



LIVINGSTON COUNTY, MICHIGAN
LIVINGSTON COUNTY TREASURER

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Memorandum

To: Livingston County Board of Commissioners
From: Jennifer M. Nash, Treasurer
Date: July 14, 2025
**Re: RESOLUTIONS APPROVING A BUDGET AMENDMENT TO
THE 2025 FISCAL YEAR FOR FUND 234 "FEDERAL GRANT"
FUND AND APPROVAL OF THE 2024 DEFICIT ELIMINATION
PLAN**

As was reported in our 2024 financial audit presentation, we ended the 2024 fiscal year with one fund in a deficit as defined by the State of Michigan's guidelines. The Federal Grant Fund had a \$55,617 deficit fund balance. In this case, these grants are reimbursement-based grants. Which means the expense is recognized and revenue is received at a later date. This deficit is the result of timing differences, (or a lag) in actually receiving the revenue. As of our 12/31/2024 year end financial statements, the revenue had not yet been received. However, the expense was incurred. This scenario falls under the State's definition of an unrestricted fund balance deficit thus requiring the filing of a deficit elimination plan with the State of Michigan.

According to PA 140 of 1971, local units of government who end their fiscal year in a deficit condition are required to formulate a deficit elimination plan and submit that plan in the form of a certified resolution to the State of Michigan for approval.

A projected budget approved by the legislative body showing the projected revenues and expenditures is acceptable evidence supporting the plan.

The attached resolution is in the recommended format provided by the State and the figures provided show the 2025 projected budget for this fund which includes the proposed 2025 budget amendment also included in the 7/14/2025 FAM agenda.

I am happy to answer any further questions you may have.