ (6,448,827)	\$ (7,049,666)	\$ (2,377,383)

(A) - Monroe County implemented GASB Statement No. 34 as of and for the year ended December 31, 2002. Accordingly, data prior to 2002 is not available.

Source: Monroe County Finance Department

MONROE COUNTY
Fund Balances - Governmental Funds
Last Nine Years (A)
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund									
Reserved	\$ 934,307	\$ 989,833	\$ 936,648	\$ 899,437	\$ 822,978	\$ 1,292,570	\$ 2,120,887	\$ 1,331,980	\$ 909,687
Unreserved	7,565,188	8,196,377	8,686,349	8,856,487	9,067,005	8,069,017	3,827,719	2,636,804	5,050,268
Total general fund	<u>\$ 8,499,495</u>	<u>\$ 9,186,210</u>	<u>\$ 9,622,997</u>	<u>\$ 9,755,924</u>	<u>\$ 9,889,983</u>	<u>\$ 9,361,587</u>	<u>\$ 5,948,606</u>	<u>\$ 3,968,784</u>	<u>\$ 5,959,955</u>
All Other Governmental Funds									
Reserved	\$ 2,258,176	\$ 2,865,794	\$ 1,941,891	\$ 2,264,850	\$ 1,672,162	\$ 1,873,039	\$ 2,310,544	\$ 1,878,987	\$ 1,732,718
Unreserved, reported in:									
Special revenue funds	9,569,258	7,763,742	15,935,628	21,079,048	26,541,713	24,215,062	20,107,007	16,259,029	14,150,849
Debt service funds	-	-	1,020,864	497,918	1,333,816	805,640	443,755	638,172	440,858
Capital projects funds	2,172,996	2,048,154	1,991,284	2,819,189	4,738,096	6,133,298	1,957,795	1,006,177	878,788
Total all other governmental funds	<u>\$ 14,000,430</u>	<u>\$ 12,677,690</u>	<u>\$ 20,889,667</u>	<u>\$ 26,661,005</u>	<u>\$ 34,285,787</u>	<u>\$ 33,027,039</u>	<u>\$ 24,819,101</u>	<u>\$ 19,782,365</u>	<u>\$ 17,203,213</u>

(A) - Monroe County implemented GASB Statement No. 34 as of and for the year ended December 31, 2002. Accordingly, data prior to 2002 is not available.

Source: Monroe County Finance Department

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues										
Taxes	\$ 29,171,134	\$ 30,489,470	\$ 27,672,966	\$ 36,717,917	\$ 38,059,005	\$ 42,484,704	\$ 32,391,435	\$ 33,979,237	\$ 32,028,207	\$ 31,190,431
Licenses and permits	515,211	518,553	536,555	584,690	558,533	571,509	555,672	602,094	542,734	502,223
Intergovernmental and local units	14,737,989	15,773,253	14,841,696	22,200,448	14,982,978	15,162,687	18,937,918	14,301,296	14,732,118	14,956,554
Contributions from local units	-	-	-	-	-	-	-	2,628,425	2,369,180	2,362,178
Charges for services	7,644,348	9,208,073	10,000,720	7,796,951	7,897,298	7,775,265	7,749,614	7,206,186	6,875,057	6,709,043
Fines and forfeits	1,784,057	1,841,398	942,842	986,734	894,199	1,008,840	752,416	827,265	680,895	702,372
Interest and rents	2,338,658	1,411,801	1,211,256	1,150,719	1,858,056	2,810,910	2,944,410	2,195,749	946,862	771,551
Other revenue	2,110,074	2,342,901	2,367,781	2,592,523	3,367,087	2,875,071	3,181,874	3,112,541	3,455,701	3,439,742
Total revenues	58,301,471	61,585,449	57,573,816	72,029,982	67,617,156	72,688,986	66,513,339	64,852,793	61,630,754	60,634,094
Expenditures										
General government	15,986,061	16,633,427	16,892,573	17,246,547	18,046,823	18,361,741	19,995,038	21,027,326	19,811,826	16,921,691
Public safety	21,207,638	22,841,483	23,001,541	26,527,113	25,296,981	27,856,835	30,040,845	31,960,440	29,461,951	27,482,330
Public works	262,526	93,817	513,775	633,863	1,071,919	1,342,188	679,944	1,017,421	323,637	86,797
Health and welfare	10,627,030	10,278,297	11,369,139	11,128,600	11,934,932	12,137,928	14,205,552	14,286,187	14,282,754	13,130,648
Community and economic development	721,293	802,985	734,342	843,392	579,605	630,891	781,623	764,359	903,024	535,291
Recreation and culture	3,947,080	4,320,936	519,366	434,201	465,329	498,294	508,331	530,369	478,471	402,250
Other activities	33,123	70,755	1,100,877	1,109,005	1,102,073	58,943	78,012	99,651	101,312	108,303
Capital outlay	2,540,148	2,534,338	1,393,393	8,070,997	2,104,501	3,275,325	10,600,257	6,491,019	2,875,277	1,315,411
Principal	1,411,309	1,465,832	1,464,140	1,985,061	2,098,195	2,251,341	1,005,357	1,315,273	1,009,770	690,000
Interest	684,020	607,279	527,147	473,321	458,832	361,909	478,643	582,274	528,754	415,055
Issuance costs	-	-	-	-	-	-	-	-	-	71,353
Total expenditures	57,420,228	59,649,149	57,516,293	68,452,100	63,159,190	66,775,395	78,373,602	78,074,319	69,776,776	61,159,129
Revenues over (under) expenditures	881,243	1,936,300	57,523	3,577,882	4,457,966	5,913,591	(11,860,263)	(13,221,526)	(8,146,022)	(525,035)
Other financing sources (uses)										
Issuance of debt	-	-	-	3,300,000	-	-	8,523,119	-	-	4,070,000
Payment to escrow	-	-	-	-	-	-	-	-	-	(4,094,483)
Bond premium	-	-	-	-	-	-	-	-	-	15,536
Transfers in	10,206,907	10,630,866	11,374,553	11,723,438	14,622,693	19,710,130	16,031,593	17,828,370	16,446,363	11,124,662
Transfers out	(11,028,372)	(11,190,894)	(9,497,831)	(9,952,555)	(12,837,693)	(17,864,880)	(14,481,593)	(16,227,762)	(15,316,899)	(11,178,661)
Total other financing sources (uses)	(821,465)	(560,028)	1,876,722	5,070,883	1,785,000	1,845,250	10,073,119	1,600,608	1,129,464	(62,946)
Net changes in fund balances	\$ 59,778	\$ 1,376,272	\$ 1,934,245	\$ 8,648,765	\$ 6,242,966	\$ 7,758,841	\$ (1,787,144)	\$ (11,620,918)	\$ (7,016,558)	\$ (587,981)
Debt services as a percentage of noncapital expenditures	4.0%	3.8%	3.7%	4.2%	4.4%	4.3%	2.2%	2.7%	2.4%	2.0%

Source: Monroe County Finance Department

MONROE COUNTY
Assessed and Estimated True Cash Value of Taxable Property
Last Ten Years

Tax Year	Residential Property	Agricultural Property	Commercial Property	Industrial Property	Developmental Property	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated True Cash Value
2001	\$ 3,066,123,121	\$ 293,630,302	\$ 519,720,689	\$ 1,163,041,197	\$ 11,622,138	\$ 471,793,096	\$ 5,525,930,543	5.4943	\$ 11,112,871,803
2002	3,343,306,250	316,306,273	588,621,309	1,127,474,795	12,978,813	488,638,678	5,877,326,118	5.4868	11,823,516,893
2003	3,591,071,882	342,155,453	638,975,155	1,113,076,146	16,428,886	464,976,294	6,166,683,816	5.3873	12,412,251,677
2004	3,868,050,728	373,425,880	695,883,009	1,081,071,159	24,187,555	475,914,307	6,518,532,638	5.4046	13,110,642,494
2005	4,171,394,039	437,947,734	731,115,107	1,042,462,771	45,988,525	489,137,589	6,918,045,765	5.4052	13,926,131,767
2006	4,480,795,902	468,961,778	784,389,681	1,018,368,809	48,597,403	496,567,248	7,297,680,821	5.2952	14,691,790,857
2007	4,695,250,326	476,656,813	827,866,223	1,017,641,719	48,516,833	562,822,494	7,628,754,408	5.2952	15,382,833,650
2008	4,482,849,346	476,286,771	856,859,108	1,054,430,386	47,840,711	500,748,371	7,419,014,693	5.2952	14,930,540,071
2009	3,998,867,886	480,294,556	856,587,613	1,042,302,338	48,091,288	492,363,570	6,918,507,251	5.2952	13,927,941,406
2010	3,474,192,511	477,120,794	857,318,148	1,062,863,630	43,267,812	516,103,835	6,430,866,730	5.5452	12,957,283,147

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Note: Residential, commercial and industrial values are calculated without tax-exempt values.

Source: County Equalization Department figures, exclusive of Industrial and Commercial Facility Tax and prior to any Board of Review actions.

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

	Tax levy year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
County direct rates										
Operation	\$ 4.84	\$ 4.83	\$ 4.79	\$ 4.81	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.80
Jail bond	0.16	0.16	0.10	0.11	0.11	-	-	-	-	-
Veterans	-	-	-	-	-	-	-	-	-	0.05
Faiview	-	-	-	-	-	-	-	-	-	0.20
Senior citizen	0.49	0.49	0.48	0.49	0.50	0.50	0.50	0.50	0.50	0.50
Total direct rate	5.49	5.49	5.39	5.40	5.41	5.30	5.30	5.30	5.30	5.55
Overlapping rates										
Cities:										
Luna Pier	13.12	12.76	10.07	11.11	11.80	11.80	10.82	10.33	10.33	10.33
Milan	18.96	19.21	18.83	18.82	18.71	18.69	17.13	17.13	17.13	17.54
Monroe	15.32	15.33	15.34	15.46	15.80	15.88	15.87	16.17	16.23	16.76
Petersburg	23.94	21.38	21.57	20.34	20.71	20.12	20.25	19.07	18.96	20.42
Townships (average)	(A) 2.64	2.87	2.91	2.91	2.72	2.98	2.94	2.94	2.99	2.98
School districts (average)	(B) 27.51	27.41	25.99	26.97	26.80	27.01	26.92	32.35	32.90	33.12
Intermediate school districts (average)	(C) 4.38	4.72	4.69	4.92	4.89	4.89	4.87	4.87	4.87	4.87
Community college	2.20	2.19	2.18	2.19	2.18	2.18	2.18	2.18	2.18	2.18
Library	0.82	0.82	0.81	1.00	1.00	1.00	1.00	1.00	1.00	1.00
(A) - Rates range from:										
Low	0.76	0.75	0.74	0.73	0.71	0.70	0.70	0.70	0.70	0.70
High	7.84	8.44	9.33	9.39	7.66	9.68	9.51	9.53	9.66	9.64
(B) - Rates range from:										
Low	23.75	23.75	22.75	23.75	23.47	23.75	23.48	28.95	28.95	30.00
High	32.82	32.04	31.01	32.01	32.01	32.01	32.01	37.34	37.99	37.99
(C) - Rates range from:										
Low	1.98	3.46	3.06	4.04	3.46	3.46	3.46	3.46	3.46	3.46
High	7.64	7.55	7.49	7.41	7.34	7.34	7.28	7.28	7.28	7.28

Source: Monroe County Equalization Office

MONROE COUNTY
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2010 tax levy			2001 tax levy		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Detroit Edison	\$ 863,700,833	1	14.93%	\$ 1,090,824,916	1	23.16%
Consumers Power Co.	90,046,284	2	1.56%	69,020,482	3	1.47%
International Transmission Co.	39,428,030	3	0.68%	-		0.00%
Automotive Components Holding (formerly Visteon)	27,744,266	4	0.48%	-		0.00%
Goodwill Co. (Meijer)	27,140,744	5	0.47%	27,694,124	4	0.59%
Gerdau MacSteel (formerly North Star)	24,354,400	6	0.42%	26,511,850	5	0.56%
Frenchtown Square	20,602,910	7	0.36%	16,289,942	8	0.35%
Spartan Steel Coating	18,401,308	8	0.32%	-		0.00%
Guardian Glass	16,948,348	9	0.29%	-		0.00%
Cabela's	16,425,606	10	0.28%	18,647,023	7	0.40%
Ford Motor Company	-		0.00%	102,721,824	2	2.18%
Holnam, Inc.	-		0.00%	22,105,260	6	0.47%
Guardian Industries	-		0.00%	14,852,906	9	0.32%
Tenneco	-		0.00%	9,165,500	10	0.19%
	<u>\$ 1,144,792,729</u>		<u>19.79%</u>	<u>\$ 1,397,833,827</u>		<u>29.68%</u>

Source: Monroe County Equalization Department.

MONROE COUNTY
Property Tax Levies and Collections
Last Ten Years

Funded Year	Adjusted Taxes Levied	Collected within the Fiscal Year of the Levy		Purchased by Tax Revolving Fund	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2001	\$ 25,683,425	\$ 24,480,552	95.32%	\$ 1,055,116	\$ 25,535,668	99.42%
2002	26,781,979	25,486,802	95.16%	1,167,505	26,654,307	99.52%
2003	27,147,744	25,754,590	94.87%	1,283,880	27,038,470	99.60%
2004	28,460,227	26,906,643	94.54%	1,432,657	28,339,300	99.58%
2005	29,799,298	28,389,285	95.27%	1,337,720	29,727,005	99.76%
2006	30,772,667	29,341,646	95.35%	1,350,458	30,692,104	99.74%
2007	32,236,926	30,809,258	95.57%	1,361,644	32,170,902	99.80%
2008	32,806,301	31,293,165	95.39%	1,453,348	32,746,513	99.82%
2009	32,027,518	30,480,645	95.17%	1,459,513	31,940,158	99.73%
2010	30,246,996	28,911,080	95.58%	1,260,987	30,172,067	99.75%

Source: Monroe County Treasurer's Office

MONROE COUNTY
Ratios of Outstanding Debt by Type
Primary Government
Last Ten Years

Year	General Bonded Debt Outstanding			Other Governmental Activities Debt	Business-type Activities		Total Primary Government	% of Personal Income	% of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Installment Loans	General Obligation Tax Notes	Installment Loans				
2001	\$ 12,980,000	\$ (1,090,780)	\$ 11,889,220	\$ 144,370	\$ -	\$ 18,552	\$ 12,052,142	0.28%	0.11%	\$ 81.47
2002	11,620,000	(1,695,657)	9,924,343	-	-	-	9,924,343	0.23%	0.08%	66.51
2003	10,230,000	(1,827,271)	8,402,729	-	-	-	8,402,729	0.18%	0.07%	55.69
2004	8,575,000	(1,826,310)	6,748,690	2,969,939	-	-	9,718,629	0.15%	0.05%	63.75
2005	7,095,000	(1,254,791)	5,840,209	2,351,743	-	-	8,191,952	0.12%	0.04%	53.22
2006	5,485,000	(2,103,999)	3,381,001	-	-	-	3,381,001	0.07%	0.02%	21.81
2007	13,745,000	(805,640)	12,939,360	-	-	-	12,939,360	0.26%	0.09%	84.24
2008	13,120,000	(443,755)	12,676,245	354,770	-	-	13,031,015	0.26%	0.08%	84.83
2009	12,465,000	(638,172)	11,826,828	-	-	-	11,826,828	0.24%	0.08%	76.99
2010	11,830,000	(440,858)	11,389,142	-	-	-	11,389,142	0.23%	0.09%	74.92

Source: Monroe County Finance Department

MONROE COUNTY
Computation of Net Direct and Overlapping Debt
As of December 31, 2010

	<u>Gross Amount Outstanding</u>	<u>Self-Supporting or Paid by Benefited Entity</u>	<u>Net Amount Outstanding</u>
DIRECT DEBT			
General obligation tax notes	\$ 8,300,000	\$ 8,300,000	\$ -
Building authority bonds	11,830,000	-	11,830,000
Water bonds	31,785,000	31,785,000	-
Sewer bonds	28,435,000	28,435,000	-
Drain bonds	940,000	145,632	794,368
MTF notes/bonds (a)	4,570,000	4,570,000	-
Net direct debt	<u>\$ 85,860,000</u>	<u>\$ 73,235,632</u>	<u>12,624,368</u>
 (a) No County credit pledged on \$2,4500,000.			
OVERLAPPING DEBT			
School Districts			99,957,441
Cities			36,981,000
Townships			53,386,950
Villages			<u>30,316,226</u>
Net overlapping debt			<u>220,641,617</u>
NET DIRECT AND OVERLAPPING DEBT			<u>\$ 233,265,985</u>

Source: Municipal Advisory Council of Michigan

MONROE COUNTY
Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for 2010

Assessed value (As of December 31, 2010)	\$ 6,430,866,730
Debt limit (10% of assessed value)	643,086,673
Debt applicable to limit:	
Long term debt including component units	85,860,000
Less: Amount set aside for repayment of general obligation debt	(440,858)
Total net debt applicable to limit	<u>85,419,142</u>
Legal debt margin	<u><u>\$ 557,667,531</u></u>

<u>Fiscal year</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>
2001	\$ 521,721,687	\$ 56,409,882	\$ 465,311,805	12.12%
2002	552,593,154	60,099,882	492,493,272	12.20%
2003	587,666,449	55,488,400	532,178,049	10.43%
2004	616,668,382	63,319,200	553,349,182	11.44%
2005	651,826,617	66,506,856	585,319,761	11.36%
2006	691,804,577	64,015,584	627,788,993	10.20%
2007	729,758,333	70,452,608	659,305,725	10.69%
2008	741,940,038	76,616,245	665,323,793	11.52%
2009	691,850,725	80,633,128	611,217,597	13.19%
2010	643,086,673	85,419,142	557,667,531	15.32%

Source: Monroe County Finance Department

MONROE COUNTY
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2001	147,942	\$ 4,239,589	\$ 28,657	4.40%
2002	149,225	4,329,107	29,011	5.20%
2003	150,888	4,554,626	30,185	6.10%
2004	152,451	4,592,010	30,121	6.20%
2005	153,935	4,747,388	30,840	6.10%
2006	155,035	4,986,121	32,161	6.50%
2007	153,608	4,961,001	32,460	6.70%
2008	152,949	5,115,211	32,436	8.90%
2009	153,612	4,881,043	31,775	14.10%
2010	152,021	4,881,043 (a)	32,108	12.40%

(a) Updated data not available at the time of publication.

Sources: U.S. Census Bureau, U.S. Department of Commerce
Michigan Department of Career Development Employment Service Agency
Michigan Economic Development Corporation

MONROE COUNTY
Principal Employers

Employer	2009			2000		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Detroit Edison Corp.	1,500	1	3.79%	1,530	2	3.36%
Mercy Memorial Hospital	1,300	2	3.29%	1,246	3	2.73%
Meijer Inc.	1,025	3	2.59%	625	8	1.37%
Monroe Public Schools	1,000	4	2.53%	1,000	4	2.19%
Bedford Public Schools	725	5	1.83%	725	6	1.59%
Monroe County	665	6	1.68%	750	5	1.64%
Cabela's	650	7	1.64%	640	7	1.40%
Monroe Auto Equipment	500	8	1.26%	-	-	0.00%
Guardian Industries Corp.	500	8	1.26%	540	8	1.18%
La-Z-Boy Inc	500	8	1.26%	522	9	1.14%
Visteon Corporation	-	-	0.00%	1,954	1	4.28%
	<u>8,365</u>		<u>21.15%</u>	<u>9,532</u>		<u>20.90%</u>

Updated data not available at the time of publication.

Source: Monroe County Finance Department

MONROE COUNTY
Full-Time County Primary Government Employees by Function/Program
Last Ten Years

Function/Program	Full-time Employees as of January 1									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Board of Commissioners	12.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Circuit Court	11.6	6.4	8.6	6.4	6.4	5.6	4.8	4.8	4.8	4.5
District Court	45.2	48.0	48.0	48.0	48.0	48.0	48.0	47.0	47.0	43.0
Probate/Family Court	25.4	30.6	28.4	29.6	28.6	29.4	29.2	27.2	28.2	24.2
Administrator/CFO	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	6.0	6.0	5.0	5.0	5.0	5.0	6.0	6.0	5.0	5.0
County Clerk	22.0	23.0	23.0	19.0	19.0	19.9	19.0	19.0	18.0	16.0
Register of Deeds	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Equalization	7.0	8.0	7.0	6.0	6.0	5.6	6.0	6.0	5.0	3.0
Human Resources	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Prosecuting Attorney	21.0	22.0	22.0	22.0	22.0	21.0	22.0	22.0	21.0	18.6
Retirement Board	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Treasurer	8.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0
County Extension	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Information Services	4.5	7.5	7.5	6.5	6.5	5.5	5.5	5.5	6.5	5.5
Purchasing & Property Maintenance	19.0	19.0	19.0	18.0	19.0	16.0	16.0	16.0	15.0	9.0
Drain Commissioner	13.0	6.0	6.0	8.0	8.0	7.0	6.0	5.0	6.0	5.0
Parks maintenance	-	6.0	6.0	3.0	3.0	3.0	3.0	3.0	2.0	1.0
Friend of the Court	39.0	39.0	39.0	36.0	37.0	36.0	36.0	33.0	32.0	25.4
Public Safety										
Sheriff	110.0	110.0	108.0	106.0	113.0	111.0	111.0	114.0	112.0	100.7
Emergency Management	2.5	3.5	3.0	2.0	3.0	3.0	4.0	6.0	5.0	3.0
Animal Control	5.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Jail/Corrections	95.0	95.0	97.0	98.0	89.0	88.0	88.0	89.0	87.0	82.0
Central Dispatch	25.0	25.0	25.0	24.0	24.0	24.0	24.5	27.0	23.0	22.0
Drug Court	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Juvenile Justice Programs	1.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Youth Center	37.0	39.0	36.0	34.7	35.0	35.7	35.7	35.7	35.7	32.7
Health and Welfare										
Medical Examiner	1.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.2
Commission on Aging	1.0	2.0	2.0	2.0	1.0	1.0	1.0	2.0	2.0	2.0
Veterans Services	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Health	41.4	35.0	33.8	30.3	26.6	25.4	24.4	25.0	23.6	17.5
Environmental Health	11.0	11.4	9.9	8.4	10.0	10.0	10.0	10.0	7.7	6.9
Employment and Training	23.0	25.0	25.0	25.0	26.0	25.0	26.0	28.0	28.0	28.0
Fairview	10.0	10.0	10.0	8.7	9.3	8.7	8.7	8.7	8.7	6.7
Community and Economic Development										
Planning	6.9	6.9	6.9	6.9	6.9	6.0	6.0	6.0	6.0	4.0
Recreation and Cultural										
Historical Commission	6.0	6.0	6.0	4.7	4.7	4.3	4.7	5.7	5.7	3.7
Enterprise Activities										
Printing	2.2	2.2	2.2	2.2	2.2	2.0	2.0	2.0	2.0	2.0
Delinquent Tax	-	-	-	-	-	-	-	-	1.0	-
Engineering	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
Total	624.2	632.0	624.3	600.3	598.3	584.2	586.6	592.6	577.1	507.4

Source: Monroe County Finance Department

MONROE COUNTY
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
District Court cases	41,673	48,745	47,738	45,050	47,886	46,420	44,664	42,889	39,223	37,104
Circuit Court cases	5,536	5,103	4,944	5,115	4,943	5,129	4,856	4,762	4,309	4,583
Delinquent tax roll/ taxes returned delinquent	\$ 1,081,480	\$ 1,055,116	\$ 1,167,505	\$ 1,296,551	\$ 1,432,657	\$ 1,410,014	\$ 1,350,458	\$ 1,515,949	\$ 1,638,563	\$ 1,335,919
Public Safety										
Jail capacity	363	363	363	363	363	343	343	343	343	343
Certified Police Officers	93	93	93	93	93	96	96	96	96	96
Traffic infractions	29,195	35,262	32,990	31,371	32,338	28,104	25,325	22,982	20,296	18,687
Health										
Public Health:										
Vaccines administered	22,164	16,554	15,883	11,739	9,057	8,533	7,490	9,050	27,969	9,057
WIC average monthly caseload	2,661	2,661	2,709	2,713	2,691	2,691	2,766	2,858	3,300	3,412
Maternal and Infant support clients	196	275	283	298	262	259	391	376	352	-
Senior Services:										
Client contacts (unduplicated count)	NA	NA	NA	NA	NA	NA	NA	7,706	7,656	7,780
Culture & Recreation										
County owned park acres	222	222	222	222	222	222	222	222	222	222

NA - information not available at time of report preparation

Source: Monroe County Finance Department, Monroe County Treasurer's Office, Monroe County Health Department, Monroe County Commission on Aging

MONROE COUNTY
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Corrections facility capacities	363	363	363	363	363	343	343	343	343	343
Sheriff patrol vehicles	61	61	61	61	63	90	91	92	91	91
Animal control vehicles	8	10	10	7	7	5	7	7	7	7
Marine safety - boats	4	4	4	4	4	4	4	5	5	5
Parks and recreation										
Park acreage	221	221	221	221	221	221	221	221	221	221
County parks	6	6	6	6	6	6	6	6	6	6
Service vehicles (trucks, etc)	7	7	7	7	7	6	8	7	7	7
Buildings:										
Park pavilions	10	10	10	10	10	12	12	14	14	14
Historical commission buildings	5	5	5	5	5	5	5	5	5	5
Public Health										
Inspection vehicles	4	4	4	5	6	6	8	8	8	8
Public Works										
Primary road miles	429	429	429	429	429	429	429	429	429	429
Local road miles	933	933	933	933	933	933	933	933	933	933
State road miles	165	165	165	165	165	165	165	165	165	165

Source: Monroe County Finance Department

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