

TUSCOLA COUNTY, MICHIGAN

TABLE OF CONTENTS

	<u>PAGE</u>
SECTION ONE: INTRODUCTORY SECTION	
Letter of Transmittal	I-XVI
List of Principal Officers.....	XVII
Organizational Chart.....	XVIII-XXI
GFOA Certificate.....	XXII
SECTION TWO: FINANCIAL SECTION	
Independent Auditors' Report.....	1-2
General Purpose Financial Statements for the Year Ended December 31, 2001	
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units.....	3-4
Combined Statement of Revenues, Expenditures and Changes in in Fund Balance - All Governmental Fund Types, Expendable Trust Fund and Discretely Presented Component Units.....	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Amended Budget and Actual - General, Special Revenue and Debt Service Funds.....	6
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balance –Proprietary Fund Type and Nonexpendable Trust Fund	7
Combined Statement of Cash Flows –Proprietary Fund Type and Non-Expendable Trust Fund.....	8
Combining Balance Sheet – Discretely Presented Component Units.....	9
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Discretely Presented Component Units.....	10
Notes to Financial Statements.....	11-40
Combining and Individual Fund Financial Statements and Schedules	
General Fund	
Balance Sheet	41
Statement of Revenues, Expenditures and Changes in Fund Balance – Amended Budget and Actual	42-44
Schedule of Revenues and Other Financing Sources	45-47
Schedule of Expenditures and Other Financing Uses	48-57
Special Revenue Funds	
Combining Balance Sheet	58-61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Amended Budget and Actual	62-74

TUSCOLA COUNTY, MICHIGAN

TABLE OF CONTENTS

	<u>PAGE</u>
Combining and Individual Fund Financial Statements (Continued)	
Debt Service Funds	
Combining Balance Sheet	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Amended Budget and Actual	76-78
Capital Projects Funds	
Combining Balance Sheet	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	80
Internal Service Funds	
Combining Balance Sheet	81
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	82
Combining Statement of Cash Flows	83
Combining Balance Sheet - All Delinquent Tax Revolving Funds	84
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - All Delinquent Tax Revolving Funds	85
Combining Statement of Cash Flows - All Delinquent Tax Revolving Funds	86
Trust and Agency Funds	
Combining Balance Sheet	87
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	88
General Fixed Asset Account Group	
Schedule of General Fixed Assets by Source	89
Schedule of General Fixed Assets by Function and Activity	90
Schedule of Changes in General Fixed Assets - By Function and Activity	91
General Long Term Debt Account Group	
Statement of General Long Term Debt	92
Drain Commission Component Unit	
Combining Balance Sheet – All Fund Types and Account Group	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – All Fund Types	94

TUSCOLA COUNTY, MICHIGAN

TABLE OF CONTENTS

	<u>PAGE</u>
SECTION THREE: STATISTICAL SECTION	
General History	
General Governmental Revenue By Source - Years Ended 1992 through 2001	95
General Fund Revenue - Years Ended 1992 through 2001	96
General Governmental Expenditures By Function - Years Ended 1992 through 2001	97
General Fund Expenditures - Years Ended 1992 through 2001	98
Assessments and Taxes	
Property Tax Levies and Collections - County Operating Levy Only - Years Ended 1992 through 2001	99
Assessed and Estimated Actual Value of Property - Years Ended 1992 through 2001	100
Property Tax Rates - All Overlapping Governments - Years Ended 1991 through 2000	101-103
Principal Taxpayers - State Equalized Valuation.....	104
Long-Term Debt	
Computation of Direct and Overlapping Bonded Debt.....	105
Computation of Legal Debt Margin	106
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures - Years Ended 1992 through 2001	107
Ratio of Net Bonded Debt to Equalized Value and Net Bonded Debt Per Capita - Years Ended 1992 through 2001	108
Revenue Bond Coverage – Years Ended 1992 through 2001	109
Miscellaneous Statistics	
Demographic Statistics.....	110-112
Property Value, Construction, and Bank Deposits.....	113
Miscellaneous Statistics	114-117

TUSCOLA COUNTY, MICHIGAN

TABLE OF CONTENTS

	<u>PAGE</u>
SECTION FOUR: SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards	118
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	119-120
Independent Auditors' Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	121-122
Schedule of Findings and Questioned Costs	123-124

TUSCOLA COUNTY CONTROLLER/ADMINISTRATOR'S OFFICE

Michael R. Hoagland
Controller/Administrator
mhoagland@tuscolacounty.org

207 E. Grant Street
Caro, Michigan 48723

Telephone
989-672-3700

June 20, 2002

Tuscola County Board of Commissioners and
Citizens of Tuscola County, Michigan:

The Comprehensive Annual Financial Report (CAFR) of Tuscola County, Michigan for calendar year ended December 31, 2001 is hereby submitted as required by state statutes. Tuscola County is annually required by statute to issue a report on its financial position and activity. This report was prepared by the County Controller/Administrator's Office and audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds, account groups and component units of the government. All disclosures necessary to enable the reader to gain an understanding of Tuscola County's activities have been included.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes this letter of transmittal; an organizational chart and a list of Tuscola County's principal elected and appointed officials. The financial section includes the general-purpose financial statements and the combined and individual fund and account group financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

Tuscola County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of federal financial assistance and the independent auditor's reports on internal controls and compliance with applicable laws and regulations, is included with the general-purpose financial statements.

The financial reporting entity includes all the funds and account groups of the primary government (i.e. Tuscola County as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services including police protection, courts, drainage systems, jail operations, health services, vital records, mosquito control, housing rehabilitation, animal control, economic development, dispatch/911, friend of the court, recycling, social services, veterans counseling, senior citizen programs, the construction and maintenance of highways, streets, and infrastructure, recreational activities and cultural events.

Blended components units, although legally separate entities, are, in substance, part of the primary government. Accordingly, the financial statements of the Tuscola County Building Authority have been consolidated with the County's related debt service and capital project funds as required by the Statement on Michigan Governmental Accounting and Auditing #2. Discretely presented components units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Road Commission and Drain Commission are reported as discretely presented component units.

ORGANIZATIONAL STRUCTURE

County government is the largest unit of local government in Michigan and is also the oldest political subdivision of the state, having attained stature and importance before any other form of government now in existence.

Tuscola County was incorporated in 1851. Since the late 1960's, the County government has operated under a seven member elected County Board of Commissioners. Members are elected by Districts that are established every 10 years through an apportionment process. This process establishes equal population districts. Members serve a term of two years. (See attached County organizational chart).

The County Board of Commissioners is responsible, among other things, for adoption of balanced annual operational and capital improvement budgets, determining tax levies, property equalization among local governmental units, establishing certain policies, appointing members to various boards and commissions, and appointing certain County officials.

In 1986, the Board of Commissioners established an appointed County Controller/Administrator position to be the Chief Administrative/Accounting Officer of the County. The duties of this position involve the management of the following: Recycling Operation, Information Systems Department, Human

Resources Department, Payroll Department, and Accounting/Budgeting Department and are also responsible for other statutory functions of the position.

The offices of Prosecuting Attorney, Sheriff, Clerk, Treasurer, Register of Deeds, and Drain Commissioner are elected at large and serve for a four- year term.

The Judicial branch of government consists of three judges with one each in Circuit Court, District Court, and Family/Probate Court. All judges are elected at large and serve a six-year term.

ECONOMIC CONDITION AND OUTLOOK

The 2000 population census identified the population of Tuscola County to be 58,266. This represents an increase of 2,768 residents, or 5.0 percent, from the 1990 census. The unemployment rate for Tuscola County in the year 2001 was 7.3 percent, which indicates an increase of 2.0 percent compared to 2000, which was 5.3 percent. The median age for a resident of Tuscola County in the year 2000 was 35 years old.

Factors Affecting County Finances

The national recession is reducing state revenues making it increasingly difficult to balance the state budget. State revenues to the County have been reduced as at least one method of balancing the state budget. There is a growing concern that state cuts to the County may increase if the economy does not make a strong rebound soon. In meetings with the state representative it was explained that larger impacts to the County might be ahead in trying to balance future year state budgets.

Some of the County budgetary financial pressures include: health insurance costs, drain-at-large costs, childcare costs, jail overcrowding, low general operating millage, and state budget cuts.

Michigan Ethanol, LLC

Originally, the new ethanol processing plant was planned for construction in Vassar Township. However, because of the high cost of electric and natural gas in Vassar Township, a decision was made to relocate the plant to the Caro Industrial Park. The agricultural processing enterprise will create approximately 38 jobs and generate annual sales in the range of \$55 million dollars. The building and personal property is expected to have a value of approximately \$55 million dollars. Site preparation began in August 2001 with construction scheduled to be completed by the fall of 2002. Taxes are exempt for 15 years as part of a renaissance zone designation.

General Cable

General Cable Industries, Inc. discontinued wire and cable production at its facility located in Cass City in the summer of 2001. The County Economic Development Corporation, Village of Cass City, and other parties were successful in marketing the building to Millennium Industries who manufactures fuel rail systems. This new industry restored approximately 100 of the jobs lost by the closing of General Cable.

Michigan Sugar

A letter of intent has been signed between the Great Lakes Sugar Beet Cooperative and Michigan Sugar for the cooperative to purchase four thumb-area beet processing plants including the one located in Caro. Michigan Sugar, as proposed in the letter of intent, will continue to market the cooperative's products. The Tuscola County Economic Development Corporation assisted the new cooperative in obtaining financing for a feasibility study prior to the purchase of the existing plants.

Other Economic Factors

In late 2001, the County became aware that two major Thumb industries would be discontinuing operations: Tower Industries of Sebewing and Lear Industries of Marlette. Although neither of these industries is located in Tuscola County, a significant number of employees working at these plants are from Tuscola County and thus will affect the local employment base. Tower Automotive employees are pursuing a plan where they may become part owners of the plant. On a positive note, in late 2001 the County Economic Development Corporation began working with a prospective industry to locate in Tuscola County that would employ up to 125 people.

Economic Infrastructure Support Systems

One of the primary roles of the County related to economic development has been to maintain and upgrade the road, bridge, drainage, solid waste, housing, airport and other infrastructure support systems. The following is a summary of the support system activities during 2001.

Drainage

Maintaining the large drainage system of the County is integral to the economy and especially to agriculture. Without the extensive drainage system, significant amounts of agricultural land would be unproductive. Tuscola County has more than 550 drains to be maintained. In the year 2001, over 2 million dollars was spent in the County on drainage projects. The County's share of this cost was approximately \$478,882. For the past several years, County drainage costs have been increasing. Significant amounts of the drainage work are financed over time. As of December 31, 2001, there was approximately \$12.5 million dollars in outstanding drain bonds or notes.

Airport

Improvements continue to be made to the Tuscola Area Airport near Caro. In the year 2000, the Airport Authority received notification of a grant award in the amount of \$620,000 from the Michigan Aeronautics Commission. Funding provided for a partial taxiway, apron, vehicle parking, and an entrance road from M-81. The project was completed in August of 2001. Improving air transportation remains an important element of the overall Tuscola County economic development strategy. The Authority is scheduled to receive a grant of \$270,000 in the fall of 2002 to extend the runway to a length of 4,300 feet.

Roads/Bridges

During the year 2001, the Tuscola County Road Commission resurfaced 129 miles of County primary roads and 49 miles of local roads with a combined cost of approximately 6.3 million dollars. Also integral to the transportation system, the Road Commission spent approximately \$750,000 on bridges and culverts for the primary and local road systems. Significant resurfacing work to the State Trunkline System scheduled in Tuscola County for 2002 by the Michigan Department of Transportation includes: one mile of total reconstruction on M-15 from Rupprecht Road (northerly to the City of Vassar, M-138 in the Village of Akron), and micro surfacing on M-24, (from M-138 to the south Village limits of Unionville).

Recycling/Solid Waste

The County hired a consultant to conduct a study of County recycling needs and potential methods of financing recycling programs. Surveys of the public and public officials have shown needs and goals to include: illegal dumping enforcement, recycling education, household hazardous waste programs, used tire drop-off, business recycling opportunities, expansion of recycling drop-off centers, and expansion of the current recycling center. The decision was made to request funding for the operation through a fee assigned to each household under P.A.138 of 1989. Less than a third of local units of government agreed to fund the program through this method, therefore the fee was not levied. The future of recycling in the County is in question. A six-month budget has been approved with the fate of the operation after this point in time in question. The County Recycling Committee is charged with recommending a plan and funding mechanism for the operation by the mid-point of the year.

New Economic Development Initiatives

Renaissance Zone Designations

In 2000 the Tuscola County Board of Commissioners in conjunction with the State of Michigan designated the Caro and Cass City Industrial Parks as tax-free Renaissance Zones through December of 2009. The Renaissance Zone designation allows most property taxes at the local and County level to be waived over a multi-year period. This is intended to be a tool to encourage manufacturing firms to locate in these industrial parks. The Caro Renaissance Zone designation has been extended through 2016 by the Michigan Economic Development Corporation.

Countywide Brownfield Redevelopment Authority

In 2000 Tuscola County implemented a Brownfield Redevelopment Authority. The purpose of this Authority is to encourage the development of abandoned, undeveloped, or under-utilized property because of environmental contamination (called a brownfield). Increases in taxable value as a result of improvements made to these properties can be captured for a certain period of time to repay the costs of making the original improvements. Also, taxable value increases can be captured for up to five years after project completion to create a revolving loan fund for new projects. Ultimately, these properties are put back on the tax rolls.

COUNTY INITIATIVES

County Court System

Significant review and analysis of the County court system occurred in 2001. The focus of the court system review included reorganization, staffing levels and wage comparisons. Results of comprehensive court reorganization and compensation studies are anticipated to be available in mid-year 2002. All three judges have stressed the need for a Court Administrator and Law Clerk. Methods of financing these positions have been under discussion. The Michigan Chief Justice appointed a new Chief County Judge in late 2001 to lead County court system changes and in particular the structuring of the family court.

Courthouse Barrier-Free Compliance

The Courthouse was made barrier-free compliant in 2001. The cost was approximately \$382,000 with the primary component being the installation of an elevator. All County facilities are now barrier-free compliant.

Office Space Planning

The deficiency of office space to efficiently conduct operations prompted the Board of Commissioners to approve an architectural study to review alternative solutions to the office space problems. The County Board of Commissioners has started a capital projects fund to build reserves to solve office space deficiency and related space problems on a "pay as you go" type of plan. The Board has commissioned an architectural firm to develop specifications to construct a

13,000 square foot building connected to the current Courthouse by a vestibule to house District Court and Prosecutor operations. The County Board will determine in early 2002 if finances will enable construction of this facility in the year 2002.

Medical Care Facility

The County Medical Care Facility has major building space deficiencies and is unable to efficiently accommodate the resident population. A millage-financing question to upgrade the facility failed in 1998. The Medical Care Facility has changed the original focus from simply upgrading the facility to not only upgrading the facility but also adding resident beds. In 2001 the County applied for and was approved by the State to add 20 resident beds. Funding to upgrade the facility and add beds will be requested from the public in an August 2002 primary ballot question. Also, renewal of the current Medical Care Facility millage for maintenance of effort costs will need to be requested in 2002 to avoid the costs of a special election.

Apportionment

The County Apportionment Commission made a decision in 2001 to reduce the number of County Commissioners from seven to five. The reduced number of commissioners will impact the 2002 elections and take effect January 1, 2003.

County Computer Technology

Tuscola County has advanced in the effective use of computer technology. Virtually all County operations utilize computers for daily operations, but the need for new and advanced software continues. Departments strive to fully utilize computer technology in order to keep pace with new office demands. Departmental efficiency studies conducted by independent auditing firms have explained the need for increased computerization, emphasizing the need for optical imaging technologies.

In 2001, optical imaging technologies were implemented in the Register of Deeds and County Clerk offices. Eventually, optical imaging will be used in many other departments. The state is debating a bill that would change fees generated in the Register of Deeds Office to provide funds for County technology needs. Provision of fee or other new revenue sources is vital in order to expand optical technology.

Implementation of a new computer aided dispatch system began in 2001. This new state of the art computer system will provide marked efficiency improvements to the County Dispatch Operation. The system is anticipated to cost approximately \$200,000 and is anticipated to be fully operational by mid-year 2002. The telephone surcharge, used to finance dispatch operations, was increased to assist in paying the costs of the new computer system.

The Sheriff Department made significant strides in accomplishing automation goals for the department over the past few years. Federal and State grants, along with a County commitment to match these grants have enabled the purchase of a vastly improved records management software system. The Justice Records Management software makes the important police records database in the Sheriff Department available to laptop computers in patrol cars and local police agencies. Police reports can now be efficiently prepared at the scene and police agencies have direct access to database information for investigations. Remaining goals are to link Dispatch and the Court system to the Sheriff Department database.

Other computer related activities include: hardware/software upgrades in the prosecutor's office; assisting local units of government in purchasing computerized election equipment, and review of potential E-Government applications in Tuscola County.

Labor Negotiations

The Police Officers Association of Michigan (Certified Deputies) union contract was settled in 2001. The Police Officers Labor Council (Sheriff Command Unit) and Michigan Association of Police (Corrections Officers and other support staff) contracts expired in 2001, but were unable to be settled. The Command Unit contract will go to binding arbitration in 2002. It is anticipated that the Correction Offices contract will be settled in 2002. No other labor contracts are due to expire in 2002.

Jail Crowding/District Court Probation Department

The District Court Probation Department was restructured in 2000 adding a Chief Probation Officer and a new intensive probation program. This program was designed to assist in reducing a jail-overcrowding situation by placing appropriate people on intensive probation rather than in jail. Although the new probation program has been successful, the jail was again overcrowded in late 2001 with early release of prisoners started in January of 2002. Longer range planning for jail space needs will likely begin in 2002 with assistance from the National Institute of Corrections.

Other County Activities

The County Health Department legally restructured into an associated department with Huron County for Health Officer services and with Huron and Sanilac Counties for Medical Director services.

Several key County positions became vacant or were created in 2001 and the County is in the process of filling these positions: Chief Accountant, Court Administrator, Buildings & Grounds Director, and Building Codes Director.

The final bond payment was made on the County Health Building in 2001. The final bond payment on the Family Independence Building will be made in 2002.

A five-year update to the County Parks and Recreation Plan was completed in 2001.

The County began major accounting changes that will have to be completed in 2002 to gain compliance with new Government Accounting Standards Board Statement No. 34.

Significant work continues on the development of a comprehensive update to the County Master Plan. This Plan is anticipated to be completed in 2002.

In August of 2001, the primary County computer system was directly struck by lightning. This destroyed the computer server, backup system and significant amounts of vital data. Considerable staff time was required to restore lost data. Losses paid by the insurance company are estimated at \$68,000.

The Mosquito Abatement department was reorganized in 2001. Two positions were eliminated providing funding to enable operating two work shifts. These changes will enable more direct service to the public.

The company that provides paging service for the County Dispatch Operations is installing additional tower/transmitter equipment to strengthen paging deficiencies in the northern portion of the County. It is anticipated that this new equipment will be in operation by the end of the first quarter of 2002.

The County has operated a successful housing rehabilitation program for several years. The County has recently been approved for a new two-year grant from the Michigan State Housing Development Authority for \$250,000.

FINANCIAL INFORMATION

Accounting System

The County's financial statements for the governmental fund types, expendable trust fund type, and agency funds have been prepared on the modified accrual basis of accounting in accordance with generally accepted accounting principles. Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, provided the liability normally would be liquidated with expendable available financial resources. The major exception to this general rule is principal and interest on general long-term debt, which is generally recognized when due.

The proprietary funds and the nonexpendable trust fund are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned with their expenses being recognized as they are incurred. The proprietary funds and the nonexpendable trust fund are accounted for on a cost of services measurement focus. This means that all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total assets.

In developing and evaluating the County's accounting control structure, consideration is given to the adequacy of internal accounting controls. Accounting controls are comprised of the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records, and consequently is designed to provide reasonable assurance that:

- Transactions are executed in accordance with management's general or specific authorization.
- Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or other criteria, such as finance related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability for assets.
- Access to assets is permitted only in accordance with management's authorization.
- The recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences.

Budgetary Control

In addition to accounting controls, the County maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. The County budgets for the general fund, special revenue funds, and debt service funds on the modified accrual basis consistent with generally accepted accounting principles. Budgetary control is exercised at the fund, activity and line item basis, subject to all County policies regarding the expenditures of funds and the conditions set forth in the General Appropriations Act. Unencumbered appropriations lapse at year-end.

General, All Governmental and Expendable Trust Fund Revenues by Source

The following tables provide a summary of the County's general and governmental revenues by source for 2001, and are presented in relation to December 31, 2000.

GENERAL FUND REVENUE BY SOURCE					
Revenue and Other Financing Sources	2000 Amount	2001 Amount	Percent of 2001 Total	2000-2001 Dollar Change	2000-2001 Percent Change
Taxes	\$3,800,582	\$3,940,509	37.4%	\$139,927	3.7%
Licenses and Permits	\$490,836	\$508,522	4.8%	\$17,686	3.6%
Inter-Governmental	\$2,108,672	\$2,372,474	22.5%	\$263,802	12.5%
Charges for Services	\$1,698,184	\$1,797,344	17.0%	\$99,160	5.8%
Fines and Forfeits	\$129,057	\$103,993	1.0%	\$25,064	19.4%
Interest and Rents	\$357,235	\$285,751	2.7%	(\$71,484)	(20.0%)
Reimbursements/Refunds	\$711,485	\$688,341	6.5%	(\$23,144)	(3.3%)
Operating Transfer In	\$900,848	\$847,174	8.1%	(\$53,674)	(6.0%)
Totals	\$10,196,899	\$10,544,108	100%	\$347,209	3.4%

Total General Fund revenue increased by 3.4% or \$347,209 from 2000 to 2001. This is a considerably smaller increase when compared to the 7.1% or \$671,684 General Fund revenue increase from 1999 to 2000.

Property tax is the largest single source of revenue to the General Fund, accounting for 37.4% of total General Fund revenue in 2001. Between 2000 and 2001 the rate of growth in property tax slowed to 3.7% compared to approximately 5.0% from 1999 to 2000. Intergovernmental is the second largest category of revenue to the General Fund at 22.5% of total revenue. From 2000 to 2001 this revenue category showed the largest dollar increase of any category at \$263,802. State revenue sharing is the largest revenue source within this category. Interest, rent, and reimbursement revenue to the General Fund all declined between 2000 and 2001. Interest and rent declined by over \$71,000 or 20% from 2000 to 2001. Also of significance are operating transfers in, primarily in the form of delinquent tax earnings, which declined by approximately \$53,000 or 6.0% from 2000 to 2001.

**ALL GOVERNMENTAL FUNDS AND EXPENDABLE
TRUST FUND REVENUES BY SOURCE**

Revenue and Other Financing Sources	2000 Amount	2001 Amount	Percent of 2001 Total	2000-2001 Dollar Change	2000-2001 Percent Change
Taxes	\$5,681,758	\$5,890,251	20.2%	\$208,493	3.7%
Licenses and Permits	\$646,749	\$670,772	2.3%	\$24,023	3.7%
Inter-Governmental	\$5,628,771	\$6,192,056	21.3%	\$563,285	10.0%
Charges for Services	\$9,926,327	\$10,113,586	34.8%	\$187,259	1.9%
Fines and Forfeits	\$194,660	\$115,190	0.4%	(\$79,470)	(40.8%)
Interest and Rents	\$502,405	\$437,181	1.5%	(\$65,224)	(13.0%)
Reimbursements/Refunds	\$725,482	\$696,647	2.4%	(\$28,835)	(4.0%)
Other Revenue	\$373,092	\$354,195	1.2%	(\$18,897)	(5.1%)
Operating Transfer In	\$3,914,943	\$4,630,545	15.9%	\$715,602	18.3%
Totals	\$27,594,187	\$29,100,423	100%	\$1,506,236	5.5%

When the General fund along with all Governmental and Expendable Trust Fund revenues are considered together, total revenue growth from 2000 to 2001 was 5.5% or \$1,506,236. This rate of growth is much slower than the 1999 to 2000 period of 10.3% or \$2,575,328.

Charges for service is the largest category of revenue for all Governmental and Expendable Trust Funds. This category accounts for 34.8% of total revenues, but only grew by 1.9% from 2000 to 2001. As with the General Fund, intergovernmental revenue showed strong growth of 10% or approximately \$563,000 from 2000 to 2001. The categories of fines, interest, reimbursements and other revenue all encountered revenue decline over this period. Operating transfers in increased by 18.3% or \$715,602.

General, All Governmental and Expendable Trust Fund Expenditures by Function

The following tables present a summary of the County's general governmental expenditures and other financial uses for the year ending December 31, 2001. The amounts and percentages of increases and decreases are in relation to December 31, 2000.

GENERAL FUND EXPENDITURES BY FUNCTION					
Expenditures and Other Financing Uses	2000 Amount	2001 Amount	Percent of 2001 Total	2000-2001 Dollar Change	2000-2001 Percent Change
Legislative	\$118,747	\$125,353	1.2%	\$6,606	5.6%
Judicial	\$1,694,120	\$1,849,626	17.6%	\$155,506	9.2%
General Government	\$2,699,353	\$2,919,482	27.8%	\$220,129	8.2%
Public Safety	\$1,583,749	\$1,661,200	15.8%	\$77,451	4.9%
Public Works	\$847,584	\$839,525	8.0%	(\$8,059)	(1.0%)
Health and Welfare	\$440,373	\$443,308	4.2%	\$2,935	0.7%
Other	\$213,891	\$200,881	1.9%	(\$13,010)	(\$6.1%)
Operating Transfers Out	\$2,580,396	\$2,454,743	23.5%	(\$125,653)	(4.9%)
Totals	\$10,178,213	\$10,494,118	100.00%	\$315,905	3.1%

Total General Fund expenditures increased by 3.1% or \$315,905 from 2000 to 2001. This is a considerably smaller increase when compared to the 10.5% or \$964,734 General Fund expenditure increase from 1999 to 2000.

General Government is the largest expenditure category in the General Fund, accounting for 27.8% of total General Fund expenditures in 2001. Expenditures grew by 8.2% or approximately \$220,000 in this category. The Judicial category had the largest one-year percentage increase of 9.2%. Operating transfers out were reduced by \$125,653 or 4.9% from 2000 to 2001. The reduction in this category had a significant impact in holding overall expenditure increases to 3.1%.

**ALL GOVERNMENTAL FUNDS AND EXPENDABLE
TRUST FUND EXPENDITURES BY FUNCTION**

Expenditures and Other Financing Uses	2000 Amount	2001 Amount	Percent of 2001 Total	2000-2001 Dollar Change	2000-2001 Percent Change
Legislative	\$118,747	\$125,353	0.4%	\$6,606	5.6%
Judicial	\$2,636,042	\$2,874,276	10.0%	\$238,234	9.0%
General Government	\$3,549,453	\$3,750,600	13.0%	\$201,147	5.7%
Public Safety	\$3,653,770	\$3,736,635	13.0%	\$82,865	2.3%
Public Works	\$2,130,551	\$972,601	3.4%	(\$1,157,950)	(54.2%)
Health and Welfare	\$10,040,349	\$10,736,943	37.2%	\$696,594	6.9%
Recreation and Culture	\$10,104	\$15,080	0.05%	\$4,976	49.2%
Other	\$331,505	\$266,751	0.9%	(\$64,754)	(19.5%)
Capital Outlay	\$1,746,790	\$1,226,096	4.3%	(\$520,694)	(29.8%)
Debt Service	\$1,016,085	\$1,082,779	3.8%	\$66,694	6.6%
Operating Transfers Out	\$2,941,636	\$4,030,250	14.0%	\$1,088,614	37.0%
Totals	\$28,175,032	\$28,817,364	100%	\$642,332	2.3%

Total Governmental and Expendable Trust expenditures increased by 2.3% or \$642,332 from 2000 to 2001. This is a considerably smaller increase when compared to the 14.3% or \$3,401,928 Governmental and Expendable Trust expenditure increase from 1999 to 2000.

Health and Welfare is the largest expenditure category in the Governmental and Expendable Trust Funds accounting for 37.2% of total Governmental and Expendable Trust Funds expenditures in 2001. Expenditures grew by 6.9% or approximately \$696,000 in this category. Public works and capital outlay experienced significant expenditure declines from 2000 to 2001. Operating transfers out were increased by \$1,088,614 or 37.0% from 2000 to 2001.

Proprietary Operations

The County Delinquent Tax Internal Service Fund is significant in meeting the annual County operational costs and providing a balanced budget. The County has established a policy to assure the continuation of self-funding the delinquent tax process. The Health Insurance Internal Service Fund was established to pay the premiums that provide coverage to employees of the County.

Fiduciary Funds

The Trust and Agency Fund sets aside monies to be distributed to other units of government. The Library Penal Fines Fund was established to collect penal fines and distribute them to various Libraries within the County on a quarterly basis. The Employee Vacation and Sick Time Fund was established to fulfill the obligations of the County to pay employees who qualify for payment of earned sick and vacation time. The Cemetery Trust Fund disburses yearly interest earnings to specific townships for the care of cemetery lots.

Cash Management

Cash balances are invested according to the Investment Policy adopted by the Board of Commissioners. The County Treasurer is authorized to invest funds of the County in accordance with investments permitted by Public Act 20 of 1943 as amended, MCL 129.91.

Debt

Capital Leases exist for the purchases of a computer data system and the purchase of phone system upgrades and are both due in monthly installments. The Health Department entered into a lease with the County for office space. The Building Authority Debt along with the DPW Bonds for sewer projects total \$6,593,000. Under the current state statutes, the County's maximum legal debt limit is 10 percent of the state equalized value. The County's debt margin is as follows:

Debt Limit	\$ 139,684,484
Debt Margin	133,187,946

The County's gross long term debt was \$6,635,841 at December 31, 2001, which is equivalent to \$113.89 per capita.

Risk Management

The County is exposed to risks of loss related to theft, damage to, and the destruction of assets; injuries to employees and natural disasters. The County carries commercial insurance to cover all risk and losses.

Independent Audit

Michigan law requires that an audit of the County's financial statements be performed annually. The Tuscola County Board of Commissioners has engaged Rehmann Robson, Independent Auditors to complete this requirement. The Independent Audit is included in this report.

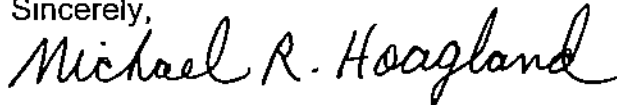
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to Tuscola County, Michigan for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2000. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

This report was prepared through the dedication and support of the staff of the Tuscola County Controller's Office. We would like to express our appreciation to various County departments for their cooperation and assistance. We would like to sincerely thank the Board of Commissioners who have supported the interest and planning of this financial operation. We respect the decisions that are made to ensure that the County may operate in a fiscally responsible and progressive manner.

Sincerely,

A handwritten signature in black ink that reads "Michael R. Hoagland". The signature is written in a cursive, flowing style.

Michael R. Hoagland
Tuscola County Controller/Administrator

The Board of Commissioners

Norma Bates
District 4
Chairperson

District 1 James Schafer
District 2 Edward Scollon
District 3 Kenneth Hess

District 5 Donald McLane
District 6 Gerald Peterson
District 7 Roy Petzold

Administration

County Controller/Administrator

Michael Hoagland

Elected Officials

Circuit Court Judge
District Court Judge
Probate Court Judge
Prosecutor
Sheriff
County Clerk
Register of Deeds
Drain Commissioner
Treasurer

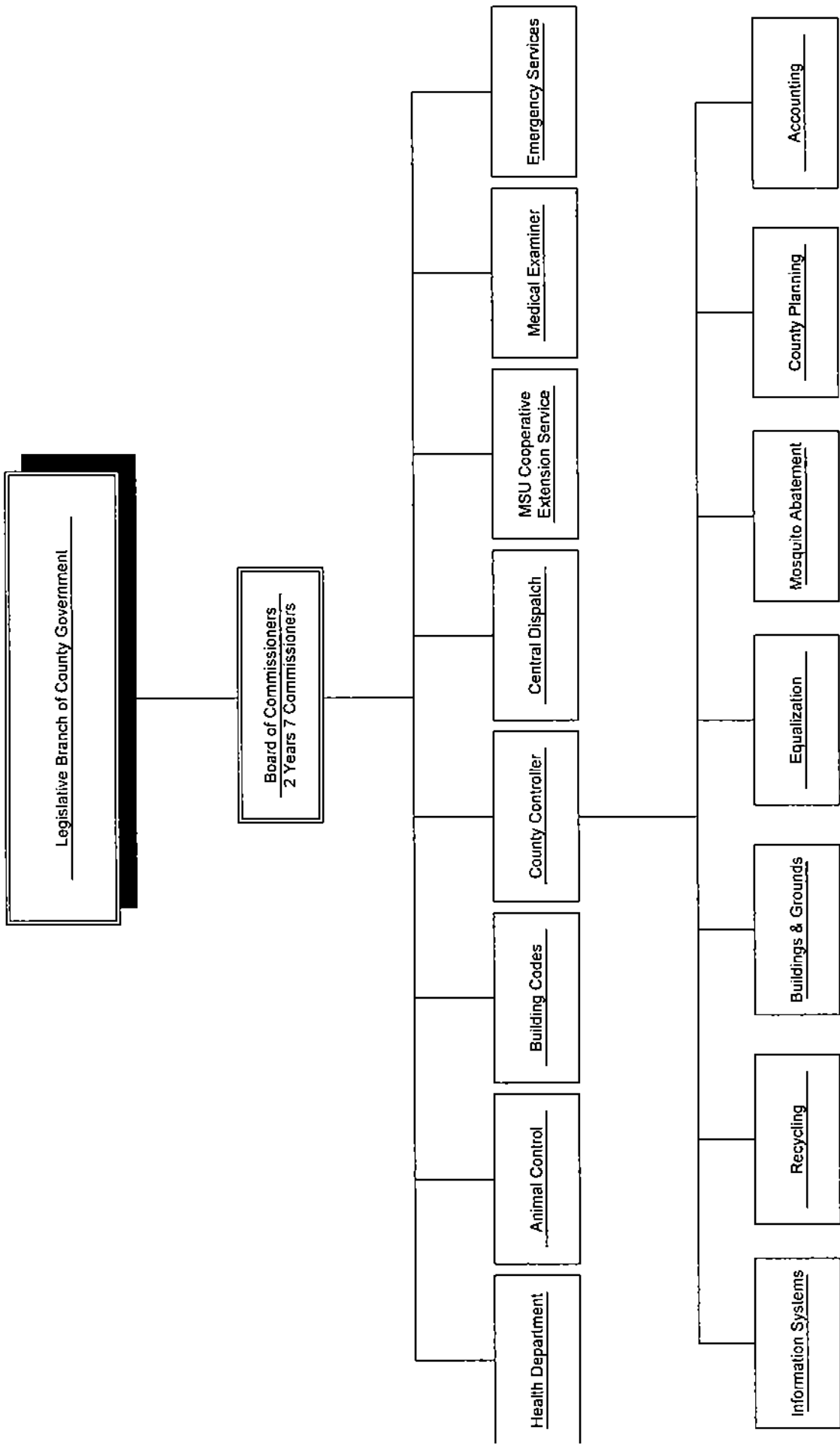
Patrick Joslyn
Kim Glaspie
William Kent
Mark Reene
Thomas Kern
Margie White-Cormier
Virginia McLaren
Sarah Pistro
Patricia Donovan

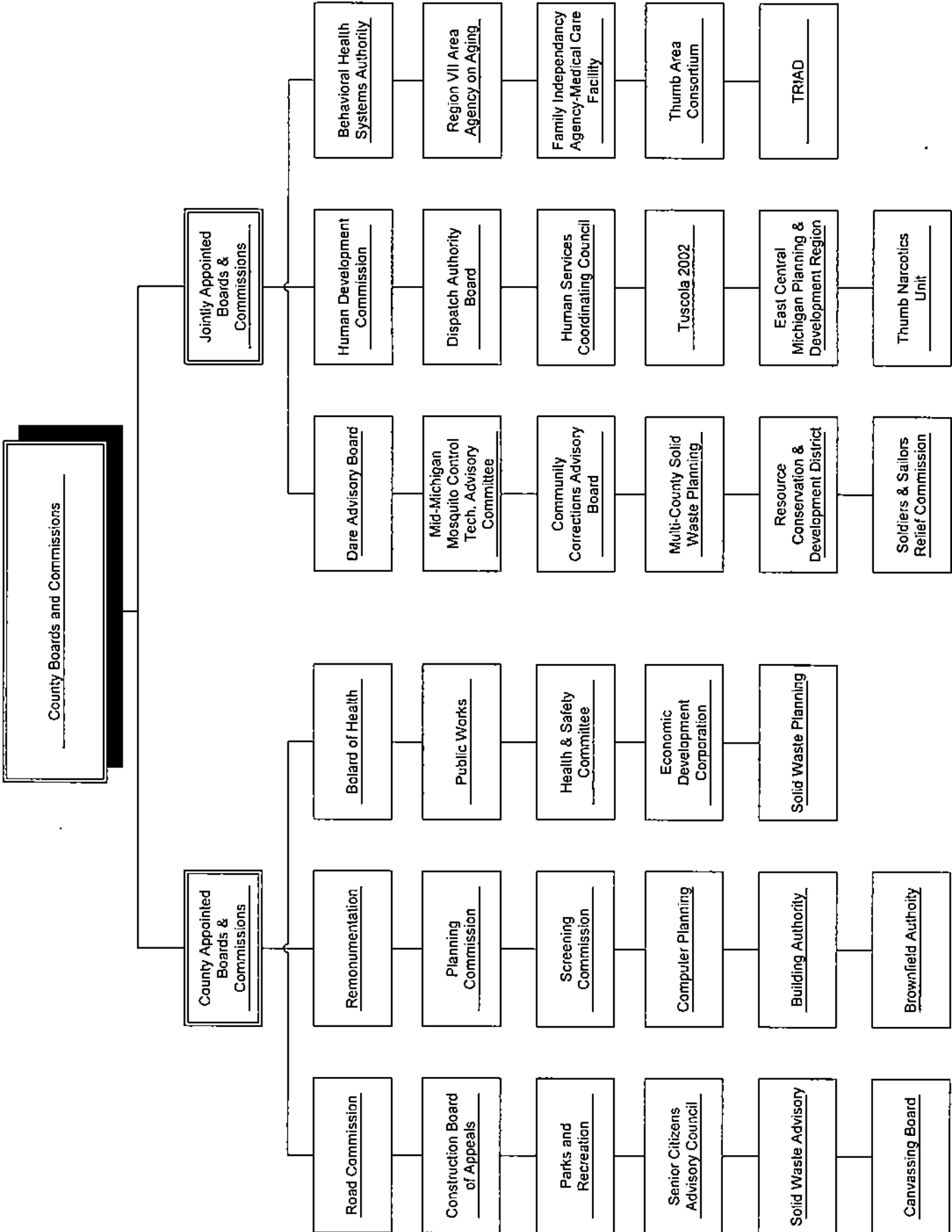
Appointed Officials

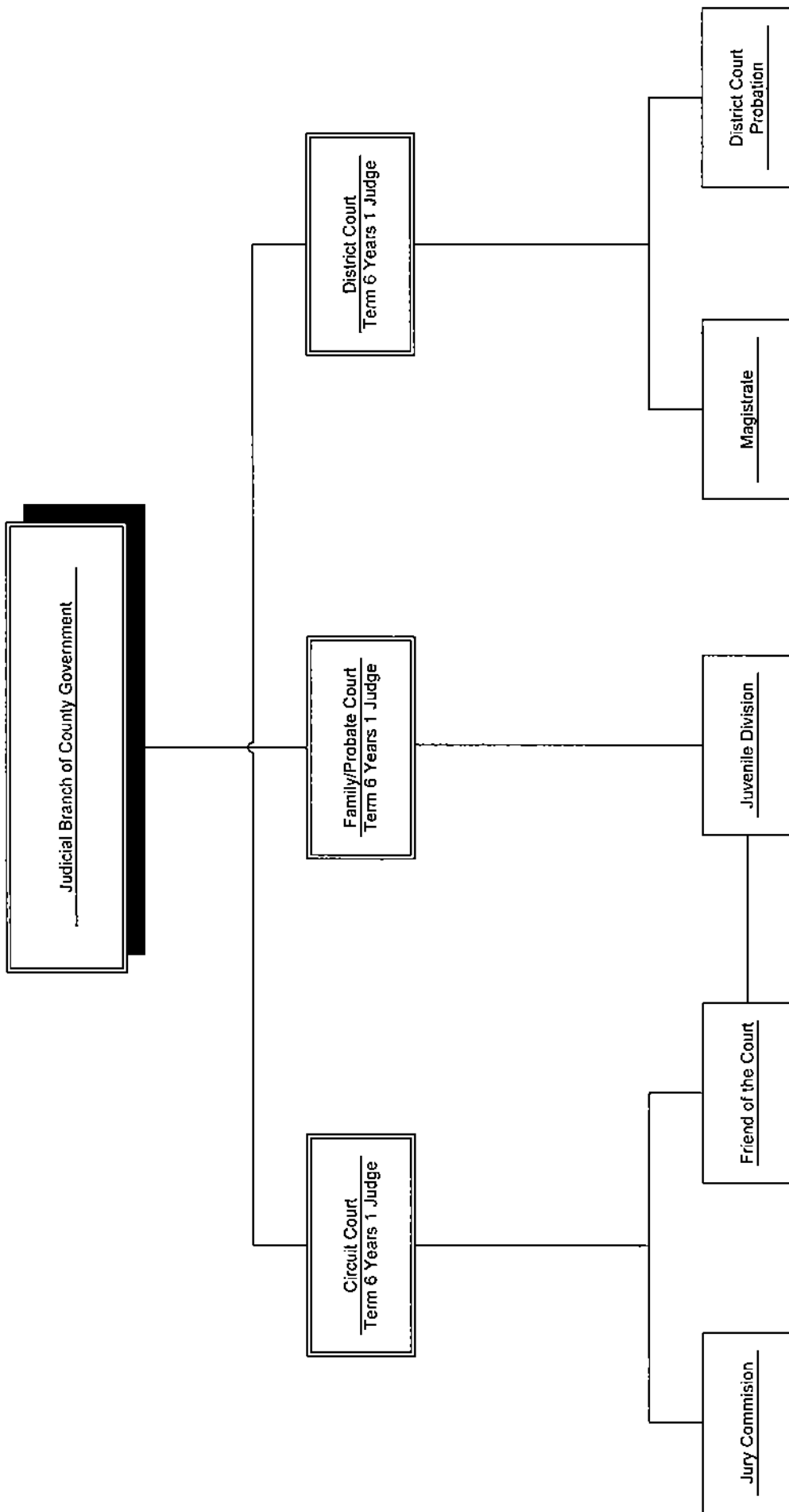
Director of Facilities & Buildings and Codes
Dispatch Director
Equalization Director
Friend of the Court
Mosquito Abatement Director
Animal Control Officer
Juvenile Director
Undersheriff
Director of Information Systems
Magistrate II
MSU/Co-Op Director
Recycling Coordinator
Health Officer

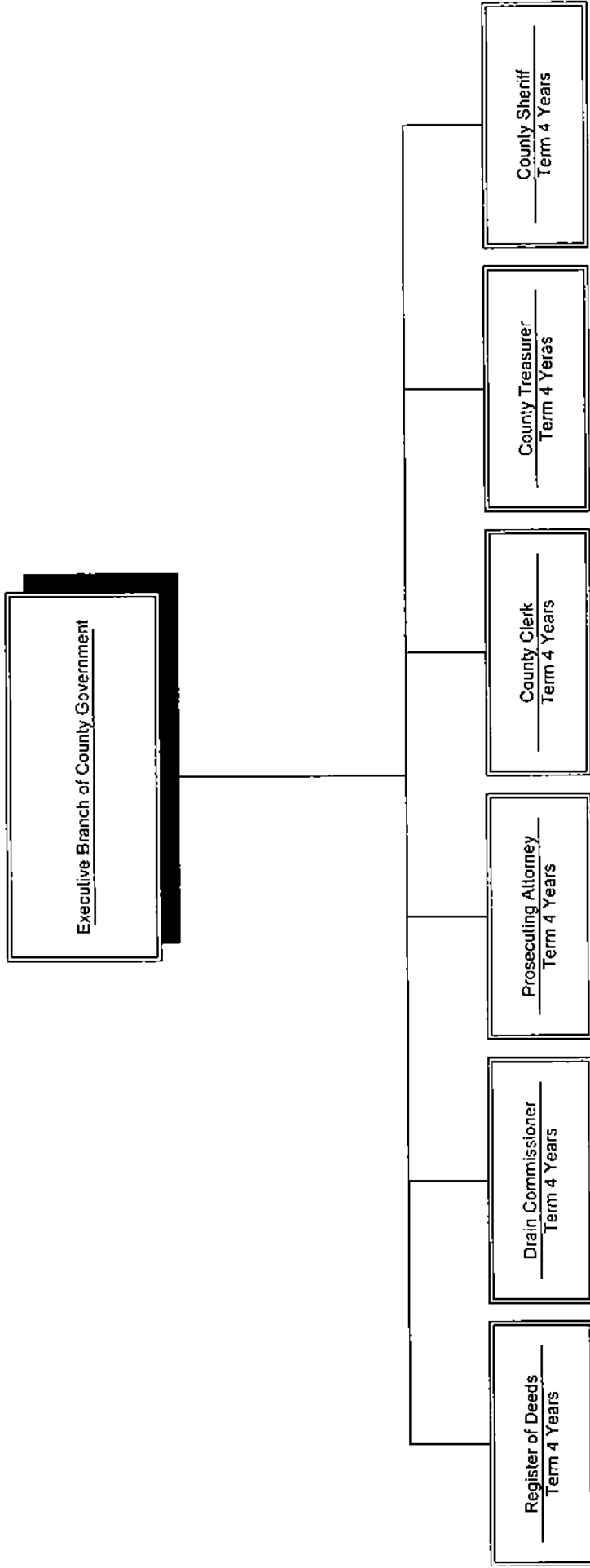
Sharon Carroll
Robert Klenk
Walter Schlichting
Mary Lou Burns
William Wallace
Geoffrey Quinn
Robert Popielarz
James Jashinske
Ramon Enriquez
Steven Sattler
James Zook
Sharon Mika
Gretchen Tenbusch











Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tuscola County,
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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.



Imelda A. Greve
President

Jeffrey L. Essler
Executive Director





REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

A MEMBER OF  ASSOCIATES, INC.

INDEPENDENT AUDITORS' REPORT

March 11, 2002

Board of Commissioners
County of Tuscola
Tuscola, Michigan

We have audited the accompanying general purpose financial statements of *Tuscola County, Michigan* as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of *Tuscola County, Michigan's* management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Tuscola County Health Department, which represents 7% of total assets and 12% of total revenues of the Special Revenue Fund type, and we did not audit the financial statements of the Tuscola County Road Commission, which represents 16% of total assets and 77% of total revenues of the Discretely Presented Component Units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tuscola County Health Department and the Tuscola County Road Commission, is based on the reports of 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of *Tuscola County, Michigan*, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund 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 March 11, 2002, on our consideration of *Tuscola County, Michigan's* internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the general purpose financial statements of *Tuscola County, Michigan*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of *Tuscola County, Michigan*. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion and based on the reports of other auditors, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The statistical data listed in the table of contents is presented for purposes of additional analysis and is not part of the general purpose financial statements of *Tuscola County, Michigan*. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on it.







TUSCOLA COUNTY
COMBINED BALANCE SHEET - ALL FUND TYPES,
ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and cash equivalents	\$ 7,100	\$ 2,263,323	\$ 102,607	\$ 600,367
Investments	361,740	1,001,020	36,209	705,983
Taxes receivable	4,189,035	2,080,390	-	-
Special assessments receivable	-	-	-	-
Accounts receivable	91,490	2,237,853	69	-
Allowance for uncollectible accounts	-	(373,193)	-	-
Accrued interest receivable	18,531	6,115	418	294
Due from other funds	848,216	167,189	175	406,652
Due from primary government	-	-	-	-
Due from State	633,822	345,684	-	-
Due from other governmental units	-	18,257	-	-
Inventory	-	-	-	-
Prepaid expenditures/expenses	-	18,672	-	-
Advances to other funds	-	-	-	-
Advances to component unit	610,000	-	-	-
Restricted assets:				
Cash and cash equivalents	-	23,851	-	-
Investments	-	892,764	-	-
Taxes receivable	-	-	-	-
Property, plant and equipment-net of accumulated depreciation	-	-	-	-
Amount available for retirement of general long term debt	-	-	-	-
Amount to be provided for retirement of general long term debt	-	-	-	-
TOTAL ASSETS	\$ 6,759,934	\$ 8,681,925	\$ 139,478	\$ 1,713,296

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

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)		Totals (Memorandum Only)	
		Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Primary Government	Component Units
\$ 4,350,719	\$ 1,570,852	\$ -	\$ -	\$ 8,894,968	\$ 2,104,262	\$ 10,999,230	
3,038,593	10,547	-	-	5,154,092	3,319,583	8,473,675	
2,012,882	-	-	-	8,282,307	-	8,282,307	
-	-	-	-	-	11,354,938	11,354,938	
14,311	-	-	-	2,343,723	812,665	3,156,388	
-	-	-	-	(373,193)	-	(373,193)	
4,463	559	-	-	30,380	9,594	39,974	
157,664	912,238	-	-	2,492,134	557,212	3,049,346	
-	-	-	-	-	17,269	17,269	
-	-	-	-	979,506	-	979,506	
24,012	-	-	-	42,269	123,541	165,810	
-	-	-	-	-	314,642	314,642	
6,261	-	-	-	24,933	328,202	353,135	
1,403,086	-	-	-	1,403,086	-	1,403,086	
-	-	-	-	610,000	-	610,000	
-	-	-	-	-	23,851	510,184	
-	-	-	-	892,764	-	892,764	
-	-	-	-	-	1,147,983	1,147,983	
-	-	14,605,272	-	14,605,272	2,380,737	16,986,009	
-	-	-	139,303	139,303	1,790,130	1,929,433	
-	-	-	7,202,310	7,202,310	10,728,514	17,930,824	
\$ 11,011,991	\$ 2,494,196	\$ 14,605,272	\$ 7,341,613	\$ 52,747,705	\$ 35,475,605	\$ 88,223,310	

(Continued)

TUSCOLA COUNTY
COMBINED BALANCE SHEET (Continued)
ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 124,036	\$ 225,373	\$ -	\$ 46,140
Accrued liabilities	83,393	298,357	-	-
Due to other funds	1,183,998	436,388	175	23,357
Due to component units	17,269	-	-	-
Due to other governmental units	213	-	-	-
Patient trust fund	-	14,472	-	-
Bonds and deposits	-	25,400	-	-
Undistributed receipts	-	-	-	-
Undistributed taxes	-	-	-	-
Due to employees	-	-	-	-
Deferred revenue	4,191,035	3,036,397	-	-
Advances from other funds	-	10,083	-	-
Advances from primary government	-	-	-	-
Advances - State	-	40,000	-	-
Contracts and capital leases payable	-	-	-	-
General obligation bonds and notes	-	-	-	-
Accrued compensated absences	-	-	-	-
TOTAL LIABILITIES	5,599,944	4,086,470	175	69,497
FUND EQUITY				
Investment in general fixed assets	-	-	-	-
Retained Earnings				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund Balance				
Reserved	610,000	927,959	139,303	1,643,799
Unreserved:				
Designated	-	-	-	-
Undesignated	549,990	3,667,496	-	-
TOTAL FUND EQUITY	1,159,990	4,595,455	139,303	1,643,799
TOTAL LIABILITIES AND FUND EQUITY	\$ 6,759,934	\$ 8,681,925	\$ 139,478	\$ 1,713,296

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

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)		Totals (Memorandum Only)	
		General Fixed Assets	General Long Term Debt	Primary Government	Component Units	Reporting Entity	
\$ 672,560	\$ -	\$ -	\$ -	\$ 1,068,109	\$ 1,087,181	\$ 2,155,290	
332,326	1,019,525	-	-	1,733,601	27,869	1,761,470	
847,174	1,042	-	-	2,492,134	557,212	3,049,346	
-	-	-	-	17,269	-	17,269	
7,507	620,339	-	-	628,059	-	628,059	
-	-	-	-	14,472	-	14,472	
-	-	-	-	25,400	-	25,400	
-	155,173	-	-	155,173	-	155,173	
-	683,440	-	-	683,440	-	683,440	
-	3,622	-	-	3,622	-	3,622	
-	-	-	-	7,227,432	12,504,879	19,732,311	
1,393,003	-	-	-	1,403,086	-	1,403,086	
-	-	-	-	-	610,000	610,000	
-	-	-	-	40,000	293,573	333,573	
-	-	-	42,841	42,841	-	42,841	
-	-	-	6,593,000	6,593,000	12,490,990	19,083,990	
-	-	-	705,772	705,772	27,654	733,426	
3,252,570	2,483,141	-	7,341,613	22,833,410	27,599,358	50,432,768	
-	-	14,605,272	-	14,605,272	2,380,737	16,986,009	
5,785,507	-	-	-	5,785,507	-	5,785,507	
1,973,914	-	-	-	1,973,914	-	1,973,914	
-	6,800	-	-	3,327,861	4,734,457	8,062,318	
-	-	-	-	-	486,333	486,333	
-	4,255	-	-	4,221,741	274,720	4,496,461	
7,759,421	11,055	14,605,272	-	29,914,295	7,876,247	37,790,542	
\$ 11,011,991	\$ 2,494,196	\$ 14,605,272	\$ 7,341,613	\$ 52,747,705	\$ 35,475,605	\$ 88,223,310	

TUSCOLA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUND AND DISCRETELY
PRESENTED COMPONENTS UNITS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES				
Taxes	\$ 3,940,509	\$ 1,949,742	\$ -	\$ -
Licenses and permits	508,522	162,250	-	-
Intergovernmental				
Federal	25,981	1,033,862	-	-
State	2,322,343	1,926,950	269,584	-
Local	24,150	151,314	437,872	-
Charges for services	1,797,344	8,316,242	-	-
Fines and forfeits	103,993	11,197	-	-
Interest and rents	285,751	115,844	3,448	32,138
Reimbursements and refunds	688,341	8,306	-	-
Other	-	327,095	-	27,100
TOTAL REVENUES	9,696,934	14,002,802	710,904	59,238
EXPENDITURES				
Current:				
Legislative	125,353	-	-	-
Judicial	1,849,626	1,024,650	-	-
General government	2,919,482	831,118	-	-
Public safety	1,661,200	2,075,435	-	-
Public works	839,525	-	-	133,076
Health and welfare	443,308	10,293,635	-	-
Recreational and cultural	-	15,080	-	-
Other	200,881	-	-	-
Capital outlay	-	1,226,096	-	-
Debt service	-	22,860	1,059,919	-
TOTAL EXPENDITURES	8,039,375	15,488,874	1,059,919	133,076
REVENUES OVER (UNDER) EXPENDITURES	1,657,559	(1,486,072)	(349,015)	(73,838)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	-	-
Note proceeds	-	-	-	-
Operating transfer in	847,174	1,719,295	354,843	1,639,233
Operating transfer out	(2,454,743)	(274,619)	-	(1,300,888)
TOTAL OTHER FINANCING SOURCES (USES)	(1,607,569)	1,444,676	354,843	338,345
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	49,990	(41,396)	5,828	264,507
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	1,110,000	4,636,851	133,475	1,379,292
FUND BALANCE, END OF YEAR	\$ 1,159,990	\$ 4,595,455	\$ 139,303	\$ 1,643,799

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

Fiduciary Fund Type	Totals (Memorandum Only)		Component Units	Totals (Memorandum Only)	
	Expendable Trust	Primary Government		Reporting Entity	
\$	-	\$ 5,890,251	\$ 3,425,878	\$	9,316,129
	-	670,772	-		670,772
	-	1,059,843	835,683		1,895,526
	-	4,518,877	6,528,655		11,047,532
	-	613,336	2,023,762		2,637,098
	-	10,113,586	-		10,113,586
	-	115,190	-		115,190
	-	437,181	316,237		753,418
	-	696,647	-		696,647
	-	354,195	44,576		398,771
	-	24,469,878	13,174,791		37,644,669
	-	125,353	-		125,353
	-	2,874,276	-		2,874,276
	-	3,750,600	-		3,750,600
	-	3,736,635	-		3,736,635
	-	972,601	10,659,414		11,632,015
	-	10,736,943	-		10,736,943
	-	15,080	-		15,080
65,870	-	266,751	-		266,751
	-	1,226,096	3,696,417		4,922,513
	-	1,082,779	1,848,190		2,930,969
65,870	-	24,787,114	16,204,021		40,991,135
(65,870)	-	(317,236)	(3,029,230)		(3,346,466)
	-	-	540,000		540,000
	-	-	125,500		125,500
70,000	-	4,630,545	48,525		4,679,070
	-	(4,030,250)	(48,525)		(4,078,775)
70,000	-	600,295	665,500		1,265,795
4,130	-	283,059	(2,363,730)		(2,080,671)
	-	7,259,618	7,859,240		15,118,858
\$ 4,130	\$	7,542,677	\$ 5,495,510	\$	13,038,187

TUSCOLA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	General Fund		
	Amended Budget	Actual	Variance
REVENUES			
Taxes	\$ 3,959,000	\$ 3,940,509	\$ (18,491)
Licenses and permits	474,112	508,522	34,410
Intergovernmental			
Federal	5,000	25,981	20,981
State	2,199,111	2,322,343	123,232
Local	31,000	24,150	(6,850)
Charges for services	1,845,497	1,797,344	(48,153)
Fines and forfeits	113,000	103,993	(9,007)
Interest and rents	315,776	285,751	(30,025)
Reimbursements and refunds	497,129	688,341	191,212
Other	-	-	-
TOTAL REVENUES	9,439,625	9,696,934	257,309
EXPENDITURES			
Current:			
Legislative	125,353	125,353	-
Judicial	1,928,859	1,849,626	79,233
General government	2,967,942	2,919,482	48,460
Public safety	1,760,286	1,661,200	99,086
Public works	872,154	839,525	32,629
Health and welfare	445,368	443,308	2,060
Recreational and cultural	-	-	-
Other	292,750	200,881	91,869
Capital outlay	-	-	-
Debt service	-	-	-
TOTAL EXPENDITURES	8,392,712	8,039,375	353,337
REVENUES OVER (UNDER) EXPENDITURES	1,046,913	1,657,559	610,646
OTHER FINANCING SOURCES (USES)			
Operating transfer in	870,090	847,174	(22,916)
Operating transfer out	(2,454,743)	(2,454,743)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,584,653)	(1,607,569)	(22,916)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(537,740)	49,990	587,730
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	1,110,000	1,110,000	-
FUND BALANCE, END OF YEAR	\$ 572,260	\$ 1,159,990	\$ 587,730

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

Special Revenue Funds			Debt Service Funds		
Amended Budget	Actual	Variance	Amended Budget	Actual	Variance
\$ 1,944,000	\$ 1,949,742	\$ 5,742	\$ -	\$ -	\$ -
146,588	162,250	15,662	-	-	-
1,117,338	1,033,862	(83,476)	-	-	-
2,027,435	1,926,950	(100,485)	269,800	269,584	(216)
146,067	151,311	5,247	437,735	437,872	137
8,253,274	8,316,242	62,968	-	-	-
6,500	11,197	4,697	-	-	-
15,500	115,844	100,344	1,100	3,448	2,348
12,000	8,306	(3,694)	-	-	-
298,568	327,095	28,527	-	-	-
13,967,270	14,002,802	35,532	708,635	710,904	2,269
-	-	-	-	-	-
1,130,254	1,024,650	105,604	-	-	-
939,868	831,118	108,750	-	-	-
2,252,182	2,075,435	176,747	-	-	-
-	-	-	-	-	-
10,476,614	10,293,635	182,979	-	-	-
15,080	15,080	-	-	-	-
-	-	-	-	-	-
1,614,964	1,226,096	388,868	-	-	-
32,860	22,860	10,000	1,059,995	1,059,919	76
16,461,822	15,488,874	972,948	1,059,995	1,059,919	76
(2,494,552)	(1,486,072)	1,008,480	(351,360)	(349,015)	2,345
1,792,565	1,719,295	(73,270)	354,843	354,843	-
(396,967)	(274,619)	122,348	-	-	-
1,395,598	1,444,676	49,078	354,843	354,843	-
(1,098,954)	(41,396)	1,057,558	3,483	5,828	2,345
4,636,851	4,636,851	-	133,475	133,475	-
\$ 3,537,897	\$ 4,595,455	\$ 1,057,558	\$ 136,958	\$ 139,303	\$ 2,345

TUSCOLA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS/FUND BALANCE
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Internal Service	Non- Expendable Trust	
OPERATING REVENUE			
Charges for services	\$ 1,366,375	\$ -	\$ 1,366,375
Interest earned on taxes	406,001	-	406,001
Interest on investments	-	270	270
Other operating revenue	34,703	-	34,703
TOTAL OPERATING REVENUES	1,807,079	270	1,807,349
OPERATING EXPENSES			
Administrative fees	1,259,997	-	1,259,997
Settlements, claims and benefits	273,024	-	273,024
Other	7,719	374	8,093
TOTAL OPERATING EXPENSES	1,540,740	374	1,541,114
OPERATING INCOME (LOSS)	266,339	(104)	266,235
NON-OPERATING REVENUE			
Interest on investments	243,436	-	243,436
INCOME (LOSS) BEFORE OPERATING TRANSFERS	509,775	(104)	509,671
OPERATING TRANSFERS			
Operating transfer in	281,819	-	281,819
Operating transfer out	(847,359)	-	(847,359)
NET OPERATING TRANSFERS	(565,540)	-	(565,540)
NET INCOME (LOSS)	(55,765)	(104)	(55,869)
RETAINED EARNINGS/FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	7,815,186	7,029	7,822,215
RETAINED EARNINGS/FUND BALANCE, END OF YEAR	\$ 7,759,421	\$ 6,925	\$ 7,766,346

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

TUSCOLA COUNTY
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Internal Service	Non- Expendable Trust	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 266,339	\$ (104)	\$ 266,235
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Interest reported as operating income	-	(270)	(270)
(Increase) decrease in current assets			
Taxes receivables	232,913	-	232,913
Accounts receivables	(7,703)	-	(7,703)
Accrued interest receivable	(4,463)	-	(4,463)
Due from other funds	(157,664)	-	(157,664)
Due from other governmental units	55,609	-	55,609
Prepaid expenses	(6,261)	-	(6,261)
Increase (decrease) in current liabilities			
Accounts payable	628,439	-	628,439
Accrued liabilities	250,831	-	250,831
Due to other funds	89,913	-	89,913
Due to other governmental units	7,507	-	7,507
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,355,460	(374)	1,355,086
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances to other funds	414,303	-	414,303
Advances from other funds	(424,386)	-	(424,386)
Operating transfer in	281,819	-	281,819
Operating transfer out	(847,359)	-	(847,359)
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	(575,623)	-	(575,623)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments	-	104	104
Purchase of investments	(9,952)	-	(9,952)
Interest received	243,436	270	243,706
NET CASH PROVIDED BY INVESTING ACTIVITIES	233,484	374	233,858
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,013,321	-	1,013,321
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,337,398	-	3,337,398
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,350,719	\$ -	\$ 4,350,719
RECONCILIATION TO COMBINED BALANCE SHEET:			
Cash and cash equivalents			
Nonexpendable Trust Fund		\$ -	
Expendable Trust Fund		20,535	
Agency Funds		1,550,317	
Total per Combined Balance Sheet		\$ 1,570,852	

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

TUSCOLA COUNTY
COMBINING BALANCE SHEET
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2001

	Drain Commission	Road Commission	Totals
ASSETS			
Cash and cash equivalents	\$ 2,090,174	\$ 14,088	\$ 2,104,262
Investments	3,319,583	-	3,319,583
Special assessments receivable	11,354,938	-	11,354,938
Accounts receivable	-	812,665	812,665
Accrued interest receivable	9,594	-	9,594
Inventory	-	314,642	314,642
Due from other funds	557,212	-	557,212
Due from primary government	-	17,269	17,269
Due from other governmental units	123,541	-	123,541
Prepaid expenditures	2,709	325,493	328,202
Fixed assets	-	6,856,480	6,856,480
Less: accumulated depreciation	-	(4,475,743)	(4,475,743)
Restricted Assets:			
Cash	-	486,333	486,333
Taxes Receivable	-	1,147,983	1,147,983
Amount available for retirement of general long term debt	1,790,130	-	1,790,130
Amount to be provided for retirement of general long term debt	10,700,860	27,654	10,728,514
TOTAL ASSETS	\$ 29,948,741	\$ 5,526,864	\$ 35,475,605
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Account payable	\$ 201,144	\$ 886,037	\$ 1,087,181
Accrued liabilities	-	27,869	27,869
Due to other funds	557,212	-	557,212
Deferred revenue	11,354,938	1,149,941	12,504,879
Advance from primary government	610,000	-	610,000
Advance - State of Michigan	-	293,573	293,573
Drain bond payable	11,339,800	-	11,339,800
Drain notes payable	1,151,190	-	1,151,190
Accrued employee benefits	-	27,654	27,654
TOTAL LIABILITIES	25,214,284	2,385,074	27,599,358
FUND EQUITY			
Investment in general fixed assets	-	2,380,737	2,380,737
Fund balance			
Reserved for debt service	1,790,130	-	1,790,130
Reserved for drain projects	2,944,327	-	2,944,327
Unreserved			
Designated for bridge/road construction	-	486,333	486,333
Undesignated	-	274,720	274,720
TOTAL FUND EQUITY	4,734,457	3,141,790	7,876,247
TOTAL LIABILITIES AND FUND EQUITY	\$ 29,948,741	\$ 5,526,864	\$ 35,475,605

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

TUSCOLA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
ALL DISCRETELY PRESENTED COMPONENTS UNITS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Drain Commission	Road Commission	Totals
REVENUES			
Taxes	\$ 2,314,301	\$ 1,111,577	\$ 3,425,878
Intergovernmental			
Federal	241,592	594,091	835,683
State	-	6,528,655	6,528,655
Local	192,990	1,830,772	2,023,762
Interest and rents	268,217	48,020	316,237
Other	17,244	27,332	44,576
TOTAL REVENUES	3,034,344	10,140,447	13,174,791
EXPENDITURES			
Public works	6,483	10,652,931	10,659,414
Capital outlay	3,318,210	378,207	3,696,417
Debt service	1,848,190	-	1,848,190
TOTAL EXPENDITURES	5,172,883	11,031,138	16,204,021
REVENUES OVER (UNDER) EXPENDITURES	(2,138,539)	(890,691)	(3,029,230)
OTHER FINANCING SOURCES (USES)			
Bond proceeds	540,000	-	540,000
Note proceeds	125,500	-	125,500
Operating transfers in	48,525	-	48,525
Operating transfers out	(48,525)	-	(48,525)
TOTAL OTHER FINANCING SOURCES (USES)	665,500	-	665,500
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,473,039)	(890,691)	(2,363,730)
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	6,207,496	1,651,744	7,859,240
FUND BALANCE, END OF YEAR	\$ 4,734,457	\$ 761,053	\$ 5,495,510

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



TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of *Tuscola County* (the "County"), conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies:

REPORTING ENTITY

The accompanying financial statements are for the reporting entity of *Tuscola County*, and include the financial data of the component units of the County, as required by generally accepted accounting principles. The component units discussed below are considered to be part of the County's reporting entity because of the significance of their operational or financial relationship with the County.

Following is a description of the component units of the County, which have been included in the accompanying financial statements.

Blended Component Unit

Building Authority – The financial statements of the Tuscola County Building Authority have been consolidated with the County's related debt service and capital project funds as the component unit provides services entirely to the primary government.

Discrete Component Units

Road Commission - The County Board of Commissioners appoints the governing board of the Road Commission, and the Road Commission deposits money with the County Treasurer. The County has the ability to significantly influence operations of the Road Commission. A complete financial statement can be obtained from the Tuscola County Road Commission, 1733 Mertz Road, Caro, Michigan 48723.

Drain Commission – The Drain Commission is considered a discrete component unit as the nature and significance of the relationship between the primary government and the Commission is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The statutory drainage board of Chapter 21 drainage districts consists of the State Director of Agriculture and the Drain Commissioner of each county involved in the project. The County Drain Commissioner has sole responsibility to administer the drainage districts established pursuant to Chapters 3, 4

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

and 8 of the Drain Code. The Drainage Board or Drain Commissioner, on behalf of the drainage districts, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district. A complete financial statement may be obtained from the Tuscola County Drain Commissioner, 440 N. State St., Caro, Michigan 48723.

Other Year Ends

Health Department – The financial statements of the Health Department are prepared on a September 30 fiscal year.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund and account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into fund types, broad fund categories and account groups as follows:

GOVERNMENTAL FUNDS:

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the Proprietary Fund).

PROPRIETARY FUND:

Internal Service Funds - Internal service funds are used to account for the financing of goods or services provided by the County to other departments and funds, or to other governmental units on a cost reimbursement basis.

FIDUCIARY FUNDS:

Trust and Agency Funds - Trust and Agency funds are used to account for assets held by the County in a trustee or agency capacity for individuals, private organizations, other governmental and/or other funds. These include agency funds, an expendable trust fund and a nonexpendable trust fund

ACCOUNT GROUPS:

General Fixed Asset Account Group - This account group is used to account for the County's fixed assets (other than those accounted for in the Proprietary Funds).

General Long Term Debt Account Group - This account group is used to account for all long-term obligations of the County (except those accounted for in the Proprietary Funds).

TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

BASIS OF ACCOUNTING

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

All governmental funds, the expendable trust fund, and agency funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Significant revenues susceptible to accrual include property taxes, reimbursement type grants and charges for services.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred provided the liability normally would be liquidated with expendable available financial resources. The major exception to this general rule is principal and interest on general long-term debt, which is generally recognized when due.

All governmental funds and the expendable trust fund are accounted for on a spending or "current financial resources" measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources".

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

The proprietary funds and the nonexpendable trust fund are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

The proprietary funds and the nonexpendable trust fund are accounted for on a cost of services or "economic resources" measurement focus. This means that all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total assets.

BUDGETARY DATA

The County budgeted for the General Fund, Special Revenue Funds and Debt Service Funds on the modified accrual basis consistent with generally accepted accounting principles (GAAP). Budgetary control is exercised at the line item level by activity in the General, Special Revenue, and Debt Service funds. Any revisions to the adopted budget (i.e. budget amendments) require approval by the Board of Commissioners.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

A separate budgetary report is prepared which demonstrates compliance at the legal level of control and is available from the County Controller's Accounting Office. Budgeted amounts are as originally adopted or as amended by the Board of Commissioners. Individual budget amendments that were material relative to the original adopted budget were made during the year in various funds. All appropriations lapse at year end.

ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County because it is not currently considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

CASH AND CASH EQUIVALENTS

Amounts reported as cash and cash equivalents include cash, certificates of deposit, mutual funds, and short-term investments with maturity periods of less than three months.

INVESTMENTS

Investments are stated at fair value.

RECEIVABLES

All receivables are reported at their gross value. Where appropriate, the estimated portion that is expected to be uncollectible is represented as an allowance for doubtful accounts.

PREPAID ITEMS

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

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Funds which have a deficit equity in the County's pooled cash account, have this deficit presented as an amount due to other funds.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

ADVANCES TO OTHER FUNDS

Noncurrent portions of long-term interfund receivables are reported as advances. In governmental fund types, these advances are included in reserved fund balance, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

INVENTORY

Inventory of the Road Commission component unit is stated on the basis of average cost. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

Fixed assets used in government fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the County of Tuscola and the Road Commission have been historically excluded from the General Fixed Assets Account Group and the Road Commission's general fixed assets. Fixed assets are stated at cost, except for general fixed assets for which an original cost could not be obtained which are recorded at estimated original cost. Donated fixed assets are valued at their fair value on the date donated. No depreciation has been provided on the general fixed assets, except for the Tuscola County Road Commission.

The Tuscola County Road Commission uses the sum-of-the-years'-digits method for computing depreciation on road equipment and the straight-line method for all other fixed assets.

In accordance with State Act 51 reporting requirements, the Road Commission's depreciation expenditure is charged to the various categories of expenditures within the Road Commission Operating Fund. The corresponding addition to accumulated depreciation is credited against current year expenditures. This has no effect upon total expenditures, as it is a memorandum transaction only and, accordingly, expenditures continue to be reported in conformity with generally accepted accounting principles.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

DEFERRED REVENUE

Under the modified accrual basis of accounting, amounts that are measurable but not available to pay liabilities of the current period are classified as deferred revenues. Material deferred revenues in governmental funds represent property taxes and special assessments that will be received in subsequent years and grant money received that has not been properly matched with expenditures.

LONG-TERM OBLIGATIONS

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

FUND EQUITY

Reserves represent those portions of fund equity not available for appropriation or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

PROPERTY TAXES

Real and personal property taxes are recorded as revenue in the year for which they are levied. Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition have not been met. The County has included \$4,153,366 in deferred revenue in the general fund and \$2,080,390 in the special revenue funds for property taxes, which were levied on December 1, 2001, to fund operations for the year ending December 31, 2002.

GRANTS AND OTHER INTERGOVERNMENTAL REVENUES

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other federal reimbursement type grants are recorded as intergovernmental receivables and revenues when the related expenditures/expenses are incurred.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

PENSION PLANS

The provision for pension cost is recorded on accrual basis. The County funds pension costs as they accrue in accordance with actuarial requirements.

INTERFUND TRANSACTIONS

During the course of normal operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers, except as noted below. Operating subsidies are also recorded as operating transfers. The amounts recorded as subsidies, advances, or equity contributions are determined by County management.

Internal service funds are used to record charges for services to all County departments and funds and are recorded as operating revenue. All affected County funds record these payments to the Internal Service Funds as operating expenditures or expenses.

The general fund provides administrative services to various funds. Amounts charged to the other funds for these services are based on the County's cost allocation plan and are treated as miscellaneous revenue in the general fund and as operating expenses in the other funds.

COMPENSATED ABSENCES

County employees are granted vacation and sick pay in varying amounts based on length of service and union contracts. Vacation days are accrued annually upon the employment anniversary date and must be taken during the year in which the vacation days are accrued.

Employees may accumulate sick leave until termination of employment, up to a maximum of 900 hours. Employees who retire are compensated for 100 percent of their total accumulated sick leave if they have at least 20 years of service at retirement. Employees who retire with at least 10 years but less than 20 years of service are compensated for 50 percent of their accumulated sick leave. All other employees who terminate are compensated for 25 percent of their accumulated sick leave.

The current portion of any compensated absence liability can not be reasonably estimated, therefore no accrual for any estimate of the current portion of the liability has been provided in the applicable funds. The entire amount of the liability has been recorded in the general long-term debt group of accounts.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT 20

In accordance with Governmental Accounting Standards Board (GASB) Statement 20, the County has elected not to apply the Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989 to its proprietary fund.

RISK MANAGEMENT

The County is 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. During the year ended December 31, 2001, the County carried commercial insurance to cover all risk of losses. The Worker's Compensation insurance is the only retrospectively rated policy; any premiums accrued are based on the ultimate cost of the experience to date of the County. The County has had no settled claims resulting from these risks that exceeded their commercial coverage in the past three fiscal years.

2. VIOLATIONS OF FINANCE-RELATED LEGAL PROVISIONS

Michigan Public Act 621 of 1978 as amended, requires that a local unit shall not incur expenditures in excess of the amounts appropriated. During 2001, the County incurred expenditures in certain budgeted funds, which were in excess of the appropriated amounts, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
SPECIAL REVENUE FUNDS			
Health Department			
Health and welfare	\$ 1,928,841	\$ 1,935,540	\$ (6,699)
Capital outlay	12,336	14,010	(1,674)

During the year ended December 31, 2001, the Road Patrol, Local Government Police Contract, Vassar Township Police Contract, and Spotlight Grant Special Revenue Funds had budgets, including amendments, which resulted in expenditures in excess of revenues and surplus fund balances. As a result, these funds have budgeted projected deficit fund balances for the fiscal year.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by essentially all County funds. The portion of this pool attributable to each separate fund type is shown on the combined balance sheet as "Cash and Cash Equivalents". In addition, various interest bearing savings and checking accounts, certificates of deposit and investments are separately held by several of the County's funds.

Financial Statements Total:

Primary Government:		
Cash and cash equivalents		\$ 8,894,968
Investments		5,154,092
Restricted:		
Cash and cash equivalents		23,851
Investments		<u>892,764</u>
		<u>14,965,675</u>
Component Units:		
Cash and cash equivalents		2,104,262
Investments		3,319,583
Restricted assets:		
Cash and cash equivalents		<u>486,333</u>
		<u>5,910,178</u>
		<u>\$20,875,853</u>

<u>Footnote</u>	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Deposits	\$ 9,760,323	\$3,140,294	\$12,900,617
Investments	<u>5,205,352</u>	<u>2,769,884</u>	<u>7,975,236</u>
Total	<u>\$ 14,965,675</u>	<u>\$5,910,178</u>	<u>\$20,875,853</u>

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

Deposits

At year-end, the carrying amount and bank balance of the County's deposits were classified as to risk as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured	\$ 594,960	\$ 518,620
Uninsured - uncollateralized	<u>9,165,363</u>	<u>9,826,345</u>
	<u>\$ 9,760,323</u>	<u>\$10,344,965</u>

At year-end, the carrying amount and bank balance of the component unit's deposits were classified as to risk as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured	\$ 346,341	\$ 345,115
Uninsured - uncollateralized	<u>2,793,953</u>	<u>2,793,954</u>
	<u>\$ 3,140,294</u>	<u>\$ 3,139,069</u>

Investments

In May of 1998 the County Board of Commissioners adopted a comprehensive investment policy describing the types of investments in which the County Treasurer may invest. Management believes that the guidelines of this policy are in accordance with State of Michigan statutory guidelines as disclosed below.

Statutes authorize the County to invest in the following:

- Bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corp. or a Savings and Loan Association which is a member of the Federal Savings & Loan Insurance Corporation, or a Credit Union which is insured by the National Credit Union Administration.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than two standard rating services.
- In United States government or federal agency obligation repurchase agreements.
- In bankers acceptance of United States banks.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

- In mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.

The County's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name. The County has no category 2 or 3 investments. The securities held by the County are reported at fair value.

The County's investments are in accordance with statutory authority as follows:

	Category			Fair Value
	1	2	3	
Government securities	\$ 1,595,992	\$ -	\$ -	\$ 1,595,992
Commercial paper	<u>769,430</u>	-	-	<u>769,430</u>
	<u>\$ 2,365,422</u>	<u>\$ -</u>	<u>\$ -</u>	2,365,422
Uncategorized as to risk:				
Municipal/government mutual funds				361,740
Mutual funds				<u>2,478,190</u>
Total investments				<u>\$ 5,205,352</u>

The Component Unit's investments are in accordance with statutory authority as follows:

	Category			Fair Value
	1	2	3	
Uncategorized as to risk:				
Municipal/government mutual funds				\$ 8,236
Mutual funds				<u>2,761,648</u>
				<u>\$ 2,769,884</u>

The County's and component unit's investments in mutual funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

During the year ended December 31, 2001, the County did not hold any derivative financial instruments.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

5. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of December 1. The County levies property taxes on December 1 to fund operations for the following year; such taxes are due without penalty on or before February 14, with the final collection date of February 28, before they are added to the County's delinquent tax rolls.

6. FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>1/1/01</u>	<u>Additions</u>	<u>Delctions</u>	<u>Balance</u> <u>12/31/01</u>
Land	\$ 590,810	\$ -	\$ -	\$ 590,810
Buildings and improvements	9,016,243	685,363	-	9,701,606
Equipment	2,835,610	380,360	(92,404)	3,123,566
Vehicles	<u>1,064,731</u>	<u>144,637</u>	<u>(20,078)</u>	<u>1,189,290</u>
Total	<u>\$13,507,394</u>	<u>\$1,210,360</u>	<u>\$ (112,482)</u>	<u>\$ 14,605,272</u>

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

A summary of the changes in general fixed assets of the Road Commission component unit are as follows:

	<u>Balance</u> <u>1/1/01</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/01</u>
General Fixed Assets				
Land and improvements	\$ 81,925	\$ 15,195	\$ -	\$ 97,120
Buildings	2,120,399	43,240	-	2,163,639
Equipment – roads	3,811,043	307,530	(106,606)	4,011,967
Equipment – shop	134,154	-	-	134,154
Equipment – heating	78,298	-	-	78,298
Equipment – radio	108,637	610	-	109,247
Equipment – office	115,731	11,632	(2,798)	124,565
Equipment – engineer	48,653	-	-	48,653
Depletable assets	82,738	-	-	82,738
Weightmaster equipment	<u>6,099</u>	<u>-</u>	<u>-</u>	<u>6,099</u>
	6,587,677	<u>\$ 378,207</u>	<u>\$(109,404)</u>	6,856,480
Less accumulated depreciation and depletion	<u>4,065,147</u>	<u>\$ 512,925</u>	<u>\$(103,329)</u>	<u>4,475,743</u>
Plant and equipment equity	<u>\$2,522,530</u>			<u>\$ 2,380,737</u>

7. DEFINED BENEFIT PENSION PLANS

MERS

Plan Description. The General County, Medical Care Facility, Health Department, and Road Commission defined benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The County, Medical Care Facility, Health Department, and Road Commission participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the MERS Retirement Board. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, Michigan 48917 or by calling (800) 767-6377.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

Funding Policy. The County, Medical Care Facility, Health Department, and Road Commission are required to contribute at actuarially determined rates; the current rates are 2%-13% of annual covered payroll. Employees are required to contribute 0%-10% of their annual covered payroll. The contribution requirements of the County, Medical Care Facility, Health Department, and Road Commission are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County, Medical Care Facility, Health Department, and Road Commission Boards depending on the MERS contribution program adopted by the appropriate Board.

Annual Pension Cost. For the year ended December 31, 2001, the annual pension cost of \$23,474 for the County, \$37,015 for the Medical Care Facility, \$11,307 for the Health Department, and \$84,253 for the Road Commission for MERS was equal to the required and actual contributions. The required contribution was determined as part of the December 31, 2000, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 4.16% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2000, the date of the latest actuarial valuation, was 30 years.

General County Plan

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/99	\$284,730	100%	\$0
12/31/00	118,948	100	0
12/31/01	23,474	100	0

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/98	\$11,567,984	\$10,911,496	\$(656,488)	106%	\$4,798,561	(13.7)%
12/31/99	13,285,840	11,585,794	(1,700,045)	115	4,991,091	(34.1)
12/31/00	14,497,338	13,654,393	(842,944)	106	5,164,956	(16.3)

Medical Care Facility Plan

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/99	\$30,285	100%	\$0
12/31/00	21,873	100	0
12/31/01	37,015	100	0

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/98	\$5,813,345	\$4,603,358	\$(1,209,986)	126%	\$2,942,877	(41.1)%
12/31/99	6,606,930	4,844,156	(1,762,774)	136	3,107,696	(56.7)
12/31/00	7,171,400	5,497,227	(1,674,173)	130	3,100,982	(54.0)

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

Health Department Plan

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/99	\$37,697	100%	\$0
9/30/00	38,151	100	0
9/30/01	11,307	100	0

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/98	\$2,703,772	\$2,750,097	\$46,325	98%	\$1,064,168	4%
12/31/99	3,142,129	2,776,707	(365,422)	113	895,056	0
12/31/00	3,496,353	3,063,375	(432,978)	114	1,006,312	0

Road Commission Plan

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/99	\$83,976	100%	\$0
12/31/00	89,784	100	0
12/31/01	84,253	100	0

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/98	\$806,211	\$1,517,444	\$711,233	53.1%	\$606,153	117.3%
12/31/99	993,733	1,543,617	549,884	64.4	614,710	89.5
12/31/00	1,232,245	1,919,073	686,828	64.2	689,117	99.7

Road Commission Massachusetts Mutual Plan

Plan Description. The Road Commission defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Road Commission provides a single-employer plan administered by the Massachusetts Mutual Life Insurance Company (Massachusetts Mutual Plan). The Board of County Road Commissioners establishes and amends the benefit provisions of the participants. The Massachusetts Mutual Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Tuscola County Road Commission, 1733 Mertz Road, Caro, Michigan 48723.

Funding Policy. The Road Commission is required to contribute at actuarially determined rates; the current rates are 13% of annual covered payroll. Employees are required to contribute \$.03 per hour, per month, excluding overtime. The contribution requirements of the Road Commission are established and may be amended by the Board of County Road Commissioners. The contribution requirements of plan members are established and may be amended by the Board of County Road Commissioners.

Annual Pension Cost. For the year ended December 31, 2001, the Road Commission's annual pension cost of \$27,388 for the Massachusetts Mutual Plan was equal to Road Commission's required and actual contributions. The required contribution was determined as part of the April 1, 2001, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% and (b) projected salary increases of 4% per year compounded annually, attributable to inflation. The actuarial value of Massachusetts Mutual Plan assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis.

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

Three-Year Trend Information

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
04/01/99	\$21,465	100%	None
04/01/00	12,869	100	None
04/01/01	27,388	100	None

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
April 1, 1999	\$312,204	\$387,010	\$74,806	80.7%	\$1,929,731	3.9%
April 1, 2000	340,060	429,245	89,185	79.2	1,977,974	4.5
April 1, 2001	266,134	394,005	127,871	67.5	1,879,075	6.8

8. CAPITAL LEASES

Capital leases outstanding at December 31, 2001, are as follows:

Capital lease for purchase of computer data system, due in monthly installments of \$1,475, including interest at approximately 7% through July 2003. \$ 30,377

Capital lease for purchase of phone system upgrade, due in monthly installments of \$430, including interest of 6.8%, through February 2004. 12,464

\$ 42,841

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

Details of the minimum lease payment requirements for the above capital leases are as follows:

Health Department Capital Leases:

<u>Fiscal Year</u> <u>Ending</u>	<u>Payments</u>
9/30/02	\$ 22,860
9/30/03	19,910
9/30/04	<u>2,150</u>
	44,920
Less: amounts representing interest	<u>(2,079)</u>
Present value of net minimum lease payments	<u>\$ 42,841</u>

9. OPERATING LEASES

The Health Department has entered into an operating lease with the County of Tuscola for office space. The lease provides for monthly payments to the County to partially finance the County Building Authority's debt service requirement on bonds issued to finance construction of the Health Department Building. The total rental expense under this operating lease for the year ended September 30, 2001 was \$83,705.

Future minimum lease payments are as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>
9/30/02	\$ 77,433
9/30/03	<u>19,359</u>
	<u>\$ 96,792</u>

TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS

10. LONG-TERM DEBT

General obligation bonds and other long-term debt are summarized as follows:

<u>Issue</u>	<u>Amount of Issue</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Balance 1/1/01</u>	<u>Additions (Deductions)</u>	<u>Balance 12/31/01</u>
Primary Government						
Building Authority:						
Tuscola County Series 1989-1	\$ 650,000	6.00%-7.00%	10/89-10/01	\$ 80,000	\$ (80,000)	\$ -
Tuscola County Series 1996	2,200,000	4.00%-4.75%	11/96-11/06	1,450,000	(210,000)	1,240,000
Tuscola County Series 1987	1,200,000	4.75%-7.20%	5/87-5/02	200,000	(100,000)	100,000
Tuscola County Series 1999	1,615,000	5.10%-5.125%	3/01- 3/15	1,615,000	(75,000)	1,540,000
DPW Bonds:						
Akron-Fairgrove Sewage Disposal System						
	1,370,000	6.60%-6.70%	11/78-11/02	130,000	(65,000)	65,000
Caro Area Sanitary Sewer System						
	1,995,000	5.20%-6.625%	5/92-3/13	1,395,000	(75,000)	1,320,000
Mayville Storm Sewer System						
	1,350,000	5.00%-5.125%	4/97-4/36	1,302,000	(14,000)	1,288,000
Richville Storm Sewer System						
	1,280,000	4.60%-7.60%	5/98-11/17	<u>1,100,000</u>	<u>(60,000)</u>	<u>1,040,000</u>
Total bonds payable				<u>7,272,000</u>	<u>(679,000)</u>	<u>6,593,000</u>
Capital Leases:						
Health Department Leases						
Phone system upgrade	\$ 25,787	6.80%	3/99-2/04	\$ 17,621	\$ (5,157)	\$ 12,464
Computer data system	73,911	7.00%	8/98-7/03	<u>46,744</u>	<u>(16,367)</u>	<u>30,377</u>
Total Capital Leases				<u>64,365</u>	<u>(21,524)</u>	<u>42,841</u>
Total Long-Term Debt				<u>7,336,365</u>	<u>(700,524)</u>	<u>6,635,841</u>
Accrued Compensated Absences						
County accrued compensated absences						
				632,344	6,628	638,972
Health Department accrued compensated absences						
				<u>71,314</u>	<u>(4,514)</u>	<u>66,800</u>
Total accrued compensated absences				<u>703,658</u>	<u>2,114</u>	<u>705,772</u>
Total Primary Government				<u>8,040,023</u>	<u>(698,410)</u>	<u>7,341,613</u>

TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS

<u>Issue</u>	<u>Amount of Issue</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Balance 1/1/01</u>	<u>Additions (Deductions)</u>	<u>Balance 12/31/01</u>
Drain Commission						
Special Assessments Bonds Payable (with County commitment)						
Northwest	\$6,730,000	4.00%-6.00%	6/00-6/19	\$6,430,000	\$ (300,000)	\$6,130,000
Reese I/C	540,000	4.00%-6.00%	6/02-6/16	-	540,000	540,000
Southgate	1,170,000	4.75%-5.10%	12/96-6/06	750,000	(125,000)	625,000
S.O.	515,000	4.60%-5.10%	6/97-6/07	360,000	(50,000)	310,000
Sucker Creek	915,000	4.10%-5.00%	6/97-6/07	750,000	(100,000)	650,000
Alder Creek	1,490,000	4.75%-5.30%	6/00-6/15	1,490,000	(90,000)	1,400,000
Shebeon I/C	93,280	5.10%-5.50%	6/00-6/10	93,280	(8,480)	84,800
State and Colling	1,715,000	4.30%-4.70%	10/00-6/10	<u>1,715,000</u>	<u>(115,000)</u>	<u>1,600,000</u>
Total bonds payable				<u>11,588,280</u>	<u>(248,480)</u>	<u>11,339,800</u>
Notes Payable						
Section 434 Notes under the Drain Code	varies	3.75%-6.50%	6/94-6/16	<u>1,437,418</u>	125,500 <u>(411,728)</u>	<u>1,151,190</u>
Total Drain Commission				<u>13,025,698</u>	<u>(534,708)</u>	<u>12,490,990</u>
Road Commission						
Accrued compensated absences				<u>34,031</u>	<u>(6,377)</u>	<u>27,654</u>
Total Component Units				<u>13,059,729</u>	<u>(541,085)</u>	<u>12,518,644</u>
Total General Long-Term Debt						
Primary Government and Component Units				<u>\$21,099,752</u>	<u>\$ (1,239,495)</u>	<u>\$19,860,257</u>

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

Maturities of primary government long-term debt, excluding accrued compensated absences and including interest of \$3,279,888 are as follows:

	General Obligation Bonds	Capital Leases	Total
2002	\$ 984,048	\$ 22,860	\$ 1,006,908
2003	801,138	19,910	821,048
2004	785,220	2,150	787,370
2005	754,815	-	754,815
2006	750,924	-	750,924
2007 and thereafter	<u>5,794,664</u>	<u>-</u>	<u>5,794,664</u>
Total	<u>\$ 9,870,809</u>	<u>\$ 44,920</u>	<u>\$ 9,915,729</u>

Maturities of discrete component unit long-term debt, excluding accrued compensated absences and including interest of \$4,280,810 are as follows:

	Special Assessment Bonds	Notes Payable	Total
2002	\$ 1,400,620	\$ 557,433	\$ 1,958,053
2003	1,362,240	224,638	1,586,878
2004	1,346,643	121,068	1,467,711
2005	1,327,129	91,209	1,418,338
2006	1,313,709	87,542	1,401,251
2007 and thereafter	<u>8,688,173</u>	<u>251,396</u>	<u>8,939,569</u>
Total	<u>\$ 15,438,514</u>	<u>\$ 1,333,286</u>	<u>\$ 16,771,800</u>

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

11. INTERFUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables at December 31, 2001, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
GENERAL FUND	\$ 848,216	\$ 1,183,998
(Due to/from component unit)	<u>-</u>	<u>17,269</u>
	<u>848,216</u>	<u>1,201,267</u>
 SPECIAL REVENUE FUNDS		
Road Patrol	10,346	3,904
Local Government Police Contract	-	12,965
Friend of the Court	66,078	224,742
Dispatch/911	-	1,737
Vassar Township Police Contract	-	13,885
Recycling	823	-
Building Strong Families	954	2,332
Victim Services	-	21,946
Early On Grant	-	954
Voted Mosquito	7,606	-
State Survey Grant	-	30,817
Victims of Crime Act Grant	77	8,372
Spotlight Grant	-	513
Child Care F.I.A.	11,354	-
JAIB Block Grant	-	280
Medical Care Facility	2,740	63,537
Probate Child Care	64,953	50,404
Voted Senior Citizens	<u>2,258</u>	<u>-</u>
	<u>167,189</u>	<u>436,388</u>
 DEBT SERVICE FUNDS		
Dispatch Building and Equipment	<u>175</u>	<u>175</u>

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
CAPITAL PROJECT FUNDS		
Capital Projects Reserve	\$ -	\$ 23,357
Building Projects	<u>406,652</u>	<u>-</u>
	<u>406,652</u>	<u>23,357</u>
INTERNAL SERVICE FUNDS		
Combined Revolving Tax	-	847,174
Health Insurance	<u>157,664</u>	<u>-</u>
	<u>157,664</u>	<u>847,174</u>
FIDUCIARY FUNDS		
Trust and Agency	<u>912,238</u>	<u>1,042</u>
COMPONENT UNITS		
Capital Project Drain	-	557,212
Revolving Drain	557,212	-
Road Commission (Due from/to primary government)	<u>17,269</u>	<u>-</u>
	<u>574,481</u>	<u>557,212</u>
TOTAL	<u>\$ 3,066,615</u>	<u>\$ 3,066,615</u>

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

12. LONG-TERM ADVANCES

The following is a summary of the long-term advances between funds as of December 31, 2001:

	<u>Advances To</u>	<u>Advances From</u>
GENERAL FUND		
(Advance to Component Unit)	\$ 610,000	\$ -
SPECIAL REVENUE FUNDS		
Recycling	-	10,083
INTERNAL SERVICE FUNDS		
Combined Revolving Tax	1,403,086	-
2000 Delinquent Tax	-	1,108,113
2001 Delinquent Tax	-	284,890
Subtotal	<u>1,403,086</u>	<u>1,393,003</u>
COMPONENT UNITS		
Drain Revolving (Advance from Primary Government)	\$ -	\$ 610,000
TOTAL	<u>\$2,013,086</u>	<u>\$2,013,086</u>

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

13. INTERFUND TRANSFERS IN AND TRANSFERS OUT

Following is a summary of transfers between funds of the County for 2001. These transfers are part of the normal budgetary process and are necessary to provide resources in appropriate funds as designated by the Board of Commissioners.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 847,174	\$ 2,454,743
Special Revenue Funds	1,719,295	274,619
Debt Service Fund	354,843	-
Capital Projects Fund	1,639,233	1,300,888
Internal Service Funds	281,819	847,359
Trust And Agency Funds	70,000	-
Discrete Component Units	<u>48,525</u>	<u>48,525</u>
Subtotal	4,960,889	4,926,134
Effect of presenting Health Department Special Revenue Funds as of September 30, 2001.	<u>-</u>	<u>34,755</u>
TOTAL	<u>\$ 4,960,889</u>	<u>\$ 4,960,889</u>

14. DESIGNATIONS FOR FUND BALANCES

ROAD COMMISSION COMPONENT UNIT:
Designated for bridge/road construction

\$ 486,333

TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS

15. RESERVED FOR FUND BALANCES/RETAINED EARNINGS

The following fund balances/retained earnings have been reserved:

GENERAL FUND	
Reserved for advances to component unit	<u>\$ 610,000</u>
SPECIAL REVENUE FUND	
Health Department (reserved for restricted contributions)	\$ 305
Health Department (reserved for prepaid expenditures)	18,672
Medical Care Facility (reserved for restricted contributions)	<u>908,982</u>
	<u>\$ 927,959</u>
DEBT SERVICE FUNDS	
Akron-Fairgrove (reserved for debt retirement)	\$ 21,248
Richville Water System Debt (reserved for debt retirement)	16
State Police Post Building Authority (reserved for debt retirement)	85,728
F.I.A. Building Authority (reserved for debt retirement)	<u>32,311</u>
	<u>\$ 139,303</u>
CAPITAL PROJECT FUNDS	
Health Department Building Authority (reserved for construction)	\$ 4
F.I.A. Building Authority (reserved for construction)	45,187
Dispatch Building Construction and Equipment (reserved for construction)	40,139
State Police Post Building Authority (reserved for construction)	19,922
Building Projects	<u>1,538,547</u>
	<u>\$1,643,799</u>
INTERNAL SERVICE FUNDS	
1997 Delinquent Tax (reserved for self-funding)	\$ 364,519
Combined Revolving Tax (reserved for debt retirement)	2,153,163
(reserved for self-funding)	2,635,481
(reserved for accrued compensated absences)	<u>632,344</u>
	<u>\$5,785,507</u>

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

TRUST AND AGENCY FUNDS

Non-expendable Cemetery Trust Fund (reserved for cemetery maintenance)	<u>\$ 6,800</u>
---	-----------------

DISCRETE COMPONENT UNITS

Drain Commission (reserved for debt service)	\$1,790,130
Drain Commission (reserved for drain projects)	<u>2,944,327</u>
	<u>\$4,734,457</u>

16. PRIOR PERIOD ADJUSTMENTS

During the fiscal year ended December 31, 2001, the County has made corrections to properly reflect activities related to prior fiscal years. As a result, the fund balances in the funds affected by the changes were restated to reflect adjustments to prior periods. The effect of those changes is as follows:

	<u>Special Revenue Funds</u>		<u>Internal Service</u>	<u>Drain Commission</u>
	<u>Health Department</u>	<u>Medical Care Facility</u>	<u>Health Insurance</u>	<u>Capital Projects</u>
Beginning Fund Balance	\$ 419,179	\$2,452,886	\$ 26,030	\$ 4,777,732
Correction of:				
Prior year receivable	(4,755)	-	-	-
Prior year accounts payable	-	-	-	30,350
Unrecorded accrued payroll	-	(150,409)	-	-
Health care claims liability and unrecorded IBNR	-	-	(81,495)	-
Beginning Fund Balance (Deficit) – As Restated	<u>\$ 414,424</u>	<u>\$2,302,477</u>	<u>\$ (55,465)</u>	<u>\$ 4,808,082</u>

TUSCOLA COUNTY

NOTES TO FINANCIAL STATEMENTS

17. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

In the normal course of operations, the County becomes a party to various claims and lawsuits. In the opinion of the legal council and County management the ultimate resolution of such matters will not have a material effect on the financial position of the County.

* * * *

**TUSCOLA COUNTY
GENERAL FUND
BALANCE SHEET
DECEMBER 31, 2001**

ASSETS

Cash and cash equivalents	\$	7,100
Investments		361,740
Property tax receivable		4,153,366
Delinquent personal property taxes		35,669
Accounts receivable		91,490
Accrued interest receivable		18,531
Due from other funds		848,216
Due from State		633,822
Advances to component units		610,000

TOTAL ASSETS \$ 6,759,934

LIABILITIES AND FUND BALANCE

LIABILITIES

Account payable	\$	124,036
Accrued liabilities		83,393
Due to other funds		1,183,998
Due to component units		17,269
Due to other governmental units		213
Deferred revenue - property taxes		4,191,035

TOTAL LIABILITIES 5,599,944

FUND BALANCE

Reserved for advances		610,000
Unreserved - undesignated		549,990

TOTAL FUND BALANCE 1,159,990

TOTAL LIABILITIES AND FUND BALANCE \$ 6,759,934

TUSCOLA COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - AMENDED BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001

	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ 3,959,000	\$ 3,940,509	\$ (18,491)
Licenses and permits	474,112	508,522	34,410
Intergovernmental			
Federal	5,000	25,981	20,981
State	2,199,111	2,322,343	123,232
Local	31,000	24,150	(6,850)
Charges for services	1,845,497	1,797,344	(48,153)
Fines and forfeits	113,000	103,993	(9,007)
Interest and rent	315,776	285,751	(30,025)
Reimbursements and refunds	497,129	688,341	191,212
TOTAL REVENUES	9,439,625	9,696,934	257,309
EXPENDITURES			
Legislative			
Board of Commissioners	125,353	125,353	-
Total Legislative	125,353	125,353	-
Judicial			
Circuit Court	351,100	338,085	13,015
District Court	422,809	376,617	46,192
Magistrate	211,099	203,539	7,560
Jury Commission	4,638	3,717	921
Probate Court	510,918	510,918	-
Juvenile Division	234,280	228,035	6,245
Adult probation	15,200	14,908	292
District Court - probation	178,815	173,807	5,008
Total Judicial	1,928,859	1,849,626	79,233
General Government			
Elections	8,639	1,032	7,607
Legal	75,913	75,913	-
County Clerk	291,941	290,837	1,104
Controller	288,968	282,286	6,682
Equalization	152,082	150,136	1,946
Prosecuting Attorney	367,975	365,367	2,608
Cooperative Reimbursement-Prosecutor	137,045	118,863	18,182

(Continued)

TUSCOLA COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Amended Budget	Actual	Favorable (Unfavorable) Variance
General Government - Continued			
Register of Deeds	\$ 198,437	\$ 198,437	\$ -
Treasurer	234,744	234,744	-
Cooperative Extension	166,284	158,385	7,899
Computer operations	322,324	322,324	-
Building and grounds	574,399	574,399	-
Drain Commission	141,791	141,663	128
Soil Conservation	5,000	5,000	-
Gypsy Moth	1,400	-	1,400
Livestock claims	1,000	96	904
Total General Government	2,967,942	2,919,482	48,460
Public Safety			
Courthouse security	87,662	79,541	8,121
Sheriff's department	1,191,881	1,127,629	64,252
Liquor law enforcement	6,730	4,787	1,943
Marine safety	26,192	26,192	-
Secondary road patrol	135,206	130,760	4,446
Thumb Area Narcotics Group	61,428	61,428	-
Planning Commission	52,092	46,444	5,648
Plat Board	905	-	905
Emergency services	66,302	64,181	2,121
Animal shelter	131,888	120,238	11,650
Total Public Safety	1,760,286	1,661,200	99,086
Public Works			
Building codes	393,272	360,643	32,629
Drain at large	478,882	478,882	-
Total Public Works	872,154	839,525	32,629
Health and Welfare			
Substance abuse	43,876	43,876	-
Medical Examiner	27,726	27,726	-
Veteran's burial	18,000	15,940	2,060
Economic Development Corp.	31,000	31,000	-
Mental Health Appropriation	288,243	288,243	-
Cigarette Tax	36,523	36,523	-
Total Health and Welfare	445,368	443,308	2,060

(Continued)

TUSCOLA COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Amended Budget	Actual	Favorable (Unfavorable) Variance
Other			
Insurance and bonds	\$ 160,000	\$ 134,818	\$ 25,182
Other	132,750	66,063	66,687
Total Other	<u>292,750</u>	<u>200,881</u>	<u>91,869</u>
TOTAL EXPENDITURES	<u>8,392,712</u>	<u>8,039,375</u>	<u>353,337</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,046,913</u>	<u>1,657,559</u>	<u>610,646</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	870,090	847,174	(22,916)
Operating transfers out	(2,454,743)	(2,454,743)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,584,653)</u>	<u>(1,607,569)</u>	<u>(22,916)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(537,740)</u>	<u>49,990</u>	<u>587,730</u>
FUND BALANCE, BEGINNING OF YEAR	<u>1,110,000</u>	<u>1,110,000</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 572,260</u>	<u>\$ 1,159,990</u>	<u>\$ 587,730</u>

TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2001

REVENUES

Taxes

Property taxes	\$ 3,935,136
Payment in lieu of taxes	1,211
Trailer park taxes	4,162
	4,162

Total Taxes 3,940,509

Licenses and Permits

Marriage licenses	2,195
Building code licenses	429,975
Dog licenses	39,045
Animal shelter licenses	1,740
District court licenses	14,433
Other	21,134
	21,134

Total Licenses and Permits 508,522

Intergovernmental

Federal

Co-op Reimbursement - Prosecutor	25,981
----------------------------------	--------

State

Co-op Reimbursement - Prosecutor	24,539
Marine safety	14,093
Civil defense	19,096
Judges	227,414
Juvenile officer	27,317
State Payment Courts	314,028
Secondary Road Patrol	133,293
SSI Incentive	3,000
State sales tax	1,303,341
Liquor licenses	9,532
Single business tax	47,309
Hotel liquor tax	87,751
DSS Building Payment	59,890
Cigarette tax	51,740
	51,740

Total Intergovernmental - Federal/State 2,348,324

Local

4-H youth - MSU	5,900
Local Contributions T.N.U.	18,250
	18,250

Total Intergovernmental - Local 24,150

(Continued)

**TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Charges for Services	
District Court costs	\$ 428,862
District Court - Probation	242,267
County Clerk costs	83,483
Friend of the Court costs	23,457
Bond costs	7,950
Fees	
District Court	
Screening assessment	30,514
Probate Court	54,767
Civil	139,077
Warrant fees	37,225
Friend of the Court	5,473
Child Care	15,020
Circuit Court	
Court	605
Searches and motion fees	16,273
Jury, entry and forensic fees	9,951
Other	4,293
Animal shelter	2,280
County Clerk	
DBA/Co-partnership	7,240
Certified	23,051
Copies	5,398
Other	6,679
Equalization	159
Register of Deeds	
Transfer	98,437
Recordings	177,494
Copies	73,582
Other	377
County Treasurer	75,409
Sheriff	198,909
Building code	76
Other	5,313
Sales	
Sheriff	
Canteen	1,993
Auction	6,330
Other	5,550
Film	4,271
Animal shelter	5,325
Building code inspections	254
Total Charges for Services	<u>1,797,344</u>

(Continued)

**TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Fines and Forfeits	
District Court	
Bond forfeitures	\$ 13,787
Ordinance fines and warrant fees	52,084
County Treasurer	7,560
Sheriff	3,835
DPW	<u>26,727</u>
Total Fines and Forfeits	<u>103,993</u>
Interests and Rents	
Interests	194,775
Rentals	<u>90,976</u>
Total Interest and Rent	<u>285,751</u>
Other Revenue	
Reimbursements and Refunds	<u>688,341</u>
TOTAL REVENUES	<u>9,696,934</u>
OPERATING TRANSFERS IN	
Revolving Tax	<u>847,174</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 10,544,108</u></u>

**TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED DECEMBER 31, 2001**

LEGISLATIVE

Board of Commissioners

Salaries and fringes	\$ 95,832
Supplies, printing and postage	3,759
Legal (legal consultant)	2,189
Memberships and subscription	9,585
Travel	7,199
Advertising	1,636
Employee training	<u>5,153</u>

TOTAL LEGISLATIVE

125,353

JUDICIAL

Circuit Court

Salaries and fringes	163,360
Supplies, printing and postage	1,685
Contracted services	3,821
Court appointed counsel	134,233
Court appointed appeal of right	6,358
Steno transcript	2,707
Steno appeal transcript	2,240
Jury fees, meals and travel	16,453
Witness fees and travel	253
Memberships and subscriptions	1,434
Visiting judge	4,042
Travel	144
Repairs and maintenance	16
Telephone	930
Training	294
Books	<u>115</u>

Total Circuit Court

338,085

District Court

Salaries and fringes	274,548
Supplies, printing and postage	20,566
Screening assessment	2,160
Court appointed counsel	43,069
Steno transcripts	96
Sub Steno service	1,338
Jury fees, meals and travel	17,594
Witness fees and travel	3,848
Memberships and subscriptions	765
Visiting judge	7,486
Travel	569
Repairs and maintenance	1,260

(Continued)

**TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED DECEMBER 31, 2001**

District Court- Continued	
Employee training	\$ 1,108
Books	<u>2,210</u>
Total District Court	<u>376,617</u>
Magistrate	
Salaries and fringes	192,315
Supplies, printing and postage	7,949
Memberships and subscriptions	830
Travel	67
Repair and maintainance	1,104
Employee training	392
Bond account	95
Books	<u>787</u>
Total Magistrate	<u>203,539</u>
Jury Commission	
Salaries and fringes	1,141
Supplies, printing and postage	2,364
Travel	<u>212</u>
Total Jury Commission	<u>3,717</u>
Probate Court	
Salaries and fringes	272,845
Supplies, printing and postage	8,404
Court appointed counsel	211,034
Guardianship services	1,690
Steno transcripts	6,394
Jury fees, meals and travel	2,069
Witness fees and travel	1,434
Memberships and subscriptions	1,564
Visiting judges	626
Travel	2,784
Advertising	179
Employee training	535
Repairs and maintainance	758
Books	<u>602</u>
Total Probate Court	<u>510,918</u>
Juvenile Division	
Salaries and fringes	222,519
Supplies, printing and postage	1,317
Memberships and subscription	675
Travel	1,096

(Continued)

**TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Juvenile Division - Continued	
Repairs and maintenance	\$ 489
Employee training	1,939
	<hr/>
Total Juvenile Division	228,035
Adult Probation	
Supplies, printing and postage	6,638
Utilities	2,270
Lease payments	6,000
	<hr/>
Total Adult Probation	14,908
District Court Probation	
Salaries and fringes	169,537
Supplies, printing and postage	2,726
Travel	430
Repairs and maintenance	245
Employee training	869
	<hr/>
Total District Court Probation	173,807
TOTAL JUDICIAL	1,849,626
GENERAL GOVERNMENT	
Elections	
Salaries and fringes	771
Supplies, printing and postage	92
Travel	169
	<hr/>
Total Elections	1,032
Legal	75,913
	<hr/>
County Clerk	
Salaries and fringes	274,109
Supplies, printing and postage	10,953
Jury fees	120
Memberships and subscription	867
Employee training	3,821
Travel	789
Other	178
	<hr/>
Total County Clerk	290,837
Controller	
Salaries and fringes	273,619
Supplies, printing and postage	4,020
Memberships and subscription	750

(Continued)

**TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Controller - Continued	
Health services	\$ 406
Travel	269
Employee training	3,222
	<hr/>
Total Controller	282,286
Equalizations	
Salaries and fringes	145,632
Supplies, printing and postage	1,431
Memberships and subscription	730
Travel	1,838
Employee training	505
	<hr/>
Total Equalization	150,136
Prosecuting Attorney	
Salaries and fringes	338,558
Supplies, printing and postage	8,229
Contracted services	1,365
Steno transcript	560
Steno appeal transcript	303
Memberships and subscription	4,475
Travel	1,167
Repairs and maintainance	83
Employee training	3,267
Books	7,360
	<hr/>
Total Prosecuting Attorney	365,367
Cooperative reimbursement - Prosecutor	
Salaries and fringes	113,217
Supplies, printing and postage	2,286
Contracted services	1,000
Memberships and subscription	84
Telephone	675
Travel	1,128
Books	473
	<hr/>
Total Cooperative Reimbursement - Prosecutor	118,863
Register of Deeds	
Salaries and fringes	189,392
Supplies, printing and postage	5,535

(Continued)

**TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Register of Deeds - Continued	
Memberships and subscription	\$ 390
Travel	858
Repairs and maintainance	159
Employee training	2,103
	<hr/>
Total Register of Deeds	198,437
Treasurer	
Salaries and fringes	204,696
Supplies, printing and postage	26,969
Memberships and subscription	280
Travel	918
Employee training	1,881
	<hr/>
Total Treasurer	234,744
Cooperative Extension	
Salaries and fringes	108,944
Supplies, printing and postage	9,405
Contractual services	25,954
Memberships and subscription	903
Travel	6,040
Repairs and maintainance	3,451
Employee training	3,688
	<hr/>
Total Cooperative Extension	158,385
Computer Operations	
Salaries and fringes	98,258
Supplies, printing and postage	10,483
Microfilm contractual service	8,037
Travel	463
Employee training	2,309
Computer service contract	139,924
Computer repairs and maintainance	59,257
Computer contractual	3,593
	<hr/>
Total Computer Operations	322,324
Building and Grounds	
Salaries and fringes	169,588
Supplies, printing and postage	8,779

(Continued)

**TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Building and Grounds - Continued	
Uniforms and accessories	\$ 1,652
Gas, oil and grease	5,602
Janitorial supplies	14,954
Janitorial services	66,612
Telephone	56,725
Utilities	162,413
Repairs and maintainance	82,625
Grounds care and maintainance	<u>5,449</u>
Total Building and Grounds	<u>574,399</u>
Drain Commission	
Salaries and fringes	127,334
Supplies, printing and postage	7,477
Memberships and subscription	230
Travel	3,034
Employee training	<u>3,588</u>
Total Drain Commission	<u>141,663</u>
Soil Conservation	<u>5,000</u>
Livestock Claims	
Trustee fees	5
Dog damages	<u>91</u>
Total Livestock Claims	<u>96</u>
TOTAL GENERAL GOVERNMENT	<u>2,919,482</u>
PUBLIC SAFETY	
Courthouse Security	
Salaries and fringes	79,128
Supplies, printing and postage	137
Laundry - employees	256
Repairs and maintenance	<u>20</u>
Total Courthouse Security	<u>79,541</u>
Sheriff's Department	
Salaries and fringes	888,194
Supplies, printing and postage	10,425
Photo supplies	113
Food	67,105
Vehicle operating supplies	474
Kitchen supplies	1,519
Other supplies	739

(Continued)

**TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Animal Shelter - Continued	
Telephone	\$ 573
Repairs and maintainance	644
	<hr/>
Total Animal Shelter	120,238
	<hr/>
TOTAL PUBLIC SAFETY	1,661,200
	<hr/>
PUBLIC WORKS	
Building Codes	
Salaries and fringes	331,774
Supplies, printing and postage	5,603
Uniforms and accessories	1,230
Memberships and subscription	976
Telephone	2,174
Travel	9,940
Employee training	5,995
Refund and rebates	1,187
Books	1,764
	<hr/>
Total Building Codes	360,643
	<hr/>
Drains at Large	478,882
	<hr/>
TOTAL PUBLIC WORKS	839,525
	<hr/>
HEALTH AND WELFARE	
Substance abuse	43,876
	<hr/>
Medical Examiner	
Salaries and fringes	3,250
Supplies, printing and postage	1,960
Body Transport	2,853
Autopsies	10,569
Contractual services	9,094
	<hr/>
Total Medical Examiner	27,726
	<hr/>
Veterans' Burial	15,940
	<hr/>
Economic Development	31,000
	<hr/>
Mental Health Appropriations	288,243
	<hr/>

(Continued)

**TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cigarette tax	\$ 36,523
TOTAL HEALTH AND WELFARE	443,308
OTHER	
Insurance and bonds	134,818
Tax refunds and rebates	12,948
Appropriations	8,994
Audit	22,020
Accounting services	22,101
TOTAL OTHER	200,881
TOTAL EXPENDITURES	8,039,375
OPERATING TRANSFERS OUT	
Road Patrol	243,107
County Parks	6,000
Friend of the Court	292,328
Health Department	289,000
Medical Examiner	7,658
Veterans Council	44,616
Recycling	823
Equipment/Capital Improvement	218,786
State Survey Grant	8,500
Victim of Crime Act Grant	2,218
Leaders	20,000
Computer Tech Phase II	10,269
Child Care - Family Independence Agency	31,000
JAIB Block Grant	1,056
Family Independence Agency	5,000
Propate Child Care	489,953
Soldiers' Relief	11,500
Capital Projects Reserve	38,000
Building Projects	383,295
County Retirement	150,000
Health Insurance	131,634
Employee Vacation and Sick Time	70,000
TOTAL OPERATING TRANSFERS OUT	2,454,743
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 10,494,118



Special Revenue Funds

Road Patrol (207) is used to account for revenues received from a County millage and the County's general fund. This is the only countywide 24-hour police service.

Parks and Recreation (208) is used to account for the activities to maintain and improve the operations of Vanderbilt Park. The revenue sources of this fund are fees collected for the use of facility and the appropriation from the General Fund.

County Disaster (211) This fund has set aside monies to prepare for a natural or man-made disaster. There are no regular sources of revenues. An appropriation to establish this fund was made from the General Fund.

Local Government Police Contract (213) The revenue source for this fund is generated from the reimbursement from Arbela Township for services provided by the Tuscola County Sheriff Department for a specific number of hours and for the support in enforcing township ordinances.

Friend of the Court, Act 294 (215) This fund was established to provide a separate accounting for the expenditures related to the operations of the Friend of the Court. The revenue sources for this fund are generated by federal and state grants. The County has established a base appropriation to this fund to comply with criteria established to receive maximum reimbursements from the federal and state levels. Fees and Charges established through the court systems also make up revenue used to operate the Friend of the Court at an efficient level.

Family Counseling (216) Marriage license fees collected by the County are proportioned into this fund and represent the only revenue source. Expenditures are ordered by the Judge of the Circuit Court to provide counseling to families at his discretion.

Dispatch/911 (218) This fund is established to provide emergency 9-1-1 dispatch services to all law enforcement, fire and emergency medical services. The revenue sources are generated from the surcharges on landlines and wireless telephone customers.

Health Department (221) This fund provides for the activities classified as both environmental and public health operations. Portion of veterans counseling and medical examiner expenses are administered here. The revenue sources are federal and state, along with an appropriation coming from the General Fund. Fees collected by the Health Department for services are a revenue source also.

Vassar Township Police Contract (225) The revenue for this fund is provided by reimbursement of Vassar Township for services provided by the Tuscola County Sheriff Department in the support of enforcing township ordinances.

Recycling (230) This fund was established by a grant provided by the State. The revenue source was then established to be an appropriation from the General Fund. Current revenues also include income from the sale of material.

Building Strong Families (235) The Building Strong Families Fund is a state grant that sets aside monies to educate parents in building stronger families skills.

Victim Services (236) The revenue source for this fund is generated by a State Grant reimbursement. The fund provides services to individuals who are victims of crimes.

Early On Grant (237) The Early on Grant is a state grant that sets aside monies to educate the community at the early stages of learning similar to the Building Strong Families Grant.

CDBG Job Training Grant (238) This grant is a state grant that sets aside revenue for job training.

Voted Mosquito (240) The revenue source for this fund derives from a county wide millage. The revenue is used to reduce the risk of mosquito-borne diseases in Tuscola County. The goal is also to minimize the nuisance population of mosquitoes whenever possible.

Equipment and Capital Improvement (244) The revenue source for this fund is an appropriation from the General Fund. This fund provides for a separate accounting for all equipment and capital outlay projects.

CDBG Housing Grant (250) The revenue source for this fund is a State Housing Grant. The Human Development Commission is contracted by Tuscola County to administer the grant, which provides improvements to homes in the County.

State Survey Grant (252) State grant funds are received every year and a small appropriation from the General Fund to cover administrative cost makes up the revenue sources for this fund. The revenues are used to replace section corners within the County to improve the process of surveying. Expenditures must meet grant requirements to qualify for reimbursement.

Victim of Crime Act Grant (255) This grant is established to provide services to victims for various reasons. The revenue source is a state grant reimbursement for qualified expenditures.

Criminal Forfeiture (263) This fund allows for a separate accounting for monies that have been confiscated by the County when it has been determined to be used in a criminal act. The money forfeited allows the Sheriff and Prosecutor to purchase equipment to fight crime in Tuscola County.

Community Corrections Services (264) State of Michigan, Department of Corrections grant program which allows an employee to oversee sentenced inmates of the county jail to work as part of their sentence. They provide community service to non-profit organizations. They also accept contributions that help pay for some expenses.

Drug Enforcement (266) The monies are forfeited from the confiscation of property, cars, and monies that were determined to be used in a criminal act involving drugs. The forfeited monies will be used to fight the war against drugs in Tuscola County.

Law Library (269) The revenue source for this fund is the established penal fine amount of \$6,500. Appropriations from the General Fund also create a revenue source. The Law Books purchased will be located in one central location.

LEADERS (276) The revenue source for this fund is generated by the collections of fees on all drug and alcohol related crimes through the District Court of the County. The fund sets aside monies to be used to provide drug education and how to prevent violence to students of Tuscola County. A full-time sworn officer provides the education.

Spotlight Grant (277) The Spotlight Grant is a state grant providing overtime to the sheriff and other police agencies to enforce laws involving operating under the influence of liquor.

Water Quality Grant (280) The Water Quality Grant fund was established to account for the grant money received to implement and study water quality in Tuscola County. This fund will only continue as long as grant money is available.

Computer Tech Grant Phase II (281) The revenue source for this fund consists of grant monies and township reimbursements used to purchase workstations, printers and monitors, including software for police agencies within Tuscola County.

Cops Mobile Data Grant (283) U.S. Department of Justice Cops More Grant, allocated in 1999 to purchase six laptops for the patrol cars. It allows officers in their cars to run file checks on people, property and some day will enable officers to type reports in their vehicles. This grant was funded by 75% federal and 25% match by the County.

Michigan Justice Training (285) This fund was established to provide training to sworn officers only. The revenue is generated by fees collected by the courts and by the State of Michigan. Agencies are mandated to provide training from the General Fund each year.

Child Care FIA (288) The revenue sources for this fund are State reimbursements, FIA Client payments and an appropriation from the County's General Fund. The dollars are spent to pay foster care cost for neglected or abused children. The reimbursements to Foster Care Parents are for payments of medical expenses, clothing and other extraordinary items.

JAIB Block Grant (289) This is a federal grant used in programs to assist in dealing with juvenile crime.

Family Independence Agency (290) The revenue sources for this fund are generated by the State of Michigan. The General Fund of the County appropriates funds to cover the cost of board administration and adult hospitalization not covered under other programs and guardianships. This agency administers programs providing for economic, social and medical assistance to the disadvantaged residents of Tuscola County.

Medical Care Facility (291) Revenue from Federal and State sources in addition to charges for services provide the monies to offer medical treatment and 24 hour nursing care to persons requiring long-term care who meet the requirements of the facility.

Probate Child Care (292) The Probate Court Juvenile Fund provides services to families of youth involved in the Courts. The revenue sources are State reimbursements, charges for services and the County General Fund appropriation.

Soldiers Relief (293) The fund was established to provide services to indigent veterans who may not qualify for Veterans Trust Fund monies. The revenue source for this fund is an appropriation from the County's General Fund.

Veterans Trust (294) The fund provides services to veterans and/or dependents that require assistance with such items as shelter, food, clothing, utility bills, medical care and other expenses. A Veterans Trust Fund Board is established and reviews all claims. The revenue source is State Reimbursement.

Voted Senior Citizens (297) A millage passed by the voters of Tuscola County provides the revenue source for this fund. This fund provides services for the senior citizens of Tuscola County. Examples of some services are flu shots and home delivered and congregated meals.

Building and Site (369) The revenue source for this fund is the transfer of net income on delinquent tax funds that are not set aside for operations and rent on County owned land used for farming. The fund was established to provide for the capital needs of the County including but not limited to repair, replacement, demolition and acquisition of County facilities.



**TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2001**

ASSETS	Road Patrol	Parks and Recreation	County Disaster	Local Government Police Contract
Cash and cash equivalents	\$ 136,242	\$ 2,487	\$ 2,692	\$ -
Investments	-	-	-	-
Taxes receivable	934,455	-	-	-
Taxes receivable - delinquent	10,563	-	-	-
Accounts receivable	-	-	-	14,224
Allowance for uncollectible accounts	-	-	-	-
Accrued interest receivable	1,163	-	-	-
Due from other funds	10,346	-	-	-
Due from State	-	-	-	-
Due from other governmental units	-	-	-	-
Prepaid expenditures	-	-	-	-
Restricted cash				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
TOTAL ASSETS	\$ 1,092,769	\$ 2,487	\$ 2,692	\$ 14,224
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Account payable	\$ 6,524	\$ 70	\$ -	\$ 318
Accrued liabilities	19,805	-	-	841
Due to other funds	3,904	-	-	12,965
Patient trust funds	-	-	-	-
Deposits payable	-	-	-	-
Advances - State	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue	945,018	-	-	-
TOTAL LIABILITIES	975,251	70	-	14,124
FUND BALANCE				
Reserved for restricted contributions	-	-	-	-
Reserved for prepaid expenditures	-	-	-	-
Unreserved				
Undesignated	117,518	2,417	2,692	100
TOTAL FUND BALANCE	117,518	2,417	2,692	100
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,092,769	\$ 2,487	\$ 2,692	\$ 14,224

Friend of the the Court Act 294	Family Counseling	Dispatch/ 911	Health Department (F.Y.E 9-30-01)	Vassar Township Police Contract	Recycling
\$ -	\$ 34,258	\$ 138,959	\$ 456,087	\$ -	\$ 10,576
-	-	-	-	-	-
-	-	71	-	-	-
2,586	249	56,851	101,676	14,879	2,374
-	-	-	-	-	-
-	-	672	-	-	-
66,078	-	-	-	-	823
176,609	-	25,469	11,725	-	-
-	-	-	18,257	-	-
-	-	-	18,672	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 245,273	\$ 34,507	\$ 222,022	\$ 606,417	\$ 14,879	\$ 13,773

\$ 4,523	\$ 720	\$ 2,852	\$ 79,576	\$ 154	\$ 2,188
16,008	-	13,692	48,423	840	1,502
224,742	-	1,737	-	13,885	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	10,083
-	-	71	-	-	-
245,273	720	18,352	127,999	14,879	13,773
-	-	-	305	-	-
-	-	-	18,672	-	-
-	33,787	203,670	459,441	-	-
-	33,787	203,670	478,418	-	-
\$ 245,273	\$ 34,507	\$ 222,022	\$ 606,417	\$ 14,879	\$ 13,773

(Continued)

**TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
DECEMBER 31, 2001**

ASSETS	Building Strong Families	Victim Services	Early On Grant	CDBG Job Training Grant
Cash and cash equivalents	\$ -	\$ -	\$ 954	\$ -
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Taxes receivable - delinquent	-	-	-	-
Accounts receivable	-	-	-	-
Allowance for uncollectible accounts	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other funds	954	-	-	-
Due from State	6,450	27,967	-	-
Due from other governmental units	-	-	-	-
Prepaid expenditures	-	-	-	-
Restricted cash				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
TOTAL ASSETS	\$ 7,404	\$ 27,967	\$ 954	\$ -
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Account payable	\$ 106	\$ 2,521	\$ -	\$ -
Accrued liabilities	125	789	-	-
Due to other funds	2,332	21,946	954	-
Patient trust funds	-	-	-	-
Deposits payable	-	-	-	-
Advances - State	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue	-	1,869	-	-
TOTAL LIABILITIES	2,563	27,125	954	-
FUND BALANCE				
Reserved for restricted contributions	-	-	-	-
Reserved for prepaid expenditures	-	-	-	-
Unreserved				
Undesignated	4,841	842	-	-
TOTAL FUND BALANCE	4,841	842	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 7,404	\$ 27,967	\$ 954	\$ -

Voted Mosquito	Equipment and Capital Improvement	CDBG Housing Grant	State Survey Grant	Victim of Crime Act Grant
\$ 185,249	\$ 237,686	\$ -	\$ -	\$ -
-	-	-	-	-
670,436	-	-	-	-
3,750	-	-	-	-
-	-	-	-	-
976	-	-	-	-
7,606	-	-	-	77
-	-	-	32,834	9,871
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ 868,017	\$ 237,686	\$ -	\$ 32,834	\$ 9,948

\$ 2,384	\$ 13,330	\$ -	\$ -	\$ 660
-	-	-	-	916
-	-	-	30,817	8,372
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
674,186	-	-	-	-
676,570	13,330	-	30,817	9,948
-	-	-	-	-
-	-	-	-	-
191,447	224,356	-	2,017	-
191,447	224,356	-	2,017	-
\$ 868,017	\$ 237,686	\$ -	\$ 32,834	\$ 9,948

(Continued)

**TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
DECEMBER 31, 2001**

ASSETS	Criminal Forfeiture	Community Corrections Services	Drug Enforcement	Law Library
Cash and cash equivalents	\$ 575	\$ 675	\$ 11,208	\$ 3,477
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Taxes receivable - delinquent	-	-	-	-
Accounts receivable	-	3,863	-	-
Allowance for uncollectible accounts	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from State	-	-	-	-
Due from other governmental units	-	-	-	-
Prepaid expenditures	-	-	-	-
Restricted cash				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
TOTAL ASSETS	\$ 575	\$ 4,538	\$ 11,208	\$ 3,477
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Account payable	\$ -	\$ 45	\$ -	\$ -
Accrued liabilities	-	843	-	-
Due to other funds	-	-	-	-
Patient trust funds	-	-	-	-
Deposits payable	-	-	-	-
Advances - State	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue	-	-	-	-
TOTAL LIABILITIES	-	888	-	-
FUND BALANCE				
Reserved for restricted contributions	-	-	-	-
Reserved for prepaid expenditures	-	-	-	-
Unreserved				
Undesignated	575	3,650	11,208	3,477
TOTAL FUND BALANCE	575	3,650	11,208	3,477
TOTAL LIABILITIES AND FUND BALANCE	\$ 575	\$ 4,538	\$ 11,208	\$ 3,477

LEADERS	Spotlight Grant	Water Quality Grant	Computer Tech Grant Phase II	COPS Mobile Data Grant	Michigan Justice Training
\$ 70,868	\$ -	\$ -	\$ 18,327	\$ -	\$ 8,119
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	885	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 70,868	\$ 885	\$ -	\$ 18,327	\$ -	\$ 8,119

\$ 200	\$ 2	\$ -	\$ -	\$ -	\$ -
-	370	-	-	-	-
-	513	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
200	885	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
70,668	-	-	18,327	-	8,119
70,668	-	-	18,327	-	8,119
\$ 70,868	\$ 885	\$ -	\$ 18,327	\$ -	\$ 8,119

(Continued)

**TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
DECEMBER 31, 2001**

ASSETS	Child Care F.I.A.	JAIB Block Grant	Family Independence Agency	Medical Care Facility
Cash and cash equivalents	\$ 28,027	\$ -	\$ 81,862	\$ 575,188
Investments	-	-	-	1,001,020
Taxes receivable	-	-	-	247,478
Taxes receivable - delinquent	-	-	-	3,834
Accounts receivable	-	-	-	2,040,510
Allowance for uncollectible accounts	-	-	-	(373,193)
Accrued interest receivable	-	-	-	2,870
Due from other funds	11,354	-	-	2,740
Due from State	-	1,121	31,819	-
Due from other governmental units	-	-	-	-
Prepaid expenditures	-	-	-	-
Restricted cash				
Cash and cash equivalents	-	-	-	23,851
Investments	-	-	-	892,764
TOTAL ASSETS	\$ 39,381	\$ 1,121	\$ 113,681	\$ 4,417,062
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Account payable	\$ 869	\$ 96	\$ 13,666	\$ 45,861
Accrued liabilities	-	-	-	194,203
Due to other funds	-	280	-	63,537
Patient trust funds	-	-	-	14,472
Deposits payable	-	-	-	25,400
Advances - State	-	-	40,000	-
Advances from other funds	-	-	-	-
Deferred revenue	-	-	-	1,205,450
TOTAL LIABILITIES	869	376	53,666	1,548,923
FUND BALANCE				
Reserved for restricted contributions	-	-	-	908,982
Reserved for prepaid expenditures	-	-	-	-
Unreserved				
Undesignated	38,512	745	60,015	1,959,157
TOTAL FUND BALANCE	38,512	745	60,015	2,868,139
TOTAL LIABILITIES AND FUND BALANCE	\$ 39,381	\$ 1,121	\$ 113,681	\$ 4,417,062

Probate Child Care	Soldiers' Relief	Veterans' Trust	Voted Senior Citizens	Building and Site	Totals
\$ -	\$ 752	\$ 221	\$ 73,989	\$ 184,845	\$ 2,263,323
-	-	-	-	-	1,001,020
-	-	-	207,668	-	2,060,037
-	-	-	2,135	-	20,353
-	-	641	-	-	2,237,853
-	-	-	-	-	(373,193)
-	-	-	434	-	6,115
64,953	-	-	2,258	-	167,189
20,934	-	-	-	-	345,684
-	-	-	-	-	18,257
-	-	-	-	-	18,672
-	-	-	-	-	23,851
-	-	-	-	-	892,764
\$ 85,887	\$ 752	\$ 862	\$ 286,484	\$ 184,845	\$ 8,681,925

\$ 35,483	\$ 599	\$ 862	\$ 8,718	\$ 3,046	\$ 225,373
-	-	-	-	-	298,357
50,404	-	-	-	-	436,388
-	-	-	-	-	14,472
-	-	-	-	-	25,400
-	-	-	-	-	40,000
-	-	-	-	-	10,083
-	-	-	209,803	-	3,036,397
85,887	599	862	218,521	3,046	4,086,470
-	-	-	-	-	909,287
-	-	-	-	-	18,672
-	153	-	67,963	181,799	3,667,496
-	153	-	67,963	181,799	4,595,455
\$ 85,887	\$ 752	\$ 862	\$ 286,484	\$ 184,845	\$ 8,681,925

**TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Road Patrol		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ 889,000	\$ 884,949	\$ (4,051)
Licenses and permits	-	-	-
Intergovernmental			
Federal	-	-	-
State	-	10,346	10,346
Local	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rent	2,000	6,934	4,934
Reimbursements and refunds	-	-	-
Other	-	579	579
TOTAL REVENUES	891,000	902,808	11,808
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	1,109,403	989,233	120,170
Health and Welfare	-	-	-
Recreational and cultural	-	-	-
Capital outlay	74,000	72,085	1,915
Debt service	-	-	-
TOTAL EXPENDITURES	1,183,403	1,061,318	122,085
REVENUES OVER (UNDER) EXPENDITURES	(292,403)	(158,510)	133,893
OTHER FINANCING SOURCES (USES)			
Operating transfer in	243,107	243,107	-
Operating transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	243,107	243,107	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(49,296)	84,597	133,893
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	32,921	32,921	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ (16,375)	\$ 117,518	\$ 133,893

Parks and Recreation			County Disaster		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,500	3,124	624	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,500	3,124	624	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,080	15,080	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,080	15,080	-	-	-	-
(12,580)	(11,956)	624	-	-	-
6,000	6,000	-	-	-	-
-	-	-	-	-	-
6,000	6,000	-	-	-	-
(6,580)	(5,956)	624	-	-	-
8,373	8,373	-	2,692	2,692	-
\$ 1,793	\$ 2,417	\$ 624	\$ 2,692	\$ 2,692	\$ -

(Continued)

TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Local Government Police Contract		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental			
Federal	-	-	-
State	-	-	-
Local	90,011	90,364	353
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rent	-	-	-
Reimbursements and refunds	-	-	-
Other	-	-	-
TOTAL REVENUES	90,011	90,364	353
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	93,704	91,177	2,527
Health and Welfare	-	-	-
Recreational and cultural	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
TOTAL EXPENDITURES	93,704	91,177	2,527
REVENUES OVER (UNDER) EXPENDITURES	(3,693)	(813)	2,880
OTHER FINANCING SOURCES (USES)			
Operating transfer in	-	-	-
Operating transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,693)	(813)	2,880
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	913	913	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ (2,780)	\$ 100	\$ 2,880

Friend of the Court Act 294			Family Counseling		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
461,803	391,307	(70,496)	-	-	-
411,372	266,362	(145,010)	-	-	-
-	-	-	-	-	-
73,000	55,110	(17,890)	6,000	5,895	(105)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	12,000	5,608	(6,392)
10,200	12,329	2,129	-	-	-
956,375	725,108	(231,267)	18,000	11,503	(6,497)
1,108,726	1,007,816	100,910	15,028	12,900	2,128
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,620	9,620	-	-	-	-
10,000	-	10,000	-	-	-
1,128,346	1,017,436	110,910	15,028	12,900	2,128
(171,971)	(292,328)	(120,357)	2,972	(1,397)	(4,369)
226,250	292,328	66,078	-	-	-
-	-	-	-	-	-
226,250	292,328	66,078	-	-	-
54,279	-	(54,279)	2,972	(1,397)	(4,369)
-	-	-	35,184	35,184	-
\$ 54,279	\$ -	\$ (54,279)	\$ 38,156	\$ 33,787	\$ (4,369)

(Continued)

**TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Dispatch/911		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental			
Federal	-	-	-
State	58,000	95,638	37,638
Local	-	-	-
Charges for services	925,000	922,214	(2,786)
Fines and forfeits	-	-	-
Interest and rent	2,000	3,676	1,676
Reimbursements and refunds	-	-	-
Other	22,800	21,511	(1,289)
TOTAL REVENUES	1,007,800	1,043,039	35,239
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	751,479	729,489	21,990
Health and Welfare	-	-	-
Recreational and cultural	-	-	-
Capital outlay	90,000	32,850	57,150
Debt service	-	-	-
TOTAL EXPENDITURES	841,479	762,339	79,140
REVENUES OVER (UNDER) EXPENDITURES	166,321	280,700	114,379
OTHER FINANCING SOURCES (USES)			
Operating transfer in	-	-	-
Operating transfer out	(271,893)	(271,893)	-
TOTAL OTHER FINANCING SOURCES (USES)	(271,893)	(271,893)	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(105,572)	8,807	114,379
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	194,863	194,863	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ 89,291	\$ 203,670	\$ 114,379

Health Department (FYE 9-30-01)			Vassar Township Police Contract		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
146,588	162,250	15,662	-	-	-
392,798	392,178	(620)	-	-	-
728,956	727,805	(1,151)	-	-	-
-	-	-	46,833	48,418	1,585
275,443	306,718	31,275	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
63,687	71,424	7,737	-	-	-
1,607,472	1,660,375	52,903	46,833	48,418	1,585
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	48,464	48,464	-
1,928,841	1,935,540	(6,699)	-	-	-
-	-	-	-	-	-
12,336	14,010	(1,674)	-	-	-
22,860	22,860	-	-	-	-
1,964,037	1,972,410	(8,373)	48,464	48,464	-
(356,565)	(312,035)	44,530	(1,631)	(46)	1,585
375,985	376,029	44	-	-	-
-	-	-	-	-	-
375,985	376,029	44	-	-	-
19,420	63,994	44,574	(1,631)	(46)	1,585
414,424	414,424	-	46	46	-
\$ 433,844	\$ 478,418	\$ 44,574	\$ (1,585)	\$ -	\$ 1,585

(Continued)

TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Recycling		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Charges for services	70,000	48,663	(21,337)
Fines and forfeits	-	-	-
Interest and rent	-	-	-
Reimbursements and refunds	-	-	-
Other	-	14,962	14,962
TOTAL REVENUES	70,000	63,625	(6,375)
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	113,612	109,471	4,141
Public Safety	-	-	-
Health and Welfare	-	-	-
Recreational and cultural	-	-	-
Capital outlay	18,968	18,968	-
Debt service	-	-	-
TOTAL EXPENDITURES	132,580	128,439	4,141
REVENUES OVER (UNDER) EXPENDITURES	(62,580)	(64,814)	(2,234)
OTHER FINANCING SOURCES (USES)			
Operating transfer in	-	823	823
Operating transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	823	823
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(62,580)	(63,991)	(1,411)
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	63,991	63,991	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ 1,411	\$ -	\$ (1,411)

Building Strong Families			Victim Services		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
25,000	23,865	(1,135)	-	-	-
-	-	-	48,561	46,689	(1,872)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,000	23,865	(1,135)	48,561	46,689	(1,872)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	48,061	46,689	1,372
25,512	25,512	-	-	-	-
-	-	-	-	-	-
-	-	-	500	-	500
-	-	-	-	-	-
25,512	25,512	-	48,561	46,689	1,872
(512)	(1,647)	(1,135)	-	-	-
-	954	954	-	-	-
-	-	-	-	-	-
-	954	954	-	-	-
(512)	(693)	(181)	-	-	-
5,534	5,534	-	842	842	-
\$ 5,022	\$ 4,841	\$ (181)	\$ 842	\$ 842	\$ -

(Continued)

TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Equipment and Capital Improvement		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental			
Federal	-	-	-
State	10,160	10,160	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rent	-	-	-
Reimbursements and refunds	-	-	-
Other	-	-	-
TOTAL REVENUES	10,160	10,160	-
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	-	-	-
Health and Welfare	-	-	-
Recreational and cultural	-	-	-
Capital outlay	369,576	292,133	77,443
Debt service	-	-	-
TOTAL EXPENDITURES	369,576	292,133	77,443
REVENUES OVER (UNDER) EXPENDITURES	(359,416)	(281,973)	77,443
OTHER FINANCING SOURCES (USES)			
Operating transfer in	218,786	218,786	-
Operating transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	218,786	218,786	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(140,630)	(63,187)	77,443
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	287,543	287,543	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ 146,913	\$ 224,356	\$ 77,443

CDBG Housing Grant			State Survey Grant		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
141,042	141,042	-	53,537	52,246	(1,291)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
141,042	141,042	-	53,537	52,246	(1,291)
-	-	-	-	-	-
141,042	141,042	-	59,537	59,537	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,209	1,209	-
-	-	-	-	-	-
141,042	141,042	-	60,746	60,746	-
-	-	-	(7,209)	(8,500)	(1,291)
-	-	-	6,500	8,500	2,000
-	-	-	-	-	-
-	-	-	6,500	8,500	2,000
-	-	-	(709)	-	709
-	-	-	2,017	2,017	-
\$ -	\$ -	\$ -	\$ 1,308	\$ 2,017	\$ 709

(Continued)

TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Victims of Crime Act Grant		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental			
Federal	49,906	48,006	(1,900)
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rent	-	-	-
Reimbursements and refunds	-	-	-
Other	-	1,497	1,497
TOTAL REVENUES	49,906	49,503	(403)
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	51,721	51,721	-
Health and Welfare	-	-	-
Recreational and cultural	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
TOTAL EXPENDITURES	51,721	51,721	-
REVENUES OVER (UNDER) EXPENDITURES	(1,815)	(2,218)	(403)
OTHER FINANCING SOURCES (USES)			
Operating transfer in	2,141	2,218	77
Operating transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,141	2,218	77
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	326	-	(326)
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	-	-	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ 326	\$ -	\$ (326)

Criminal Forfeiture			Community Corrections Services		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	50,220	50,220	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,425	1,425	-	-	-	-
1,425	1,425	-	50,220	50,220	-
-	-	-	-	-	-
-	-	-	-	-	-
1,051	1,051	-	48,161	48,161	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,051	1,051	-	48,161	48,161	-
374	374	-	2,059	2,059	-
-	-	-	-	-	-
(1,772)	(1,772)	-	-	-	-
(1,772)	(1,772)	-	-	-	-
(1,398)	(1,398)	-	2,059	2,059	-
1,973	1,973	-	1,591	1,591	-
\$ 575	\$ 575	\$ -	\$ 3,650	\$ 3,650	\$ -

(Continued)

TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Drug Enforcement		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	4,697	4,697
Interest and rent	-	-	-
Reimbursements and refunds	-	-	-
Other	-	-	-
TOTAL REVENUES	-	4,697	4,697
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	7,418	7,418	-
Health and Welfare	-	-	-
Recreational and cultural	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
TOTAL EXPENDITURES	7,418	7,418	-
REVENUES OVER (UNDER) EXPENDITURES	(7,418)	(2,721)	4,697
OTHER FINANCING SOURCES (USES)			
Operating transfer in	-	1,772	1,772
Operating transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	1,772	1,772
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(7,418)	(949)	6,469
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	12,157	12,157	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ 4,739	\$ 11,208	\$ 6,469

Law Library			LEADERS		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,500	6,500	-	-	-	-
-	-	-	-	-	-
-	-	-	-	250	250
6,500	6,500	-	-	250	250
6,500	3,934	2,566	-	-	-
-	-	-	-	-	-
-	-	-	65,554	47,721	17,833
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,500	3,934	2,566	65,554	47,721	17,833
-	2,566	2,566	(65,554)	(47,471)	18,083
-	-	-	20,000	20,000	-
-	-	-	-	-	-
-	-	-	20,000	20,000	-
-	2,566	2,566	(45,554)	(27,471)	18,083
911	911	-	98,139	98,139	-
\$ 911	\$ 3,477	\$ 2,566	\$ 52,585	\$ 70,668	\$ 18,083

(Continued)

TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Spotlight Grant		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental			
Federal	-	-	-
State	9,485	4,076	(5,409)
Local	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rent	-	-	-
Reimbursements and refunds	-	-	-
Other	-	-	-
TOTAL REVENUES	9,485	4,076	(5,409)
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	9,536	4,076	5,460
Health and Welfare	-	-	-
Recreational and cultural	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
TOTAL EXPENDITURES	9,536	4,076	5,460
REVENUES OVER (UNDER) EXPENDITURES	(51)	-	51
OTHER FINANCING SOURCES (USES)			
Operating transfer in	-	-	-
Operating transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(51)	-	51
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	-	-	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ (51)	\$ -	\$ 51

Water Quality Grant			Computer Tech Grant Phase II		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	33,742	31,067	(2,675)
-	-	-	-	-	-
-	-	-	9,223	12,532	3,309
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	42,965	43,599	634
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
38	38	-	-	-	-
-	-	-	-	-	-
-	-	-	55,259	37,566	17,693
-	-	-	-	-	-
38	38	-	55,259	37,566	17,693
(38)	(38)	-	(12,294)	6,033	18,327
-	-	-	10,269	10,269	-
-	-	-	-	-	-
-	-	-	10,269	10,269	-
(38)	(38)	-	(2,025)	16,302	18,327
38	38	-	2,025	2,025	-
\$ -	\$ -	\$ -	\$ -	\$ 18,327	\$ 18,327

(Continued)

TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	COPS Mobile Data Grant		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental			
Federal	3,098	3,098	-
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rent	-	-	-
Reimbursements and refunds	-	-	-
Other	-	-	-
TOTAL REVENUES	3,098	3,098	-
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	-	-	-
Health and Welfare	-	-	-
Recreational and cultural	-	-	-
Capital outlay	4,131	4,131	-
Debt service	-	-	-
TOTAL EXPENDITURES	4,131	4,131	-
REVENUES OVER (UNDER) EXPENDITURES	(1,033)	(1,033)	-
OTHER FINANCING SOURCES (USES)			
Operating transfer in	-	-	-
Operating transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,033)	(1,033)	-
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	1,033	1,033	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ -	\$ -	\$ -

Michigan Justice Training			Child Care F.I.A.		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
6,000	6,651	651	82,000	86,093	4,093
-	-	-	46,000	63,860	17,860
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,000	6,651	651	128,000	149,953	21,953
-	-	-	-	-	-
-	-	-	-	-	-
7,105	7,105	-	241,509	241,509	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,105	7,105	-	241,509	241,509	-
(1,105)	(454)	651	(113,509)	(91,556)	21,953
-	-	-	31,000	31,000	-
-	-	-	-	-	-
-	-	-	31,000	31,000	-
(1,105)	(454)	651	(82,509)	(60,556)	21,953
8,573	8,573	-	99,068	99,068	-
\$ 7,468	\$ 8,119	\$ 651	\$ 16,559	\$ 38,512	\$ 21,953

(Continued)

TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	JAIB Block Grant		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental			
Federal	9,469	2,819	(6,650)
State	-	-	-
Local	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rent	-	-	-
Reimbursements and refunds	-	-	-
Other	-	-	-
TOTAL REVENUES	9,469	2,819	(6,650)
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	10,525	3,130	7,395
Health and Welfare	-	-	-
Recreational and cultural	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
TOTAL EXPENDITURES	10,525	3,130	7,395
REVENUES OVER (UNDER) EXPENDITURES	(1,056)	(311)	745
OTHER FINANCING SOURCES (USES)			
Operating transfer in	1,056	1,056	-
Operating transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,056	1,056	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	745	745
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	-	-	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ -	\$ 745	\$ 745

Family Independence Agency			Medical Care Facility		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ 220,000	\$ 233,917	\$ 13,917
-	-	-	-	-	-
-	-	-	-	-	-
327,144	344,285	17,141	-	2,740	2,740
-	-	-	-	-	-
-	-	-	6,820,331	6,890,654	70,323
-	-	-	-	-	-
-	-	-	1,500	91,603	90,103
-	-	-	-	-	-
-	-	-	200,456	203,118	2,662
327,144	344,285	17,141	7,242,287	7,422,032	179,745
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
352,144	352,144	-	6,943,949	6,777,767	166,182
-	-	-	-	-	-
-	-	-	178,000	78,603	99,397
-	-	-	-	-	-
352,144	352,144	-	7,121,949	6,856,370	265,579
(25,000)	(7,859)	17,141	120,338	565,662	445,324
5,000	5,000	-	123,302	-	(123,302)
-	-	-	(123,302)	-	123,302
5,000	5,000	-	-	-	-
(20,000)	(2,859)	17,141	120,338	565,662	445,324
62,874	62,874	-	2,302,477	2,302,477	-
\$ 42,874	\$ 60,015	\$ 17,141	\$ 2,422,815	\$ 2,868,139	\$ 445,324

(Continued)

TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Probate Child Care		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental			
Federal	-	-	-
State	215,000	192,744	(22,256)
Local	-	-	-
Charges for services	35,000	20,004	(14,996)
Fines and forfeits	-	-	-
Interest and rent	-	-	-
Reimbursements and refunds	-	2,468	2,468
Other	-	-	-
TOTAL REVENUES	250,000	215,216	(34,784)
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	-	-	-
Health and Welfare	705,169	705,169	-
Recreational and cultural	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
TOTAL EXPENDITURES	705,169	705,169	-
REVENUES OVER (UNDER) EXPENDITURES	(455,169)	(489,953)	(34,784)
OTHER FINANCING SOURCES (USES)			
Operating transfer in	511,669	489,953	(21,716)
Operating transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	511,669	489,953	(21,716)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	56,500	-	(56,500)
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	-	-	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ 56,500	\$ -	\$ (56,500)

Soldiers' Relief			Veterans Trust		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	27,000	21,031	(5,969)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	27,000	21,031	(5,969)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,021	12,021	-	27,000	21,352	5,648
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,021	12,021	-	27,000	21,352	5,648
(12,021)	(12,021)	-	-	(321)	(321)
11,500	11,500	-	-	-	-
-	-	-	-	-	-
11,500	11,500	-	-	-	-
(521)	(521)	-	-	(321)	(321)
674	674	-	321	321	-
\$ 153	\$ 153	\$ -	\$ 321	\$ -	\$ (321)

(Continued)

TUSCOLA COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Voted Senior Citizens		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes	\$ 197,500	\$ 196,062	\$ (1,438)
Licenses and permits	-	-	-
Intergovernmental			
Federal	-	-	-
State	-	2,258	2,258
Local	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rent	3,000	3,249	249
Reimbursements and refunds	-	-	-
Other	-	-	-
TOTAL REVENUES	200,500	201,569	1,069
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	-	-	-
Health and Welfare	239,951	222,103	17,848
Recreational and cultural	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
TOTAL EXPENDITURES	239,951	222,103	17,848
REVENUES OVER (UNDER) EXPENDITURES	(39,451)	(20,534)	18,917
OTHER FINANCING SOURCES (USES)			
Operating transfer in	-	-	-
Operating transfer out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(39,451)	(20,534)	18,917
FUND BALANCE, BEGINNING OF YEAR - AS RESTATED	88,497	88,497	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ 49,046	\$ 67,963	\$ 18,917

Building and Site			Total		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ 1,944,000	\$ 1,949,742	\$ 5,742
-	-	-	146,588	162,250	15,662
-	-	-	1,117,338	1,033,862	(83,476)
-	-	-	2,027,435	1,926,950	(100,485)
-	-	-	146,067	151,314	5,247
-	-	-	8,253,274	8,316,242	62,968
-	-	-	6,500	11,197	4,697
4,000	4,123	123	15,500	115,844	100,344
-	-	-	12,000	8,306	(3,694)
-	-	-	298,568	327,095	28,527
4,000	4,123	123	13,967,270	14,002,802	35,532
-	-	-	1,130,254	1,024,650	105,604
-	-	-	939,868	831,118	108,750
-	-	-	2,252,182	2,075,435	176,747
-	-	-	10,476,614	10,293,635	182,979
-	-	-	15,080	15,080	-
758,336	627,455	130,881	1,614,964	1,226,096	388,868
-	-	-	32,860	22,860	10,000
758,336	627,455	130,881	16,461,822	15,488,874	972,948
(754,336)	(623,332)	131,004	(2,494,552)	(1,486,072)	1,008,480
-	-	-	1,792,565	1,719,295	(73,270)
-	-	-	(396,967)	(274,619)	122,348
-	-	-	1,395,598	1,444,676	49,078
(754,336)	(623,332)	131,004	(1,098,954)	(41,396)	1,057,558
805,131	805,131	-	4,636,851	4,636,851	-
\$ 50,795	\$ 181,799	\$ 131,004	\$ 3,537,897	\$ 4,595,455	\$ 1,057,558



DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and costs.

Sewage Systems General Obligation Bonds

Akron Fairgrove Sewage Disposal (372)
Caro Sewage Disposal (377)
Mayville Storm Sewer (379)
Richville Water System (380)

Building Authority Bonds

Health Department Building Authority (367)
Dispatch Building and Equipment (378)
State Police Post Building (381)
FIA (Social Service) Building (395)



**TUSCOLA COUNTY
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2001**

	<u>Akron- Fairgrove Sewage Disposal</u>	<u>Caro Sewage Disposal</u>	<u>Mayville Storm Sewer</u>
ASSETS			
Cash and cash equivalents	\$ 7,839	\$ -	\$ -
Investments	13,409	-	-
Accounts receivable	-	-	-
Accrued interest receivable	-	-	-
Due from other funds	-	-	-
TOTAL ASSETS	\$ 21,248	\$ -	\$ -
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
FUND BALANCE			
Reserved for debt retirement	21,248	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 21,248	\$ -	\$ -

Richville Water System	Health Department Building Authority	Dispatch Building and Equipment	State Police Post Building	F.I.A. Building	Total
\$ 15	\$ -	\$ -	\$ 85,310	\$ 9,443	\$ 102,607
-	-	-	-	22,800	36,209
-	-	-	-	69	69
-	-	-	418	-	418
-	-	175	-	-	175
\$ 15	\$ -	\$ 175	\$ 85,728	\$ 32,312	\$ 139,478
\$ -	\$ -	\$ 175	\$ -	\$ -	\$ 175
15	-	-	85,728	32,312	139,303
\$ 15	\$ -	\$ 175	\$ 85,728	\$ 32,312	\$ 139,478

TUSCOLA COUNTY
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001

	Akron-Fairgrove Sewage Disposal		Favorable (Unfavorable) Variance
	Amended Budget	Actual	
REVENUES			
Intergovernmental			
State	\$ -	\$ -	\$ -
Local	74,036	74,036	-
Interest and rent	-	613	613
TOTAL REVENUES	74,036	74,649	613
EXPENDITURES			
Debt service			
Principal	65,000	65,000	-
Interest and fiscal charges	9,036	9,036	-
TOTAL EXPENDITURES	74,036	74,036	-
REVENUES OVER (UNDER) EXPENDITURES	-	613	613
OTHER FINANCING SOURCES			
Operating transfer in	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	-	613	613
FUND BALANCE, BEGINNING OF YEAR	20,635	20,635	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ 20,635	\$ 21,248	\$ 613

Caro Sewage Disposal			Mayville Storm Sewer		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164,319	164,319	-	78,925	79,100	175
-	-	-	-	-	-
164,319	164,319	-	78,925	79,100	175
75,000	75,000	-	14,000	14,000	-
89,319	89,319	-	65,100	65,100	-
164,319	164,319	-	79,100	79,100	-
-	-	-	(175)	-	175
-	-	-	-	-	-
-	-	-	(175)	-	175
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ (175)	\$ -	\$ 175

(Continued)

TUSCOLA COUNTY
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Richville Water System		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Intergovernmental			
State	\$ -	\$ -	\$ -
Local	120,455	120,417	(38)
Interest and rent	-	31	31
TOTAL REVENUES	120,455	120,448	(7)
EXPENDITURES			
Debt service			
Principal	60,000	60,000	-
Interest and fiscal charges	60,455	60,455	-
TOTAL EXPENDITURES	120,455	120,455	-
REVENUES OVER (UNDER) EXPENDITURES	-	(7)	(7)
OTHER FINANCING SOURCES			
Operating transfer in	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	-	(7)	(7)
FUND BALANCE, BEGINNING OF YEAR	22	22	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ 22	\$ 15	\$ (7)

Health Department Building Authority			Dispatch Building and Equipment		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
80,000	80,000	-	210,000	210,000	-
2,950	2,950	-	61,893	61,893	-
82,950	82,950	-	271,893	271,893	-
(82,950)	(82,950)	-	(271,893)	(271,893)	-
82,950	82,950	-	271,893	271,893	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

TUSCOLA COUNTY
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL (Concluded)
FOR THE YEAR ENDED DECEMBER 31, 2001

	State Police Post Building		
	Amended Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Intergovernmental			
State	\$ 158,500	\$ 162,134	\$ 3,634
Local	-	-	-
Interest and rent	-	1,408	1,408
TOTAL REVENUES	158,500	163,542	5,042
EXPENDITURES			
Debt service			
Principal	75,000	75,000	-
Interest and fiscal charges	80,942	80,866	76
TOTAL EXPENDITURES	155,942	155,866	76
REVENUES OVER (UNDER) EXPENDITURES	2,558	7,676	5,118
OTHER FINANCING SOURCES			
Operating transfer in	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	2,558	7,676	5,118
FUND BALANCE, BEGINNING OF YEAR	78,052	78,052	-
FUND BALANCE (DEFICIT), END OF YEAR	\$ 80,610	\$ 85,728	\$ 5,118

F.I.A. Building			Total		
Amended Budget	Actual	Favorable (Unfavorable) Variance	Amended Budget	Actual	Favorable (Unfavorable) Variance
\$ 111,300	\$ 107,450	\$ (3,850)	\$ 269,800	\$ 269,584	\$ (216)
-	-	-	437,735	437,872	137
1,100	1,396	296	1,100	3,448	2,348
112,400	108,846	(3,554)	708,635	710,904	2,269
100,000	100,000	-	679,000	679,000	-
11,300	11,300	-	380,995	380,919	76
111,300	111,300	-	1,059,995	1,059,919	76
1,100	(2,454)	(3,554)	(351,360)	(349,015)	2,345
-	-	-	354,843	354,843	-
1,100	(2,454)	(3,554)	3,483	5,828	2,345
34,766	34,766	-	133,475	133,475	-
\$ 35,866	\$ 32,312	\$ (3,554)	\$ 136,958	\$ 139,303	\$ 2,345



CAPITAL PROJECT FUNDS

Capital project funds are used to account for the accumulation of resources, often through the issuance of long-term debt, for the purposes of constructing capital assets.

Sewage Disposal

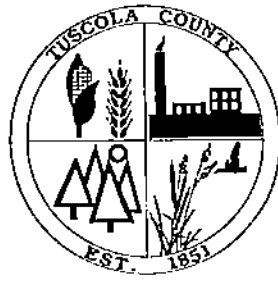
Akron Fairgrove Sewage Disposal (472)
Mayville Storm Sewer (480)
Richville (481)

Building Authority

Health Department Building Authority Construction (467)
FIA Building Authority Construction (469)
Jail Construction (478)
Dispatch Building Construction and Equipment (479)
State Police Post Building Authority (482)

Capital Projects Reserve (403) This fund is related to revenues accumulated for future capital projects. The balance of this fund was moved to the Office Space Project fund in 2001.

Office Space Project (483) This is a construction fund established to build a county office building to meet the increasing office space needs of the county.



**TUSCOLA COUNTY
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2001**

	Sewage Disposal System			
	Akron- Fairgrove	Mayville	Richville	Capital Projects Reserve
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 19,000
Investments	-	-	-	4,357
Accrued interest receivable	-	-	-	-
Due from other funds	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 23,357
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	23,357
TOTAL LIABILITIES	-	-	-	23,357
FUND BALANCE				
Reserved for construction	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ -	\$ -	\$ 23,357

Health Dept. Building Authority Construction	F.I.A. Building Authority Construction	Jail Construction	Dispatch Building Construction and Equipment	State Police Post Building Authority	Office Space Projects	Total
\$ 4	\$ 24,187	\$ -	\$ 39,943	\$ 19,824	\$ 497,409	\$ 600,367
-	21,000	-	-	-	680,626	705,983
-	-	-	196	98	-	294
-	-	-	-	-	406,652	406,652
\$ 4	\$ 45,187	\$ -	\$ 40,139	\$ 19,922	\$ 1,584,687	\$ 1,713,296
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,140	\$ 46,140
-	-	-	-	-	-	23,357
-	-	-	-	-	46,140	69,497
4	45,187	-	40,139	19,922	1,538,547	1,643,799
\$ 4	\$ 45,187	\$ -	\$ 40,139	\$ 19,922	\$ 1,584,687	\$ 1,713,296

TUSCOLA COUNTY
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2001

	Sewage Disposal System			
	Akron- Fairgrove	Mayville	Richville	Capital Projects Reserve
REVENUES				
Interest and rent	\$ -	\$ -	\$ -	\$ 15,349
Other	-	-	-	-
TOTAL REVENUES	-	-	-	15,349
EXPENDITURES				
Consultants	-	-	-	-
Construction	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
REVENUE OVER (UNDER) EXPENDITURES	-	-	-	15,349
OTHER FINANCING SOURCES (USES)				
Operating transfer in	-	-	-	38,000
Operating transfer out	-	-	-	(1,300,888)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(1,262,888)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	(1,247,539)
FUND BALANCE, BEGINNING OF YEAR	-	-	-	1,247,539
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

Health Dept. Building Authority Construction	F.I.A. Building Authority Construction	Jail Construction	Dispatch Building Construction and Equipment	State Police Post Building Authority	Office Space Projects	Total
\$ 29	\$ 1,053	\$ -	\$ 196	\$ 957	\$ 14,554	\$ 32,138
-	27,100	-	-	-	-	27,100
29	28,153	-	196	957	14,554	59,238
-	-	-	-	-	77,240	77,240
-	-	-	-	28,960	-	28,960
2,727	23,034	-	-	1,115	-	26,876
2,727	23,034	-	-	30,075	77,240	133,076
(2,698)	5,119	-	196	(29,118)	(62,686)	(73,838)
-	-	-	-	-	1,601,233	1,639,233
-	-	-	-	-	-	(1,300,888)
-	-	-	-	-	1,601,233	338,345
(2,698)	5,119	-	196	(29,118)	1,538,547	264,507
2,702	40,068	-	39,943	49,040	-	1,379,292
\$ 4	\$ 45,187	\$ -	\$ 40,139	\$ 19,922	\$ 1,538,547	\$ 1,643,799



INTERNAL SERVICE FUNDS

Delinquent Tax Revolving Funds (616-626) This group of funds are set aside for the collection and distribution of delinquent tax funds. The income generated from this fund provides revenue for the operations within the County.

Workers' Compensation Insurance (677) The various funds of the County make a transfer to this fund that sets aside monies to apply against premiums and claims for employees who qualify for this benefit. The County General Fund also makes an appropriation to this fund.

County Retirement (286) This fund sets aside monies to pay the portion of the County's obligations for employee's retirement. Various funds transfer the appropriate level of obligation to this fund.

Health Insurance (678) This fund sets aside monies to pay the insurance premiums. Various funds transfer the appropriate level of obligation to this fund when payments are made.



**TUSCOLA COUNTY
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2001**

	Delinquent Tax Revolving	Workers' Compensation Insurance
ASSETS		
Cash and cash equivalents	\$ 3,515,241	\$ 271,321
Investments	3,038,593	-
Taxes receivable	2,012,882	-
Accounts receivable	8,274	6,037
Accrued interest receivable	4,463	-
Due from other funds	-	-
Due from other governmental units	24,012	-
Prepaid expenses	-	6,261
Advances to other funds	1,403,086	-
	\$ 10,006,551	\$ 283,619
TOTAL ASSETS		
 LIABILITIES AND RETAINED EARNINGS		
LIABILITIES		
Accounts payables	\$ 672,560	\$ -
Accrued liabilities	-	174,662
Due to other funds	847,174	-
Due to other governmental units	7,507	-
Advances from other funds	1,393,003	-
	2,920,244	174,662
TOTAL CURRENT LIABILITIES		
 RETAINED EARNINGS		
Reserved for debt retirement	2,153,163	-
Reserved for self-funding	3,000,000	-
Reserved for accrued compensated absences	632,344	-
Unreserved		
Undesignated	1,300,800	108,957
	7,086,307	108,957
TOTAL RETAINED EARNINGS		
 TOTAL LIABILITIES AND RETAINED EARNINGS		
	\$ 10,006,551	\$ 283,619

County Retirement	Health Insurance	Total
\$ 564,157	\$ -	\$ 4,350,719
-	-	3,038,593
-	-	2,012,882
-	-	14,311
-	-	4,463
-	157,664	157,664
-	-	24,012
-	-	6,261
-	-	1,403,086
\$ 564,157	\$ 157,664	\$ 11,011,991

\$ -	\$ -	\$ 672,560
-	157,664	332,326
-	-	847,174
-	-	7,507
-	-	1,393,003
-	157,664	3,252,570

-	-	2,153,163
-	-	3,000,000
-	-	632,344
564,157	-	1,973,914
564,157	-	7,759,421
\$ 564,157	\$ 157,664	\$ 11,011,991

TUSCOLA COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Delinquent Tax Revolving	Workers' Compensation Insurance
OPERATING REVENUES		
Charges for services	\$ 194,703	\$ -
Interest earned on taxes	406,001	-
Other revenue	4,153	30,550
TOTAL OPERATING REVENUES	604,857	30,550
OPERATING EXPENSES		
Insurance costs	-	12,156
Settlements and claims	-	273,024
Other	1,119	1,810
TOTAL OPERATING EXPENSES	1,119	286,990
OPERATING INCOME (LOSS)	603,738	(256,440)
NONOPERATING REVENUE		
Interest on investments	243,436	-
INCOME BEFORE OPERATING TRANSFER	847,174	(256,440)
OPERATING TRANSFERS		
Operating transfer in	185	-
Operating transfer out	(847,359)	-
NET OPERATING TRANSFERS	(847,174)	-
NET INCOME (LOSS)	-	(256,440)
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR	7,086,307	365,397
RETAINED EARNINGS, END OF YEAR	\$ 7,086,307	\$ 108,957

County Retirement	Health Insurance	Total
\$ -	\$ 1,171,672	\$ 1,366,375
-	-	406,001
-	-	34,703
-	1,171,672	1,807,079
-	1,247,841	1,259,997
-	-	273,024
4,790	-	7,719
4,790	1,247,841	1,540,740
(4,790)	(76,169)	266,339
-	-	243,436
(4,790)	(76,169)	509,775
150,000	131,634	281,819
-	-	(847,359)
150,000	131,634	(565,540)
145,210	55,465	(55,765)
418,947	(55,465)	7,815,186
\$ 564,157	\$ -	\$ 7,759,421

**TUSCOLA COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Delinquent Tax Revolving	Workers' Compensation Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 603,738	\$ (256,440)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
(Increase) decrease in current assets		
Taxes receivables	232,913	-
Accounts receivable	(8,274)	571
Accrued interest receivable	(4,463)	-
Due from other funds	-	-
Due from other governmental units	55,609	-
Prepaid expenses	-	(6,261)
Increase (decrease) in current liabilities		
Account payables	628,439	-
Accrued liabilities	-	174,662
Due to other funds	89,913	-
Due to other governmental units	7,507	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,605,382	(87,468)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances to other funds	414,303	-
Advances from other funds	(424,386)	-
Operating transfer in	185	-
Operating transfer out	(847,359)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(857,257)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(9,952)	-
Interest received	243,436	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	233,484	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	981,609	(87,468)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,533,632	358,789
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,515,241	\$ 271,321

County Retirement	Health Insurance	Total
\$ (4,790)	\$ (76,169)	\$ 266,339
-	-	232,913
-	-	(7,703)
-	-	(4,463)
-	(157,664)	(157,664)
-	-	55,609
-	-	(6,261)
-	-	628,439
-	76,169	250,831
-	-	89,913
-	-	7,507
<u>(4,790)</u>	<u>(157,664)</u>	<u>1,355,460</u>
-	-	414,303
-	-	(424,386)
150,000	131,634	281,819
-	-	(847,359)
<u>150,000</u>	<u>131,634</u>	<u>(575,623)</u>
-	-	(9,952)
-	-	243,436
-	-	233,484
145,210	(26,030)	1,013,321
418,947	26,030	3,337,398
<u>\$ 564,157</u>	<u>\$ -</u>	<u>\$ 4,350,719</u>

TUSCOLA COUNTY
ALL DELINQUENT TAX REVOLVING FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2001

	<u>1997</u>	<u>1998</u>
	<u>Delinquent</u>	<u>Delinquent</u>
	<u>Tax Revolving</u>	<u>Tax Revolving</u>
ASSETS		
Cash and cash equivalents	\$ 509,676	\$ 173,355
Investments	-	-
Taxes receivable	4,844	304,470
Accounts receivable	357	1,085
Accrued interest receivable	-	-
Due from other governmental units	-	4
Advances to other funds	-	-
	<hr/>	<hr/>
TOTAL ASSETS	\$ 514,877	\$ 478,914
LIABILITIES AND RETAINED EARNINGS		
LIABILITIES		
Accounts payables	\$ -	\$ -
Due to other funds	-	-
Due to other governmental units	1,535	-
Advances from other funds	-	-
	<hr/>	<hr/>
TOTAL LIABILITIES	1,535	-
RETAINED EARNINGS		
Reserved for debt retirement	-	-
Reserved for self-funding	364,519	-
Reserved for accrued compensated absences	-	-
Unreserved		
Undesignated	148,823	478,914
	<hr/>	<hr/>
TOTAL RETAINED EARNINGS	513,342	478,914
	<hr/>	<hr/>
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 514,877	\$ 478,914
	<hr/> <hr/>	<hr/> <hr/>

1999 Delinquent Tax Revolving	2000 Delinquent Tax Revolving	2001 Delinquent Tax Revolving	Combined Revolving Tax	Totals
\$ 314,972	\$ 585,694	\$ 72,182	\$ 1,859,362	\$ 3,515,241
-	-	-	3,038,593	3,038,593
128,056	1,348,790	218,875	7,847	2,012,882
2,117	4,393	322	-	8,274
-	-	-	4,463	4,463
1,286	22,722	-	-	24,012
-	-	-	1,403,086	1,403,086
\$ 446,431	\$ 1,961,599	\$ 291,379	\$ 6,313,351	\$ 10,006,551
\$ -	\$ 628,312	\$ -	\$ 44,248	\$ 672,560
-	-	-	847,174	847,174
5,031	-	-	941	7,507
-	1,108,113	284,890	-	1,393,003
5,031	1,736,425	284,890	892,363	2,920,244
-	-	-	2,153,163	2,153,163
-	-	-	2,635,481	3,000,000
-	-	-	632,344	632,344
441,400	225,174	6,489	-	1,300,800
441,400	225,174	6,489	5,420,988	7,086,307
\$ 446,431	\$ 1,961,599	\$ 291,379	\$ 6,313,351	\$ 10,006,551

TUSCOLA COUNTY
ALL DELINQUENT TAX REVOLVING FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2001

	1997 Delinquent Tax Revolving	1998 Delinquent Tax Revolving
OPERATING REVENUES		
Charges for services	\$ 4,785	\$ 16,213
Interest earned on taxes	42,589	102,087
Other revenue	466	3,291
TOTAL OPERATING REVENUES	47,840	121,591
OPERATING EXPENSES		
Other	-	4
OPERATING INCOME (LOSS)	47,840	121,587
NONOPERATING REVENUE		
Interest on investments	-	-
INCOME BEFORE OPERATING TRANSFERS	47,840	121,587
OPERATING TRANSFERS		
Operating transfer in	-	-
Operating transfer out	-	(185)
NET OPERATING TRANSFERS	-	(185)
NET INCOME (LOSS)	47,840	121,402
RETAINED EARNINGS, BEGINNING OF YEAR	465,502	357,512
RETAINED EARNINGS, END OF YEAR	\$ 513,342	\$ 478,914

1999 Delinquent Tax Revolving	2000 Delinquent Tax Revolving	2001 Delinquent Tax Revolving	Combined Revolving Tax	Totals
\$ 64,729	\$ 104,992	\$ 3,920	\$ 64	\$ 194,703
155,235	103,473	2,569	48	406,001
15	379	-	2	4,153
219,979	208,844	6,489	114	604,857
15	-	-	1,100	1,119
219,964	208,844	6,489	(986)	603,738
-	9,448	-	233,988	243,436
219,964	218,292	6,489	233,002	847,174
185	-	-	-	185
-	-	-	(847,174)	(847,359)
185	-	-	(847,174)	(847,174)
220,149	218,292	6,489	(614,172)	-
221,251	6,882	-	6,035,160	7,086,307
\$ 441,400	\$ 225,174	\$ 6,489	\$ 5,420,988	\$ 7,086,307

TUSCOLA COUNTY
ALL DELINQUENT TAX REVOLVING FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001

	1997 Delinquent Tax Revolving	1998 Delinquent Tax Revolving
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 47,840	\$ 121,587
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
(Increase) decrease in current assets		
Taxes receivables	103,487	398,432
Accounts receivable	(357)	(1,085)
Accrued interest receivable	-	-
Due from other governmental units	2,258	24,736
Increase (decrease) in current liabilities		
Account payables	-	(2,290)
Due to other funds	-	-
Due to other governmental units	1,535	-
	<u>154,763</u>	<u>541,380</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	154,763	541,380
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances to other funds	-	-
Advances from other funds	-	(403,140)
Operating transfer in	-	-
Operating transfer out	-	(185)
	<u>-</u>	<u>(403,325)</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	(403,325)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	-	-
Interest received	-	-
	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	154,763	138,055
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	354,913	35,300
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 509,676	\$ 173,355

1999 Delinquent Tax Revolving	2000 Delinquent Tax Revolving	2001 Delinquent Tax Revolving	Combined Revolving Tax	Totals
\$ 219,964	\$ 208,844	\$ 6,489	\$ (986)	\$ 603,738
1,061,805	(1,111,114)	(218,875)	(822)	232,913
(2,117)	(4,393)	(322)	-	(8,274)
-	-	-	(4,463)	(4,463)
42,480	(22,722)	-	8,857	55,609
(1,478)	628,312	-	3,895	628,439
-	-	-	89,913	89,913
5,031	-	-	941	7,507
1,325,685	(301,073)	(212,708)	97,335	1,605,382
-	-	-	414,303	414,303
(1,072,136)	766,000	284,890	-	(424,386)
185	-	-	-	185
-	-	-	(847,174)	(847,359)
(1,071,951)	766,000	284,890	(432,871)	(857,257)
-	-	-	(9,952)	(9,952)
-	9,448	-	233,988	243,436
-	9,448	-	224,036	233,484
253,734	474,375	72,182	(111,500)	981,609
61,238	111,319	-	1,970,862	2,533,632
\$ 314,972	\$ 585,694	\$ 72,182	\$ 1,859,362	\$ 3,515,241



FIDUCIARY FUNDS

Trust Funds

Cemetery Trust Fund (711) This fund was established with the deposits from local townships in trust for the maintenance of specific plots within cemeteries in each township. The interest earned is disbursed each year.

Employee Vacation and Sick Time (730) This fund was established by the transfer of funds from General Fund for the obligation the County has to pay to employees who qualify for the pay out of vacation and sick time.

Agency Funds

Trust and Agency (701) This fund sets aside monies to be distributed to other units of government. State monies collected are deposited and withdrawn from this fund.

Health Department Flex Benefit Plan The revenue for this fund is employee contributions and the expenses are the reimbursement for qualified services.

Library Penal Fines (721) The deposit of penal fines collected by the courts are held in this fund and disbursed on a quarterly basis to Libraries in the County. The Law Library of the County also received an annual amount from these collections.



**TUSCOLA COUNTY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2001**

	Trust Funds	
	Non- Expendable Cemetery	Expendable Employee Vacation and Sick Time
	ASSETS	
Cash and cash equivalents	\$ -	\$ 20,535
Investments at fair value	6,925	-
Accrued interest receivable	-	-
Due from other funds	-	-
TOTAL ASSETS	\$ 6,925	\$ 20,535
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued liabilities	\$ -	\$ 16,405
Due to other funds	-	-
Due to other governmental units	-	-
Undistributed receipts	-	-
Undistributed taxes	-	-
Due to employees	-	-
TOTAL LIABILITIES	-	16,405
 FUND BALANCE		
Reserved for cemetery maintenance	6,800	-
Unreserved	125	4,130
TOTAL FUND BALANCE	6,925	4,130
 TOTAL LIABILITIES AND FUND BALANCE	\$ 6,925	\$ 20,535

Agency Funds			
Trust and Agency	Health Department Flex Benefit Plan	Library Penal Fines	Total
\$ 1,399,310	\$ -	\$ 151,007	\$ 1,570,852
-	3,622	-	10,547
-	-	559	559
912,238	-	-	912,238
\$ 2,311,548	\$ 3,622	\$ 151,566	\$ 2,494,196

\$ 1,003,120	\$ -	\$ -	\$ 1,019,525
1,042	-	-	1,042
620,339	-	-	620,339
3,607	-	151,566	155,173
683,440	-	-	683,440
-	3,622	-	3,622
2,311,548	3,622	151,566	2,483,141
-	-	-	6,800
-	-	-	4,255
-	-	-	11,055
\$ 2,311,548	\$ 3,622	\$ 151,566	\$ 2,494,196



**TUSCOLA COUNTY
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSET AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2001**

TRUST AND AGENCY	Balance January 1, 2001	Additions	Reductions	Balance December 31, 2001
ASSETS				
Cash and cash equivalents	\$ 1,831,713	\$ 15,678,110	\$ 16,110,513	\$ 1,399,310
Due from other funds	340,797	1,189,587	618,146	912,238
TOTAL ASSETS	\$ 2,172,510	\$ 16,867,697	\$ 16,728,659	\$ 2,311,548
LIABILITIES				
Accrued liabilities	\$ 863,401	\$ 8,638,658	\$ 8,498,939	\$ 1,003,120
Due to other funds	-	7,813,861	7,812,819	1,042
Due to other governmental units	608,045	6,215,532	6,203,238	620,339
Undistributed receipts	6,714	7,795	10,902	3,607
Undistributed taxes	694,350	7,931,065	7,941,975	683,440
TOTAL LIABILITIES	\$ 2,172,510	\$ 30,606,911	\$ 30,467,873	\$ 2,311,548
HEALTH DEPARTMENT FLEX BENEFIT PLAN				
ASSETS				
Investments at market	\$ 2,876	\$ 746	\$ -	\$ 3,622
LIABILITIES				
Due to employees	\$ 2,876	\$ 746	\$ -	\$ 3,622
LIBRARY PENAL FINES				
ASSETS				
Cash and cash equivalents	\$ 107,545	\$ 458,416	\$ 414,955	\$ 151,006
Accrued interest receivable	-	559	-	559
TOTAL ASSETS	107,545	458,975	414,955	151,566
LIABILITIES				
Undistributed receipts	\$ 107,545	\$ 866,930	\$ 822,910	\$ 151,566
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 1,939,258	\$ 16,136,526	\$ 16,525,468	\$ 1,550,316
Investments at market value	2,876	746	-	3,622
Accrued interest receivable	-	559	-	559
Due from other funds	340,797	1,189,587	618,146	912,238
TOTAL ASSETS	\$ 2,282,931	\$ 17,327,418	\$ 17,143,614	\$ 2,466,736
LIABILITIES				
Accrued liabilities	\$ 863,401	\$ 8,638,658	\$ 8,498,939	\$ 1,003,120
Due to other funds	-	7,813,861	7,812,819	1,042
Due to other governmental units	608,045	6,215,532	6,203,238	620,339
Undistributed receipts	114,259	874,725	833,812	155,173
Undistributed tax collections	694,350	7,931,065	7,941,975	683,440
Due to employees	2,876	746	-	3,622
TOTAL LIABILITIES	\$ 2,282,931	\$ 31,474,587	\$ 31,290,783	\$ 2,466,736



TUSCOLA COUNTY
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
DECEMBER 31, 2001

GENERAL FIXED ASSETS

Land	\$ 590,810
Buildings and improvements	9,701,606
Equipment	3,123,566
Vehicles	<u>1,189,290</u>

INVESTMENT IN GENERAL FIXED ASSETS

\$ 14,605,272

SOURCE OF GENERAL FIXED ASSETS

General County Government	\$ 9,643,606
State and Federal Grants	173,408
Building Authority Bonds	<u>4,788,258</u>

TOTAL

\$ 14,605,272

TUSCOLA COUNTY
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2001

FUNCTION AND ACTIVITY	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
General Government	\$ 590,810	\$ 3,223,718	\$ 2,147,127	\$ 166,872	\$ 6,128,527
Public Safety	-	3,095,235	595,509	652,221	4,342,965
Health and Welfare	-	3,229,060	301,198	357,197	3,887,455
Recreation and Culture	-	153,593	79,732	13,000	246,325
TOTAL	<u>\$ 590,810</u>	<u>\$ 9,701,606</u>	<u>\$ 3,123,566</u>	<u>\$ 1,189,290</u>	<u>\$ 14,605,272</u>

TUSCOLA COUNTY
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Balance January 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2001</u>
General Government	\$ 5,324,425	\$ 804,102	\$ -	\$ 6,128,527
Public Safety	4,068,151	274,814	-	4,342,965
Health and Welfare	3,868,493	131,444	(112,482)	3,887,455
Recreation and Culture	246,325	-	-	246,325
TOTAL	<u>\$ 13,507,394</u>	<u>\$ 1,210,360</u>	<u>\$ (112,482)</u>	<u>\$ 14,605,272</u>



TUSCOLA COUNTY
STATEMENT OF GENERAL LONG TERM DEBT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
DECEMBER 31, 2001

AMOUNTS AVAILABLE AND TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG TERM DEBT

SEWER SYSTEM GENERAL OBLIGATION BONDS

Amount available in the Debt Service Fund	\$ 21,263
Amount to be provided by Townships and Villages	<u>3,691,737</u>

TOTAL	<u>3,713,000</u>
--------------	-------------------------

BUILDING AUTHORITY BONDS

Amount available in the Debt service Fund	118,040
Amount to be provided by lease payments	<u>2,761,960</u>

TOTAL	<u>2,880,000</u>
--------------	-------------------------

CAPITAL LEASES

Amount to be provided by Health Department lease payments	<u>42,841</u>
---	---------------

ACCRUED LEAVE

Amount to be provided by Health Department	66,800
Amount to be provided by County	<u>638,972</u>

TOTAL	<u>705,772</u>
--------------	-----------------------

TOTAL AMOUNTS AVAILABLE AND TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG TERM DEBT	<u>\$ 7,341,613</u>
--	----------------------------

GENERAL LONG-TERM DEBT PAYABLE

SEWER SYSTEM GENERAL OBLIGATION BONDS

Akron-Fairgrove Sewage Disposal System Bonds	\$ 65,000
Caro Area Sanitary Sewer System	1,320,000
Mayville Storm Sewer System	1,288,000
Richville Storm Sewer System	<u>1,040,000</u>

TOTAL SEWER SYSTEM GENERAL OBLIGATION BONDS	<u>3,713,000</u>
--	-------------------------

BUILDING AUTHORITY BONDS

Family Independence Agency building	100,000
Dispatch Building and equipment	1,240,000
State Police Post	<u>1,540,000</u>

TOTAL BUILDING AUTHORITY BONDS	<u>2,880,000</u>
---------------------------------------	-------------------------

CAPITAL LEASE PAYABLE	<u>42,841</u>
------------------------------	----------------------

ACCRUED LEAVE LIABILITY	<u>705,772</u>
--------------------------------	-----------------------

TOTAL GENERAL LONG TERM DEBT PAYABLE	<u>\$ 7,341,613</u>
---	----------------------------





**TUSCOLA COUNTY
DRAIN COMMISSION DISCRETE COMPONENT UNIT
COMBINING BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUP
DECEMBER 31, 2001**

	Debt Service	Capital Project
ASSETS		
Cash and cash equivalents	\$ 161,995	\$ 1,838,705
Investments	1,631,059	1,688,524
Special assessments receivable	10,447,320	907,618
Accrued interest receivable	850	8,744
Due from other component units	-	-
Due from other governmental units	-	123,541
Prepaid expenditures	2,709	-
Amount available for retirement of general long term debt	-	-
Amount to be provided for retirement of general long term debt	-	-
	-	-
TOTAL ASSETS	\$ 12,243,933	\$ 4,567,132
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Account payable	\$ 6,483	\$ 157,975
Due to other component units	-	557,212
Deferred revenue	10,447,320	907,618
Drain bond payable	-	-
Drain notes payable	-	-
Advance from primary government	-	-
	-	-
TOTAL LIABILITIES	10,453,803	1,622,805
FUND EQUITY		
Fund balance		
Reserved for debt service	1,790,130	-
Reserved for drain projects	-	2,944,327
	-	2,944,327
TOTAL FUND EQUITY	1,790,130	2,944,327
TOTAL LIABILITIES AND FUND EQUITY	\$ 12,243,933	\$ 4,567,132

Trust and Agency	Account Group	General	Totals
Revolving Drain	Long-Term Debt		
\$ 89,474	\$ -	\$ 2,090,174	
-	-	3,319,583	
-	-	11,354,938	
-	-	9,594	
557,212	-	557,212	
-	-	123,541	
-	-	2,709	
-	1,790,130	1,790,130	
-	10,700,860	10,700,860	
\$ 646,686	\$ 12,490,990	\$ 29,948,741	

\$ 36,686	\$ -	\$ 201,144	
-	-	557,212	
-	-	11,354,938	
-	11,339,800	11,339,800	
-	1,151,190	1,151,190	
610,000	-	610,000	
646,686	12,490,990	25,214,284	

-	-	1,790,130	
-	-	2,944,327	
-	-	4,734,457	
\$ 646,686	\$ 12,490,990	\$ 29,948,741	

**TUSCOLA COUNTY
DRAIN COMMISSION DISCRETE COMPONENT UNIT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Debt Service	Capital Project	Total
REVENUES			
Taxes	\$ 1,721,862	\$ 592,439	\$ 2,314,301
Intergovernmental			
Federal	-	241,592	241,592
Local	-	192,990	192,990
Interest and rents	93,394	174,823	268,217
Other	-	17,244	17,244
TOTAL REVENUE	1,815,256	1,219,088	3,034,344
EXPENDITURES			
Public Works	6,483	-	6,483
Capital outlay	-	3,318,210	3,318,210
Debt service			
Principal	788,480	411,728	1,200,208
Interest and charges	581,052	66,930	647,982
TOTAL EXPENDITURES	1,376,015	3,796,868	5,172,883
REVENUES OVER (UNDER) EXPENDITURES	439,241	(2,577,780)	(2,138,539)
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	540,000	540,000
Note proceeds	-	125,500	125,500
Operating transfers in	-	48,525	48,525
Operating transfers out	(48,525)	-	(48,525)
TOTAL OTHER FINANCING SOURCES	(48,525)	714,025	665,500
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	390,716	(1,863,755)	(1,473,039)
FUND BALANCE, BEGINNING OF YEAR	1,399,414	4,808,082	6,207,496
FUND BALANCE, END OF YEAR	\$ 1,790,130	\$ 2,944,327	\$ 4,734,457

Table 1

Tuscola County
General Governmental Revenue by Source⁽¹⁾
Last Ten Years

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental	Charges for Services	Fines and Forfeits	Interest and Rents	Reimbursement and Refunds	Other Revenue	Gain on Refunding	Transfer-In	Total
1992	\$ 5,471,114	\$ 285,262	\$ 6,979,954	\$ 7,866,704	\$ 74,931	\$ 343,342	(3)	\$ 281,753	\$ 28,566	(2) \$ 1,969,519	\$ 23,303,543
1993	5,000,695	349,943	8,249,157	8,459,320	72,796	352,161	(3)	702,103	-	2,306,344	25,492,519
1994	4,968,983	368,358	8,510,853	10,191,899	101,910	289,205	(3)	375,280	-	2,682,692	27,488,180
1995	5,103,266	439,696	7,653,953	12,370,949	104,200	416,836	(3)	646,128	-	2,915,558	29,650,586
1996	5,301,391	472,832	4,124,723	6,963,159	108,051	430,676	(3)	614,351	-	3,134,991	21,150,174
1997	4,862,183	533,747	5,330,005	7,590,226	112,436	471,509	460,403	627,353	-	3,450,578	23,438,540
1998	5,201,209	579,438	5,380,197	7,985,643	135,923	379,371	384,219	316,472	-	3,397,604	23,760,076
1999	5,407,348	596,285	5,430,817	8,738,860	157,770	364,174	477,484	220,471	-	3,625,650	25,018,859
2000	5,681,758	646,749	5,628,771	9,926,327	194,660	502,405	725,482	373,092	-	3,914,943	27,594,187
2001	5,890,251	670,772	6,192,056	10,113,586	115,190	437,181	696,647	354,195	-	4,630,545	29,100,423

(1) Includes general, special revenue, debt service and capital project funds, and expendable trust funds.

(2) Debt Service fund gains on refunding.

(3) Reimbursement and Refunds classified with Other Revenue.

Table 1a

Tuscola County
General Fund Revenue
Last Ten Years

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental	Charges for Services	Fines and Forfeits	Interest and Rents	Reimbursement and Refunds	Other Revenue	Transfer In	Total
1992	\$ 2,785,545	\$ 211,332	\$ 1,611,611	\$ 955,342	\$ 68,431	\$ 167,452	\$ - (1)	\$ 157,566	\$ 24,867	\$ 5,982,146
1993	2,804,074	260,272	1,465,012	889,968	60,264	192,421	- (1)	119,343	433,580	6,324,935
1994	2,948,690	261,520	1,482,757	1,056,544	95,410	138,760	- (1)	206,822	572,489	6,762,992
1995	3,026,548	305,508	1,463,136	1,063,315	97,700	196,213	- (1)	162,568	728,731	7,043,719
1996	3,145,067	337,941	1,595,655	1,319,380	98,527	207,171	- (1)	210,162	981,477	7,896,380
1997	3,276,679	393,567	1,941,595	1,338,483	63,678	257,393	430,688	- (2)	787,245	8,489,328
1998	3,509,200	435,682	1,976,517	1,483,759	83,309	228,710	366,429	- (2)	811,468	8,895,074
1999	3,620,666	441,998	2,035,232	1,640,684	100,816	277,433	425,541	- (2)	982,845	9,525,215
2000	3,800,582	490,836	2,108,672	1,698,184	129,057	357,235	711,485	- (2)	900,848	10,196,899
2001	3,940,509	508,522	2,372,474	1,797,344	103,993	285,751	688,341	- (2)	847,174	10,544,108

(1) Reimbursement and Refunds classified as Other Revenue.
(2) Other Revenue classified as Refunds and Reimbursements.

Table 2

Tuscola County
General Governmental Expenditures by Function(1)
Last Ten Fiscal Years

Fiscal Year	Legislative	Judicial	General Government	Public Safety	Public Works	Health and Welfare	Recreation and Culture	Other	Capital Outlay	Debt Service	Refunding Costs	Transfer Out	Total
1992	\$ 143,721	\$ 844,587	\$ 1,373,587	\$ 2,032,705	\$ 322,368	\$ 13,057,815	\$ 2,957	\$ 773,485	\$ 984,166	\$ 944,554	\$ 67,810 (2)	\$ 2,626,875	\$ 23,286,831
1993	150,235	1,575,523	1,481,472	1,978,686	545,442	14,386,798	5,403	726,673	1,120,991	599,782	-	2,750,693	25,322,688
1994	187,756	1,266,531	1,812,178	2,203,456	553,012	17,035,326	7,004	167,094	550,153	588,719	-	2,053,103	26,414,332
1995	162,001	2,010,215	2,067,217	2,353,861	821,788	17,506,529	8,238	156,065	688,348	572,251	-	2,234,410	28,381,031
1996	215,029	2,170,254	2,385,632	2,559,116	841,802	7,964,670	9,385	114,033	886,265	585,432	-	2,559,579	20,250,967
1997	147,263	2,305,741	2,782,717	3,107,537	3,875,925	8,860,506	9,557	196,380	1,822,483	837,901	-	2,638,837	26,688,257
1998	144,675	2,393,218	2,886,603	3,254,787	978,672	9,553,045	9,623	189,166	1,723,028	1,134,626	-	2,567,965	24,855,406
1999	145,713	2,486,538	3,120,608	3,337,502	1,036,929	9,357,896	10,664	215,659	1,332,980	962,573	-	2,648,428	24,655,490
2000	118,747	2,638,042	3,548,453	3,653,770	2,130,551	10,040,348	10,104	213,891	1,746,700	1,016,085	-	2,941,636	28,057,418
2001	125,353	2,874,276	3,750,600	3,736,635	972,601	10,736,843	15,080	266,751	1,226,086	1,082,779	-	4,030,250	28,817,364

(1) Includes general, special revenue, debt service and capital project funds, and expendable trust funds.

(2) Caro Sewage disposal system increase in refunding of Debt Service Fund.

Table 2a

Tuscola County
General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Legislative	Judicial	General Government	Public Safety	Public Works	Health and Welfare	Other	Transfer Out	Total
1992	\$ 143,721	\$ 932,398	\$ 1,373,587	\$ 873,593	\$ 302,139	\$ 269,408	\$ 597,631	\$ 1,626,056	\$ 6,118,533
1993	150,235	1,079,623	1,412,962	869,399	224,142	81,906	725,921	1,662,658	6,206,846
1994	197,756	1,257,783	1,812,178	1,016,403	298,902	98,407	167,094	1,787,627	6,626,150
1995	162,001	1,275,026	1,564,323	1,166,078	359,153	88,951	155,305	1,984,545	7,056,284
1996	215,029	1,418,879	2,109,069	1,177,045	417,203	390,915	114,033	2,027,880	7,870,053
1997	147,263	1,491,249	2,148,606	1,331,760	555,731	417,864	198,380	2,147,609	8,439,462
1998	144,675	1,519,577	2,380,079	1,405,010	638,575	432,554	189,166	2,185,438	8,895,074
1999	145,713	1,563,509	2,447,510	1,481,483	699,472	449,258	215,659	2,210,875	9,213,479
2000	118,747	1,694,120	2,699,353	1,593,749	847,584	440,373	213,891	2,560,396	10,178,213
2001	125,353	1,849,626	2,919,482	1,661,200	839,525	443,308	200,881	2,454,743	10,464,118

Table 3

Tuscola County
 Property Tax Levies and Collections
 Last Ten Fiscal Years - Unaudited

<u>Fiscal Year</u>	<u>Total Operating Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Levy Collected</u>
1992	\$ 2,790,588	\$ 2,387,825	85.6%
1993	2,920,330	2,526,220	86.5%
1994	3,011,093	2,655,253	88.2%
1995	3,192,662	2,757,367	86.4%
1996	3,264,935	2,870,401	87.9%
1997	3,434,126	3,022,426	88.0%
1998	3,612,864	3,176,541	87.9%
1999	3,760,718	3,344,632	88.9%
2000	3,929,991	3,500,476	89.1%
2001	4,147,075	3,715,115	89.6%

Tuscola County
 Assessed and Estimated Actual Value of Property-Unaudited
 Last Ten Fiscal Years

Fiscal Year (1)	Real Property		Personal Property		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1992	\$ 615,192,987	\$ 1,230,385,974	\$ 59,954,810	\$ 119,909,620	\$ 675,147,797	\$ 1,350,295,594	50.00%
1993	663,695,998	1,327,391,996	61,635,528	123,271,056	725,331,526	1,450,663,052	50.00%
1994	684,856,759	1,369,713,518	62,962,071	125,924,142	747,818,830	1,495,637,660	50.00%
1995	728,586,250	1,457,172,500	64,326,157	128,652,314	792,912,407	1,585,824,814	50.00%
1996	781,321,944	1,562,643,888	68,726,420	137,452,840	850,048,364	1,700,096,728	50.00%
1997	860,248,123	1,720,496,246	72,316,843	144,633,686	932,564,966	1,865,129,932	50.00%
1998	953,821,672	1,907,643,344	74,910,981	149,821,962	1,028,732,653	2,057,465,306	50.00%
1999	1,042,233,232	2,084,466,464	78,840,341	157,680,682	1,121,073,573	2,242,147,146	50.00%
2000	1,170,727,525	2,341,455,050	75,475,901	150,951,802	1,246,203,426	2,492,406,852	50.00%
2001	1,319,193,617	2,638,387,234	77,651,222	155,302,444	1,396,844,839	2,793,689,678	50.00%

(1) Represents the year in which property taxes are levied, collections of which will be received in subsequent year.

Tuscola County
 Tax Rates per \$1,000
 All Overlapping Governments - Unaudited
 Last Ten Fiscal Years

Assessment Jurisdiction	1992	1993	1994 (2)		1995 (2)	
			Homestead	Non-Homestead	Homestead	Non-Homestead
Township of: (1)						
Akron	51,7981	52,8581	24,3001	42,3001	24,7001	42,7001
Almer	47,3406	47,3638	20,8777	39,8777	20,8194	38,8194
Arbela	46,6538	46,6585	22,8698	40,8699	23,0080	41,0060
Columbia	50,4775	52,2871	23,6806	41,6806	23,7885	41,7885
Dayton	49,6818	48,3195	21,2598	39,2598	21,5274	39,5274
Denmark	44,2998	43,1381	20,9248	38,6249	20,4582	38,4582
Elkland	50,6932	51,8663	22,3706	40,3706	22,2732	40,2732
Ellington	49,7760	49,5470	22,8020	40,8020	23,4708	41,4708
Elmwood	52,5499	54,4213	24,6246	42,6246	24,4828	42,4828
Fairgrove	49,1905	48,9364	21,8109	39,8109	21,8171	39,8171
Fremont	49,5441	48,8520	20,6298	38,6298	20,4322	38,4322
Gifford	48,2099	48,3510	21,3651	39,3651	21,3651	39,3651
Indianfields	50,3008	50,1261	22,5080	40,5080	22,8346	40,8346
Juniaata	47,8530	47,6828	22,1069	40,1069	21,8119	39,8119
Kingsion	47,3521	46,3399	19,8372	37,8372	20,0548	38,0548
Koyllon	48,7618	47,2673	20,4740	38,4740	20,7217	38,7217
Millington	55,1846	54,5217	23,5884	41,5884	25,1393	43,1393
Novestia	45,3412	44,8539	19,3236	37,3236	19,3767	37,3767
Tuscola	45,9718	44,9125	21,1106	38,1107	21,2581	39,2581
Vassar	48,6894	48,8734	22,0776	40,0776	22,0610	40,0610
Waltertown	51,9366	48,8534	21,0432	39,0432	21,6864	39,6864
Wells	47,0590	46,2539	20,5006	38,5006	20,6839	38,6839
Wisnar	49,6808	50,7885	22,5450	40,5450	24,9450	42,9450
Village of:						
Akron	59,3727	59,2864	35,4576	53,4676	35,2102	53,2102
Fairgrove	58,1480	58,0866	34,4984	52,4984	34,2472	52,2472
Caro	66,9090	66,5216	38,8881	56,8881	38,8298	56,8298
Indianfields	67,4908	67,2491	39,0917	57,0917	39,4183	57,4183
Elkland	61,7686	61,2794	35,5826	53,5826	38,0377	56,0377
Fairgrove	57,7772	57,8904	31,6826	49,6826	31,4649	49,4649
Gagetown	73,3852	76,2319	42,4646	60,4646	41,8300	59,8300
Kingsion	67,1323	65,0204	39,8565	57,8565	40,5041	58,5041
Koyllon	67,1229	64,8554	39,9453	57,9453	40,5005	58,5005
Fremont	63,2443	61,7233	32,7806	50,7806	32,3330	50,3330
Millington	70,1606	69,4813	38,5480	56,5480	40,0989	58,0989
Reese	58,4958	57,7396	31,5576	49,5576	33,5277	51,5277
Unionville	67,3476	70,1677	41,2133	59,2133	42,0463	60,0463
City of:						
Vassar	63,6610	62,9208	43,3684	61,3684	42,1884	60,1884

(1) The individual township rates above are an average of the various rates for taxing districts (principally school districts) contained within the townships
 (2) Homestead, Non-Homestead and specific school districts rates reflected are the result of Proposal A

(continued)

Tuscola County
 Tax Rates per \$1,000
 All Overlapping Governments - Unaudited
 Last Ten Fiscal Years

Assessment Jurisdiction	1996 (2)		1997 (2)		1998 (2)		1999 (2)	
	Homestead	Non-Homestead	Homestead	Non-Homestead	Homestead	Non-Homestead	Homestead	Non-Homestead
Township of: (1)								
Akron	25,3475	43,3475	25,3276	43,3276	25,3050	43,3050	27,4625	45,4625
Almer	22,9786	40,9786	23,3889	41,3888	23,6282	41,6282	24,8890	42,8890
Arbela	22,7645	40,7645	22,6325	40,6325	22,6554	40,6554	23,0802	41,0802
Columbia	24,8986	42,8986	24,8955	42,8955	26,2980	44,2973	27,5458	45,5055
Oayton	22,9974	40,9974	22,9638	40,9638	22,8619	41,1115	23,2249	41,1115
Denmark	21,4633	39,4633	21,3282	39,3282	21,3170	39,3170	22,7411	40,7411
Elkland	24,0736	42,0736	24,1013	42,1013	23,9162	41,9144	24,5775	42,4767
Ellington	26,4201	44,4201	26,4748	44,4748	27,1750	45,1750	26,9468	44,9468
Elmwood	25,8997	43,8997	25,8799	43,8799	25,7481	43,7469	26,1094	44,0422
Fairgrove	22,9671	40,9671	22,8552	40,8552	22,9256	40,9256	25,7932	43,7932
Fremont	20,5793	38,5793	20,5581	38,5581	20,4730	38,4730	20,2259	38,2259
Gifford	22,7651	40,7651	22,9032	40,9032	20,4730	38,4730	20,2259	38,2259
Indianfields	23,0346	41,0346	22,5285	40,5285	23,8534	41,8534	27,1362	45,1362
Junata	24,8524	42,8524	24,8325	42,8325	23,5055	41,5055	23,4167	41,4167
Kingston	22,8603	40,8603	22,3559	40,3559	25,0623	43,0623	26,6793	44,6793
Koylton	23,1320	41,1320	23,4745	41,4745	23,1713	41,1713	23,4842	41,3304
Millington	23,7903	41,7903	24,5336	42,5336	24,5775	42,5775	23,8127	41,8127
Novesia	25,7867	43,7867	25,7105	43,7105	25,7192	43,7192	25,6161	43,6161
Tuscola	22,4807	40,4807	22,6891	40,6891	21,7086	39,7086	22,6678	40,6678
Vassar	23,1369	41,1369	23,0953	41,0953	22,0355	40,0355	21,6459	39,6459
Watertown	21,4829	39,4829	21,5349	39,5349	21,4825	39,4825	20,8714	38,8714
Wells	23,1320	41,1320	25,0806	43,0806	25,3730	43,3730	25,6537	43,6537
Wisner	25,8909	43,8909	25,5620	43,5620	25,5355	43,5355	27,6820	45,6820
Village of:								
Akron	35,5345	53,5345	36,0951	54,0951	36,0191	54,0191	40,3187	58,3187
Fairgrove	34,5741	52,5741	35,0427	53,0427	35,0597	53,0597	40,0772	58,0772
Almer	39,3886	57,3886	39,8001	57,8001	40,3157	58,3157	40,0517	58,0517
Indianfields	39,6046	57,6046	39,0986	57,0986	39,7055	57,7055	39,5955	57,5955
Elkland	46,2301	64,2301	43,4178	61,4178	43,4174	61,4174	43,3369	61,3369
Fairgrove	31,8561	49,8561	32,8857	50,8857	32,7845	50,7845	37,6704	55,6704
Gagelown	39,9011	57,9011	39,6090	57,6090	39,0208	57,0208	40,1482	57,9466
Kingston	41,7880	59,7880	41,3651	59,3651	43,6266	61,6266	44,5786	62,5786
Koylton	41,7897	59,7897	43,3276	61,3276	43,5443	61,5443	44,5179	62,5179
Fremont	34,4801	52,4801	34,4569	52,4569	34,1848	52,1848	33,5418	51,5418
Millington	38,7499	56,7499	39,4057	57,4057	39,3118	57,3118	38,4597	56,4597
Reese	35,7628	53,7628	35,7429	53,7429	34,7232	52,7232	36,8652	54,8652
Unionville	42,6963	60,6963	42,6741	60,6741	45,0221	63,0221	45,0378	63,0378
City of:								
Vassar	46,0884	64,0884	45,7885	63,7885	44,2492	62,2492	42,7187	60,7187

(1) The individual township rates above are an average of the various rates for taxing districts (principally school districts) contained within the township's
 (2) Homestead, Non-Homestead and specific school districts rates reflected are the result of Proposal A (continued)

Tuscola County
 Tax Rates per \$1,000
 All Overlapping Governments - Unaudited
 Last Ten Fiscal Years

Assessment Jurisdiction	2000 (2)		2001 (2)	
	Homestead	Non-Homestead	Homestead	Non-Homestead
Township of: (1)				
Akron	27.7125	45.7125	27.8724	45.8724
Almer	25.0556	43.0556	25.2205	43.2205
Arbela	23.0802	41.0802	22.9179	40.9179
Columbia	27.6458	45.6055	27.4148	45.3745
Dayton	23.1704	41.0570	23.1505	40.9740
Denmark	22.7411	40.7411	22.6197	40.6197
Elkland	24.5775	42.4767	23.8940	41.7932
Ellington	26.9468	44.9468	26.6265	44.6265
Elmwood	26.1094	44.0422	25.6568	43.5996
Fairgrove	25.9599	43.9599	25.8774	43.8774
Fremont	42.1938	38.2138	20.1680	38.1644
Gifford	27.3862	45.3862	27.3407	45.3407
Indianfields	23.4167	41.4167	23.3914	41.3914
Juniala	27.1083	45.1083	26.9485	44.9485
Kingston	24.3951	42.2259	23.9947	42.1558
Koylton	23.4942	41.3304	23.4810	41.2227
Millington	23.8127	41.8127	23.7460	41.7460
Novesia	25.5962	43.5962	25.3295	43.3295
Tuscola	23.1632	41.1632	23.0492	41.0492
Vassar	22.1413	40.1413	21.9935	39.9911
Watertown	20.8714	38.8714	20.8217	38.8181
Wells	25.6537	43.5781	25.5614	43.4461
Wisner	27.9320	45.9320	28.0849	46.0849
Village of:				
Akron	40.6519	58.6519	40.6825	58.6825
Fairgrove	40.4104	58.4104	40.4186	58.4186
Almer	40.0517	58.0517	40.2354	58.2354
Indianfields	39.5955	57.5955	39.5557	57.5557
Elkland	43.3369	61.3369	43.2034	61.2034
Fairgrove	37.9991	55.9991	38.4025	56.4025
Gagetown	40.1482	57.9466	38.7751	56.5735
Kingston	44.7564	62.5296	44.4264	62.0805
Koylton	44.7307	62.5039	44.3329	61.9870
Fremont	33.3368	51.3368	33.291	51.2838
Millington	38.4597	56.4597	38.3832	56.3832
Reese	36.8652	54.8652	36.7692	54.7692
Unionville	45.0378	63.0378	45.1473	63.1473
City of:				
Vassar	42.0141	60.0141	41.7796	59.7796

(1) The individual township rates above are an average of the various rates for taxing districts (principally school districts) contained within the townships.

(2) Homestead, Non-Homestead and specific school districts rates reflected are the result of Proposal A

TUSCOLA COUNTY

Principal Taxpayers - (1)
Unaudited

December 31, 2001

Table 6

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2000 Equalized Value</u>	<u>Percent of Total Equalized Value</u>
Detroit Edison Company	Utility	\$ 23,391,869	1.88%
Dept. Of Natural Resources	Government	8,275,238	0.66%
Consumer Power Company	Utility	6,072,999	0.49%
TI Group Automotive Sys.	Automotive Manufacturing Assembly	4,517,589	
Michigan Sugar Company	Sugar Processing	3,985,900	0.32%
Bicgeneral Cable Ind	Wire and Cable Manufacturing	3,732,700	0.30%
Thumb Electric Co-Op	Utility Co-op	3,343,524	0.27%
Walbro Corporation	Automotive Manufacturing Assembly	3,124,400	0.25%
Varlen Corporation (2)	Metal Stamping/Mean Industries	2,495,100	0.20%
Wal-Mart Stores #01-1798	Retail	2,419,992	0.19%
Totals		\$ 61,359,311	

(1) Contains Real, Industrial, Commercial and Personal Values.

(2) Assessed for Personal Tax Only.

Table 7

Tuscola County

Computation of Direct and Overlapping Bonded Debt- Unaudited (1)
December 31, 2001

	58,266	
2000 Census Totals	\$ 1,049,359,900	
2001 Taxable Value		
Direct debt of County:		
Building Authority	\$ 2,880,000	Self-Support or Portion Paid by Benefited Municipality
Sewer	3,713,000	-
Capital Leases	42,841	42,841
	<u>\$ 6,635,841</u>	<u>\$ 42,841</u>
Per-Capita County Net Direct Debt		11.96
Percent County Net Direct Debt to 2001 Taxable		0.0043%
Overlapping Debt of County:		
School Districts		\$ 36,876,178
Townships		3,758,381
Intermediate School District Village		34,055
City		5,704,927
Net Overlapping Debt		<u>\$ 46,373,541</u>
Net County and Overlapping Debt		<u>\$ 46,416,382</u>
Per-Capita County Net Direct and Overlapping Debt		\$ 796.63
Percent Net Direct and Overlapping Debt to 2001 Taxable Value		4.6935%

(1) Includes Primary Government

Tuscola County

Computation of Legal Debt Margin - Unaudited
December 31, 2001

State Equalized Value of Real Property	\$ 1,319,193,617
State Equalized Value of Personal Property	<u>77,651,222</u>
Total State Equalized Value of Real and Personal Property	<u>1,396,844,839</u>
Legal Debt Limit - 10% of State Equalized Value	139,684,484
Gross Debt applicable to debt limit(1)	\$ 6,635,841
Less:	
Assets in Debt Service Funds	
Available for payment of principal	<u>139,303</u>
Total Amount of Debt Applicable to Debt Limit	<u>6,496,538</u>
Legal Debt Margin	<u>\$ 133,187,946</u>

(1) Includes Primary Government

Table 9

Tuscola County
 Ratio of Annual Debt Service Expenditures for
 General Bonded Debt (1)
 to Total General Governmental Expenditures -Unaudited

Fiscal Year	Principal	Interest	Total Debt Service(2)	Total General Expenditures (3)	Ratio of Debt Service to Total General Expenditures
1992	\$ 614,527	\$ 314,315	\$ 928,842	\$ 23,286,931	4.0%
1993	280,000	256,732	536,732	25,322,698	2.1%
1994	260,000	241,216	501,216	26,414,332	1.9%
1995	270,000	215,413	485,413	28,391,031	1.7%
1996	275,000	208,671	483,671	20,250,967	2.4%
1997	471,000	288,874	759,874	26,688,257	2.8%
1998	547,000	407,432	954,432	24,855,406	3.8%
1999	557,000	368,340	925,340	24,655,490	3.8%
2000	578,000	404,236	982,236	28,057,418	3.5%
2001	679,000	378,468	1,057,468	28,817,364	3.7%

(1) General bonded debt reported in the Proprietary funds and special assessment debt with government commitment has been excluded.

(2) Includes Primary Government.

(3) Includes General, Special Revenue, Debt Service, and Capital Projects funds, and expendable trust funds.

Tuscola County

Ratio of Net Bonded Debt to Equalized Value and Net Bonded Debt Per Capita - Unaudited

Last Ten Fiscal Years

Calendar Year (1)	Population (2)	Assessed & Taxable Value (4)	General Long-term Debt (\$)	Service Monies Available	Net Long-term Debt	Long-term Debt to Assessed or Taxable Value	Long-term Debt Per Capita
1992	55,498	\$ 675,147,797	\$ 4,065,000	\$ 41,430	\$ 4,023,570	0.60%	\$ 72.50
1993	55,498	725,331,526	3,785,000	42,632	3,742,368	0.52%	67.43
1994	55,498	747,818,830	4,319,485	43,884	4,275,601	0.57%	77.04
1995	55,498	772,735,454	4,214,956	45,487	4,169,469	0.54%	75.13
1997	55,498	854,685,326	7,936,224	117,949	7,818,275	0.91%	140.87
1998	55,498	903,441,972	7,622,723	51,360	7,571,363	0.84%	136.43
1999	55,498	946,354,346	8,716,727	130,717	8,586,010	0.91%	154.71
2000	58,266 (3)	988,950,752	8,040,023	133,475	7,906,548	0.80%	135.70
2001	58,266 (3)	1,049,359,900	7,341,613	139,303	7,202,310	0.69%	123.61

(1) Represents the year in which property taxes are levied, collections will be in subsequent year.

(2) Based on 1990 census figures.

(3) U.S. Census Bureau, Census 2000 Michigan Information Center

(4) Assessed values represented from 1991 through 1994, Taxable values represented from 1995 through 2001.

(5) Discloses Primary Government

Table 11

Tuscola County
 Revenue Bond Coverage-Unaudited

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available for Debt Payment	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1992	\$ 132,436	\$ -	\$ 132,436	\$ 70,000	\$ 61,455	\$ 131,455	1.01
1993	132,967	-	132,967	75,000	57,193	132,193	1.01
1994	128,471	-	128,471	75,000	52,618	127,618	1.01
1995	128,724	-	128,724	80,000	47,733	127,733	1.01
1996	123,841	-	123,841	80,000	42,533	122,533	1.01
1997	123,351	-	123,351	85,000	37,024	122,024	1.01
1998	122,282	-	122,282	90,000	31,050	121,050	1.01
1999	116,164	-	116,164	90,000	24,795	114,795	1.01
2000	107,799	-	107,799	100,000	7,200	107,200	1.01
2001	103,850	-	103,850	100,000	3,600	103,600	1.00

TUSCOLA COUNTY
Demographic Statistics-Unaudited

Population count:		2000 Age Distribution:				
Fiscal Year	Population	Per Capita Income	Median Age	School Enrollment	Unemployment Rate	
1940	35,694					
1950	38,258	\$ 15,549	33.1	13,803	11.0%	
1960	43,305	16,233	33.4	13,800	8.8%	
1970	48,603	17,060	34.7	14,144	7.9%	
1980	56,961	17,456	34.7	13,407	7.8%	
1990	55,498	18,687	34.7	13,845	6.5%	
2000	58,266	19,059	34.7	13,801	5.3%	
		19,486	34.7	13,731	5.3%	
		20,991	34.9	13,597	5.5%	
		20,128	34.9	13,423	3.1%	
		20,128	37	13,277	5.3%	

Age	Count
19 and Under	17,202
20-44 Years	19,558
45-59 Years	11,510
60-64 Years	2,546
65-84 Years	6,578
85 and over	872

TUSCOLA COUNTY

Demographic Statistics-Unaudited

Population count: 2000 Age Distribution:

	Age	
1940	19 and Under	17,202
1950	20-44 Years	19,558
1960	45-59 Years	11,510
1970	60-64 Years	2,546
1980	65-84 Years	6,578
1990	85 and over	872
2000		

Fiscal Year	Population	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
1992	56,079	\$ 15,549	33.1	13,803	11.0%
1993	56,521	16,233	33.4	13,800	8.8%
1994	56,761	17,060	34.7	14,144	7.9%
1995	57,294	17,456	34.7	13,407	7.8%
1996	57,709	18,687	34.7	13,845	6.5%
1997	57,955	19,059	34.7	13,801	5.3%
1998	57,965	19,486	34.7	13,731	5.3%
1999	58,195	20,991	34.9	13,597	5.5%
2000	58,266	20,128	34.9	13,423	3.1%
2001	58,266	20,128	37	13,277	5.3%

Tuscola County

Demographic Statistics-Unaudited

	1990		1990	
	Tuscola County Number Of Workers	Percent of Total Workers	State of Michigan Number Of Workers	Percent of Total Workers
Employment Distribution:				
Occupation				
Executive, Administrative and Managerial	1,510	6.7%	461,176	11.1%
Professional	2,132	9.4%	566,936	13.6%
Technical Occupations	536	2.4%	150,393	3.6%
Sales Occupation	2,088	9.2%	474,675	11.4%
Administrative Support and Clerical	2,730	12.1%	657,124	15.8%
Service Occupations, Private Household and Protective Service	3,638	16.1%	571,658	13.7%
Farming, Forestry, and Fishing Occupations	990	4.4%	65,443	1.6%
Precision and Craft Operations	3,357	14.8%	501,629	12.0%
Operators, Fabricators, Assemblers and Inspectors	3,187	14.1%	391,453	9.4%
Transportation and Moving	1,320	5.8%	163,302	3.9%
Handlers, Equipment Cleaners and Laborers	1,144	5.1%	162,407	3.9%
Total	22,632		4,166,196	
Industry				
Agriculture, Forestry, Mining and Fishing	1,169	5.2%	83,348	2.0%
Construction	1,298	5.7%	205,481	4.9%
Manufacturing	6,426	28.4%	1,026,040	24.6%
Transportation, Communications, and Utilities	1,031		227,578	5.2%
Wholesale and Retail Trade	4,758	21.0%	915,561	22.0%
Finance, Insurance, Real Estate and Business Service	2,505	11.1%	581,215	14.0%
Professional Services	843		241,502	5.8%
Public Administration	646	2.9%	156,180	3.7%
Educational Services	1,691	7.5%	358,336	8.6%
Health Services	2,265	10.0%	370,955	8.9%
Total	22,632		4,166,196	

Table 13

Tuscola County

Property Value, Construction, and Bank Deposits - Unaudited

Last Ten Fiscal Years

Fiscal Year	Commercial Construction (1)		Residential Construction (1)		Property Value (2)			Bank Deposits (4) (\$000)
	Number of Units	Value	Number of Units	Value	Industrial, Commercial & Developmental	Residential	Timber-Cut & Agricultural	
1992	20	\$ 1,639,988	263	\$ 9,877,202	\$ 57,074,644	\$ 328,995,541	\$ 229,122,802	(3)
1993	28	2,874,447	338	12,230,424	59,248,879	356,569,325	247,877,794	(3)
1994	38	4,820,188	352	12,305,465	60,531,050	371,964,734	252,360,975	\$ 425,578
1995	18	1,293,924	386	14,200,390	61,908,686	402,810,925	263,848,639	433,506
1996	28	6,166,725	391	9,895,948	64,440,575	441,164,791	275,716,578	448,654
1997	44	6,525,249	379	16,792,907	68,616,181	496,944,545	294,687,397	468,991
1998	18	2,867,702	307	25,161,847	73,221,576	568,574,000	312,026,096	468,557
1999	17	2,148,173	319	17,577,610	76,271,126	637,634,663	328,327,443	482,583
2000	13	11,401,961	309	18,615,820	80,500,976	716,745,149	373,481,400	501,359
2001	30	4,794,629	245	18,891,426	88,527,974	800,510,821	430,659,754	495,597

(1) Source: Tuscola County DPW.

(2) Source: Tuscola County Equalization reports.

(3) Information not available

(4) Source: Federal Deposit Insurance Corporation Web Site. Dollars stated in thousands.

Tuscola County

Miscellaneous Statistics - Unaudited

Land area :	813 sq. miles	
Miles of streets:		Main Highways M-46, M-138, M-24, M-81, M-25, M-15
State	128	
Primary	349	
Local	1285	Truck Lines 5
Rail Lines	Grand Trunk Western; Chesapeake & Ohio; Tuscola & Saginaw Bay	
Public Education:		
Number of students:		
Elementary Schools	4,886	
Middle/Intermediate Schools	2,654	
High Schools	4,047	
Special Education	385	
Total	<u>11,972</u>	
Number of public schools:		
Elementary Schools	13	
Middle/Intermediate Schools	8	
High Schools	9	
Total	<u>30</u>	
Number of public school personnel:		
Teachers	719	
Pupils/Teacher ratio	17/1	
Administrative personnel	310	
Tuscola Intermediate:		
Highland Pines Enrollment	219	
Number of private schools:		
Students Enrolled	11	
Total	1,086	
Colleges:		
Davenport University		
Baker		

(continued)

Tuscola County

Miscellaneous Statistics - Unaudited

	<u>1988</u>	<u>1990</u>	<u>1992</u>	<u>1994</u>	<u>1996</u>	<u>1998</u>	<u>2000</u>
Elections:							
August primary:							
Registered voters	31,936	34,070	34,914	39,887	40,996	42,154	40,193
Poll book totals	9,656	6,296	9,280	8,150	8,062	5,528	5,643
% of voter turnout	30%	18%	27%	20%	20%	13%	14%
November general:							
Registered voters	33,305	33,385	36,833	41,015	41,776	42,624	40,457
Poll book totals	21,829	15,759	24,984	10,760	22,933	18,627	24,838
% of voter turnout	66%	47%	68%	26%	55%	44%	61%
Hospitals:							
Caro Community Hospital							
Hills and Dales Hospital							
Churches:							
Methodist							3
Baptist							2
Lutheran							2
Catholic							2
Nazarene							2
Presbyterian							2
Assembly of God							1
Church of Christ							1
Missionary							14
							<u>107</u>

(continued)

Tuscola County

Miscellaneous Statistics - Unaudited

	<u>Stations</u>	<u>Officers (1)</u>	<u>Vehicles</u>
Police departments:			
Akron/Fairgrove	1	2	2
Caro	1	12	6
Cass City	1	12	3
Denmark	1	1	1
Gagetown	1	1	1
Kingston	1	1	1
Mayville	1	5	1
Millington	1	10	3
Reese	1	8	1
Tuscola Co Sheriffs	1	48	24
Unionville	1	1	1
Vassar	1	30	4
Watertown	1	2	1

(1) Includes part time and reserve officers

	<u>Stations</u>	<u>Firefighters Pd./Vol. (2)</u>	<u>Vehicles</u>	<u>Sq. Miles</u>
Fire departments:				
Akron	1	0/20	3	53
Caro	1	1/22	7	117
Elkland Twp	1	1/25	5	157
Fairgrove	1	0/25	6	65
Gagetown-Elmwood Twp	1	0/18	4	44
Kingston	1	0/35	5	68
Mayville	1	0/26	7	69
Millington-Arbela Twp	1	0/24	6	82
Reese Blumfield	1	0/30	5	69
Richville	1	0/27	7	25
ACW Unionville	1	0/25	5	76
Vassar	1	0/21	7	52
Watertown Twp	1	0/21	4	36

(2) Includes paid per call and volunteer firefighters

(continued)

Tuscola County

Miscellaneous Statistics - Unaudited

Parks & Recreation:	Utilities:	Electric:	Gas:
County Parks: Vanderbilt Park Township/Village Community Parks: 35 589 Other: AYSO Soccer Park 1 Public Golf Courses 9 Community Pools 4	Consumers Power Detroit Edison Thumb Electric Local Phone Companies: Ameritech Century GTE Wolverine Caro Municipal Airport	Consumers Power Consumers Power	Consumers Power Consumers Power
Acres	Acres		
17	17		
State Game Areas:	Certified Industrial Parks:		Acres
Cass City State Game Area 440 Fish Point Wildlife Area 3,076 Deford State Game Area 9,607 Murphy Lk State Game Area 2,560 Tuscola State Game Area 8,383 Vassar State Game Area 3,058	Caro Industrial Park 73 Cass City Industrial Park 60 Millington Village Industrial Park 60		
Sources:	Tuscola County Economic Dev. Corp. Tuscola Intermediate School Dist. State of Michigan Bureau of Elections Tuscola County Central Dispatch Tuscola County Parks and Recreation Commission		



TUSCOLA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed-through Michigan Family Independence Agency:			
Title IV-D Child Support Enforcement Program			
Prosecuting Attorney Cooperative Reimbursement Program	93.563	CSPA 01-79002	\$ 25,981
Friend of Court Cooperative Reimbursement Program (Major Program)	93.563	CSFOC 01-79001	334,560
Medical Enforcement	93.563	CSMED 01-79001	16,946
Title IV-D Incentive Program	93.563	N/A	30,480
Building Strong Families	93.556	SFSC 00-79002	23,865
Passed-through Tuscola Area Michigan Works:			
Temporary Assistance for Needy Families/Work First	93.558	N/A	9,321
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			441,153
U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY			
Passed-through Michigan Department of State Police:			
Hazard Mitigation Grant	83.548	N/A	241,592
U.S. DEPARTMENT OF JUSTICE			
Office of Community Oriented Policing Services			
Public Safety and Community Policing Grant (C.O.P.S. AHEAD)	16.726	N/A	3,098
Passed-through Office of Community Health			
Victims of Crime Act	16.575	20587-5 V 2000	48,006
Passed-through Office of Drug Control Policy			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	70946-2K00	31,067
Passed-through Michigan Family Independence Agency:			
Juvenile Assistance Block Grant	16.523	JABGN 01-79002	2,819
TOTAL U.S. DEPARTMENT OF JUSTICE			84,990
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed-through Michigan Jobs Commission:			
Economic Development Job Training Grant	14.228	N/A	480
Passed-through Michigan State Housing Development Authority:			
Michigan Community Development Block Grant (CDBG) Housing Program	14.228	MSC-1997-0815-HO	141,042
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			141,522
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 909,257

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Tuscola County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

NOTE 2 RECONCILIATION TO FINANCIAL STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balance reflects total federal awards of \$1,895,526. The Statement includes federal funds received by the Tuscola County Health Department and the Tuscola County Road Commission of \$392,178 and \$594,091, respectively. These federal awards were excluded from the accompanying schedule of expenditures of federal awards because each unit was audited by other auditors and a separate single audit report was issued by those other auditors.





REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

March 11, 2002

Board of Commissioners
County of Tuscola
Tuscola, Michigan

We have audited the general purpose financial statements of *Tuscola County, Michigan*, as of and for the year ended December 31, 2001, and have issued our report thereon dated March 11, 2002. 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. We did not audit the financial statements of the Tuscola County Health Department, which represents 7% of total assets and 12% of total revenues of the Special Revenue Funds and we did not audit the financial statements of the Tuscola County Road Commission, which represents 16% of total assets and 77% of total revenues of the Discretely Presented Component Units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for the Tuscola County Health Department and the Tuscola County Road Commission, is based on the reports of other auditors.

Compliance

As part of obtaining reasonable assurance about whether *Tuscola County's* general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of *Tuscola County* in a separate letter dated March 11, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered *Tuscola County's* internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of *Tuscola County* in a separate letter dated March 11, 2002.

This report is intended solely for the information and use of the Finance Committee, management, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Lehmann Lobson".



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

March 11, 2002

Board of Commissioners
County of Tuscola
Tuscola, Michigan

Compliance

We have audited the compliance of *Tuscola County*, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. *Tuscola County's* major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of *Tuscola County's* management. Our responsibility is to express an opinion on *Tuscola County's* compliance based on our audit.

Tuscola County's general purpose financial statements include the operations of the Tuscola County Health Department and the Tuscola County Road Commission, which received \$392,178 and \$594,091 respectively, in federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2001. Our audit, described below, did not include the operations of the Tuscola County Health Department or the Tuscola County Road Commission because the Tuscola County Health Department and Tuscola County Road Commission engaged other auditors to perform audits in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about *Tuscola County's* compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on *Tuscola County's* compliance with those requirements.

In our opinion, *Tuscola County* complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001.

Internal Control Over Compliance

The management of *Tuscola County* is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered *Tuscola County's* internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We did not audit the financial statements of the Tuscola County Health Department, which represents 7% of total assets and 12% of total revenues of the Special Revenue Funds and we did not audit the financial statements of the Tuscola County Road Commission, which represents 16% of total assets and 77% of total revenues of the Discretely Presented Component Units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for the Tuscola County Health Department and the Tuscola County Road Commission, is based on the reports of other auditors.

This report is intended solely for the information and use of the finance committee, management, Board of Commissioners and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



TUSCOLA COUNTY, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2001

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unqualified on general purpose financial statements*

Internal controls over financial reporting:
Material weakness(es) identified? _____ yes X no
Reportable condition(s) identified not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:
Material weakness(es) identified? _____ yes X no
Reportable condition(s) identified not considered to be material weaknesses? _____ yes X none reported

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

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

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.563	Child Support Enforcement

Dollar threshold used to distinguish
between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the current year.

Prior Year Findings

There were no findings or questioned costs for the prior year.