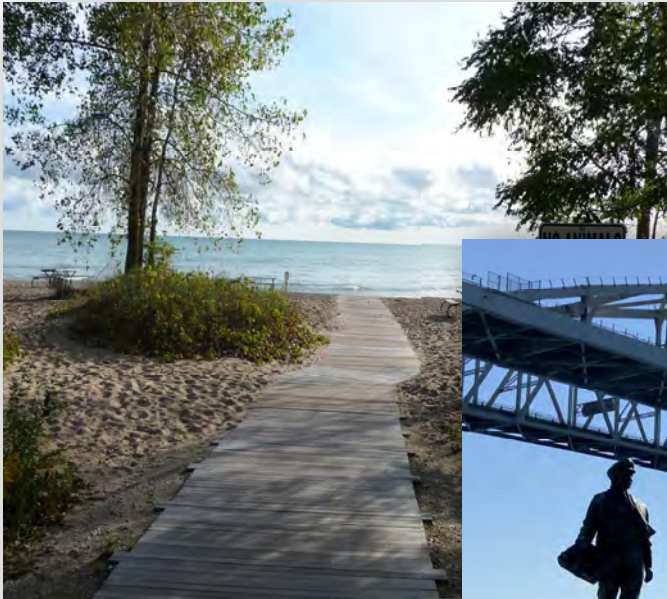


St. Clair County, Michigan



Comprehensive Annual Financial Report

Administrator/Controller's Office
Year Ending December 31, 2020



COMPREHENSIVE ANNUAL FINANCIAL REPORT

ST. CLAIR COUNTY, MICHIGAN

FOR THE YEAR ENDED DECEMBER 31, 2020

Current members of the
BOARD OF COMMISSIONERS

Jeffrey L. Bohm, Chairperson
Jorja Baldwin, Vice Chairperson
Lisa Beedon
Greg McConnell
Duke Dunn
David Vandebossche
David Rushing

Prepared by:
ADMINISTRATOR/CONTROLLER'S OFFICE

Karry Hepting, CPA, Administrator/Controller
Dena S. Alderdyce, Finance Director

ST. CLAIR COUNTY, MICHIGAN

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COUNTY OF ST. CLAIR



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June 25, 2021

To the Board of Commissioners and Citizens of St. Clair County

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

UHY LLP, has issued an unmodified (“clean”) opinion on St. Clair County’s financial statements for the year ended December 31, 2020. The independent auditor’s report is located at the front of the financial section of this report.

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

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

Profile of St. Clair County

St. Clair County, established in 1820, is located in southeastern Michigan and covers approximately 725 square miles. On the County's eastern border is the sovereign country of Canada, separated by approximately fifty-eight miles of shoreline on Lake Huron, the St. Clair River and Lake St. Clair. The County is less than one hour from downtown Detroit and is the eastern terminus of two major interstate highways, I-94 and I-69, the site of an international airport, two international bridges, an international ferry service, and the site of an international train tunnel. The bridges and train tunnel play an integral part in the "trade corridor" created by the Free Trade Agreement between the United States and Canada. We are an international gateway with the third busiest commercial truck crossing and busiest rail crossing on the U.S.-Canadian border.

The 2010 census reported the population at 163,040, living in 63,841 households. The Southeastern Michigan Council of Governments currently estimates our 2020 population to be 159,042 with an estimated 4.5% growth between 2020 and 2045. The County is made up of a mix of rural and urban communities, encompassing 9 villages and cities and 23 townships. The county seat is located in Port Huron, which is the largest city in the County, and where a majority of our offices are located.

The County is organized under the various public acts of the State of Michigan and is governed by a seven-member Board of Commissioners, elected by district for two-year terms. The Board of Commissioners serve as the legislative body responsible for establishing policy and appropriating funds. The Board of Commissioners appoints an Administrator/Controller who is responsible for carrying out the policies and ordinances of the Board of Commissioners and the day-to-day management of County affairs.

Other elected officials include the Clerk/Register of Deeds, Treasurer, Prosecuting Attorney, Sheriff, Drain Commissioner, and Surveyor. These offices are elected countywide to four-year terms. The Clerk/Register of Deeds is responsible for recording vital statistics, maintaining court records, documents regarding property ownership, and Board of Commissioner proceedings; the Treasurer is responsible for the collection of delinquent taxes, delinquent tax settlements with local units, cash management and investments; the Prosecuting Attorney and Sheriff are responsible for law enforcement; the Drain Commissioner is responsible for construction and maintenance of drains; and the Surveyor is responsible for the proper surveying of the boundaries of land parcels.

The court system consists of the 72nd District Court, Probate Court, and the 31st Circuit Court (including the Family Division). The 72nd District Court, with three judges, has jurisdiction over misdemeanors, ordinance and charter violations, civil cases under \$25,000, traffic infractions, and preliminary examinations in felony cases. The Probate Court, with two judges, is responsible for estates, mental health matters, guardianships, and they act as Circuit Court Judges for certain domestic matters. The 31st Circuit Court, with three judges, has jurisdiction over criminal cases where the minimum penalty is over one-year incarceration, civil damage cases over \$25,000, and family matters. All judges are elected, countywide, to staggered six-year terms.

The Board of Commissioners appoints members to the three-member Board of Road Commissioners, the three-member Department of Public Works Board, the five-member Land Bank Authority Board, the Brownfield Authority, and the twelve-member Community Mental Health Authority Board. These boards are governed and controlled by various public acts and statutes, and function as separate entities. Because of these appointments, and the fact that they may receive county appropriations, they are reflected as discretely presented component units in the County's Comprehensive Annual Financial Report, as required by the Governmental Accounting Standards Board.

The Board of Commissioners also appoints members to a variety of boards and commissions that have various responsibilities and duties. Some of the more complex of these boards and commissions include the Parks and Recreation Board, the Metropolitan Planning Commission, the Library Board, and the Commission on Aging. The Parks and Recreation Board oversees extra-voted millage monies collected by the County and used for the development and maintenance of a County park system. The Metropolitan Planning Commission oversees the development of the County master plans used for land development in the County. The Library Board oversees extra-voted millage monies, and other monies, collected by the County and used for the operation of our County-wide Library system. The Commission on Aging oversees extra-voted millage monies collected by the County and used for the enrichment of the lives of our senior population.

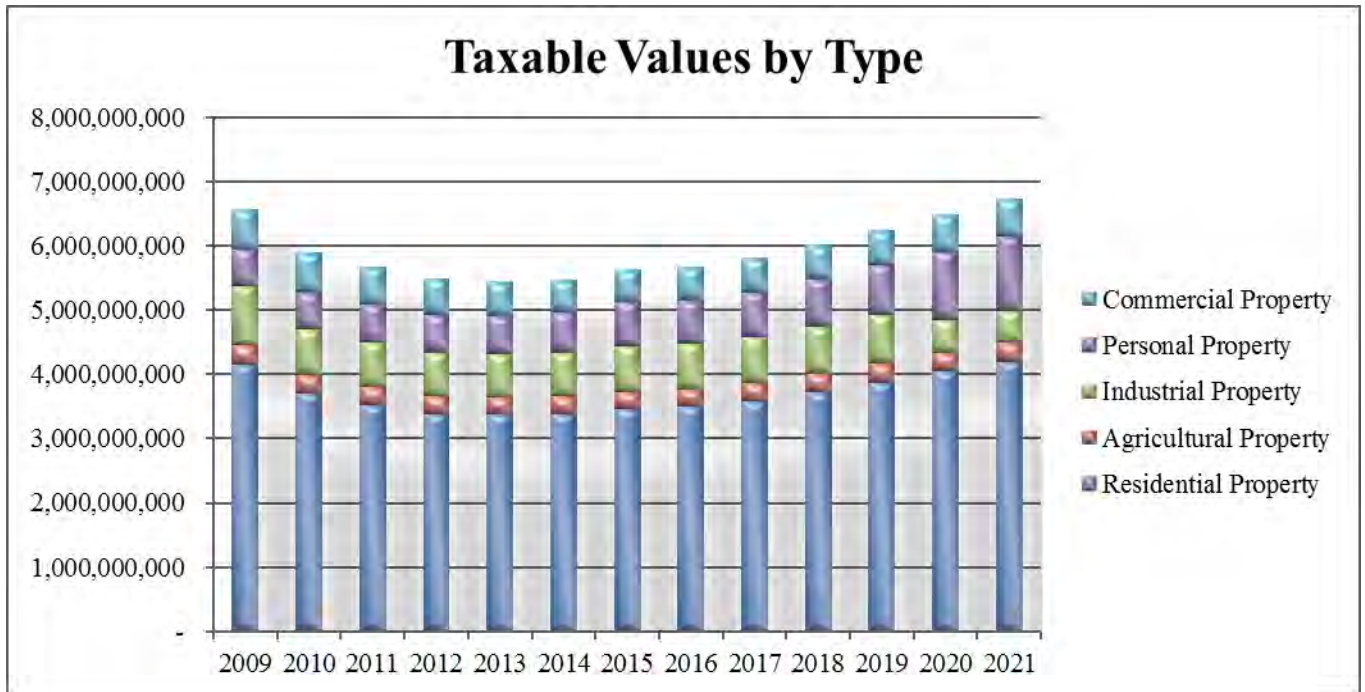
The County provides a wide range of services that are either mandated by state statute or authorized by the Board of Commissioners. These general areas include Legislative (i.e. Board of Commissioners), Judicial (i.e. Courts, Friend of the Court, and Probation), General Government (i.e. Elections, Equalization, Administration, Prosecuting Attorney, Clerk/Register of Deeds, Treasurer, Drain Commissioner, Buildings and Grounds Maintenance, and Information Technology), Public Safety (i.e. Sheriff, Jail, Emergency Preparedness, and Animal Control), Public Works (Drains, Airport, and Landfill), Health and Welfare (i.e. Health Department, Veteran's Affairs, Public Guardian, and Child Care), Community & Economic Development (i.e. Planning), and Recreation and Culture (i.e. Parks and Library).

State law requires the Board of Commissioners to adopt the budgets prior to the start of the fiscal year. While budgets are legally adopted at the activity (department) level for the General Fund and fund level for all other funds legally required to have a budget, budgetary control is maintained at the account (line item) level. The Administrator/Controller is authorized to transfer budget amounts between accounts within an activity however; the Board of Commissioners must approve any revisions to a total activity or fund. Revisions to the budget are recommended by the Administrator/Controller and adopted by the Board of Commissioners. The Board of Commissioners are provided monthly budget to actual comparison reports for their approval.

Local Economy

The County is experiencing a strong housing market and increasing property values. Most of the local units of government in St. Clair County experienced an increase in taxable property values in 2020. Despite the phase out of personal property tax under the State of Michigan's

Personal Property Tax reform, the County still experienced an increase in taxable value of 3.7% in 2020 from 2019. The upward trend is expected to continue in 2021 with an expected increase of 3.8%. The chart below illustrates the changes in taxable values by property type.



The County’s stability can be measured by the new national and regional businesses that choose to locate in St. Clair County, our population has remained stable, and the County general operating millage rate is at lower than authorized levels (due to Headlee rollbacks). The County continues to balance the General Fund Budget without the use of fund balance, the County bond rating continues to be strong and the County continues to maintain a high level of services to our citizens.

Despite the ongoing impacts of the COVID-19 pandemic, the County achieved many successes in 2020. The Economic Development Alliance of St. Clair County reported 524 new jobs, \$65 million in community development, \$27 million in local business expansions and \$4 million in new business attractions. This resulted in an overall total investment of over \$95 million.

In early 2021, Magna International announced the construction of a new 345,000 square-foot facility in the City of St. Clair to build complex battery enclosures. The project will generate \$70.1 million in private investment and create 304 jobs. Construction is underway with production at the new plant expected to begin in early 2022.

Long-term Financial Planning and Major Initiatives

The County uses a software product for financial forecasting. The model takes a look six years into the future as to where the finances of the County will be. It utilizes known historical information as well as assumptions as to future revenues and expenditures, and has

been accurate in its predictions. Administration uses this model to guide us in our budget deliberations and it is updated as new information is received. We also update the Board of Commissioner's at public meetings as to what is expected to happen financially in the County over the next several years. This information is extremely valuable to the Board as they weigh the future impact of financial decisions.

The COVID-19 shutdown posed some challenges for the County to continue to provide service to our citizens. The County's robust IT network allowed many employees to continue to complete their essential job functions from home. The County was able to use Federal funding to make investments in additional equipment and software to expand remote work and meeting functions as well as numerous safety improvements to all County facilities.

In 2019 the County created a Public Defender Office in order to streamline services required by the standards set forth by the Michigan Indigent Defense Commission (MIDC). The MIDC approved our request for the grant year beginning 10/1/2019. While the COVID-19 pandemic required some adaptation of our transition timeline, the office has been staffed and taking cases since spring of 2020. The transition to this service model has achieved our goal of providing for more efficient and consistent counsel for the clients they serve. The main objective of this office is to ensure the clients they serve are provided with the best defense and that all MIDC Standards are met. As the MIDC implements additional standards, the office will continue to expand to meet all necessary requirements.

In December of 2020, the County sold an obsolete building located in downtown Port Huron to Landmark Port Huron LLC. This long vacant building will be converted into a modern, mixed-use structure. The renovations will include 36 residential units, multi-story parking, retail, and public event space. The project is expected to generate a total capital investment of \$14.4 million and create 45 full-time equivalent jobs. This transformational project will increase density and walkability to the downtown and bring new economic activity to the area.

St. Clair County actively participates in the economic development initiative in the County. The Economic Development Alliance (EDA) is the agency in the County largely responsible for economic development and of which the County is a member. The mission of the EDA is to accelerate economic growth in the region and to support the core values of the St. Clair County Economic Development Strategic Plan which are people, place, and prosperity.

The natural beauty of St. Clair County continues to attract tourists with unique events like offshore power boat races, Port Huron to Mackinaw sailboat races, Blue Water Sand Fest, Blue Water Sturgeon Festival, and various other events highlighting our unique water trails. While the majority of these events did not take place in 2020 due to COVID-19 concerns, they are beginning to return in 2021.

St. Clair County and the Community Foundation, along with other community partners are in the process of developing an updated strategic plan that will identify and address the existing gaps in the county trail networks. An economic impact analysis of our region's trail system has been completed along with a full evaluation of the condition of the existing trail network to assess long-term maintenance needs. Together these three initiatives will provide our region

with a detailed blueprint to go after funding from state, federal, and philanthropic organizations. The ultimate goal is to complete the Bridge to Bay and Wadhams to Avoca trail networks which includes connecting to the Macomb Orchard Trail and the Great Lake to Lake Trail which begins in South Haven and ends in Port Huron at the Fort Gratiot Light Station.

The St. Clair County Park and Recreation Commission continues to secure grants to make improvements to our park system and add facilities to serve our citizens. 2020 began the process of acquiring land to construct a new park in Clay Township. The southern portion of the county has been lacking a county park for the citizens to enjoy. The park will be located on the beautiful St. Clair River. Amenities will be constructed over a period of years as grant funds are received

Relevant Financial Policies

The Board of Commissioner's has established policies regarding maintenance levels for fund balance in the General and Special Revenue Funds as follows:

The General Fund strives to maintain a Fund Balance with a minimum amount of 15% and a maximum of 20% of the most currently approved General Fund budget. All Special Revenue Funds will maintain a Fund Balance of 10% of the most currently approved budget.

Annually, at the conclusion of the annual audit, these Funds will be reviewed to determine if they are in compliance with the established policy. Any excess funds, other than those in separate millage supported funds and certain grant funds may be reverted back to the General Fund. If the General Fund is at its maximum of 20% the excess funds will be transferred to the Budget Stabilization Fund, the Public Improvement Fund or be retained in the General Fund and be assigned/committed for future budget stabilization.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Clair County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2019. This was our twenty fifth time receiving this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

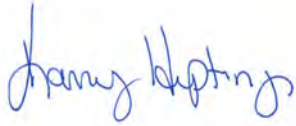
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County Health Department has once again met all standards set by the Michigan Local Public Health Accreditation Program and has been awarded accreditation.

This accreditation process looks at a mandatory standards-based system for accrediting local public health departments.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Administrator/Controller's office. We would like to express our appreciation to all members of the department, and various other departments, who assisted and contributed to the preparation of this report. We also express our gratitude to the Board of Commissioners for their interest and support in planning and conducting the financial operation and management of St. Clair County in a responsible and progressive manner.

Respectively submitted,



Karry Hepting, CPA
Administrator/Controller



Dena Alderdyce, CGFM
Finance Director

**St. Clair County
Elected and Appointed Officials**

Elected Officials

Board of Commissioners

Jeffrey Bohm	Chairperson
Jorja Baldwin	Vice-Chairperson
Lisa Beedon	Member
Greg McConnell	Member
Duke Dunn	Member
David Vandenbossche	Member
David Rushing	Member

31st Circuit Court

Michael West	Chief Judge
Daniel Damman	Circuit Judge
Cynthia A. Lane	Circuit Judge

72nd District Court

John D. Monaghan	District Judge
Michael L. Hulewicz	District Judge
Mona Armstrong	District Judge

Probate Court

Elwood L. Brown	Chief Judge of Probate
John Tomlinson	Judge of Probate

Other Elected Officials

Jay DeBoyer	Clerk/Register of Deeds
Robert Wiley	Drain Commissioner
Michael D. Wendling	Prosecuting Attorney
Mathew King	Sheriff
Justin Rhein	Surveyor
Kelly M. Roberts-Burnett	Treasurer

Appointed Official

Karry Hepting, CPA	Administrator/Controller
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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

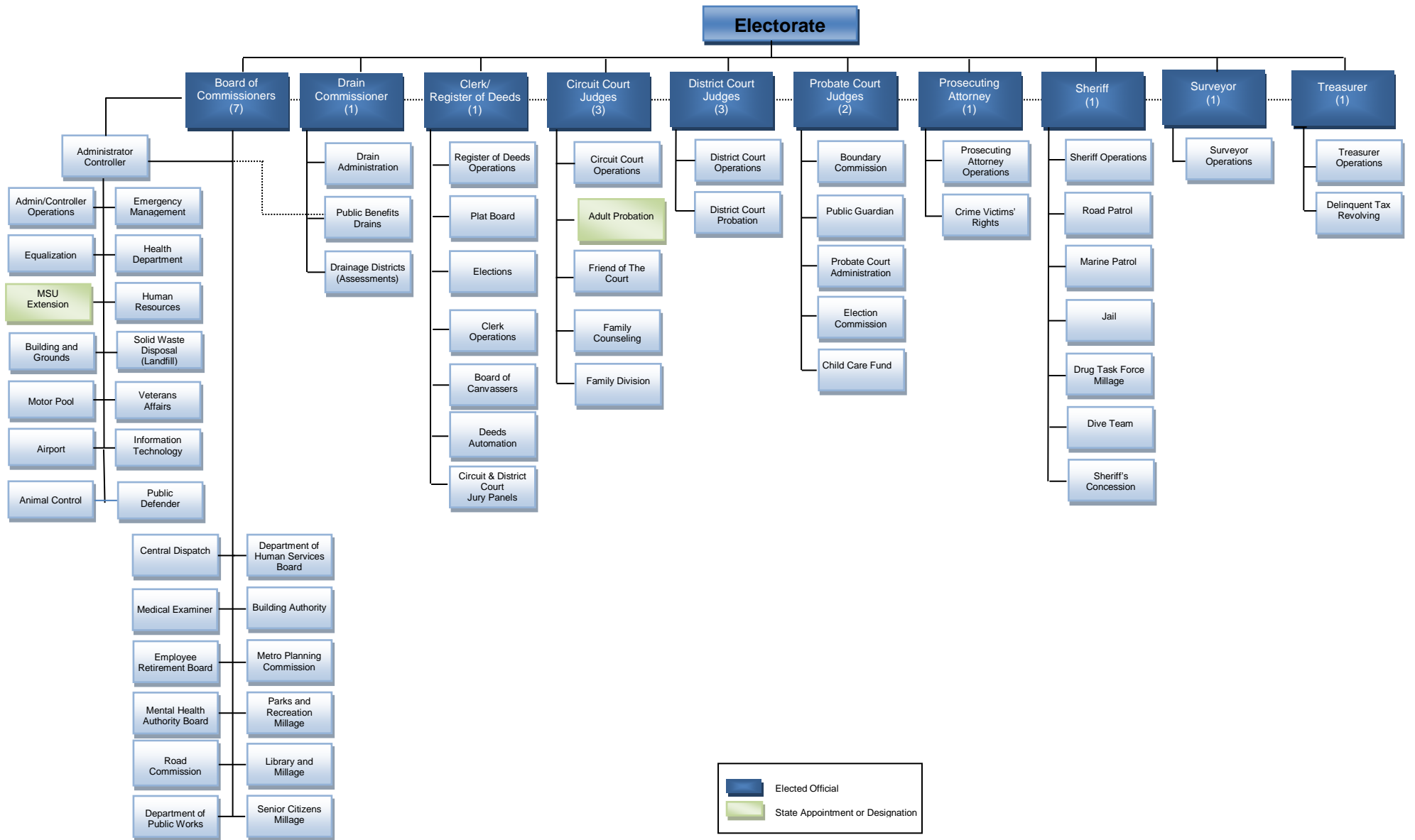
**St. Clair County
Michigan**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of St. Clair County
Port Huron, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Clair County, Michigan, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Clair County, Michigan, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Implementation of GASB Statement No. 84

As discussed in Note 20 to the financial statements, the County implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, for 2020. This statement provided guidance regarding the identification of fiduciary activities for accounting and reporting purposes and how those activities should be reported. As a result, certain fiduciary activities have been reclassified and other activities that were not previously reported as fiduciary activities are now reported as fiduciary activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules for the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Clair County, Michigan's basic financial statements. The combining General Fund schedules, combining and individual fund statements and schedules, capital assets used in the operation of governmental funds schedules, combining fund financial statements of the Drainage Districts, Brownfield Redevelopment Authority financial statements, the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021 on our consideration of St. Clair County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Clair County's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "UHY LLP". The letters are written in a cursive, slightly slanted style.

Port Huron, Michigan
June 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of St. Clair, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found preceding this narrative, and the accompanying basic financial statements and footnotes.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at December 31, 2020 by \$78,360,222 (net position). Net position is either restricted for specific purposes or related to the County's investment in capital assets and is not available for spending.
- The government's total net position increased by \$1,988,618. Governmental activities increased by \$2,335,042 while Business-type activities decreased by \$346,424.
- At December 31, 2020, the County's governmental funds reported combined ending fund balances of \$42,003,039, an increase of \$5,154,525. Approximately 20% of this amount (\$8,569,044) is available for spending at the government's discretion (unassigned fund balance).
- Total outstanding long-term liabilities decreased by \$8,813,458. This was primarily due to the normal retirement of debt and refunding of the 2012 refunded bond issue that was originally sold to construct the County's Sheriff's office and Jail. The net pension liability decreased as well as the net OPEB liability due primarily to investment earnings and contributions coming in greater than service cost and interest on the pension liability. The decrease was offset by increases in the landfill's closure/post closure costs and accrued compensated absences.
- The Development Revolving Fund as well as the Budget Incentive Fund are included as sub funds of the Combined General Fund and are reflected on pages 127-128. Government Accounting Standards Board requires any fund that is largely supported by transfers from the General Fund be included as part of the General Fund for reporting purposes.
- In 2020 the Board of Commissioners adopted a balanced budget for the 2021 General Fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are made up of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

St. Clair County Management's Discussion and Analysis

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

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

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

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, recreation and culture, and debt service. The business-type activities of the County include the Airport, Sheriff's Concession, Solid Waste Disposal System, School Tax Collections, Homestead Exemption Audits, and the Delinquent Tax Revolving Funds.

The government-wide financial statements include not only the County itself (known as the primary government) but also a legally separate Community Mental Health Authority, a legally separate Land Bank Authority, a legally separate Road Commission, a legally separate Brownfield Redevelopment Authority, legally separate Drain Commissioner projects, and a legally separate Department of Public Works for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 18-21 of this report.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds are reported using the modified accrual method of accounting. However, unlike the government-wide financial statements, governmental

St. Clair County

Management's Discussion and Analysis

fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Included are the Combined General Fund, the Special Revenue funds, the Debt Service funds, and the Capital Project funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 34 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the Combined General Fund, Parks and Recreation Fund, Library Fund, Senior Citizens Millage Fund, Drug Task Force Fund, and Mental Health Building Debt Fund, all of which are considered to be major funds. Data for 2 governmental funds and the General Fund are combined and reported as the Combined General Fund and data for the other 26 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

As required by state law the County adopts an annual appropriated budget for its General Fund and Special Revenue Funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-27 of this report.

Proprietary funds. Proprietary funds use the accrual basis of accounting, which is the same basis used by private business. The County maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the activities of the Airport, Solid Waste Disposal System, Delinquent Tax Revolving, Sheriff's Concession, School Tax Collections, and Homestead Exemption Audits funds.

Internal Service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its various employee benefits and risk programs. Because these services predominately benefit governmental rather than business-type functions, they

St. Clair County
Management's Discussion and Analysis

have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary financial statements provide separate information for the Solid Waste Disposal System, Airport and Delinquent Tax Revolving Funds, all of which are considered to be major funds of the County. Individual fund data for the three non-major Enterprise Funds is provided in the form of combining statements elsewhere in this report. The County's only Internal Service Fund is presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Fund column.

The basic proprietary fund financial statements can be found on pages 28-32 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The Fiduciary Funds are the Pension and Other Employee Benefits Fund, the Landfill Private-Purpose Trust Fund, and the Custodial Fund. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 33-34 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-104 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees and the budgetary information for the General Fund and four major governmental funds (Special Revenue Funds). This required supplementary information is found on pages 105-126 of this report.

The combining statements referred to earlier in connection with the Combined General Fund, non-major governmental, enterprise and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 127-166 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources

**St. Clair County
Management's Discussion and Analysis**

exceeded liabilities and deferred inflows of resources by \$78,360,222 at December 31, 2020. This compares to \$76,371,604 at the close of the prior fiscal year, an increase of \$1,988,618.

Net Position

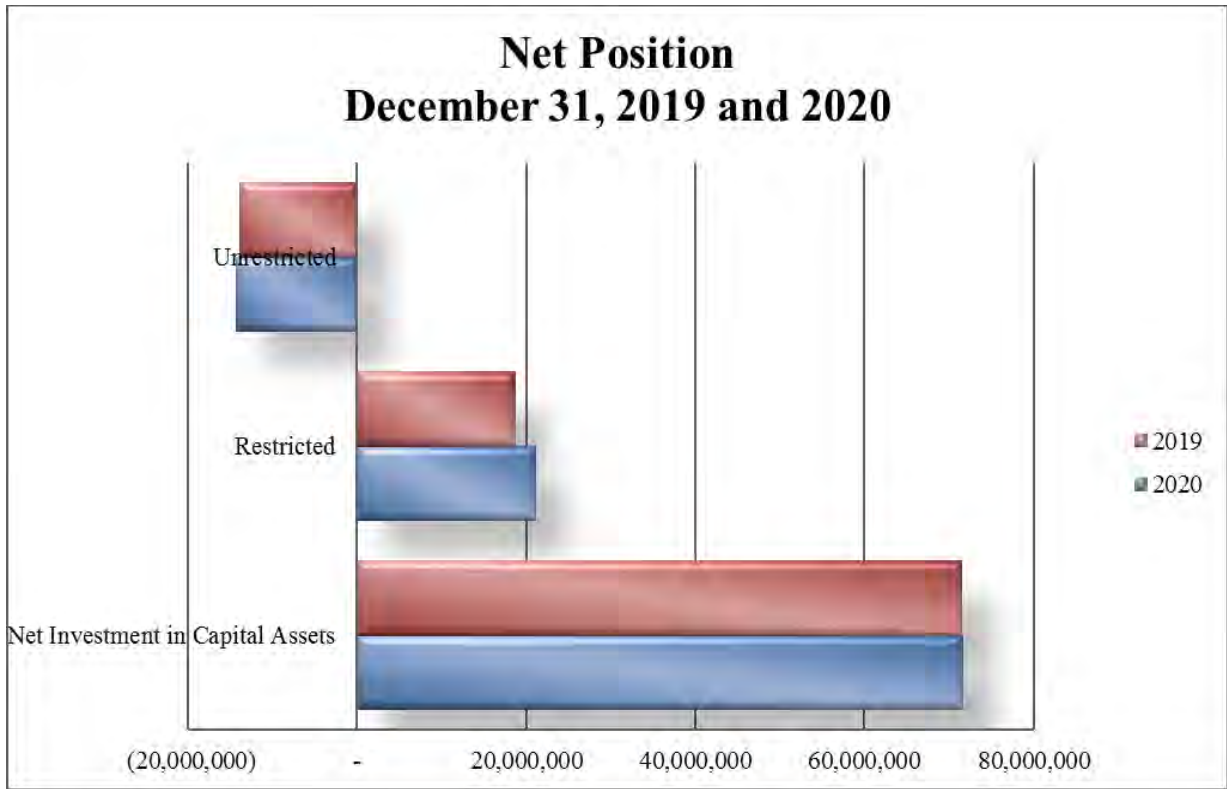
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	76,592,485	71,103,623	41,949,141	41,406,051	118,541,626	112,509,674
Capital Assets,						
Net of Accumulated Depreciation	81,830,832	83,907,733	24,770,203	26,019,467	106,601,035	109,927,200
Total Assets	158,423,317	155,011,356	66,719,344	67,425,518	225,142,661	222,436,874
Total Deferred Outflows of Resources	21,862,240	27,042,083	265,050	326,650	22,127,290	27,368,733
Current Liabilities	7,332,411	7,277,171	846,590	1,333,216	8,179,001	8,610,387
Other Liabilities	105,087,233	113,915,562	17,146,903	17,132,032	122,234,136	131,047,594
Total Liabilities	112,419,644	121,192,733	17,993,493	18,465,248	130,413,137	139,657,981
Total Deferred Inflows of Resources	38,223,597	33,553,432	272,995	222,590	38,496,592	33,776,022
Net Position						
Net Investment in capital assets	55,340,728	54,446,728	16,240,923	17,089,035	71,581,651	71,535,763
Restricted	19,891,331	17,886,395	1,185,304	783,778	21,076,635	18,670,173
Unrestricted	(45,589,743)	(45,025,849)	31,291,679	31,191,517	(14,298,064)	(13,834,332)
Total Net Position	29,642,316	27,307,274	48,717,906	49,064,330	78,360,222	76,371,604

St. Clair County's Net Position

The largest portion of the County's net position (91 percent) reflects our investment in capital assets, (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the County's net position (27 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a deficit balance (-18 percent) and is not available to meet the government's ongoing obligations to citizens and creditors.

**St. Clair County
Management's Discussion and Analysis**



Governmental Activities. Governmental activities net position increased by \$2,335,042. The increase was primarily due to reduction of other post-employment benefit expenses which were offset by an increase in deferred inflows of resources.

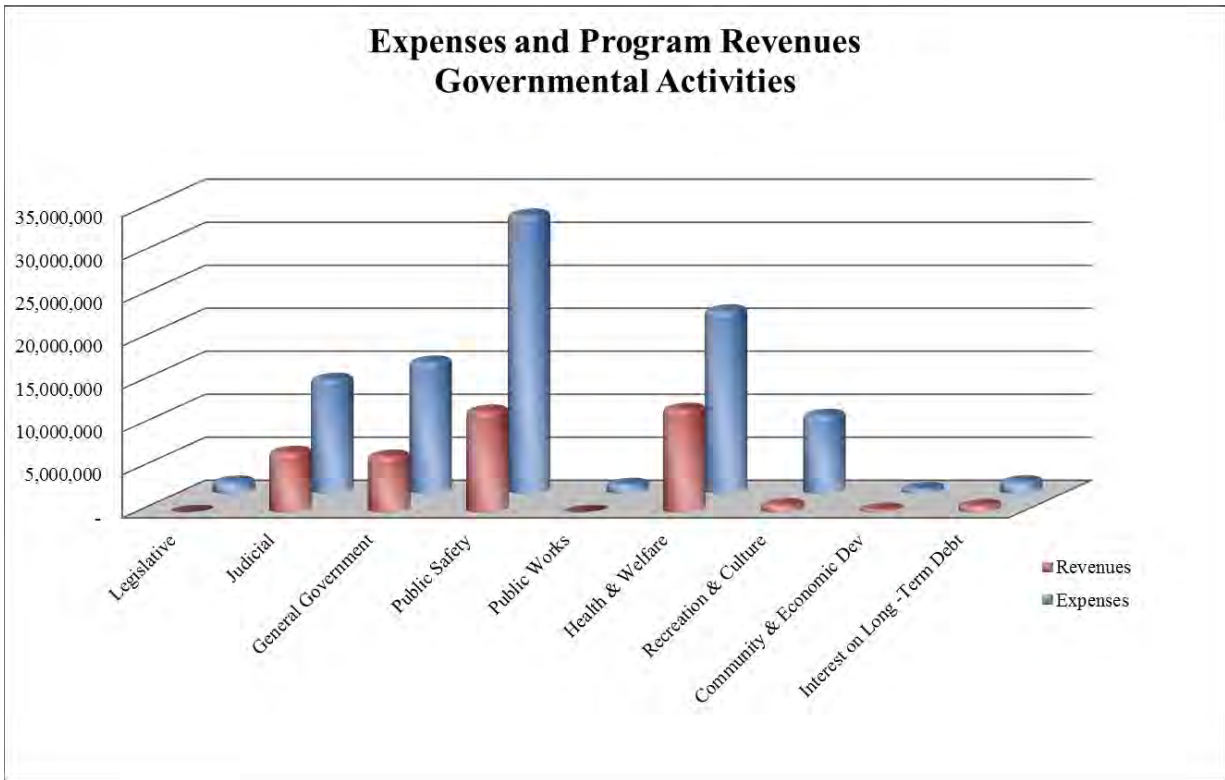
Business-Type Activities. Business-type activities decreased the County's net position by \$346,424. This decrease was due to costs associated with closure and post closure liability, which was offset by a decrease in costs associated with pension and post-employment benefits.

**St. Clair County
Management's Discussion and Analysis**

Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	16,005,401	19,769,874	12,095,783	10,936,233	28,101,184	30,706,107
Operating Grants and Contributions	23,248,354	16,533,526	370,678	118,769	23,619,032	16,652,295
Capital Grants and Contributions	254,344	569,652	171,508	3,359,635	425,852	3,929,287
General revenues:						
Property Taxes	50,784,816	49,197,001	-	-	50,784,816	49,197,001
Intergovernmental revenues	3,570,501	4,525,570	-	-	3,570,501	4,525,570
Investment earnings	455,548	1,331,344	103,987	144,773	559,535	1,476,117
Gain on Sale of Assets	407,839	-	-	-	407,839	-
Interest & Penalties on Delinq Taxes	7,007	4,307	1,053,524	1,260,473	1,060,531	1,264,780
Total Revenues	94,733,810	91,931,274	13,795,480	15,819,883	108,529,290	107,751,157
Expenses:						
Legislative	1,369,734	1,230,958	-	-	1,369,734	1,230,958
Judicial	13,313,123	5,485,775	-	-	13,313,123	5,485,775
General Government	15,320,227	6,054,515	-	-	15,320,227	6,054,515
Public Safety	32,411,834	9,653,904	-	-	32,411,834	9,653,904
Public Works	1,101,683	981,671	-	-	1,101,683	981,671
Health and Welfare	21,275,816	16,125,226	-	-	21,275,816	16,125,226
Recreation and Culture	9,127,031	7,376,154	-	-	9,127,031	7,376,154
Community and Economic Development	597,970	719,198	-	-	597,970	719,198
Interest on Debt Service	1,400,463	1,509,769	-	-	1,400,463	1,509,769
Delinquent Tax Collections	-	-	397,844	406,235	397,844	406,235
Airport	-	-	959,931	1,023,734	959,931	1,023,734
Sheriff's Concession	-	-	758,955	1,014,436	758,955	1,014,436
School Tax Collections	-	-	-	-	-	-
Homestead Exemption Audits	-	-	-	-	-	-
Solid Waste Disposal	-	-	8,506,061	7,529,932	8,506,061	7,529,932
Total Expenses	95,917,881	49,137,170	10,622,791	9,974,337	106,540,672	59,111,507
Increase (Decrease) in Net Position,						
before transfers	(1,184,071)	42,794,104	3,172,689	5,845,546	1,988,618	48,639,650
Transfers	3,519,113	3,665,750	(3,519,113)	(3,665,750)	-	-
Change in Net Position	2,335,042	46,459,854	(346,424)	2,179,796	1,988,618	48,639,650
Net Position January 1	27,307,274	(19,152,580)	49,064,330	46,884,534	76,371,604	27,731,954
Net Position December 31	29,642,316	27,307,274	48,717,906	49,064,330	78,360,222	76,371,604

**St. Clair County
Management's Discussion and Analysis**



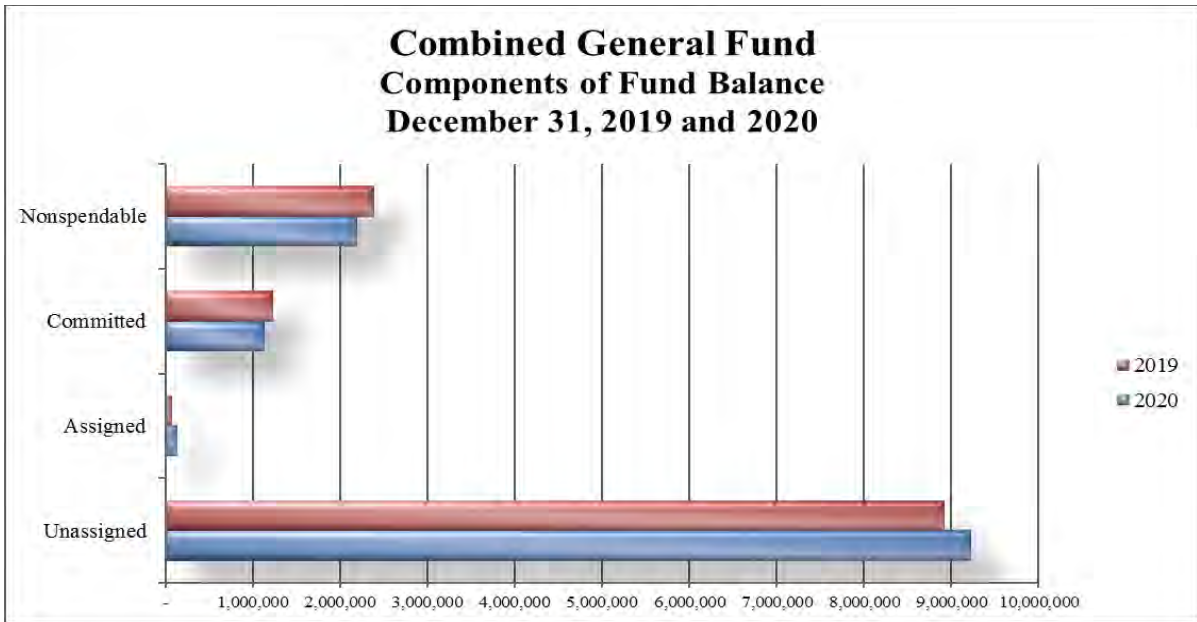
Financial Analysis of Governmental Funds

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

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

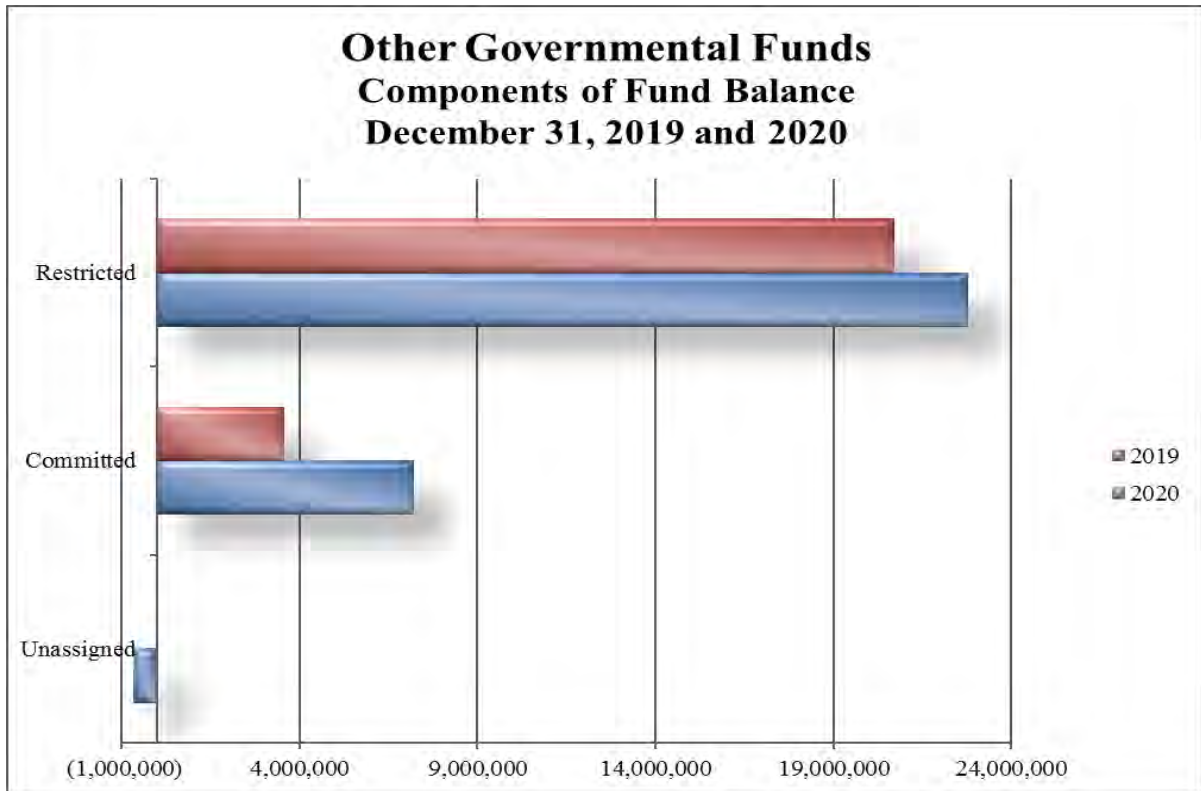
At December 31, 2020, the County’s governmental funds reported combined ending fund balances of \$42,003,039, an increase of \$5,154,525 in comparison to the prior year. Approximately 20% of this fund balance (\$8,569,044) constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$2,189,045), 2) restricted for particular purposes (\$22,768,783), 3) committed for particular purposes (\$8,342,742), or 4) assigned for particular purposes (\$133,425).

**St. Clair County
Management's Discussion and Analysis**



The Combined General Fund is the chief operating fund of the County. At December 31, 2020, the Combined General Fund reported an ending fund balance of \$12,680,361. Of that amount \$9,225,879 is unassigned, \$1,132,012 is committed for specific departments in the budget incentive fund, \$133,425 is assigned for economic development in the development revolving fund, and \$2,189,045 are nonspendable loans to the Drain Commissioner for funding drain projects, long-term receivables, and prepayments. As a measure of the combined general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 15.6 percent of total combined general fund expenditures and transfers, while total fund balance represents 21.4 percent of total combined general fund expenditures and transfers.

The Combined General Fund balance increased by \$64,156 during the current fiscal year. The increase is due to conservative spending on the departments' behalf along with positions being vacant for a portion of the year.



The second major governmental fund is the special millage Parks and Recreation Fund. At December 31, 2020, Parks and Recreation reported a fund balance of \$2,445,236. Fund balance increased \$54,280 over the prior fiscal year. There was a planned use of fund balance for 2020, however due to timing of budgeted improvements due to COVID-19 the fund experienced a slight gain.

The third major governmental fund is the special millage Library Fund. It reported \$2,965,930 in fund balance at December 31, 2020. Fund balance increased \$303,831 from the prior fiscal year. This fund also had originally planned to use fund balance in the amount of \$383,707 for 2020. However due COVID-19, the Library operations had been suspended for a majority of the year. Due to the shutdown of operations the fund also experienced a gain.

The fourth major governmental fund is the special millage Senior Citizens fund. It reported \$3,662,498 in fund balance at December 31, 2020. This fund also had originally planned to use fund balance in the amount of \$299,356 for 2020. This fund increased \$307,565 over the prior year due to lower than budgeted requests from senior service providers.

The fifth major governmental fund is the special millage Drug Task Force fund. It reported a \$1,770,478 fund balance at December 31, 2020. The fund increased \$368,727 over the prior year due to position vacancies.

The last major governmental fund is the Mental Health Building Debt Fund. It reported a fund balance of \$610 at December 31, 2020. This fund accounts for the payment of debt

St. Clair County Management's Discussion and Analysis

as well as monies received from Community Mental Health to reimburse the County for the debt payment.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The County had three major proprietary funds at December 31, 2020.

Net position in the Solid Waste Disposal System at the end of the year amounted to \$12,041,601. Of this amount, \$8,694,279 is invested in capital assets. Net position decreased \$415,982 due to transfers made to other funds and an increase in the post-closure costs.

The Delinquent Tax Revolving Fund reported net position of \$27,942,500, a increase of \$19,468 over the prior year. The earnings in this fund are dedicated to the annual debt payment requirements of the bond secured for the construction of the Jail/Juvenile facility.

The Airport Commission Fund reported net position of \$8,030,835, a decrease of \$1,914 over the prior year. This slight decrease is due to a decrease in operating revenues in 2020 due to airport operations being suspended during a few months due to COVID-19.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year the original budget was amended as needed. The original budget was balanced, while the final amended budget anticipated a gain of \$38,997. Major changes can be summarized as follows:

- Intergovernmental revenues and expenditures were adjusted for various grants received throughout the year.
- Tax revenues were adjusted to reflect updated taxable values and were adjusted for higher than expected property tax increases.
- Jail revenue and expenditures were decreased for the decreased population of federal inmates due to managing the spread of the COVID-19 virus with in the jail.
- State Shared Revenue was decreased due to the State removing our August revenue sharing payment and replacing it with CARES Act funding.
- Emergency Management was amended to account for grants received during the year.
- Transfers out was increased to reflect transfers made to other funds, including the Child Care, Public Improvement, and Indigent Defense funds as well as the pre-funding of two debt payments in 2021.
- Public Safety wages/fringes were moved to the CARES Act fund from the General fund for the Sheriff's office, Communications and Jail therefore reducing their expenditure budgets.
- Other expenditures were reserved for contingencies and was eliminated at the end of the year to cover other budget shortfalls.

**St. Clair County
Management's Discussion and Analysis**

Final budget compared to actual results. Overall, general fund revenues and transfers in were \$1,151,155 under budget. The majority of this difference is due to the timing and deferral of grant revenues along with less than anticipated tax and interest revenue and inmate housing revenues.

Amended expenditures and other financing uses differed \$1,279,304 from actual expenditures and other financing uses. Significant differences between the amended budgets and actual results for expenditures in the departments are as follows:

- Actual transfers out were \$311,652 more than the amended budget mainly due to additional transfers to the Public Improvement Fund to fund upcoming projects.
- The Drains-Public Benefit was over its amended budget by \$168,975 due to delayed projects starting towards the end of the year after budget adjustments were finalized.
- The County budgets for full staffing in all departments, due to employee turnover and vacancies that occur throughout the year many departments such as District Court, Friend of the Court and Communications were under their amended budgets.
- Most departments were under their amended budgets in 2020 due to suspension of operations for several months while trying to manage the spread of COVID-19 across the County.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounted to \$106,601,035 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, and vehicles. The total decrease in the County's capital assets for the current fiscal year was \$3,326,165.

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	13,394,807	13,017,848	2,160,779	2,160,779	15,555,586	15,178,627
Buildings and Improvements	55,399,479	58,175,695	4,960,467	5,272,280	60,359,946	63,447,975
Improvements other than Buildings	4,438,358	4,444,574	9,729,620	10,292,270	14,167,978	14,736,844
Equipment and Vehicles	6,086,589	5,798,155	4,182,060	4,499,442	10,268,649	10,297,597
Books	1,434,652	1,532,794	-	-	1,434,652	1,532,794
Construction in Progress	1,076,947	938,667	3,737,277	3,794,696	4,814,224	4,733,363
Total	81,830,832	83,907,733	24,770,203	26,019,467	106,601,035	109,927,200

Major capital asset events during the year included the following:

- The purchase of new county-wide printers/copiers
- Upgrades to the building key scan access system
- The upgrade of a countywide phone system

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Management's Discussion and Analysis

- The county morgue renovation project
- Replacement of various County vehicles
- The acquisition of a new county park on the South end of the county
- Roof replacement on several county park buildings
- Addition of books to the County library collection

Additional information on the County's capital assets can be found in Note 5 beginning on page 59 of this report.

Long-term Debt/Liability. The County's long-term liability at December 31, 2020 totaled \$122,234,136.

Outstanding Debt/Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	31,345,000	34,180,000	8,529,280	8,930,432	39,874,280	43,110,432
Landfill Closure and Post Closure Costs		-	7,769,610	7,280,163	7,769,610	7,280,163
Drain Districts	3,260,730	3,438,118	-	-	3,260,730	3,438,118
Self-insurance Liability	585,000	339,000	-	-	585,000	339,000
Accumulated Employee Vacation, Sick and Compensatory Time	5,984,405	5,284,711	47,195	47,633	6,031,600	5,332,344
Net Premium	914,723	1,977,920	-	-	914,723	1,977,920
Net Pension Liability	27,387,770	29,198,369	335,451	357,628	27,723,221	29,555,997
Net OPEB Liability	35,609,605	39,497,444	465,367	516,176	36,074,972	40,013,620
Total	105,087,233	113,915,562	17,146,903	17,132,032	122,234,136	131,047,594

Significant portions of the debt include the following:

- The general obligation bonds sold in 2010 to construct a landfill leachate system and a gas to energy facility (\$5,364,280), net of 36.3% of forgivable portion. This debt is issued through the State of Michigan Municipal Bond Authority.
- The general obligation bonds sold in 2014 to expand the County's bioreactor system and to construct an additional landfill cell (\$3,165,000), net of 50% of forgivable portion. This debt is issued through the State of Michigan Municipal Bond Authority.
- The 2015 refunding of the 2007 (Series A) general obligation bonds to finance the construction of a Mental Health Authority building (\$5,070,000).
- The 2015 refunding of the 2007 (Series B) general obligation bonds to fund equipment related to 911 services (\$415,000).
- The outstanding portion of the 2012 refunding of the 2003 issue sold to finance the construction of a Jail/Juvenile facility (\$3,185,000).
- The 2013 refunding (taxable) of the general obligations to finance the construction of the Administrative Building (\$745,000).
- The general obligation bonds sold in 2012 to construct and equip the Blue Water Area Convention Center (\$7,510,000).

St. Clair County Management's Discussion and Analysis

- The 2017 refunding of the 2009 general obligation bonds to construct a communications tower and acquire the required equipment (\$1,115,000).
- The 2020 refunding of the outstanding portion of the 2012 refunded general obligation bonds to construct the Jail/Juvenile facility (\$13,305,000).
- The County operates the Smiths Creek Landfill and is required to record the estimated costs of closure and the post-closure costs of the Landfill to ensure that when the facility is closed in the future there will be sufficient funds available to maintain it in an environmentally sound way. The amount recorded for this obligation is \$7,769,610.
- Upon their leaving County employment, certain employees of the County have, through collective bargaining agreements or policy, rights to be paid outstanding balances of accrued vacation, sick time, or compensatory time earned. This amount at December 31, 2020 is \$6,031,600.
- The net pension liability of County employees/retirees amounts to \$27,723,221.
- The net OPEB liability of the County employees/retirees amounts to \$36,074,972.

Additional information on the County's long-term debt can be found in Note 9 beginning on page 67 of this report.

Economic Factors and Next Year's Budgets and Rates

Many factors were considered in preparation of the County's budget for the 2021 fiscal year. Several of the more telling factors are as follows:

- The taxable value of real and personal property within the County is expected to increase 2.5% in 2021.
- County revenue sharing from the State increased 2% from the prior year original estimates.
- Costs of inmate medical and female inmate housing expenses are expected to increase.
- Inmate housing revenues were reduced due to low prisoner counts for 2021.
- State unemployment rates continue to decline.
- Community development is on the rise.

The 2021 budgets are currently balanced and the Board of Commissioners will approve any amendments as needed.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for our citizens, taxpayers, customers, investors and creditors and to demonstrate the County's accountability for the taxpayer money we receive. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Administrator/Controller, 200 Grand River Ave., Suite 203, Port Huron, Michigan 48060, or contact us at 810-989-6905. You can also visit our website at www.stclaircounty.org for additional information regarding the County or additional copies of this report.

BASIC FINANCIAL STATEMENTS

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Assets:				
Cash and cash equivalents	\$ 35,464,038	\$ 24,614,998	\$ 60,079,036	\$ 23,502,819
Investments	13,599,379	3,000,226	16,599,605	-
Receivables (net of allowance)	24,332,122	7,821,822	32,153,944	24,572,682
Prepaid expenses and deposits	2,700,279	68,105	2,768,384	710,793
Internal balances	(6,315,000)	6,315,000	-	-
Inventory	-	20,541	20,541	1,609,813
Properties held for sale	-	-	-	8,449
Long-term notes receivable	5,471,667	108,449	5,580,116	-
Advance to component units	1,340,000	-	1,340,000	-
Restricted assets -				
Cash and cash equivalents	-	-	-	2,785,466
Accounts receivable	-	-	-	39,167
Contract receivables	-	-	-	3,654,215
Beneficial interest in assets held by others	-	-	-	119,860
Net OPEB asset	-	-	-	3,762,213
Capital assets (net of accumulated depreciation)				
Assets not being depreciated	14,471,754	5,898,056	20,369,810	33,653,670
Assets being depreciated	67,359,078	18,872,147	86,231,225	222,989,509
Total Assets	<u>158,423,317</u>	<u>66,719,344</u>	<u>225,142,661</u>	<u>317,408,656</u>
Deferred Outflows of Resources:				
Related to the pension plan	13,856,623	169,533	14,026,156	5,850,779
Related to the OPEB plan	7,305,998	95,517	7,401,515	4,609,694
Deferred charges on bond refunding	699,619	-	699,619	186,944
Total Deferred Outflows of Resources	<u>21,862,240</u>	<u>265,050</u>	<u>22,127,290</u>	<u>10,647,417</u>
Liabilities:				
Payables and accrued liabilities	5,429,799	843,994	6,273,793	9,107,215
Bonds and restitution payable	762,509	-	762,509	-
Advances and deposits	89,175	-	89,175	3,859,617
Advances from primary government	-	-	-	1,340,000
Unearned revenue	1,050,928	2,596	1,053,524	54,041
Liabilities payable from restricted assets	-	-	-	26,846
Non-current liabilities -				
Due within one year	5,993,352	495,000	6,488,352	5,063,854
Due in more than one year				
Long-term liabilities, net of current portion	36,096,506	15,851,085	51,947,591	28,952,535
Net pension liability	27,387,770	335,451	27,723,221	11,836,450
Net OPEB liability	35,609,605	465,367	36,074,972	10,199,214
Total Liabilities	<u>112,419,644</u>	<u>17,993,493</u>	<u>130,413,137</u>	<u>70,439,772</u>

(Continued)

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Deferred Inflows of Resources:				
Related to the pension plan	\$ 4,490,258	\$ 54,998	\$ 4,545,256	\$ 3,257,998
Related to the OPEB plan	16,680,999	217,997	16,898,996	9,944,564
Taxes levied for a subsequent period	17,052,340	-	17,052,340	1,238,897
Total Deferred Inflows of Resources	<u>38,223,597</u>	<u>272,995</u>	<u>38,496,592</u>	<u>14,441,459</u>
Net Position:				
Net investment in capital assets	55,340,728	16,240,923	71,581,651	228,456,221
Restricted - Expendable -				
Acquisition/construction of capital assets	6,418,773	-	6,418,773	279,855
Debt Service	1,626,527	-	1,626,527	19,237,086
Judicial	1,368,844	-	1,368,844	-
Recreation and Cultural	1,736,782	-	1,736,782	-
Health and Welfare	5,482,919	-	5,482,919	-
Public Safety	2,900,390	-	2,900,390	-
Foreclosure sales	-	1,185,304	1,185,304	-
Net OPEB asset	-	-	-	2,066,824
Other Purposes	357,096	-	357,096	170,809
Unrestricted (deficit)	(45,589,743)	31,291,679	(14,298,064)	(7,035,953)
Total Net Position	<u>\$ 29,642,316</u>	<u>\$ 48,717,906</u>	<u>\$ 78,360,222</u>	<u>\$ 243,174,842</u>

(Concluded)

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Legislative	\$ 1,369,734	\$ -	\$ -	\$ -
General Government	15,320,227	5,107,785	1,472,255	-
Judicial	13,313,123	1,650,679	5,368,394	-
Public Safety	32,411,834	4,699,442	6,858,384	253,292
Public Works	1,101,683	-	-	-
Health and Welfare	21,275,816	2,942,499	9,082,510	-
Community and Economic Development	597,970	172,854	186,988	-
Recreation and Culture	9,127,031	617,596	279,823	1,052
Interest on Long Term Debt	1,400,463	814,546	-	-
Total governmental activities	<u>95,917,881</u>	<u>16,005,401</u>	<u>23,248,354</u>	<u>254,344</u>
Business-type activities:				
Delinquent Tax Revolving	397,844	1,318,685	-	-
Airport Commission	959,931	507,509	69,000	171,508
Sheriff's Concession	758,955	851,038	-	-
School Tax Collections	-	-	-	-
Homestead Exemption Audits	-	19	-	-
Solid Waste Disposal System	8,506,061	9,418,532	301,678	-
Total business-type activities	<u>10,622,791</u>	<u>12,095,783</u>	<u>370,678</u>	<u>171,508</u>
Total Primary Government	<u>\$ 106,540,672</u>	<u>\$ 28,101,184</u>	<u>\$ 23,619,032</u>	<u>\$ 425,852</u>
Component Units				
Road Commission	\$ 26,808,174	\$ 5,176,327	\$ 21,838,439	\$ 8,971,501
Department of Public Works	2,272,946	1,672,565	-	185,000
Community Mental Health Authority	66,217,591	59,929,617	6,127,177	-
Land Bank Authority	-	-	-	-
Brownfield Redevelopment Authority	112,824	5,000	109,711	-
Drainage Districts	1,554,339	2,522,403	-	-
Total Component Units	<u>\$ 96,965,874</u>	<u>\$ 69,305,912</u>	<u>\$ 28,075,327</u>	<u>\$ 9,156,501</u>
General revenues:				
Property taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment income				
Gain on sale of assets				
Interest and penalties on delinquent taxes				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

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

Net (Expense) Revenue and Change in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$(1,369,734)	\$ -	\$(1,369,734)	\$ -
(8,740,187)	-	(8,740,187)	-
(6,294,050)	-	(6,294,050)	-
(20,600,716)	-	(20,600,716)	-
(1,101,683)	-	(1,101,683)	-
(9,250,807)	-	(9,250,807)	-
(238,128)	-	(238,128)	-
(8,228,560)	-	(8,228,560)	-
(585,917)	-	(585,917)	-
<u>(56,409,782)</u>	<u>-</u>	<u>(56,409,782)</u>	<u>-</u>
-	920,841	920,841	-
-	(211,914)	(211,914)	-
-	92,083	92,083	-
-	-	-	-
-	19	19	-
-	1,214,149	1,214,149	-
<u>-</u>	<u>2,015,178</u>	<u>2,015,178</u>	<u>-</u>
<u>(56,409,782)</u>	<u>2,015,178</u>	<u>(54,394,604)</u>	<u>-</u>
-	-	-	9,178,093
-	-	-	(415,381)
-	-	-	(160,797)
-	-	-	-
-	-	-	1,887
<u>-</u>	<u>-</u>	<u>-</u>	<u>968,064</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>9,571,866</u>
50,784,816	-	50,784,816	1,240,424
3,570,501	-	3,570,501	-
455,548	103,987	559,535	163,723
407,839	-	407,839	-
7,007	1,053,524	1,060,531	-
3,519,113	(3,519,113)	-	-
<u>58,744,824</u>	<u>(2,361,602)</u>	<u>56,383,222</u>	<u>1,404,147</u>
2,335,042	(346,424)	1,988,618	10,976,013
<u>27,307,274</u>	<u>49,064,330</u>	<u>76,371,604</u>	<u>232,198,829</u>
<u>\$ 29,642,316</u>	<u>\$ 48,717,906</u>	<u>\$ 78,360,222</u>	<u>\$ 243,174,842</u>

ST. CLAIR COUNTY, MICHIGAN

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>Combined General</u>	<u>Parks and Recreation</u>	<u>Library</u>	<u>Senior Citizens Millage</u>
Assets:				
Cash and cash equivalents	\$ 1,289,130	\$ 2,830,586	\$ 3,384,073	\$ 4,557,760
Investments	13,099,379	-	-	-
Receivables, net of allowance -				
Property taxes	1,734,987	2,964,650	4,195,506	4,787,874
Interest and accounts	466,000	766	2,295	-
Due from other governmental units	2,737,837	-	-	-
Long-term notes receivable	401,667	-	-	-
Advances to component units	1,340,000	-	-	-
Prepayments and deposits	28,950	-	50,143	-
	<u>21,097,950</u>	<u>5,796,002</u>	<u>7,632,017</u>	<u>9,345,634</u>
Total Assets	<u>\$ 21,097,950</u>	<u>\$ 5,796,002</u>	<u>\$ 7,632,017</u>	<u>\$ 9,345,634</u>
Liabilities:				
Accounts payable	\$ 693,306	\$ 137,165	\$ 120,749	\$ 541,280
Accrued liabilities	1,123,613	15,194	40,177	247
Advances and deposits	-	14,600	-	-
Due to other governmental units	1,822	-	-	-
Due to other funds	5,600,000	-	-	-
Bonds and restitution payable	762,509	-	-	-
Unearned revenue	-	-	-	-
	<u>8,181,250</u>	<u>166,959</u>	<u>160,926</u>	<u>541,527</u>
Total Liabilities	<u>8,181,250</u>	<u>166,959</u>	<u>160,926</u>	<u>541,527</u>
Deferred Inflows of Resources:				
Unavailable revenue -				
Delinquent property taxes	44,602	4,848	6,857	7,836
Lease contract/revolving loans	-	-	-	-
Grants/fees	191,737	-	-	-
Taxes levied for subsequent period	-	3,178,959	4,498,304	5,133,773
	<u>236,339</u>	<u>3,183,807</u>	<u>4,505,161</u>	<u>5,141,609</u>
Total Deferred Inflows of Resources	<u>236,339</u>	<u>3,183,807</u>	<u>4,505,161</u>	<u>5,141,609</u>
Fund Balances:				
Nonspendable -				
Long-term receivables/advances	2,160,095	-	-	-
Prepayments and deposits	28,950	-	-	-
Restricted	-	2,445,236	2,965,930	3,662,498
Committed	1,132,012	-	-	-
Assigned	133,425	-	-	-
Unassigned	9,225,879	-	-	-
	<u>12,680,361</u>	<u>2,445,236</u>	<u>2,965,930</u>	<u>3,662,498</u>
Total Fund Balances	<u>12,680,361</u>	<u>2,445,236</u>	<u>2,965,930</u>	<u>3,662,498</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,097,950</u>	<u>\$ 5,796,002</u>	<u>\$ 7,632,017</u>	<u>\$ 9,345,634</u>

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

<u>Drug Task Force</u>	<u>Mental Health Building Debt</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,176,353	\$ 610	\$ 19,503,559	\$ 33,742,071
-	-	500,000	13,599,379
3,357,368	-	598,250	17,638,635
-	-	938,619	1,407,680
491	-	2,298,242	5,036,570
-	5,070,000	-	5,471,667
-	-	-	1,340,000
-	-	-	79,093
<u>\$ 5,534,212</u>	<u>\$ 5,070,610</u>	<u>\$ 23,838,670</u>	<u>\$ 78,315,095</u>
\$ 112,952	\$ -	\$ 839,052	\$ 2,444,504
45,410	-	169,639	1,394,280
-	-	74,575	89,175
-	-	312,026	313,848
-	-	715,000	6,315,000
-	-	-	762,509
-	-	1,050,928	1,050,928
<u>158,362</u>	<u>-</u>	<u>3,161,220</u>	<u>12,370,244</u>
5,492	-	979	70,614
-	5,070,000	705,981	5,775,981
-	-	851,140	1,042,877
<u>3,599,880</u>	<u>-</u>	<u>641,424</u>	<u>17,052,340</u>
<u>3,605,372</u>	<u>5,070,000</u>	<u>2,199,524</u>	<u>23,941,812</u>
-	-	-	2,160,095
-	-	-	28,950
1,770,478	610	11,924,031	22,768,783
-	-	7,210,730	8,342,742
-	-	-	133,425
-	-	(656,835)	8,569,044
<u>1,770,478</u>	<u>610</u>	<u>18,477,926</u>	<u>42,003,039</u>
<u>\$ 5,534,212</u>	<u>\$ 5,070,610</u>	<u>\$ 23,838,670</u>	<u>\$ 78,315,095</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET FOR
GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Fund Balances - total governmental funds		\$ 42,003,039
Amounts reported for governmental activities in the statement of net position are different because:		
Expenses recorded in the funds on the purchase method		419,742
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Capital assets		153,926,485
Accumulated depreciation		(72,153,295)
Certain assets do not represent current financial resources and are therefore not recorded in the funds		
Interest receivable on capital lease contract		56,600
Certain pension and OPEB contributions and changes in pension and OPEB plan liabilities are reported as deferred outflows (inflows) of resources in the statement of net position		
Deferred outflows of resources		21,162,621
Deferred inflows of resources		(21,171,257)
Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds		
Delinquent personal property taxes	\$ 70,614	
Housing rehabilitation loan	705,981	
Capital lease contract	5,070,000	
Grants/fees	<u>1,042,877</u>	6,889,472
Internal Service Fund used by management to charge cost of property, liability, health, disability, workers compensation, and life insurance expenses and claims. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		2,555,556
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds		
Bonds payable	(31,345,000)	
Drain District assessments payable	(3,260,730)	
Accrued interest on bonds/notes payable	(244,033)	
Net pension liability	(27,387,770)	
Net OPEB liability	(35,609,605)	
Accrued compensated absences	<u>(5,984,405)</u>	(103,831,543)
Charges on refunding are reported currently in the governmental funds, whereas they are capitalized and amortized from net position		699,619
Premiums on bonds are reported as other financing sources in the governmental funds, whereas they are capitalized and amortized from net position (netted against bonds payable)		<u>(914,723)</u>
Net Position of governmental activities		<u>\$ 29,642,316</u>

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Combined General</u>	<u>Parks and Recreation</u>	<u>Library</u>	<u>Senior Citizens Millage</u>
Revenues:				
Taxes	\$ 34,347,910	\$ 3,066,253	\$ 4,337,118	\$ 4,951,779
Licenses and permits	331,707	-	-	-
Intergovernmental	12,262,837	25,770	220,922	41,615
Charges for services	6,710,490	94,964	22,097	-
Fines and forfeits	279,987	-	398,013	-
Interest and rent	1,028,083	14,631	33,073	25,371
Other	1,776,278	81,652	11,455	-
Total Revenues	<u>56,737,292</u>	<u>3,283,270</u>	<u>5,022,678</u>	<u>5,018,765</u>
Expenditures:				
Current -				
Legislative	1,365,663	-	-	-
General Government	12,231,031	-	-	-
Judicial	10,477,862	-	-	-
Public Safety	22,575,198	-	-	-
Public Works	1,104,405	-	-	-
Health and Welfare	1,871,281	-	-	4,711,200
Community and Economic Development	596,332	-	-	-
Recreation and Cultural	-	3,228,990	4,718,847	-
Capital Outlay	-	-	-	-
Debt Service -				
Principal	355,318	-	-	-
Interest and charges	158,010	-	-	-
Total Expenditures	<u>50,735,100</u>	<u>3,228,990</u>	<u>4,718,847</u>	<u>4,711,200</u>
Revenues over (under) expenditures	<u>6,002,192</u>	<u>54,280</u>	<u>303,831</u>	<u>307,565</u>
Other Financing Sources (Uses):				
Issuance of debt	177,930	-	-	-
Issuance of refunding bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Sale of assets	-	-	-	-
Transfers from other funds	2,431,489	-	-	-
Transfers to other funds	<u>(8,547,455)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(5,938,036)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	64,156	54,280	303,831	307,565
Fund Balances at beginning of year	<u>12,616,205</u>	<u>2,390,956</u>	<u>2,662,099</u>	<u>3,354,933</u>
Fund Balances at end of year	<u>\$ 12,680,361</u>	<u>\$ 2,445,236</u>	<u>\$ 2,965,930</u>	<u>\$ 3,662,498</u>

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

<u>Drug Task Force</u>	<u>Mental Health Building Debt</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,472,125	\$ -	\$ 618,661	\$ 50,793,846
-	-	459,032	790,739
7,965	-	14,868,648	27,427,757
-	-	4,222,416	11,049,967
-	-	144,907	822,907
16,611	992,150	55,569	2,165,488
22,172	-	533,680	2,425,237
<u>3,518,873</u>	<u>992,150</u>	<u>20,902,913</u>	<u>95,475,941</u>
-	-	-	1,365,663
-	-	759,636	12,990,667
-	-	2,177,775	12,655,637
2,669,053	-	2,933,007	28,177,258
-	-	-	1,104,405
-	-	14,177,471	20,759,952
-	-	-	596,332
-	-	807,601	8,755,438
-	-	2,443,353	2,443,353
-	750,000	3,120,000	4,225,318
-	242,150	1,160,195	1,560,355
<u>2,669,053</u>	<u>992,150</u>	<u>27,579,038</u>	<u>94,634,378</u>
<u>849,820</u>	<u>-</u>	<u>(6,676,125)</u>	<u>841,563</u>
-	-	-	177,930
-	-	13,305,000	13,305,000
-	-	(13,096,920)	(13,096,920)
-	-	407,839	407,839
-	-	11,166,568	13,598,057
<u>(481,093)</u>	<u>-</u>	<u>(1,050,396)</u>	<u>(10,078,944)</u>
<u>(481,093)</u>	<u>-</u>	<u>10,732,091</u>	<u>4,312,962</u>
368,727	-	4,055,966	5,154,525
<u>1,401,751</u>	<u>610</u>	<u>14,421,960</u>	<u>36,848,514</u>
<u>\$ 1,770,478</u>	<u>\$ 610</u>	<u>\$ 18,477,926</u>	<u>\$ 42,003,039</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net change in fund balances - total governmental funds	\$	5,154,525	
Change in prepaid expenses recorded in the funds on the purchase method	(	30,867)	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay		3,284,022	
Depreciation expense	(	4,967,556)	
Loss from sale/disposal of assets	(	389,279)	
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(	1,149,970)	
The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position.			
Principal payments on long term liabilities		4,225,318	
Issuance of debt - drain districts	(	177,930)	
Bond Proceeds	(	13,305,000)	
Payments to refunding bond escrow agent		13,096,920	
Accrued interest expense on bonds and the amortization of bond discounts, premiums, and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for the purpose of net position.			
Decrease in accrued interest payable		100,911	
Amortization of bond premium		288,037	
Amortization of deferred charge on refunding	(	229,056)	
Internal service funds used by management to charge costs of property, liability, health, disability, workers compensation and life insurance expenses and claims. The net revenues (expenses) attributable to those funds is reported with governmental activities.		478,274	
Change in deferred outflows of resources and deferred inflows of resources related to the pension and OPEB plans	(	9,042,051)	
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.			
Decrease in net OPEB liability	\$	3,887,839	
Decrease in net pension liability		1,810,599	
Increase in accrued compensated absences	(	699,694)	4,998,744
Change in net position of governmental activities	\$	<u>2,335,042</u>	

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020**

	Business-type Activities - Enterprise Funds					Governmental
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
Assets:						
Current Assets:						
Cash and cash equivalents	\$ 10,388,055	\$ 13,202,004	\$ 430,592	\$ 594,347	\$24,614,998	\$ 1,721,967
Investments	-	3,000,226	-	-	3,000,226	-
Receivables, net of allowance -						
Delinquent taxes	-	4,502,393	-	-	4,502,393	-
Interest and accounts	1,832,694	1,039,954	28,301	149,385	3,050,334	192,637
Due from other governmental units	240,671	8,139	20,285	-	269,095	-
Inventory	-	-	20,541	-	20,541	-
Prepaid expenses and deposits	7,454	17,575	43,076	-	68,105	2,201,444
Due from other funds	-	6,315,000	-	-	6,315,000	-
Total Current Assets	<u>12,468,874</u>	<u>28,085,291</u>	<u>542,795</u>	<u>743,732</u>	<u>41,840,692</u>	<u>4,116,048</u>
Noncurrent Assets:						
Capital assets	47,233,638	268,680	11,115,153	-	58,617,471	110,516
Less - accumulated depreciation	(30,010,079)	(268,680)	(3,568,509)	-	(33,847,268)	(52,874)
Capital assets, net	<u>17,223,559</u>	<u>-</u>	<u>7,546,644</u>	<u>-</u>	<u>24,770,203</u>	<u>57,642</u>
Notes receivable	100,000	8,449	-	-	108,449	-
Total Noncurrent Assets	<u>17,323,559</u>	<u>8,449</u>	<u>7,546,644</u>	<u>-</u>	<u>24,878,652</u>	<u>57,642</u>
Total Assets	<u>29,792,433</u>	<u>28,093,740</u>	<u>8,089,439</u>	<u>743,732</u>	<u>66,719,344</u>	<u>4,173,690</u>
Deferred Outflows of Resources:						
Related to pension plan	169,533	-	-	-	169,533	-
Related to OPEB plan	95,517	-	-	-	95,517	-
Total Deferred Outflows of Resources	<u>265,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,050</u>	<u>-</u>

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

	Business-type Activities - Enterprise Funds					Governmental
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
Liabilities:						
Current Liabilities:						
Accounts payable	\$ 516,295	\$ 140,499	\$ 41,357	\$ 39,108	\$ 737,259	\$ 327,628
Accrued expenses	7,059	2,515	2,869	1,654	14,097	705,506
Due to other governmental units	31,104	8,226	-	-	39,330	-
Accrued interest payable	53,308	-	-	-	53,308	-
Current portion of long-term liabilities	495,000	-	-	-	495,000	392,000
Unearned revenue	-	-	2,596	-	2,596	-
Total Current Liabilities	<u>1,102,766</u>	<u>151,240</u>	<u>46,822</u>	<u>40,762</u>	<u>1,341,590</u>	<u>1,425,134</u>
Long-term Liabilities (less current portions):						
Accrued vacation and sick	35,413	-	11,782	-	47,195	-
Accrued insurance claims	-	-	-	-	-	193,000
Net pension liability	335,451	-	-	-	335,451	-
Net OPEB liability	465,367	-	-	-	465,367	-
Bonds payable	8,034,280	-	-	-	8,034,280	-
Estimated closure and post closure costs	7,769,610	-	-	-	7,769,610	-
Total Long-term Liabilities	<u>16,640,121</u>	<u>-</u>	<u>11,782</u>	<u>-</u>	<u>16,651,903</u>	<u>193,000</u>
Total Liabilities	<u>17,742,887</u>	<u>151,240</u>	<u>58,604</u>	<u>40,762</u>	<u>17,993,493</u>	<u>1,618,134</u>
Deferred Inflows of Resources:						
Related to pension plan	54,998	-	-	-	54,998	-
Related to OPEB plan	217,997	-	-	-	217,997	-
Total Deferred Inflows of Resources	<u>272,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,995</u>	<u>-</u>
Net Position:						
Net investment in capital assets	8,694,279	-	7,546,644	-	16,240,923	57,642
Restricted - Expendable						
Foreclosure sales	-	1,185,304	-	-	1,185,304	-
Unrestricted	3,347,322	26,757,196	484,191	702,970	31,291,679	2,497,914
Total Net Position	<u>\$ 12,041,601</u>	<u>\$ 27,942,500</u>	<u>\$ 8,030,835</u>	<u>\$ 702,970</u>	<u>\$ 48,717,906</u>	<u>\$ 2,555,556</u>

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Business-type Activities - Enterprise Funds					Governmental
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
Operating Revenues:						
Intergovernmental	\$ 301,678	\$ -	\$ 69,000	\$ -	\$ 370,678	\$ -
Charges for services	9,399,639	1,318,685	303,497	851,057	11,872,878	12,740,883
Interest and rents	-	1,053,524	203,070	-	1,256,594	-
Other	18,893	-	942	-	19,835	585,612
Total Operating Revenues	<u>9,720,210</u>	<u>2,372,209</u>	<u>576,509</u>	<u>851,057</u>	<u>13,519,985</u>	<u>13,326,495</u>
Operating Expenses:						
Personal services	602,041	184,786	176,442	130,008	1,093,277	286,897
Supplies	703,340	-	223,694	3,579	930,613	23,881
Other services	4,961,737	213,058	268,779	625,368	6,068,942	12,533,355
Closure and post closure costs	489,447	-	-	-	489,447	-
Depreciation	1,530,798	-	291,016	-	1,821,814	4,088
Total Operating Expenses	<u>8,287,363</u>	<u>397,844</u>	<u>959,931</u>	<u>758,955</u>	<u>10,404,093</u>	<u>12,848,221</u>
Operating income (loss)	<u>1,432,847</u>	<u>1,974,365</u>	<u>(383,422)</u>	<u>92,102</u>	<u>3,115,892</u>	<u>478,274</u>
Non-Operating Revenues (Expenses):						
Interest revenue	-	103,140	-	847	103,987	-
Interest expense	(218,698)	-	-	-	(218,698)	-
Total Non-Operating Revenues (Expenses)	<u>(218,698)</u>	<u>103,140</u>	<u>-</u>	<u>847</u>	<u>(114,711)</u>	<u>-</u>
Net income before capital contributions and transfers	1,214,149	2,077,505	(383,422)	92,949	3,001,181	478,274
Capital Contributions	<u>-</u>	<u>-</u>	<u>171,508</u>	<u>-</u>	<u>171,508</u>	<u>-</u>
Net income before transfers	<u>1,214,149</u>	<u>2,077,505</u>	<u>(211,914)</u>	<u>92,949</u>	<u>3,172,689</u>	<u>478,274</u>
Transfers:						
Transfers from other funds	-	-	210,000	-	210,000	-
Transfers to other funds	(1,630,131)	(2,058,037)	-	(40,945)	(3,729,113)	-
Total Transfers	<u>(1,630,131)</u>	<u>(2,058,037)</u>	<u>210,000</u>	<u>(40,945)</u>	<u>(3,519,113)</u>	<u>-</u>
Change in Net Position	(415,982)	19,468	(1,914)	52,004	(346,424)	478,274
Net Position at beginning of year	<u>12,457,583</u>	<u>27,923,032</u>	<u>8,032,749</u>	<u>650,966</u>	<u>49,064,330</u>	<u>2,077,282</u>
Net Position at end of year	<u>\$ 12,041,601</u>	<u>\$ 27,942,500</u>	<u>\$ 8,030,835</u>	<u>\$ 702,970</u>	<u>\$ 48,717,906</u>	<u>\$ 2,555,556</u>

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Business-type Activities - Enterprise Funds					Governmental
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
Cash Flows From Operating Activities:						
Cash receipts from customers	\$ 8,859,782	\$12,918,193	\$ 576,761	\$ 904,880	\$23,259,616	\$ 440,662
Cash receipts from interfund services	-	-	-	-	-	12,740,883
Cash payments to suppliers	(6,108,144)	(10,042,076)	(494,607)	(674,354)	(17,319,181)	(11,179,716)
Cash payments to employees	(509,123)	(164,237)	(162,551)	(114,842)	(950,753)	(286,897)
Cash payments for interfund services	(65,874)	(25,224)	(20,813)	(18,217)	(130,128)	-
Other cash receipts	320,571	-	-	-	320,571	-
Net cash Provided by (Used in) Operating Activities	<u>2,497,212</u>	<u>2,686,656</u>	<u>(101,210)</u>	<u>97,467</u>	<u>5,180,125</u>	<u>1,714,932</u>
Cash Flows From Noncapital Financing Activities:						
Cash receipts/payments to other funds	-	5,785,000	-	-	5,785,000	-
Transfers from other funds	-	-	210,000	-	210,000	-
Transfers to other funds	(1,630,131)	(2,058,037)	-	(40,945)	(3,729,113)	-
Net cash Provided by (Used in) Non-capital Related Financing Activities	<u>(1,630,131)</u>	<u>3,726,963</u>	<u>210,000</u>	<u>(40,945)</u>	<u>2,265,887</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:						
Proceeds from sale of bonds	78,848	-	-	-	78,848	-
Payments on bonds	(480,000)	-	-	-	(480,000)	-
Interest paid	(219,694)	-	-	-	(219,694)	-
Acquisition and construction of capital assets	(392,015)	-	(9,027)	-	(401,042)	-
Net cash Provided by (Used in) Capital Related Financing Activities	<u>(1,012,861)</u>	<u>-</u>	<u>(9,027)</u>	<u>-</u>	<u>(1,021,888)</u>	<u>-</u>
Cash Flows From Investing Activities:						
Interest received	-	103,140	-	847	103,987	-
Proceeds from sale of investments	-	1,442,968	-	-	1,442,968	-
Net Cash Provided by Investing Activities	<u>-</u>	<u>1,546,108</u>	<u>-</u>	<u>847</u>	<u>1,546,955</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(145,780)	7,959,727	99,763	57,369	7,971,079	1,714,932
Cash and Cash Equivalents at beginning of year	<u>10,533,835</u>	<u>5,242,277</u>	<u>330,829</u>	<u>536,978</u>	<u>16,643,919</u>	<u>7,035</u>
Cash and Cash Equivalents at end of year	<u>\$10,388,055</u>	<u>\$ 13,202,004</u>	<u>\$ 430,592</u>	<u>\$ 594,347</u>	<u>\$24,614,998</u>	<u>\$ 1,721,967</u>

(Continued)

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Business-type Activities - Enterprise Funds					Governmental
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ 1,432,847	\$ 1,974,365	\$(383,422)	\$ 92,102	\$ 3,115,892	\$ 478,274
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -						
Depreciation	1,530,798	-	291,016	-	1,821,814	4,088
Estimated closure and post closure costs	489,447	-	-	-	489,447	-
Change in assets and liabilities:						
Receivables	(524,580)	661,895	1,831	53,823	192,969	(144,950)
Inventory	-	-	26,339	-	26,339	-
Prepays and deposits	(5,318)	(329)	9,643	-	3,996	600,073
Deferred outflows/inflows of resources related to pension and OPEB plans	112,005	-	-	-	112,005	-
Accounts payable/ accrued expenses	(527,572)	58,731	(45,038)	(48,458)	(562,337)	777,447
Due to/from other governmental units	(10,415)	(8,006)	-	-	(18,421)	-
Unearned revenue	-	-	(1,579)	-	(1,579)	-
Net cash Provided by (Used in) Operating Activities	<u>\$ 2,497,212</u>	<u>\$ 2,686,656</u>	<u>\$(101,210)</u>	<u>\$ 97,467</u>	<u>\$ 5,180,125</u>	<u>\$ 1,714,932</u>
Non-Cash Capital and Related Financing Activities:						
Capital contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,508</u>	<u>\$ -</u>	<u>\$ 171,508</u>	<u>\$ -</u>

(Concluded)

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020**

	<u>Pension and Other Employee Benefits</u>	<u>Landfill Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
Assets:			
Cash and cash equivalents	\$ 13,748,691	\$ 2,391,350	\$ 4,115,973
Investments -			
U.S. Government/Agencies	9,417,316	-	-
Corporate Debt	60,667,237	-	-
Stocks	162,498,009	-	-
Mutual Funds	15,211,952	-	-
Partnerships	63,129,396	-	-
Certificates of Deposit	-	-	22,430
Receivables -			
Interest/dividends and accounts	474,689	-	332,870
Other	50,605	-	-
Due from other governmental units	-	-	100,970
	<u>325,197,895</u>	<u>2,391,350</u>	<u>4,572,243</u>
Total Assets			
Liabilities:			
Accounts payable	283,221	-	545
Accrued liabilities	1,933	-	-
Due to individuals and agencies	-	-	2,695,460
Due to other governmental units	-	-	798,780
Undistributed taxes	-	-	1,077,458
	<u>285,154</u>	<u>-</u>	<u>4,572,243</u>
Total Liabilities			
Net Position:			
Restricted for pension benefits	267,925,203	-	-
Restricted for other postemployment benefits	56,987,538	-	-
Restricted for landfill perpetual care	-	2,391,350	-
	<u>\$ 324,912,741</u>	<u>\$ 2,391,350</u>	<u>\$ -</u>
Total Net Position			

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Pension and Other Employee Benefits</u>	<u>Landfill Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
Additions:			
Contributions -			
Member contributions	\$ 2,362,396	\$ -	\$ -
Employer contributions	8,470,464	-	-
Total Contributions	<u>10,832,860</u>	<u>-</u>	<u>-</u>
Investment income -			
Net appreciation in fair value of investments	25,030,617	-	-
Interest/dividends	5,035,986	12,683	-
Less investment expense	<u>(946,706)</u>	<u>(1,000)</u>	<u>-</u>
Net investment income	<u>29,119,897</u>	<u>11,683</u>	<u>-</u>
Other -			
Penal fines	-	-	11,335
Court costs	-	-	1,400,696
Transfer taxes collected	-	-	5,258,145
Concealed weapon permit fees	-	-	157,666
Taxes collected	-	-	69,214,751
Public Guardian trust receipts	-	-	6,436,945
Other	7,998	-	185,546
	<u>7,998</u>	<u>-</u>	<u>82,665,084</u>
Total Additions	<u>39,960,755</u>	<u>11,683</u>	<u>82,665,084</u>
Deductions:			
Retirement payroll	16,271,037	-	-
Health/dental insurance	3,374,421	-	-
Death benefits	52,500	-	-
Employee refunds	222,511	-	-
Administration	147,537	-	-
Penal fines paid to libraries	-	-	11,335
Court costs paid to State	-	-	1,400,696
Transfer taxes paid to State	-	-	5,258,145
Concealed weapon permit fees paid to State	-	-	157,666
Taxes paid to other entities	-	-	69,214,751
Payments made on-behalf of public guardian clients	-	-	6,436,945
Other	-	-	185,546
	<u>20,068,006</u>	<u>-</u>	<u>82,665,084</u>
Total Deductions	<u>20,068,006</u>	<u>-</u>	<u>82,665,084</u>
Net increase	19,892,749	11,683	-
Net position -			
Beginning of year	<u>305,019,992</u>	<u>2,379,667</u>	<u>-</u>
End of year	<u>\$ 324,912,741</u>	<u>\$ 2,391,350</u>	<u>\$ -</u>

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

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2020**

	Road Commission	Department of Public Works	Community Mental Health Authority
Assets:			
Cash and cash equivalents	\$ 8,278,797	\$ 461,665	\$ 9,446,775
Receivables (net of allowance)	4,871,544	322,266	4,179,702
Prepaid expenses	159,872	-	550,921
Inventory	1,609,813	-	-
Properties held for sale	-	-	-
Restricted Assets -			
Cash and cash equivalents	-	771,292	2,014,174
Accounts receivable	-	39,167	-
Contracts receivable	-	3,654,215	-
Beneficial interest in assets held by others	-	-	119,860
Net OPEB asset	-	-	3,762,213
Capital Assets (net of accumulated depreciation)			
Assets not being depreciated	27,708,098	83,776	1,655,717
Assets being depreciated	163,405,631	9,531,317	8,849,327
Total Assets	<u>206,033,755</u>	<u>14,863,698</u>	<u>30,578,689</u>
Deferred Outflows of Resources:			
Related to the pension plan	2,587,523	-	3,263,256
Related to the OPEB plan	3,090,585	-	1,519,109
Deferred charges on bond refunding	-	-	186,944
Total Deferred Outflows of Resources	<u>5,678,108</u>	<u>-</u>	<u>4,969,309</u>
Liabilities:			
Payables and accrued liabilities	521,815	131,093	8,030,353
Accrued interest	-	-	831
Advances and deposits	1,475,229	120,079	2,264,309
Advance from primary government	-	-	-
Unearned revenue	-	-	54,041
Liabilities payable from restricted assets	-	26,846	-
Non-current liabilities -			
Due within one year	328,000	585,000	2,604,203
Due in more than one year			
Long-term liabilities	84,000	3,572,973	7,007,476
Net pension liability	4,696,412	-	7,140,038
Net OPEB liability	10,199,214	-	-
Total Liabilities	<u>17,304,670</u>	<u>4,435,991</u>	<u>27,101,251</u>
Deferred Inflows of Resources:			
Related to the pension plan	1,473,049	-	1,784,949
Related to the OPEB plan	6,730,066	-	3,214,498
Taxes levied for a subsequent period	1,238,897	-	-
Total Deferred Inflows of Resources	<u>9,442,012</u>	<u>-</u>	<u>4,999,447</u>
Net Position:			
Net investment in capital assets	191,113,729	9,615,093	3,054,374
Restricted -			
Net OPEB asset	-	-	2,066,824
Donations	-	-	100,949
Beneficial interest	-	-	69,860
Equipment replacement	-	279,855	-
Debt Service	-	-	-
Unrestricted (Deficit)	<u>(6,148,548)</u>	<u>532,759</u>	<u>(1,844,707)</u>
Total Net Position	<u>\$ 184,965,181</u>	<u>\$ 10,427,707</u>	<u>\$ 3,447,300</u>

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

Land Bank Authority	Brownfield Redevelopment Authority	Drainage Districts	Totals
\$ 163,011	\$ 147,362	\$ 5,005,209	\$ 23,502,819
879	15,154	15,183,137	24,572,682
-	-	-	710,793
-	-	-	1,609,813
8,449	-	-	8,449
-	-	-	2,785,466
-	-	-	39,167
-	-	-	3,654,215
-	-	-	119,860
-	-	-	3,762,213
-	-	4,206,079	33,653,670
-	-	41,203,234	222,989,509
<u>172,339</u>	<u>162,516</u>	<u>65,597,659</u>	<u>317,408,656</u>
-	-	-	5,850,779
-	-	-	4,609,694
-	-	-	186,944
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,647,417</u>
-	1,246	269,954	8,954,461
-	-	151,923	152,754
-	-	-	3,859,617
-	-	1,340,000	1,340,000
-	-	-	54,041
-	-	-	26,846
-	27,391	1,519,260	5,063,854
8,449	352,609	17,927,028	28,952,535
-	-	-	11,836,450
-	-	-	10,199,214
<u>8,449</u>	<u>381,246</u>	<u>21,208,165</u>	<u>70,439,772</u>
-	-	-	3,257,998
-	-	-	9,944,564
-	-	-	1,238,897
<u>-</u>	<u>-</u>	<u>-</u>	<u>14,441,459</u>
-	-	24,673,025	228,456,221
-	-	-	2,066,824
-	-	-	100,949
-	-	-	69,860
-	-	-	279,855
-	-	19,237,086	19,237,086
<u>163,890</u>	<u>(218,730)</u>	<u>479,383</u>	<u>(7,035,953)</u>
<u>\$ 163,890</u>	<u>\$(218,730)</u>	<u>\$ 44,389,494</u>	<u>\$ 243,174,842</u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Road Commission				
Governmental activities:				
Highways and Streets	\$ 26,808,174	\$ 5,176,327	\$ 21,838,439	\$ 8,971,501
Department of Public Works				
Governmental activities:				
Interest on Long Term Debt	131,222	131,222	-	-
Business-type activities:				
Water and Sewer	2,141,724	1,541,343	-	185,000
Total Department of Public Works	2,272,946	1,672,565	-	185,000
Community Mental Health Authority				
Business type activities:				
Health and Welfare	66,217,591	59,929,617	6,127,177	-
Land Bank Authority				
Governmental activities:				
Community and Economic Development	-	-	-	-
Brownfield Redevelopment Authority				
Governmental activities:				
Community and Economic Development	112,824	5,000	109,711	-
Drainage Districts				
Governmental activities:				
Public Works	899,080	2,522,403	-	-
Interest on Long-term Debt	655,259	-	-	-
Total Drains	1,554,339	2,522,403	-	-
Total Component Units	\$ 96,965,874	\$ 69,305,912	\$ 28,075,327	\$ 9,156,501

General Revenues:
Property taxes
Unrestricted investment income
Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

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

Net (Expense) Revenue and Change in Net Position						
Road Commission	Department of Public Works	Community Mental Health Authority	Land Bank Authority	Brownfield Redevelopment Authority	Drainage Districts	Total
<u>\$ 9,178,093</u>						\$ 9,178,093
	\$ -					-
	<u>(415,381)</u>					(415,381)
	<u>(415,381)</u>					
		<u>\$(160,797)</u>				(160,797)
			<u>\$ -</u>			-
				<u>\$ 1,887</u>		1,887
					\$ 1,623,323	1,623,323
					<u>(655,259)</u>	<u>(655,259)</u>
					<u>968,064</u>	<u>968,064</u>
						<u>9,571,866</u>
1,191,915	-	-	742	47,767	-	1,240,424
30,604	1,830	116,800	426	-	14,063	163,723
<u>1,222,519</u>	<u>1,830</u>	<u>116,800</u>	<u>1,168</u>	<u>47,767</u>	<u>14,063</u>	<u>1,404,147</u>
10,400,612	(413,551)	(43,997)	1,168	49,654	982,127	10,976,013
<u>174,564,569</u>	<u>10,841,258</u>	<u>3,491,297</u>	<u>162,722</u>	<u>(268,384)</u>	<u>43,407,367</u>	<u>232,198,829</u>
<u>\$ 184,965,181</u>	<u>\$ 10,427,707</u>	<u>\$ 3,447,300</u>	<u>\$ 163,890</u>	<u>\$(218,730)</u>	<u>\$ 44,389,494</u>	<u>\$ 243,174,842</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity -

The County of St. Clair, Michigan (the “County”), was organized on March 28, 1820 and covers an area of approximately 700 square miles, with the County seat located in the City of Port Huron, Michigan. The County operates under an elected Board of Commissioners (7 members) and provides services to its approximately 163,000 residents in many areas including law enforcement, administration of justice, community enrichment and development, public works, health and welfare, and recreation and culture.

These financial statements present the County and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the government’s operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

BLENDED COMPONENT UNIT -

ST. CLAIR COUNTY BUILDING AUTHORITY - The St. Clair County Building Authority (the “Authority”) is governed by a three-person board, which is appointed by the St. Clair County Board of Commissioners. The main function of the Authority at the present time is to pay off building bonds. The St. Clair County Building Authority is reported as if it were a part of the primary government because its sole purpose is to finance the construction of the County’s Library and Public Service buildings, and any additional facilities that require financing. The Authority’s activity is reported as a Debt Service fund, captioned “Building Authority.” Separate financial statements for the Authority are not published.

DISCRETELY PRESENTED COMPONENT UNITS -

ST. CLAIR COUNTY ROAD COMMISSION - The St. Clair County Road Commission (the “Road Commission”) is responsible for the maintenance and construction of the County road system in St. Clair County. The Road Commission operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance, property taxes, and contributions from other local governmental units within the County. The Road Commission operates under a Board, which consists of three commissioners who are appointed by the County Commissioners who are not County Board members. The Road Commission is financially accountable to the County for the following reasons: all general long-term debt issuance, excluding capital lease purchase agreements, requires County authorization and tax levies require approval of the County Commissioners.

ST. CLAIR COUNTY DEPARTMENT OF PUBLIC WORKS - The Department of Public Works (DPW) has the responsibility of administering the various Public Works Project Construction and Debt Service Funds under the provision of Act 185, Public Acts of 1957, as amended, as well as the Utility Operations and Maintenance Receiving and Wastewater Treatment Funds. The DPW operates under a Board, which consists of three commissioners, who are appointed by the County Commissioners who are not County Board members. The County Commissioners must authorize and approve any long-term debt issued by the DPW and are secondarily responsible for all operations and obligations.

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

DRAINAGE DISTRICTS - The St. Clair County Drain Commissioner is solely responsible for the administration of the drainage districts established pursuant to Act 40, P.A. 1956, as amended, of the Michigan Drain Code. The statutory Inter-County Drainage Boards consists of the State Director of Agriculture and the Drain Commissioners of each County involved in the projects. Each of the drainage districts are separate legal entities. The Drainage Board or Drain Commissioners, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The Drain Commission and all operations for the Drain Commission office are budgeted and reported as part of the County General Fund, except for maintenance and construction of individual drains, which is accounted for through the various drain funds. Maintenance and construction of individual drains are assessed to the benefited property owner. The full faith and credit of the County is often given for the debt of the drainage district upon authorization of the County Board of Commissioners.

BROWNFIELD REDEVELOPMENT AUTHORITY - Established under laws of the State of Michigan for the purpose of remediation, removal, and redevelopment of functionally obsolete or formerly blighted or contaminated properties for beneficial uses, the County qualifies for financing public facilities and general infrastructure needs for specific remediation sites. The governing body is appointed by the County Board of Commissioners. Their budget is also approved by the County Board of Commissioners. Funding for the Brownfield Redevelopment Authority is provided by increased tax collections from increased tax values within the designated areas.

ST. CLAIR COUNTY COMMUNITY MENTAL HEALTH AUTHORITY (CMHA) - On January 1, 2000 the St. Clair County Community Mental Health Services Board adopted Authority status under Public Act 290 of the Public Acts of 1995. The County Board of Commissioners appoints the 12-member board, can remove the appointed members at will, can dissolve CMHA, and provides annual appropriations to CMHA.

ST. CLAIR COUNTY LAND BANK AUTHORITY - Established pursuant to the Michigan Land Bank Fast Track Public Act 258 of 2003 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the St. Clair County Treasurer. The Land Bank Authority is governed by a five-member board including the St. Clair County Treasurer, who is, by law, its Chairperson, and four other members appointed by the St. Clair County Board of Commissioners. The Land Bank Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The Land Bank Authority is primarily funded through contributions from the County and the Director of the Land Bank Authority is an employee of the County. The County Board of Commissioners can significantly influence the operations of the Land Bank Authority.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

COMPONENT UNIT FINANCIAL STATEMENTS - The St. Clair County Road Commission, the St. Clair County Department of Public Works, and the St. Clair County Community Mental Health Authority are audited separately and complete financial statements may be obtained from the administration offices at the following locations:

St. Clair County Road Commission
21 Airport Drive
St. Clair, MI 48079

St. Clair County Department of Public Works
21 Airport Drive
St. Clair, MI 48079

St. Clair County Community Mental Health Authority
3111 Electric Avenue
Port Huron, MI 48060

The component units associated with the activities of the drainage districts administered by the St. Clair County Drain Commissioner, the Land Bank Authority administered by the County Treasurer, and Brownfield Redevelopment Authority are included within the scope of the audit of the basic financial statements. Separate audited financial statements for these component units were not issued.

FISCAL YEAR-ENDS - All of the County Funds and Component Units operate and are reported on a December 31 year-end with the exception of the St. Clair County Community Mental Health Authority, which operates and is reported as of September 30.

B. Government-wide and Fund Financial Statements -

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

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation -

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are normally collected within 60 days of the end of the current fiscal period except for reimbursement grants, which are recognized if collected or could have been collected within 90 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

State shared revenue, licenses, notes receivable, and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. Property taxes are recognized as revenue in the year for which they are levied. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

Combined General Fund - is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Budget Incentive and Development Revolving Funds have been included in the Combined General Fund as revenues come from the General Fund and can be used for General Fund operations.

Parks and Recreation - is used to account for a County special millage to be used to expand and enhance the County park system.

Library - is used to account for a County special millage for the operations of the Public Library.

Senior Citizens Millage - is used to account for a County special millage to be used for senior citizens' activities.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Drug Task Force - is used to account for a County special millage and seized property used for the enhancement of the law enforcement effort pertaining to controlled substances. It also includes funding for drug prevention programs from state and federal sources.

Mental Health Building Debt - is used to account for the debt service requirements related to the construction of a Community Mental Health Building.

The County reports the following major proprietary funds:

Solid Waste Disposal System - is used to account for the operations of the County-owned landfill, which provides a disposal area for County commercial and residential refuse.

Delinquent Tax Revolving Fund - is used to account for the payment to each local unit of government within the County of the delinquent real property taxes outstanding as of March 1 of each year. The fund is also used to account for the collection of those delinquent taxes along with penalties and interest. Also, the fund is used to account for the activity related to property foreclosures.

Airport Commission - is used to account for the operation of the County-owned airport, which sells gasoline, rents hangars, etc.

Additionally, the County reports the following fund types:

Governmental Fund Types -

Special Revenue Funds - are used to account for the proceeds that are restricted or committed for expenditures for specific purposes other than debt service or capital projects.

Debt Service Funds - are used to account for the accumulation of resources for, and the payment of, principal and interest on long-term debt of governmental funds.

Capital Project Funds - are used to account for financial resources to be used for the acquisition or construction of major capital projects (other than those financed by Proprietary and Trust Funds).

Proprietary Fund Types -

Enterprise Funds - are used to report operations for services to the general public, financed primarily by user charges intended to recover the cost of services provided, and include sheriff's concession, homestead exemption audits, and school tax collection funds.

Internal Service Fund - is used to account for the charges for services from funds and departments for self-funded disability, unemployment, workers' compensation, and health care, and to account for the payment of related insurance claims and expenses.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Fiduciary Fund Types -

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. St. Clair County's fiduciary funds include:

Pension and Other Postemployment Benefits Fund - is used to account for activity of the Employees' Retirement System and Employees' Other Postemployment Benefit (OPEB) Plan, which accumulates resources for pension payments and health benefit payments to eligible retirees.

Private Purpose Trust Fund (Landfill Perpetual Care) - is used to account for the accumulation of statutory fees and interest earnings to be used by the State of Michigan to safely maintain the landfill after the closure.

Custodial Funds - are used to account for assets held by the County as an agent for individuals, private organizations, and other governmental units, including tax collections, court fees, and library collections of penal fines.

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

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. The principal operating revenues of the Enterprise and Internal Service Funds are charges to customers for sales and services and intergovernmental operating grants. Operating expenses from Enterprise and Internal Service Funds include costs of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Fund Balance -

Deposits and Investments -

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, investment trust funds, and certificates of deposit with original maturities of three months or less from the date of acquisition. The investment trust funds have the general characteristics of demand deposit accounts, in that the County may deposit additional cash at any time and effectively may withdraw cash at any time without prior notice or penalty, and are reported as cash and cash equivalents.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments that do not have established market values are reported at estimated fair value; and (d) cash deposits are reported at their carrying amount which reasonably approximates fair value.

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

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

Receivables and Payables -

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

Inventories and Prepaid Items -

Inventories of governmental funds are recorded as expenditures when purchased. Inventories of the Road Commission are stated at average cost recognized using the consumption method (recorded as expense when used). All other inventories are held for resale and are valued at the lower of cost or market using the first in/first out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and proprietary fund type statements using the consumption method. In the governmental fund financial statements, the purchases method is used, except for prepaid postage and spendable endowment deposits with the Community Foundation, which are recorded as prepaid items using the consumption method.

Properties Held for Sale -

Properties held for sale in the Land Bank Authority are foreclosure properties purchased from the primary government to hold, manage, and develop to be productive and economically viable. These properties are stated at the lower of cost or market using the specific identification method and are recognized using the consumption method.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Property Tax Calendar -

The property taxes for the County’s general fund are levied on July 1 (the lien date), with all special purpose taxes levied on December 1 (the lien date), based on the taxable value of property located in the County as of the preceding December 31, by the various municipalities within the County. The July 1 taxes are due on or before September 15 and the December 1 taxes are due on or before February 15. The General Fund levy is recognized in the year of the levy. The special purpose taxes that are levied on December 1 are recorded as a receivable and deferred inflow of resources since they are levied for the subsequent year operations. For the year, the County levied 5.3265 mills for the General Fund, 0.4954 mills for Parks and Recreation, 0.7000 mills for Library, 0.8000 mills for Senior Citizens, 0.1000 mills for Veterans, 0.5610 mills for Drug Task Force, and 0.2500 mills for Roads.

Capital Assets -

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable columns in the government-wide financial statements. For the County, infrastructure exists in the Road Commission and Drain Districts component units. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years, except for the St. Clair County Department of Public Works and the St. Clair County Road Commission, which capitalize assets with an individual cost of \$1,000 or more. The Road Commission also capitalizes road equipment without consideration of a minimum cost. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives, with the exceptions for certain landfill assets, which are depreciated based on the usage method, and road equipment, which is depreciated based on the sum-of-the-years’ digits method:

	In Years				
	<u>Primary Government</u>	<u>Road Commission</u>	<u>Mental Health</u>	<u>Dept. of Public Works</u>	<u>Drain Districts</u>
Building/Improvements	10-45	20-50	5-30	20-50	-
Drainage Systems	-	-	-	-	50
Road Systems/Other Infrastructure	-	8-50	-	-	-
Utility System	-	-	-	50-60	-
Equipment	3-20	4-20	4-7	5-20	-
Books/Audiovisual	5-10	-	-	-	-

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Compensated Absences -

In accordance with contracts negotiated with the various employee groups of the County, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. All vested vacation and sick leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for this amount is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations -

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Deferred Outflows/Inflows of Resources -

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then. The County has items that qualify for reporting in this category. A deferred charge on refunding is reported on the government-wide statement of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Other items deferred by the County are related to the pension plan and OPEB plan and are reported on the government-wide statement of net position and enterprise fund financial statements. The contributions made subsequent to the measurement date are recognized in the following plan year; the difference between projected and actual plan investment earnings is amortized over five (5) years, and the remaining deferred items are amortized over the average remaining service lives of the participants.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

In addition to liabilities, the statement of net position and balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) so will not be recognized as an inflow of resources (revenue) until that time. The County had items that qualified for reporting under this category, including taxes levied for a subsequent period, unavailable revenues that are not collected within the 60-day or 90-day availability period, and items related to the pension plan and the OPEB plan. The County had unavailable revenues primarily from delinquent personal property taxes, long-term contract paid by other governmental units and individuals, fees, and expense reimbursement grants. The amounts are recognized as an inflow of resources in the period for which the tax is levied and in the period the amounts become available. The deferred inflows of resources related to the pension plan and OPEB plan are amortized over the expected remaining service lives of the participants, with the exception of the difference between projected and actual plan investment earnings, which is amortized over five (5) years.

Fund Balance -

In the fund financial statements, governmental funds reported fund balances in one or more of the following classifications:

Nonspendable fund balance – the portion of fund balance that is not in a spendable form.

Restricted fund balance – the portion of fund balance that is mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation.

Committed fund balance – the portion of fund balance that is set aside for a specific purpose by the County itself, using the highest level of decision-making authority (Board of Commissioners) by the passage of a resolution.

Assigned fund balance – the portion of fund balance that reflects the County's intended use of resources. Currently, the Administrator/Controller has the authority to set aside funds pursuant to the County's Fund Balance Policy. Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the Combined General Fund is reported as assigned.

Unassigned fund balance – the portion of fund balance in the Combined General Fund that cannot be classified into one of the four categories above and the reporting of any negative fund balance of other governmental funds.

When different classifications of fund balance are present, it is the County's policy that expenditures are to be spent from restricted fund balance first, if appropriate, followed in order by committed fund balance, assigned fund balance and lastly, unassigned fund balance.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Estimates -

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal Programs -

Federal Programs are accounted for in specific Special Revenue Funds or as part of the various fund types to which the programs pertain. The County has not integrated its Single Audit Reports and Schedule of Expenditures of Federal Awards as part of the Annual Financial Report. The Single Audit will be issued prior to September 30, 2021 under a separate cover as supplementary information to the Annual Financial Report.

Upcoming Accounting Pronouncement -

The Governmental Accounting Standards Board (GASB) issued the following statement that will have an impact on the County's financial statements when adopted. The County is currently evaluating the implications of the pronouncement.

GASB Statement No. 87, *Leases*, was issued in June 2017 and will become effective for the County's December 31, 2022 fiscal year. The objective of the statement is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use of an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary Information -

The General and Special Revenue Funds budgets shown in the financial statements were prepared on a basis consistent with accounting principles generally accepted in the United States of America. The County employs the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to November 1, County departments, in conjunction with the Administrator/Controller's Office, prepare and submit their proposed operating budgets for the calendar year commencing the following January 1. The operating budgets include proposed expenditures and resources to finance them.
- 2) A Public Hearing is conducted to obtain taxpayers' comments.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - (cont'd):

- 3) Prior to December 31, the budgets are legally enacted through passage of a Board of Commissioners' resolution.
- 4) The budgets are legally adopted at the activity (department) level for the General Fund and the functional level for the Special Revenue Funds; however, for control purposes the budgets are maintained at the account level.
- 5) Formal budgetary integration is not employed for the Debt Service or Capital Projects Funds on an annual basis because effective budgetary control is achieved through project length financial plans.
- 6) After the budgets are adopted, the Administrator/Controller's Office is authorized to transfer budget amounts between accounts. Any revisions that exceed the total activities or functions as applicable must be approved by the Board of Commissioners.
- 7) The County does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. All unexpended appropriations lapse at year-end.
- 8) Budgeted amounts are reported as originally adopted, or as amended by the Board of Commissioners during the year.

Similar procedures are followed in the case of the Component Units included in the Reporting Entity of St. Clair County, except that the respective Administrator/Director of each performs the function described above rather than the County Administrator/Controller. Budgetary comparisons have not been made for the component unit financial statements but are available in their separately issued component unit financial statements.

Michigan Public Act 621 of 1978 Section 18, as amended, provides that local governmental units shall not incur expenditures in excess of the amount appropriated at the legally enacted level. The Michigan Department of Treasury requires the reporting of any significant overages at the legal level of budgetary control level (any overages at the legal level of budgetary control greater than 10% of the total expenditure and the overage itself is larger than 10%). During the year ended December 31, 2020, the County had overages that exceeded these thresholds as follows:

Excess of Expenditures over Appropriations -

PRIMARY GOVERNMENT -

<u>Fund Type/Function/Activity</u>	<u>Appropriations</u>	<u>Expended</u>	<u>Variance</u>
Budget Incentive Fund - Transfers to Other Funds	\$ -	\$ 32,596	\$ 32,596
CDBG Housing Fund - Health & Welfare	5,000	15,000	10,000
CARES Act - General Government	433,243	538,392	105,149
Prosecutor's Drug Forfeiture Fund - Public Safety	10,000	16,402	6,402

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - (cont'd):

Other Compliance -

The CARES Act Fund, a nonmajor special revenue fund, has a \$656,835 deficit unassigned fund balance.

During the year ended December 31, 2020, the County purchased commercial paper that exceeded 270 days to maturity at the time of purchase.

NOTE 3 - DEPOSITS AND INVESTMENTS:

Authorized Deposits and Investments -

Investments are carried at cost or fair value as explained in Note 1 and are deposited in the name of the St. Clair County Treasurer. Act 217 PA 1982 as amended authorizes the County to deposit in certificates of deposit, savings accounts, depository accounts or depository receipts of a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act 105 of the Public Acts of 1855, as amended, being section 21.145 and 21.146 of the Michigan Compiled Laws.

Investments, except those of the Retirement System, are administered by the Treasurer under guidelines established by Act 20 of the Michigan Public Acts of 1943, as amended, and the Investment Policy as adopted by the County's Board of Commissioners. The County's Investment Policy allows for the following instruments:

- 1) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- 2) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- 3) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase. Not more than 50% of County funds shall be invested in commercial paper.
- 4) Repurchase agreements consisting of instruments listed in (1) above.
- 5) Bankers' acceptances of United States banks, with a maturity date not to exceed 270 days. Not more than 50% of County funds shall be invested in bankers' acceptances.
- 6) Obligations of this state or any of its political subdivisions that, at the time of purchase, are rated as investment grade by not less than one standard rating service.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

- 7) Mutual funds registered under the Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. This authorization is limited to securities whose intention is to maintain a net asset value of \$1.00 per share.
- 8) Obligations described in (1.) through (7.) above if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA7, MCL 124.501 to 124.512.
- 9) Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.
- 10) Investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

Carrying Amount -

At year-end, the carrying amount of the County Reporting Entity's deposits and investments is as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Cash on Hand -				
Petty cash and cash on hand	\$ 44,031	\$ 3,985	\$ -	\$ 48,016
Deposits with Financial Institutions -				
Checking/Savings/Certificates of Deposit/Money Market	<u>35,223,730</u>	<u>26,284,300</u>	<u>4,167,162</u>	<u>65,675,192</u>
Investments -				
Money Market Funds	32,311,275	-	16,111,282	48,422,557
Commercial Paper	9,099,605	-	-	9,099,605
U.S. Government/Agencies	-	-	9,417,316	6,417,316
Corporate Debt	-	-	60,667,237	60,667,237
Stocks	-	-	162,498,009	162,498,009
Mutual Funds	-	-	15,211,952	15,211,952
Partnerships	-	-	63,129,396	63,129,396
Total Investments	<u>41,410,880</u>	<u>-</u>	<u>327,035,192</u>	<u>368,446,072</u>
Grand Total	<u>\$ 76,678,641</u>	<u>\$ 26,288,285</u>	<u>\$ 331,202,354</u>	<u>\$ 434,169,280</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

Reconciliation to the Statements of Net Position -

Reported as Cash and Cash Equivalents -	
Petty Cash and Cash on Hand	\$ 48,016
Cash in Checking/Savings	58,152,762
Money Market Funds	<u>48,422,557</u>
Total Cash and Cash Equivalents Reported on Statements of Net Position	<u>106,623,335</u>
 Reported as Investments -	
Certificates of Deposits	7,522,430
Commercial Paper	9,099,605
U.S. Government/Agencies	9,417,316
Corporate Debt	60,667,237
Stocks	162,498,009
Mutual Funds	15,211,952
Partnerships	<u>63,129,396</u>
Total Investments Reported on Statements of Net Position	<u>327,545,945</u>
 Grand Total - Statements of Net Position	 <u>\$ 434,169,280</u>

Deposits with Financial Institutions -

The County has deposits and investments, which are maintained for its primary government, component units, and fiduciary fund types.

Michigan Public Acts authorize the units of local government in Michigan to deposit in the accounts of federally insured banks, insured credit unions, and savings and loan associations. All deposits of the County are at federally insured banks in the State of Michigan in the name of the County.

Custodial Credit Risk - Deposits - Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be returned. As an indication of the level of deposit custodial credit risk assumed by the County at year-end, the bank balance of the County's deposits was \$69,352,657, of which \$34,019,262 was insured and the remaining \$35,333,395 was uninsured, uncollateralized, and in the County's name.

The County's Investment Policy allows for the use of bank deposits including certificates of deposit. The County's investment policy does not address custodial credit risk for deposits.

An element of the County cash structure is the common account, which is utilized by most of the funds and component units within the reporting entity. Segregation of the bank balance between the primary government and component units was not practical. The bank balance of the common checking account was included as part of the primary government's demand deposits for the determination of FDIC insurance coverage.

The County believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution and assesses the level of risk. The County uses only those financial institutions with an acceptable estimated risk level as depositories.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

Investments (Excluding Retirement) -

Credit Risk - Investments - State law limits investment in commercial paper to the top two ratings issued by a nationally recognized statistical rating organization. The County had \$9,099,605 invested in commercial paper at December 31, 2020, all of which were rated either A1 or A2 by Standard & Poor's and P1 or P2 by Moody's. The County has \$32,311,275 invested in money market funds that invest primarily in U.S. Treasuries, U.S. Agencies, repurchase agreements, and commercial paper. The County's investment policy does not specifically address credit risk for investments. The money market funds have been rated as follows:

	<u>Amount</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Average Days to Maturity</u>
Primary Government -				
MBIA Michigan CLASS	\$ 31,309,748	AAAm	Standard & Poor's	65
Dreyfus Govt Cash Mgmt Shares	1,508		Not Rated	28
Federated Hermes Govt Reserves	1,000,019		Not Rated	39

Michigan Cooperative Liquid Assets Security System ("Michigan CLASS") is a participant-controlled trust created in accordance with Section 5 of Act 7 of the Urban Cooperation Act of 1967 and the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150. Michigan CLASS is not subject to regulatory oversight and is not registered with the SEC, however does issue a separate audited financial statement. Michigan CLASS operates like a money market mutual fund, with each share valued at \$1.00. Fair value of the County's position in the pool is the same as the value of the Michigan CLASS pool shares.

The Federated and Fidelity money market funds invest primarily in short-term debt securities, U.S. government supported corporate debt, federal agencies, U.S. treasuries, and repurchase agreements. They are registered with the SEC and issue audited financial statements. Each share is valued at \$1.

Custodial Credit Risk - Investments - is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in possession of another party.

The securities of the pool are safe kept with a third party selected by the counterparty. However, the pool's securities are held in trust for the participants of the fund that are not available to the counterparty if the counterparty should happen to fail. As of December 31, 2020, \$9,099,605 in investments were held in third-party safekeeping in the County's name. The County's investment policy does not limit the amount of securities that can be held by counterparties.

Concentration of Credit Risk - Investments - is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The County's formal investment policy attempts to minimize risk by diversifying its investments by maturity dates, individual financial institutions, and/or security type, so that potential loss on individual securities do not exceed the income generated from the remainder of the portfolio. However, the County's policy does not restrict the amount that can be invested with any one issuer, financial institution, or type of investment.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

Interest Rate Risk - Investments - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The County's investment policy specifies investments should yield a rate of return commensurate with a recognized level of risk for like investments. Also, the County's investment portfolio should be designed with the specific objective of attaining a market rate of return through the various economic cycles, taking into account the County's investment risk, legal constraints on investments, County policy constraints on investments, and cash flow requirements. At year-end, the County's investments have the following range of maturity dates:

<u>Investment Types</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	
		<u><1</u>	<u>1-5</u>
Primary Government -			
Money Market Funds	\$ 32,311,275	\$ 32,311,275	\$ -
Commercial Paper	9,099,605	9,099,605	-
Certificates of Deposit (1)	7,500,000	7,500,000	-
Fiduciary Unit -			
Certificates of Deposit (1)	22,430	22,430	-

(1) Presented to give an overall view of associated interest rate risk

Investments - Retirement System -

The Retirement System investments are made in accordance with Act 314 of the Michigan Public Acts of 1965, as amended, as well as the Investment Policy adopted by the Board of Trustees of the St. Clair County Employees' Retirement System. Investments in stock are limited to no more than 70% in U.S. Stocks and 20% in foreign stocks. Additionally, investments must comply with the following guidelines:

US Equities - Permitted from 11% up to maximum of 51% for active or passive growth or broad value, large-, mid-, and small-cap investments. Managers may invest up to 10% of their portfolio in the outstanding securities of one issuer. ADR's are permitted up to a maximum of 10% of each portfolio.

International Equities - Active, broad, or focused international equities ranging from 10% to 20% of pension assets. No more than 7.5% of the portfolio at cost or 10% at market rate in any one security.

Global Fixed Income - Active or core plus with an allocation ranging from 20% to 45% of plan assets. No more than 5% of the portfolio at market value may be invested in one issuer, except Treasury and Agency securities. At least 90% of debt securities must have a quality rating of Baa or higher. The account may invest up to 10% of the portfolio market value in securities rated BB to CCC.

Mater Limited Partnerships – Active or passive investments ranging from 0% to 8% of plan assets.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

Commercial Real Estate - Core, value-added, opportunistic, open-ended, closed, and private investments ranging from 10% to 20% of Plan assets. No more than 10% of the portfolio in properties where there is significant leasing risk, no more than 50% of the portfolio's assets will be invested in all types of leverage, no more than 20% of total assets will be invested in publicly traded REITs, no more than 5% of total assets will be invested in non-traditional property types and structures, no more than 20% of commitments in a single farm land property without approval of the Advisory Committee, no more than 10% of commitments outside of U.S. without approval, will not utilize leverage exceeding 25% of the aggregate sum of commitments.

Alternative Investments - Hedge funds, private equity, private debt, and real assets ranging from 0% to 10% of plan assets. No more than 8% of the portfolio's assets in the outstanding securities of one hedge fund.

Pension investments are made through the use of investment advisors, which are selected and retained by the Retirement Board. The advisors serve at the pleasure of the Retirement Board as provided by investment agreements. At December 31, 2020, the Retirement System had 12 investment advisors. As of December 31, 2020, the County had the following investment types in its Retirement System:

<u>Investment Types</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. Government/Agencies	\$ 9,417,316	2.90 %
Corporate Debt	60,667,237	18.69
Stocks	162,498,009	50.05
Mutual Funds	15,211,952	4.69
Partnerships	<u>63,129,396</u>	<u>19.44</u>
	310,923,910	95.77
Money Market Funds (1)	<u>13,719,932</u>	<u>4.23</u>
Total	<u>\$ 324,643,842</u>	<u>100.00 %</u>

(1) These money market funds invest primarily in high quality commercial paper, U.S. Treasuries and government agencies, and other money market securities.

	<u>Amount</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Average Days to Maturity</u>
Federated -				
Treasury Obligations Fund	\$ 9,199,386	AAAm	Standard & Poor's	29
Govt. Obligations Tx Mgd Fund	4,520,546	AAAm	Standard & Poor's	40

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

Credit Risk - The Board's adopted Statement of Investment Policies Procedures and Objectives states that all debt securities, except Treasuries and Agencies, must have a quality rating of B or above at the time of issue and allows up to 25% of the portfolio in BB to CCC rated securities. If more than allowed value of securities is within that investment grade, it shall be reported to the Retirement Board immediately along with a proposed plan of action. As of December 31, 2020, investments held in the Retirement System excluding money market funds, partnerships, hedge funds, mutual funds, equity funds, and stocks had the following Standard & Poors ratings:

<u>Fair Value</u>	<u>Ratings</u>
\$ 16,696,823	AA+
3,300,824	AA-
424,287	A+
5,224,434	A
8,591,563	A-
14,180,088	BBB+
909,746	BBB
1,079,173	BBB-
<u>10,260,299</u>	No Rating
<u>\$ 60,667,237</u>	

Custodial Credit Risk - The risk that, in the event of a failure of the counterparty, the Retirement System would not be able to recover the value of its investments that are in the possession of another third party. The Retirement System's Investment Policy requires that all investment transactions shall be conducted through a custodian that will act as the Retirement System's third party. Securities shall be held by the custodian, as designated by the Retirement Board, and shall be evidenced by a custodial report. As of December 31, 2020, \$247,794,514 in investments was held in third-party safekeeping in the County's name.

Concentration of Credit Risk - The Retirement Board's investment policy states that no more than 5% of the Retirement System's assets may be invested with one issuer, except U.S. Treasuries and Agencies, which have no limitation. The Retirement System did not hold 5% or more in any one issuer.

Interest Rate Risk - The Retirement Board's adopted Statement of Investment Policy and Objectives places no limitation on the Retirement System's fixed income manager on the length to maturity for fixed income investments. Having staggered maturities will reduce the retirement system's risk exposure to rising interest rates. As of December 31, 2020, the Retirement System's investments had the following maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Years</u>			
		<u><1</u>	<u>1-5</u>	<u>6-10</u>	<u>>10</u>
Corporate Debt	\$ 60,667,237	\$ 26,159,579	\$ 17,489,806	\$ 13,637,540	\$ 3,380,312

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

Fair Value of Investments - The County categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable, or market-corroborated inputs; and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, the fair value measurements are categorized based on the lowest level input that is significant to valuation. The County's assessment of the significance of particular inputs used requires judgement and consideration of factors specific to each asset.

The County has the following recurring fair value measurements as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Commercial Paper	\$ -	\$ 9,099,605	\$ -	\$ 9,099,605
Corporate Debt	-	60,667,237	-	60,667,237
Stocks	162,498,009	-	-	162,498,009
Mutual Fund	15,211,952	-	-	15,211,952
U.S. Government/Agencies	-	9,417,316	-	9,417,316
	<u>\$ 177,709,961</u>	<u>\$ 79,184,158</u>	<u>\$ -</u>	256,894,119
Money Market Funds				48,422,557
Partnerships Valued at NAV				<u>63,129,396</u>
				<u>\$ 368,446,072</u>

The fair value of corporate debt and commercial paper are based on inputs (pricing) of similar assets at or near December 31, 2020.

Money market funds are recorded at amortized cost, which approximates fair value and these funds are not subject to the fair value disclosures under GASB Statement No. 72. The funds do not require notification of redemptions.

At year-end, the fair value, unfunded commitments, and redemption rules of the partnerships' investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Partnerships	\$ 63,129,396	\$ 6,092,158	Varies*	Varies*

* Redemption frequency and notice periods of each investment vary from the end of each quarter to not applicable through the commitment period.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 - RECEIVABLES:

Receivables at December 31, 2020 in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 17,954,110	\$ 4,502,393
Interest and accounts	1,788,317	3,135,334
Intergovernmental	<u>5,093,170</u>	<u>269,095</u>
	24,835,597	7,906,822
Less - allowance for uncollectible	<u>(503,475)</u>	<u>(85,000)</u>
	<u>\$ 24,332,122</u>	<u>\$ 7,821,822</u>

NOTE 5 - CAPITAL ASSETS:

Primary Government -

Capital asset activity of the primary government for the year ended December 31, 2020 was as follows:

	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance December 31, 2020</u>
Governmental Activities:				
Capital assets, not being depreciated -				
Land	\$ 13,017,848	\$ 376,959	\$ -	\$ 13,394,807
Construction in progress	<u>938,667</u>	<u>1,165,040</u>	<u>1,026,760</u>	<u>1,076,947</u>
Total capital assets, not being depreciated	<u>13,956,515</u>	<u>1,541,999</u>	<u>1,026,760</u>	<u>14,471,754</u>
Capital assets, being depreciated -				
Buildings	100,068,808	205,224	568,828	99,705,204
Improvements other than buildings	9,129,848	490,250	-	9,620,098
Machinery and equipment	22,878,693	1,771,911	707,273	23,943,331
Books	<u>6,332,301</u>	<u>301,398</u>	<u>337,085</u>	<u>6,296,614</u>
Total capital assets being depreciated	<u>138,409,650</u>	<u>2,768,783</u>	<u>1,613,186</u>	<u>139,565,247</u>
Less accumulated depreciation for -				
Buildings	41,893,113	2,603,662	191,050	44,305,725
Improvements other than buildings	4,685,274	496,466	-	5,181,740
Machinery and equipment	17,080,538	1,471,976	695,772	17,856,742
Books	<u>4,799,507</u>	<u>399,540</u>	<u>337,085</u>	<u>4,861,962</u>
Total accumulated depreciation	<u>68,458,432</u>	<u>4,971,644</u>	<u>1,223,907</u>	<u>72,206,169</u>
Total capital assets being depreciated, net	<u>69,951,218</u>	<u>(2,202,861)</u>	<u>389,279</u>	<u>67,359,078</u>
Governmental activities capital assets, net	<u>\$ 83,907,733</u>	<u>\$(660,862)</u>	<u>\$ 1,416,039</u>	<u>\$ 81,830,832</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 - CAPITAL ASSETS - (cont'd):

	Balance January 1, <u>2020</u>	<u>Additions</u>	Disposals/ <u>Adjustments</u>	Balance December 31, <u>2020</u>
Business-type Activities:				
Capital assets, not being depreciated -				
Land	\$ 2,160,779	\$ -	\$ -	\$ 2,160,779
Construction in progress	<u>3,794,696</u>	<u>180,534</u>	<u>237,953</u>	<u>3,737,277</u>
Total capital assets, not being depreciated	<u>5,955,475</u>	<u>180,534</u>	<u>237,953</u>	<u>5,898,056</u>
Capital assets, being depreciated -				
Buildings	8,216,477	6,147	-	8,222,624
Improvements other than buildings	34,539,421	446,984	-	34,986,405
Machinery and equipment	<u>9,351,232</u>	<u>176,838</u>	<u>17,684</u>	<u>9,510,386</u>
Total capital assets being depreciated	<u>52,107,130</u>	<u>629,969</u>	<u>17,684</u>	<u>52,719,415</u>
Less accumulated depreciation for -				
Buildings	2,944,197	317,960	-	3,262,157
Improvements other than buildings	24,247,151	1,009,634	-	25,256,785
Machinery and equipment	<u>4,851,790</u>	<u>494,220</u>	<u>17,684</u>	<u>5,328,326</u>
	<u>32,043,138</u>	<u>1,821,814</u>	<u>17,684</u>	<u>33,847,268</u>
Total capital assets, being depreciated, net	<u>20,063,992</u>	<u>(1,191,845)</u>	<u>-</u>	<u>18,872,147</u>
Business-type activities capital assets, net	<u>\$ 26,019,467</u>	<u>\$(1,011,311)</u>	<u>\$ 237,953</u>	<u>\$ 24,770,203</u>

Depreciation expense for 2020 was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Judicial	\$ 85,899
General Government	1,209,119
Public Safety	2,325,718
Health and Welfare	162,172
Recreation and Cultural	<u>1,184,648</u>
Total depreciation expense - governmental activities	4,967,556
Depreciation in the internal service fund	<u>4,088</u>
	<u>\$ 4,971,644</u>
Business-type Activities:	
Solid Waste Disposal System	\$ 1,530,798
Airport Commission	<u>291,016</u>
Total depreciation expense - business-type activities	<u>\$ 1,821,814</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 - CAPITAL ASSETS - (cont'd):

Construction/Purchase Commitments -

The County has committed to the following contracts at December 31, 2020 (These commitments do not include any change orders made after December 31, 2020):

	<u>Contract Amount</u>	<u>Payments Through 12/31/20</u>	<u>Accounts Payable/ Retention</u>	<u>Remaining Balance 12/31/20</u>
Landfill Cell Maintenance (a)	\$ 6,667,488	\$ 3,307,488	\$ -	\$ 3,360,000
Landfill Cell Construction (b)	5,754,289	3,863,428	-	1,890,861
Court Case Management Software System (c)	1,150,000	-	-	1,150,000
Camera Upgrade (d)	505,131	-	-	505,131
Airport Fixed-base Operator (e)	1,825,929	1,358,188	-	467,741

The County has open contracts at 12/31/20 for:

- (a) Cell maintenance at the landfill through December 31, 2024
- (b) Cell 8C construction
- (c) Case management software system for the Court
- (d) Camera upgrade for the Intervention Center
- (e) A fixed-base operator at the airport

Discretely Presented Component Units -

Drainage Districts - Activity for the Drainage Districts for the year ended December 31, 2020 was as follows:

	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2020</u>
Capital assets, not being depreciated:				
Right-of-ways	\$ 1,061,344	\$ 1,380	\$ -	\$ 1,062,724
Construction in progress	<u>2,935,285</u>	<u>208,070</u>	<u>-</u>	<u>3,143,355</u>
	<u>3,996,629</u>	<u>209,450</u>	<u>-</u>	<u>4,206,079</u>
Capital assets, being depreciated:				
Infrastructure	51,738,409	872,496	-	52,610,905
Equipment	<u>127,483</u>	<u>8,295</u>	<u>-</u>	<u>135,778</u>
	<u>51,865,892</u>	<u>880,791</u>	<u>-</u>	<u>52,746,683</u>
Less accumulated depreciation for:				
Infrastructure	10,635,695	793,781	-	11,429,476
Equipment	<u>99,275</u>	<u>14,698</u>	<u>-</u>	<u>113,973</u>
	<u>10,734,970</u>	<u>808,479</u>	<u>-</u>	<u>11,543,449</u>
Total capital assets being depreciated, net	<u>41,130,922</u>	<u>72,312</u>	<u>-</u>	<u>41,203,234</u>
Total capital assets, net	<u>\$ 45,127,551</u>	<u>\$ 281,762</u>	<u>\$ -</u>	<u>\$ 45,409,313</u>

Depreciation expense for 2020 was \$808,479.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 - CAPITAL ASSETS - (cont'd):

Road Commission - Activity for the Road Commission for the year ended December 31, 2020 was as follows:

	Balance January 1, 2020	Additions	Deletions/ Removals	Balance December 31, 2020
Capital assets, not being depreciated:				
Land	\$ 65,629	\$ -	\$ -	\$ 65,629
Land Improvements	23,757,337	660,975	-	24,418,312
Right of Ways	<u>3,222,046</u>	<u>2,111</u>	-	<u>3,224,157</u>
Total capital assets, not being depreciated	<u>27,045,012</u>	<u>663,086</u>	-	<u>27,708,098</u>
Capital assets, being depreciated:				
Building and Improvements	6,283,906	-	-	6,283,906
Road Equipment	16,468,435	3,499,349	144,481	19,823,303
Shop Equipment	748,740	-	3,319	745,421
Office Equipment	178,097	6,000	-	184,097
Engineering Equipment	320,784	-	-	320,784
Infrastructure -				
Roads	160,191,415	11,697,501	4,237,037	167,651,879
Bridges	91,444,969	3,283,108	-	94,728,077
Traffic Signals	460,813	-	-	460,813
Depletable Assets -				
Gravel Pits	<u>163,455</u>	<u>-</u>	<u>-</u>	<u>163,455</u>
	<u>276,260,614</u>	<u>18,485,958</u>	<u>4,384,837</u>	<u>290,361,735</u>
Less - accumulated depreciation for:				
Buildings and Improvements	3,588,206	152,947	-	3,741,153
Road Equipment	12,482,694	1,917,690	144,481	14,255,903
Shop Equipment	602,583	15,075	3,319	614,339
Office Equipment	171,728	4,988	-	176,716
Engineering Equipment	251,583	14,535	-	266,118
Infrastructure -				
Roads	74,575,242	8,193,567	4,237,037	78,531,772
Bridges	26,818,835	2,060,721	-	28,879,556
Traffic Signals	439,198	5,007	-	444,205
Depletable Assets	<u>46,342</u>	<u>-</u>	<u>-</u>	<u>46,342</u>
	<u>118,976,411</u>	<u>12,364,530</u>	<u>4,384,837</u>	<u>126,956,104</u>
Total capital assets being depreciated, net	<u>157,284,203</u>	<u>6,121,428</u>	-	<u>163,405,631</u>
Total capital assets, net	<u>\$ 184,329,215</u>	<u>\$ 6,784,514</u>	<u>\$ -</u>	<u>\$ 191,113,729</u>

Depreciation expense for 2020 was \$12,364,530.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 - CAPITAL ASSETS - (cont'd):

Department of Public Works - Activity for the Department of Public Works for the year ended December 31, 2020 was as follows:

	Balance January 1, 2020	Additions	Deletions/ Removals	Balance December 31, 2020
Business-type Activities:				
Capital assets, not being depreciated -				
Land	\$ 83,776	\$ -	\$ -	\$ 83,776
Capital assets being depreciated -				
Plant	11,494,198	27,905	-	11,522,103
Utility System	16,002,766	-	-	16,002,766
Machinery and Equipment	1,040,864	313,722	14,363	1,340,223
	<u>28,537,828</u>	<u>341,627</u>	<u>14,363</u>	<u>28,865,092</u>
Less - accumulated depreciation for -				
Plant	6,787,017	215,664	-	7,002,681
Utility System	11,288,291	266,713	-	11,555,004
Machinery and Equipment	647,270	143,183	14,363	776,090
	<u>18,722,578</u>	<u>625,560</u>	<u>14,363</u>	<u>19,333,775</u>
Total capital assets, being depreciated, net	<u>9,815,250</u>	<u>(283,933)</u>	<u>-</u>	<u>9,531,317</u>
Total capital assets, net	<u>\$ 9,899,026</u>	<u>\$(283,933)</u>	<u>\$ -</u>	<u>\$ 9,615,093</u>

Depreciation expense was charged to function/programs as follows:

Business-type activities - Water and Sewer	<u>\$ 625,560</u>
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Community Mental Health Authority - Activity for the Community Mental Health Authority for the year ended September 30, 2020 was as follows:

	Balance October 1, 2019	Additions	Disposals/ Adjustments	Balance September 30, 2020
Capital assets, not being depreciated -				
Land	\$ 1,451,477	\$ 168,907	\$ -	\$ 1,620,384
Non-depreciable equipment	5,252	-	-	5,252
Construction in progress	1,018,598	426,926	1,415,443	30,081
Total capital assets, not being depreciated	<u>2,475,327</u>	<u>595,833</u>	<u>1,415,443</u>	<u>1,655,717</u>
Capital assets, being depreciated -				
Building	14,901,434	1,234,323	-	16,135,757
Leasehold improvements	132,840	-	77,860	54,980
Equipment and Furniture	2,808,988	278,210	78,700	3,008,498
	<u>17,843,262</u>	<u>1,512,533</u>	<u>156,560</u>	<u>19,199,235</u>
Less accumulated depreciation for -				
Building	7,383,427	613,172	-	7,996,599
Leasehold improvements	87,423	6,488	38,931	54,980
Equipment	2,114,485	249,228	65,384	2,298,329
	<u>9,585,335</u>	<u>868,888</u>	<u>104,315</u>	<u>10,349,908</u>
Total capital assets, being depreciated, net	<u>8,257,927</u>	<u>643,645</u>	<u>52,245</u>	<u>8,849,327</u>
Total capital assets, net	<u>\$ 10,733,254</u>	<u>\$ 1,239,478</u>	<u>\$ 1,467,688</u>	<u>\$ 10,505,044</u>

Depreciation expense for 2020 was \$868,888.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 - PAYABLES:

Payables at December 31, 2020 in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accounts payable/accrued expenses	\$ 3,472,132	\$ 737,259
Wages and fringe benefits	1,399,786	14,097
Accrued interest	244,033	53,308
Intergovernmental	<u>313,848</u>	<u>39,330</u>
	<u>\$ 5,429,799</u>	<u>\$ 843,994</u>

NOTE 7 - INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS:

The composition of interfund balances as of December 31, 2020 is as follows:

Due To/From Other Funds -

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government - Delinquent Tax Revolving Fund	Combined General Fund CARES Act	\$ 5,600,000 (1) <u>715,000 (1)</u>
		<u>\$ 6,315,000</u>

(1) Amount due between funds for short fall in common cash

Advances From/To Primary Government & Component Unit -

<u>Receivable Entity</u>	<u>Payable Entity</u>	
Primary Government - Combined General Fund	Component Unit - Drainage Districts	<u>\$ 1,340,000 (1)</u>

(1) Represents the long-term loan between entities for operating cash flow purposes (\$50,000) and capital purposes (\$1,290,000)

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 - INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS - (cont'd):

Transfers From/To Other Funds -

<u>Receiving Fund</u>	<u>Expending Fund</u>	<u>Amount</u>
Combined General	Drug Task Force	\$ 481,093 (4)
	Solid Waste Disposal System	900,000 (5)*
	E-911	1,050,396 (4)
Nonmajor Governmental Funds -		
Convention Center	Combined General	100,000 (1)
	Solid Waste Disposal System	520,131 (1)*
Health Department	Combined General	1,701,420 (1)
Human Services	Combined General	29,001 (1)
Child Care	Combined General	2,957,008 (1)
Indigent Defense	Combined General	560,173 (1)
Public Improvement	Combined General	1,110,775 (3)
	Commissary	40,945 (3)*
Jail/Juvenile Facility Debt	Delinquent Tax Revolving	2,058,037 (2)*
Building Authority Debt	Combined General	1,508,378 (2)
Communications Series 2009 Debt	Combined General	580,700 (2)
Nonmajor Enterprise Fund -		
Airport Commission	Solid Waste Disposal System	<u>210,000 (1)</u>
Total Transfers		<u>\$ 13,808,057</u>

(1) Annual appropriations for operations

(2) Transfers for the payment of debt

(3) Transfers for construction/equipment

(4) Transfers to cover costs

(5) Transfer to cover road appropriation

* Transfer between governmental and business-type activities

NOTE 8 - LEASES:

Primary Government

Lessor Leases - The County has entered into an operating lease agreement with the State of Michigan to lease approximately 49.3% (33,694 square feet) of the County Administration Building with a cost of \$16,600,373 and accumulated depreciation of \$8,497,664. The agreement calls for annual rent payments of \$681,333 per year with an adjustment based on actual operating cost after the end of each year. The original lease is for 25 years ending July 31, 2022 with an option to rent for an additional five years. However, the lease may be cancelled with the State for various reasons with at least 60 days' notice. The noncancelable portion of the lease is \$113,556.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 - LEASES - (cont'd):

The County has also entered into a capital lease agreement with the Community Mental Health Authority, a component unit of the County, for the use of the Community Mental Health building. Under this agreement, the County issued bonds that were used for the construction of the facility. The Community Mental Health Authority has agreed to pay the County the amount necessary to pay the principal, interest, and paying agent fees as they come due. Upon final payment of the bond issue, ownership of the building will revert to the Community Mental Health Authority. The building asset has been recorded in the financial statements of the Community Mental Health Authority.

The future minimum lease payments to be received are as follows:

	<u>Principal</u>	<u>Interest</u>
2021	\$ 795,000	\$ 210,500
2022	790,000	178,800
2023	840,000	142,000
2024	845,000	99,875
2025	900,000	56,250
2026	<u>900,000</u>	<u>16,875</u>
Total Receivable	<u>\$ 5,070,000</u>	<u>\$ 704,300</u>

Component Unit - Department of Public Works

Lessor Leases - The DPW has entered into a number of capital lease agreements with various municipalities within the County. Under the agreements, the County issued bonds or obtained loans that were used for the construction of water and/or sewage disposal systems. The municipalities agreed to pay the DPW the amount necessary to pay the principal, interest and paying agent fees as they come due. Upon final payment of the respective bonds or loans, ownership of the system will revert to the respective municipality. Therefore, the County has recorded no assets relating to these projects.

The future minimum lease payments to be received are as follows:

	<u>Principal</u>	<u>Interest</u>
2021	\$ 585,000	\$ 119,686
2022	600,000	102,616
2023	610,000	84,940
2024	475,000	68,767
2025	480,000	54,252
2026-2030	1,346,954	83,318
2031-2034	<u>61,019</u>	<u>3,852</u>
	<u>\$ 4,157,973</u>	<u>\$ 517,431</u>

The aggregate future capital lease payments necessary for the retirement of the debt principal and accrued interest payable at December 31, 2020 have been reported net of available cash as a capital lease receivable.

Principal due	\$ 4,157,973
Accrued interest	<u>26,846</u>
	4,184,819
Less - Cash available after current liabilities	<u>(530,604)</u>
	<u>\$ 3,654,215</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES:

PRIMARY GOVERNMENT -

The following is a summary of changes in the long-term debt (including current portions) of the Primary Government for the year ended December 31, 2020:

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
<u>Governmental Activities:</u>					
Governmental Funds -					
General Obligation Bonds -					
2012 Refunding Bonds	\$ 16,945,000	\$ -	\$ 13,760,000	\$ 3,185,000	\$1,540,000
2012 General Obligation Bonds	7,735,000	-	225,000	7,510,000	230,000
2013 Refunding Bonds	1,515,000	-	770,000	745,000	745,000
2015 Refunding Bonds, Series A	5,820,000	-	750,000	5,070,000	795,000
2015 Refunding Bonds, Series B	805,000	-	390,000	415,000	415,000
2017 Refunding Bonds	1,360,000	-	245,000	1,115,000	245,000
2020 Refunding Bonds	-	13,305,000	-	13,305,000	235,000
Amounts for -					
Issuance Premiums	1,977,920	-	1,063,197	914,723	288,037
Other direct borrowings -					
Drain Districts	3,438,118	177,930	355,318	3,260,730	318,315
Other liabilities -					
Accumulated Vacation, Sick, & Compensatory Leave	<u>5,284,711</u>	<u>1,487,959</u>	<u>788,265</u>	<u>5,984,405</u>	<u>790,000</u>
Total Governmental Funds	<u>44,880,749</u>	<u>14,970,889</u>	<u>18,346,780</u>	<u>41,504,858</u>	<u>5,601,352</u>
Internal Service Fund -					
Other liabilities -					
Workers' Compensation Claims Liability	147,000	182,685	104,685	225,000	225,000
General, Auto, & Property Insurance Claims Liability	<u>192,000</u>	<u>235,571</u>	<u>67,571</u>	<u>360,000</u>	<u>167,000</u>
Total Internal Service Fund	<u>339,000</u>	<u>418,256</u>	<u>172,256</u>	<u>585,000</u>	<u>392,000</u>
Total Governmental Activities	<u>45,219,749</u>	<u>15,389,145</u>	<u>18,519,036</u>	<u>42,089,858</u>	<u>5,993,352</u>
<u>Business-type Activities:</u>					
Enterprise Funds -					
Solid Waste Disposal System -					
General Obligation Bonds -					
2010 General Obligation	5,709,280	-	345,000	5,364,280	355,000
2014 General Obligation	3,221,152	78,848	135,000	3,165,000	140,000
Other liabilities -					
Closure and Post-closure Costs	7,280,163	489,447	-	7,769,610	-
Accumulated Vacation, Sick, & Compensatory Leave	32,915	2,498	-	35,413	-
Airport Commission -					
Other liabilities -					
Accumulated Vacation, Sick, & Compensatory Leave	<u>14,718</u>	<u>-</u>	<u>2,936</u>	<u>11,782</u>	<u>-</u>
Total Enterprise Funds	<u>16,258,228</u>	<u>570,793</u>	<u>482,936</u>	<u>16,346,085</u>	<u>495,000</u>
Total Primary Government	<u>\$ 61,477,977</u>	<u>\$ 15,959,938</u>	<u>\$ 19,001,972</u>	<u>\$ 58,435,943</u>	<u>\$ 6,488,352</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

Significant details regarding outstanding long-term debt (including current portions) are presented as follows:

2012 Refunding Bonds -

The County issued \$24,365,000 of general obligation limited tax refunding bonds to provide resources to purchase U.S. Government, State, and Local series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$25,800,000 of 2003 General Obligation limited tax bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. These bonds were partially refunded with the 2020 Refunding Bonds. The bonds, dated June 4, 2012, are due in annual installments ranging from \$540,000 to \$1,645,000 through April 1, 2022, with interest ranging from 4.00% to 5.00%, payable semi-annually.

\$ 3,185,000

2012 General Obligation Bonds -

The County issued \$9,000,000 of General Obligation Limited Tax Bonds, pursuant to the provisions of Act 34 Public Acts of Michigan of 2001. The bonds were issued for the cost of acquiring, constructing, and equipping a Convention Center. The bonds, dated September 11, 2012, are due in annual installments ranging from \$230,000 to \$490,000 through April 1, 2042, with interest ranging from 2.25% to 5.00%, payable semi-annually.

\$ 7,510,000

2013 Refunding Bonds -

The County issued \$5,380,000 of limited tax general obligation refunding bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$5,020,000 of 2004 Building Authority refunding bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The bond, dated June 20, 2013, is due on April 1, 2021, with interest of 2.45%.

\$ 745,000

2015 Refunding Bonds, Series A -

The County issued \$7,480,000 of General Obligation Limited Tax Refunding Bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$8,000,000 of 2007 General Obligation Series A Bonds. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column in the statement of net position. The bonds, dated April 15, 2015, are due in annual installments ranging from \$795,000 to \$900,000 through April 1, 2026, with interest ranging from 3.75% to 5.00%, payable semi-annually.

\$ 5,070,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

2015 Refunding Bonds, Series B -

The County issued \$1,800,000 of General Obligation Limited Tax Refunding Bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$1,850,000 of 2007 General Obligation Series B Bonds. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column in the statement of net position. The bond, dated April 15, 2015, is due on April 1, 2021, with interest of 4.00%.

\$ 415,000

2017 Refunding Bonds -

The County issued \$1,595,000 of General Obligation Limited Tax Refunding Bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$1,625,000 of 2009 General Obligation Bonds. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column in the statement of net position. The bonds, dated August 11, 2017, are due in annual installments of \$245,000 to \$315,000 through April 1, 2024 with interest of 4.00%, payable semi-annually.

\$ 1,115,000

2020 Refunding Bonds -

The County issued \$13,305,000 of limited tax obligation refunding bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$12,270,000 of 2012 Refunding Bonds. As a result, the refunded bonds are considered to be defeased, and the liability has been removed from the governmental activities column of the statement of net position. The refunding resulted in an economic gain of \$900,662, reducing debt service payments by \$970,584 over the life of the bond. The bonds, dated March 11, 2020, are due in annual installments ranging from \$235,000 to \$2,300,000 through April 1, 2028, with interest ranging from 1.591% to 2.172%, payable semi-annually.

\$ 13,305,000

2010 General Obligation Bonds -

The County issued \$14,045,000 of General Obligation Limited Tax Bonds through the Michigan Municipal Bond Authority to finance the construction of the Landfill Leachate System, of which \$5,096,000 or 36.30% of the bonds are forgivable. At December 31, 2019, the County had drawn \$12,605,659, including the forgivable portion of \$5,096,000. The bonds, dated January 22, 2010, are due in annual installments ranging from \$355,000 to \$474,280 through October 1, 2033, with interest of 2.50%, payable semi-annually.

\$ 5,364,280

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

2014 General Obligation Bonds -

The County issued \$6,870,000 of General Obligation Limited Tax Bonds through the Michigan Municipal Bond Authority to finance the construction of the Landfill Leachate System, of which \$3,435,000 or 50% of the bonds are forgivable. A capital grant has been reported for the forgivable portion of the obligation of \$3,434,990 in previous years. At December 31, 2020, the County had drawn \$6,869,990. The bonds, dated June 25, 2014, are due in annual installments ranging from \$140,000 to \$215,000 through April 1, 2038, with interest of 2.50% payable semi-annually.

\$ 3,165,000

The proceeds of the 2004, 2012, 2013, 2015A, 2015B, 2017, and 2020 Refunding Bond issues were placed in special escrow accounts and are invested in securities of the U.S. Government and its agencies. The maturities of these investments coincide with the principal and interest payments on the extinguished debts and are sufficient to pay all principal and interest on the 1996 and 2003 General Obligation Bonds, 2004 Refunding Bonds, and the 2007A, 2007B, and 2009 General Obligation Bonds when due. Accordingly, the trust account assets and liabilities for the defeased bonds outstanding are not included in the Financial Statements. At December 31, 2020, the defeased bonds outstanding were \$800,000, \$16,350,000, \$780,000, \$5,400,000, \$425,000, \$1,150,000, and \$12,270,000, respectively.

Drain Districts -

The St. Clair County Drain Commission has made improvements to various drains and levied multi-year assessments against the County.

\$ 3,260,730

Accrued Workers' Compensation Claims -

The County has estimated accrued outstanding workers' compensation insurance claims, including an estimate for claims incurred but not reported (IBNR), at December 31, 2020. The dollar amount of these claims is reflected on the Balance Sheet of the Self-Insurance Fund as a current obligation.

\$ 225,000

Accrued Insurance Claims -

The County has estimated the accrued claims for general and auto liability, motor vehicle physical damage and property, including estimates for claims incurred but not reported (IBNR), at December 31, 2020. The dollar amount of these claims is reflected on the Balance Sheet of the Self-Insurance Fund, including the current portion of \$167,000.

\$ 360,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

Accrued Vacation, Sick, and Compensatory Leave - In accordance with contracts negotiated with the various employee groups of the County, individual employees have vested rights upon termination of employment to receive payments for unused vacation, sick and compensatory leave under formulas and conditions specified in the contracts. The Enterprise Funds portion of \$47,195 has been recorded as a long-term liability on the government-wide and fund level financial statements. The governmental activities portion of \$5,984,405 has been recorded in the government-wide financial statements as a long-term liability. The governmental activities portion is generally liquidated by the Combined General Fund or other governmental fund where the employee is charged.

Closure and Post-Closure Costs - In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 18, the closure and post-closure care landfill liability at December 31, 2020, as reported in the Solid Waste Disposal System (Enterprise Fund/business activities), amounts to \$7,769,610. See Note 17 for additional information.

Letters of Credit - The County Landfill has letters of credit as a surety bond issued to the Michigan Department of Environmental Quality for \$2,595,000, to the Belle River Watershed Bank for \$138,400, to the Wetland - Stocks Creek Drain for \$149,062, and to Wetland - Stocks Creek II for \$60,000. The letters are set to mature August 1, 2021, January 5, 2021, and June 1, 2021 for the Michigan Department of Environmental Quality, the Belle River Watershed Bank, and the Stocks Creek Wetlands, respectively, with interest at the prime rate. As of December 31, 2020, there have been no claims on the letters of credit.

The County has a letter of credit issued for \$146,250 for the Day Treatment/Night Watch Wetlands. The letter is set to mature September 21, 2021 with interest at prime rate. As of December 31, 2020, there have been no claims on the letter of credit.

Annual Debt Requirements - The annual requirements to pay the debt outstanding at December 31, 2020 for the following bonds and notes of Primary Government are as follows:

Year Ending December 31,	<u>Refunding Bonds</u>		<u>G.O. Limited Tax Bonds</u>		<u>Drain Districts</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 3,975,000	\$ 618,643	\$ 725,000	\$ 487,500	\$ 318,315	\$ 145,759
2022	2,940,000	484,078	750,000	467,388	320,920	132,206
2023	3,085,000	385,121	770,000	446,088	323,668	118,509
2024	3,170,000	297,976	790,000	425,388	318,677	104,811
2025	3,005,000	212,215	810,000	404,047	314,971	90,953
2026-2030	7,660,000	230,272	4,400,000	1,673,235	1,055,190	270,234
2031-2035	-	-	4,069,280	1,002,679	426,172	99,648
2036-2040	-	-	2,760,000	410,500	182,817	14,270
2041-2043	-	-	965,000	36,470	-	-
	<u>\$ 23,835,000</u>	<u>\$ 2,228,305</u>	<u>\$ 16,039,280</u>	<u>\$ 5,353,295</u>	<u>\$ 3,260,730</u>	<u>\$ 976,390</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

COMPONENT UNITS -

The following is a summary of changes in long-term debt (including current portions) of the Component Units for the year ended December 31, 2020:

	Balance January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2020</u>	Due Within <u>One Year</u>
Department of Public Works (DPW) -					
General Obligation Bonds	\$ 2,746,019	\$ -	\$ 405,000	\$ 2,341,019	\$ 345,000
Other direct borrowings -					
Drinking Water Revolving Loan	<u>2,586,954</u>	<u>-</u>	<u>770,000</u>	<u>1,816,954</u>	<u>240,000</u>
Total DPW	<u>5,332,973</u>	<u>-</u>	<u>1,175,000</u>	<u>4,157,973</u>	<u>585,000</u>
Road Commission -					
Other liabilities -					
Accrued Vacation & Sick	<u>460,000</u>	<u>578,000</u>	<u>626,000</u>	<u>412,000</u>	<u>328,000</u>
Drainage Districts -					
General Obligation Bonds Payable	14,902,000	-	1,164,000	13,738,000	1,171,000
Amounts for -					
Issuance Premiums	65,616	-	3,453	62,163	3,453
Issuance Discounts	(64,051)	-	(7,117)	(56,934)	(7,117)
Other direct borrowings -					
Notes Payable	2,751,882	2,651,000	2,240,823	3,162,059	150,924
Loans Payable	<u>2,741,000</u>	<u>-</u>	<u>200,000</u>	<u>2,541,000</u>	<u>201,000</u>
Total Drainage Districts	<u>20,396,447</u>	<u>2,651,000</u>	<u>3,601,159</u>	<u>19,446,288</u>	<u>1,519,260</u>
Land Bank Authority -					
Other direct borrowings -					
Notes Payable	<u>8,449</u>	<u>-</u>	<u>-</u>	<u>8,449</u>	<u>-</u>
Brownfield Redevelopment Authority -					
Other direct borrowings -					
Notes Payable	280,000	-	-	280,000	27,391
Tipping Fees	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total Brownfield Authority	<u>380,000</u>	<u>-</u>	<u>-</u>	<u>380,000</u>	<u>27,391</u>
Community Mental Health Authority (A) -					
Other direct borrowings -					
Notes Payable	1,826,668	1,030,000	774,248	2,082,420	120,986
Contracts Payable	5,820,000	-	750,000	5,070,000	795,000
Amounts for -					
Issuance Premiums	573,411	-	88,217	485,194	88,217
Other liabilities -					
Accrued Vacation & Sick	<u>1,672,389</u>	<u>1,811,828</u>	<u>1,510,152</u>	<u>1,974,065</u>	<u>1,600,000</u>
Total Mental Health	<u>9,892,468</u>	<u>2,841,828</u>	<u>3,122,617</u>	<u>9,611,679</u>	<u>2,604,203</u>
Total Component Units	<u>\$ 36,470,337</u>	<u>\$ 6,070,828</u>	<u>\$ 8,524,776</u>	<u>\$ 34,016,389</u>	<u>\$ 5,063,854</u>

(A) October 1, 2019 through September 30, 2020

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

Department of Public Works -

General Obligation Bonds -

General Obligation Bonds have been issued by the County to construct several water supply and sewage disposal systems for various townships, villages and cities in the County. The County in turn is leasing the systems to the various municipalities who operate, maintain and manage the systems. The bonds were sold with the full faith and credit of the Townships, Villages, Cities, and County pursuant to Act 185, Public Acts of Michigan, 1957, as amended.

The principal and interest on the bonds are to be paid out of money received from the various municipalities by the Board of Public Works pursuant to the lease agreements. Upon final payment of the bond issues, ownership of the systems reverts to the townships, villages or cities. General Obligation Bonds currently outstanding are as follows:

	<u>Interest Rate (Percent)</u>	<u>Principal Balance</u>
Governmental Activities (G.O. Bonds) -		
Water Supply System No. XII - Series 2008 Bonds (Cottrellville Township)	4.30-5.00	\$ 600,000
Water Supply System No. XIIA - Series 2009 Bonds (Cottrellville Township)	4.00-4.20	<u>1,125,000</u> 1,725,000
Sewage Disposal System I - 2012 Refunding Bonds (City of Algonac and Ira Township)	2.000-2.625	<u>405,000</u>
Total G.O. Bonds - Governmental Activities		<u>2,130,000</u>

Business-type Activities -

2014 General Obligation Bonds -

The Department of Public Works issued \$585,000 of General Obligation Limited Tax Bonds through the Michigan Municipal Bond Authority to finance construction at the Sewage Disposal System, of which \$292,500 or 50% of the bonds are forgivable. At December 31, 2020, the DPW had drawn \$583,519, including the forgivable portion of \$292,500. The bonds, dated July 1, 2014, are due in annual installments, ranging from \$10,000 to \$20,000 through October 1, 2034 with interest of 2.5%, payable semi-annually.

	<u>211,019</u>
Total G.O. Bonds	<u>\$ 2,341,019</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

Drinking Water Revolving Loans -

Department of Environmental Quality Bonds have been sold through the State of Michigan Drinking Water Revolving Fund to construct water supply systems for three (3) townships in the County. The County, in turn, is leasing the systems to the townships and city that operate, maintain, and manage the systems. The full faith and credit of the townships, city, and County are pledged for the payments to the Drinking Water Revolving Fund. The original amount of the Drinking Water Revolving Fund loans drawn in prior years was \$13,006,954.

The principal and interest on the bonds are to be paid out of money received from the various municipalities by the Board of Public Works of the County pursuant to the lease agreements. Upon final payment of the loans, ownership of the systems reverts to the townships or city. Drinking Water Revolving Fund loans outstanding are as follows:

Governmental Activities (Revolving Loans) -

	<u>Interest Rate (Percent)</u>	<u>Principal Balance</u>
Water Supply System XI Series 2006 (Ira Township)	2.125	\$ <u>1,816,954</u>

Annual debt service requirements to maturities are as follows:

<u>Year Ending December 31,</u>	<u>General Obligation Bonds</u>		<u>Drinking Water Revolving Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 345,000	\$ 83,626	\$ 240,000	\$ 36,060
2022	350,000	71,762	250,000	30,854
2023	355,000	59,452	255,000	25,488
2024	215,000	48,750	260,000	20,017
2025	215,000	39,814	265,000	14,438
2026-2030	800,000	71,621	546,954	11,697
2031-2034	<u>61,019</u>	<u>3,852</u>	<u>-</u>	<u>-</u>
	\$ <u>2,341,019</u>	\$ <u>378,877</u>	\$ <u>1,816,954</u>	\$ <u>138,554</u>

Road Commission -

Letter of Credit -

The Road Commission has a letter of credit as a surety bond issued to the Michigan Department of Environmental Quality for \$40,250. The letter is set to mature on August 2, 2021 with interest of 1.0% in excess of the prime rate and collateralized by a hold on a checking account. As of December 31, 2020, there have been no claims on the letter of credit.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

Accrued Sick and Vacation -

In accordance with contracts negotiated with the various employee groups of the Road Commission, individual employees have a vested right upon termination of employment to receive payment for unused sick leave and vacation under formulas and conditions specified in the contracts. The dollar amount of these vested rights, which has been accrued on the financial statements, amounted to approximately \$116,000 for sick leave and \$296,000 for vacation at December 31, 2020.

Drainage Districts -

Bonds Payable -

Blue River Gardens Drain Drainage District Bonds -

In February 2008, the Blue River Gardens Drain Drainage District issued \$555,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due June 1 of each year through 2027 with interest due semi-annually at interest rates ranging from 4.40% to 5.10%. \$ 210,000

Bunce Creek & Huffman Drain Drainage District Bonds -

In March 2009, the Bunce Creek & Huffman Drain Drainage District issued \$4,625,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due on April 1 of each year through 2029 with interest due semi-annually at interest rates ranging from 4.500% to 5.375%. 2,250,000

Gossman and Branches Drain Drainage District Bonds -

In February 2012, the Gossman and Branches Drain Drainage District issued \$1,900,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due May 1 of each year through 2027 with interest of 3.15% due semi-annually. 875,000

Cox-Doty and Stein Drain Drainage District and Railroad and Branches Drain Drainage District Bonds -

In December 2009, the Cox-Doty and Stein Drain and Railroad Drain Drainage Districts issued \$2,380,000 of bonds for improvements to the drainage districts. The bonds will be paid from special assessments against property and public corporations within the drainage districts. Principal on the bonds is due on May 1 of each year through 2030 with interest due semi-annually at interest rates ranging from 4.00% to 4.50%. 1,470,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

Pelton Drain Drainage District Bonds -

In August 2011, the Pelton Drain Drainage District issued \$1,300,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due April 1 of each year through 2031 with interest due semi-annually at 4.25%. \$ 745,000

Lakeland Drain Drainage District Bonds -

In July 2014, the Lakeland Drain Drainage District issued \$675,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each June 1 through 2024 with interest due semi-annually at 2.52%. 265,000

Lester Bammel Drain Drainage District Bonds -

In October 2015, the Lester Bammel Drain Drainage District issued \$915,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due on June 1 of each year through 2030 with interest due semi-annually at interest rates ranging from 3.00% to 4.00%. 655,000

Marine City Drain Drainage District Bonds -

In November 2016, the Marine City Drain Drainage District issued \$960,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due June 1 of each year through 2026 with interest due semi-annually at rates ranging from 1.65% to 2.50%. 580,000

Meldrum Drain Drainage District Bonds -

In January 2017, the Meldrum Drain Drainage District issued \$620,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each June 1 through 2027 with interest due semi-annually at 2.98%. 440,000

Forrest Manor Drainage District Bonds -

Department of Agriculture Bonds have been sold for \$2,535,000 to finance the acquisition, construction, furnishing, and equipping of improvements to the Forrest Manor Drainage District. Payments on the bonds will be paid through special assessments to the drainage district. Principal payments on the bonds are due on March 1 of each year through 2046 with interest payable semi-annually at 2.25%. 2,288,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

Green Drain Drainage District Bonds -

In March 2018, the Green Drain Drainage District issued \$1,465,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due each March through 2038 with interest due semi-annually at rates ranging from 3.00%-4.00%. \$ 1,320,000

Stocks Creek and Branches Drain Drainage District Bonds -

In February 2018, the Stocks Creek and Branches Drain Drainage District issued \$560,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each March 1 through 2038 with interest due semi-annually at rates ranging from 3.20%-4.00%. 510,000

In March 2018, the Stocks Creek and Branches Drain Drainage District issued \$2,360,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each March 1 through 2038 with interest due semi-annually at rates ranging from 3.00%-4.00%. 2,130,000
\$ 13,738,000

Loans -

Department of Environmental Quality Bonds have been sold for \$2,425,000 and \$560,000 through the State of Michigan Clean Water Revolving Fund to construct sanitary sewer improvements, including two sanitary sewage pump stations and a treatment lagoon for the South Branch Pine River Drain Drainage District. Payments on the loans will be paid through special assessments. Principal on the bonds is due on April 1 of each year through 2028 with interest due semi-annually at interest rates of 1.625% and 2.50%, respectively, for each of the bonds. \$ 1,360,000

Department of Agriculture Bonds have been sold for \$1,520,000 to finance the acquisition, construction, furnishing and equipping of improvements to the Number 211, Avoca Wastewater Treatment Project Drainage District. Payments on the loan will be paid through special assessments to the drainage district. Principal payments on the loan are due on September 1 of each year through 2039 with interest payable semi-annually at 4.25%. 1,181,000
\$ 2,541,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

Notes Payable -

St. Clair County, through the Drain Commission, administers the construction of drains, which are deemed to benefit properties against which special assessments are levied. To finance the construction, notes are issued in accordance with the provisions of Act No. 40 of the Michigan Public Acts of 1956, as amended by Act No. 71, Public Acts of 1976 or has received loans from the primary government. Repayment of the notes is made from the special assessment revenues, payment from other government units, etc. During the year, the Drain Commission did not issue drain notes. The balance of the obligations at December 31, 2020 was as follows:

	<u>Interest Rate</u>	<u>Amount</u>
Governmental Activities -		
No. 202	1.05 %	\$ 136,000*
Richmond/Columbus Intercounty Drain	4.70	42,392
Fueslein Drain	3.75	54,000*
Howe Brandymore & Branches Drain	2.09	2,150,000
Macomb County Drain	2.00	144,000*
State Road Drain	2.77	365,000
Barringer Drain	3.77	203,000
Shea Drain	3.50	<u>67,667*</u>
		<u>\$ 3,162,059</u>

* Amounts held by Primary Government

Annual debt service requirements to maturities are as follows:

Year Ended December 31,	<u>Bonds</u>		<u>Notes</u>		<u>Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,171,000	\$ 468,317	\$ 184,924	\$ 69,339	\$ 201,000	\$ 73,136
2022	1,177,000	425,174	2,292,534	70,772	203,000	68,531
2023	1,179,000	381,729	142,534	25,572	210,000	63,801
2024	1,190,000	337,801	124,534	25,655	212,000	58,945
2025	1,137,000	295,028	90,533	26,617	224,000	53,900
2026-2030	4,548,000	886,974	202,000	71,601	812,000	195,083
2031-2035	1,575,000	364,797	125,000	10,404	345,000	116,238
2036-2040	1,110,000	140,582	-	-	334,000	36,254
2031-2045	536,000	49,680	-	-	-	-
2046	<u>115,000</u>	<u>2,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,738,000</u>	<u>\$ 3,352,670</u>	<u>\$ 3,162,059</u>	<u>\$ 299,960</u>	<u>\$ 2,541,000</u>	<u>\$ 665,888</u>

Land Bank Authority -

Notes Payable -

The Land Bank Authority issued notes in accordance with Provisions of Act No. 40 of the Michigan Public Acts of 1956, as Amended by Act No. 71 of the Public Acts of 1976. The Land Bank Authority has received a loan from the primary government to acquire foreclosed properties within the County. Repayment of the promissory notes will be made when the properties are ultimately sold. The balance at December 31, 2020 was \$8,449.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

Brownfield Redevelopment Authority -

Notes Payable -

The Authority entered into an agreement with the City of Marine City for a loan on a site within the City. The loan payments are to begin in 2022, however, have no early payment penalty. Interest is due at a rate of 1.50% beginning in 2022. If payoff is made prior to that date, no interest will be paid. \$ 280,000

As part of the clean-up of the City of Marine City, tipping fees were charged to the Brownfield Redevelopment Authority and will be paid with taxes captured. Payment of fees will be made after all notes are repaid. 100,000

\$ 380,000

Annual debt service requirements at December 31, 2020 are as follows:

<u>Year Ending December 31,</u>	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 27,391	\$ -
2022	23,602	3,789
2023	23,956	3,435
2024	24,316	3,075
2025	24,680	2,711
2026-2030	129,068	7,890
2031-2033	<u>126,987</u>	<u>405</u>
	<u>\$ 380,000</u>	<u>\$ 21,305</u>

Community Mental Health Authority -

Loans Payable -

In August 2007, the Community Mental Health Authority entered into a loan agreement for \$1,250,000 for the purchase of six homes, which will be used to provide mental health services. The loan was refinanced in August 2017 for \$935,062. The loan agreement calls for 59 monthly payments of \$7,064 beginning September 18, 2017 including interest of 4.25% through August 18, 2022, at which time the remaining balance is due. \$ 785,795

On August 27, 2018, the Community Mental Health Authority entered into a promissory note for the purchase of the Mayfield Drive home for \$198,400. The note is to be repaid in monthly installments of \$1,946 including interest of 3.28% through August 27, 2023, at which time the remaining balance is due. The note is secured by the home and an assignment of any leases and rents. 161,673

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 - LONG-TERM LIABILITIES - (cont'd):

On April 7, 2020, a note of \$675,119 was rolled over into a five-year note for \$1,030,000 to cover a prior capital purchase and an additional purchase of land and other improvements. The note calls for fifty-nine (59) payments of \$5,730, including interest of 2.99%, with a final payment of \$833,448. The note is secured by the building with additional collateral by way of a second real estate mortgage on the property financed in the above note. \$ 1,014,104

On October 1, 2013, a term loan was entered into for \$191,641. The loan calls for 59 monthly payments of \$1,540 including interest of 5.17% with a final payment of \$145,108 on October 1, 2018. The note was refinanced in December 2018 for \$143,891. The loan agreement calls for 58 monthly payments of \$1,540 beginning December 2018 including interest of 5.17% through September 2023, at which time the remaining balance is due. The note is secured by the property. 120,848
\$ 2,082,420

Contracts Payable -

The Community Mental Health Authority and County modified their lease agreement with the refunding of the bonds used to purchase, construct, and equip the office building of the Authority. Upon the retirement of debt, the site will be deeded to the Authority. The bonds, dated April 15, 2015, are due in annual installments of \$650,000 to \$900,000 through April 11, 2026 with interest ranging from 3.75% to 5.00% payable semi-annually. \$ 5,070,000

Accrued Vacation and Sick -

In accordance with contracts negotiated with various employee groups of the Community Mental Health Authority, individual employees have vested rights upon termination of employment to receive payments for unused vacation and sick leave under formulas and conditions specified in the contract. As of September 30, 2020, the vested benefits amounted to \$1,974,065.

Annual debt service requirements to pay the debt outstanding at September 30, 2020 are as follows:

Year Ended September 30,	Notes Payable		Contracts Payable	
	Principal	Interest	Principal	Interest
2021	\$ 120,986	\$ 74,371	\$ 795,000	\$ 210,500
2022	805,572	67,112	790,000	178,800
2023	179,340	36,071	840,000	142,000
2024	123,773	26,916	845,000	99,875
2025	852,749	14,827	900,000	56,250
2026	-	-	900,000	16,875
	<u>\$ 2,082,420</u>	<u>\$ 219,297</u>	<u>\$ 5,070,000</u>	<u>\$ 704,300</u>

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 10 - RETIREMENT PLAN:

DEFINED BENEFIT PLAN

Two years of information on the pension plan (the "Plan") is presented. The current year is presented for the Plan to satisfy requirements of GASB Statement No. 67, and the prior year is presented as the measurement date for reporting the liability of the employer to satisfy requirements of GASB Statement No. 68.

Plan Description -

The St. Clair County Retirement System is a single-employer defined benefit Plan, which was established by County ordinance in 1964 to provide retirement and pension benefits for eligible employees of St. Clair County, the St. Clair County Road Commission and St. Clair County Community Mental Health Authority. Employees not in this plan are covered by a defined contribution plan. Effective January 1, 2016, the Plan is closed to all but the Sheriff deputies bargaining unit. The system is administered, managed, and operated by a Board composed of 9 Trustees, the chairperson of the Board of Commissioners, or their appointee, a member of the Board of Commissioners, a member of the St. Clair County Road Commission Board, one appointed citizen, four elected employees of the retirement system, and one retired member elected by the retired members. The benefit provisions are governed by Act No. 427 of the Michigan Public Acts of 1984, as amended. The Plan may be amended by the County Board of Commissioners. The Plan is audited within the scope of the audit of the basic financial statements. Separate audited financial statements are not issued.

The membership at December 31, 2019 was composed of 549 active participants, 766 retirees and beneficiaries, and 142 inactive but vested members. The membership at December 31, 2018 was composed of 578 active participants, 740 retirees and beneficiaries, and 144 inactive but vested members. In general, all employees are eligible for regular retirement as follows:

Sheriff Department - 25 years of service regardless of age. Benefits are calculated based on the total service times an annual multiple of final average compensation. Maximum benefits 75% of final average compensation.

Road Commission, Community Mental Health, and General County - when age plus service equals 80 and service is at least 25 years. Maximum benefits 75% of final average compensation, except Prosecuting Attorney, which has maximum benefits of 69.6% of final average compensation if service is 25 years or more.

All Employees - age 60 with 8 years of service.

In addition to the regular retirement provisions, the system allows for the following retirement provisions at regular or reduced benefits:

- Deferred Retirement - 8 or more years of service, benefits begin at 60 or at age 55 with 25 or more years of service.
- Death In-Service - 10 or more years of service.
- Duty Disability - Sheriff's Department plan members 10 or more years of service, others no age or service requirements but must be in receipt of Workers' Compensation payments.
- Non-Duty Disability - 10 or more years of service.
- Life insurance - \$3,500 policy to retirees.
- Supplemental Payments to Retirees Age 65 and Older - retirees with less than 20 years of service receive \$14 per month and those with 20 or more years of service at retirement receive \$16 per month.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 - RETIREMENT PLAN - (cont'd):

Since the County does not issue a stand-alone report for its County defined benefit plan, following are condensed financial statements for the period as of and including December 31, 2020:

Statement of Net Position

Cash and investments	\$ 267,778,176
Other assets	<u>420,119</u>
Total assets	268,198,295
Liabilities	<u>273,092</u>
Net position	<u>\$ 267,925,203</u>

Statement of Changes in Net Position

Additions:	
Contributions	\$ 7,954,942
Investment income	22,791,950
Other	<u>1,211</u>
Total additions	<u>30,748,103</u>
Deductions:	
Benefit payments	16,512,733
Other expenses	<u>147,104</u>
Total deductions	<u>16,659,837</u>
Change in net position	14,088,266
Net position, beginning of year	<u>253,836,937</u>
Net position, end of year	<u>\$ 267,925,203</u>

Summary of Significant Accounting Policies -

Basis of Accounting -

The St. Clair County Retirement System utilizes the accrual basis of accounting and is reported within the County's reporting entity as a separate Pension Trust Fund. Contributions from employees are recognized in the period in which contributions are paid. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments -

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 - RETIREMENT PLAN - (cont'd):

Contribution and Funding Policy -

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a level dollar amount designed to accumulate sufficient assets to pay benefits when due. During the year ended December 31, 2020, contributions totaling \$7,954,942 (\$5,995,055 employer and \$1,959,887 employee) were made in accordance with contribution requirements determined by an actuarial valuation for the Plan as of December 31, 2018. The required employer contributions were \$3,908,222 for General County, \$686,516 for the Road Commission, and \$1,060,747 for Community Mental Health. Employee contributions represent 5% of covered payroll, except the Road Commission where employees contributed 8%. The contribution requirement of a Plan member and the County are established by the St. Clair County Retirement Board and may be amended by the St. Clair County Board of Commissioners. Most administrative costs of the Plan are paid with retirement assets. The defined benefit Plan, excluding Sheriff Deputies, is closed to new-hires.

The required contribution rate was determined as part of the December 31, 2018 actuarial valuation using the individual entry age normal cost method. The actuarial assumptions included: (a) 7.5% net investment rate of return, and (b) projected salary increases of 3.5% to 8.0% per year, which includes pay inflation at 3.5%. There are no projected cost-of-living adjustments. The actuarial value was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. The Plan's unfunded actuarial accrued liability is being amortized as a level dollar on an open period, with a remaining amortization period as of December 31, 2018 of 17 years for Community Mental Health and amortized as a level dollar on a closed period with a remaining amortization period as of December 31, 2018 of 15 years for General Employees and the Road Commission.

Net Pension Liability of the County -

The net pension liability of the County has been measured as of December 31, 2020, which used updated procedures to roll forward the estimated liability of an actuarial valuation at December 31, 2019, and is composed of the following:

	<u>Total Pension Liability</u>	<u>Plan's Net Position</u>	<u>Net Pension Liability</u>
Beginning balance	\$ 293,396,608	\$ 253,836,937	\$ 39,559,671
Service cost	3,707,733	-	3,707,733
Interest on total pension liability	20,219,358	-	20,219,358
Net investment income	-	22,791,950	(22,791,950)
Changes in assumptions	(586,752)	-	(586,752)
Expected and actual differences	2,141,966	-	2,141,966
Contributions from employer	-	5,995,055	(5,995,055)
Contributions from employees	-	1,959,887	(1,959,887)
Other	-	1,211	(1,211)
Benefit payments	(16,512,733)	(16,512,733)	-
Administrative costs	-	(147,104)	147,104
Ending balance	<u>\$ 302,366,180</u>	<u>\$ 267,925,203</u>	<u>\$ 34,440,977</u>

Plan fiduciary net position as a percentage of the total pension liability 88.61%

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 - RETIREMENT PLAN - (cont'd):

The net pension liability of the County has been measured as of December 31, 2019, which used updated procedures to roll forward the estimated liability of an actuarial valuation at December 31, 2018, and is composed of the following:

	<u>Total Pension Liability</u>	<u>Plan's Net Position</u>	<u>Net Pension Liability</u>
Primary Government			
Beginning balance	\$ 176,730,611	\$ 147,174,614	\$ 29,555,997
Service cost	2,793,165	-	2,793,165
Interest on total pension liability	13,869,129	-	13,869,129
Net investment income	-	26,134,016	(26,134,016)
Changes in assumptions	12,136,467	-	12,136,467
Expected and actual differences	210,610	-	210,610
Contributions from employer	-	3,555,904	(3,555,904)
Contributions from employees	-	1,282,569	(1,282,569)
Benefit payments	(11,092,928)	(11,092,928)	-
Administrative costs	-	(145,667)	145,667
Other	-	15,325	(15,325)
	<u>\$ 194,647,054</u>	<u>\$ 166,923,833</u>	<u>\$ 27,723,221</u>
Ending balance			

Plan fiduciary net position as a percentage of the total pension liability 85.76%

	<u>Total Pension Liability</u>	<u>Plan's Net Position</u>	<u>Net Pension Liability</u>
Component Units			
Beginning balance	\$ 91,044,734	\$ 75,766,218	\$ 15,278,516
Service cost	1,192,543	-	1,192,543
Interest on total pension liability	5,921,437	-	5,921,437
Net investment income	-	13,195,560	(13,195,560)
Changes in assumptions	5,181,675	-	5,181,675
Expected and actual differences	89,920	-	89,920
Contributions from employer	-	2,138,942	(2,138,942)
Contributions from employees	-	547,595	(547,595)
Benefit payments	(4,680,755)	(4,680,755)	-
Administrative costs	-	(62,193)	62,193
Other	-	7,737	(7,737)
	<u>\$ 98,749,554</u>	<u>\$ 86,913,104</u>	<u>\$ 11,836,450</u>
Ending balance			

Plan fiduciary net position as a percentage of the total pension liability 88.01%

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 - RETIREMENT PLAN - (cont'd):

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions -**

For the year ended December 31, 2020, the County recognized pension expense of \$9,874,649 in the government-wide and proprietary fund financial statements of the primary government and \$2,794,189 in the component units (\$725,910 in the Road Commission and \$2,068,279 in the Community Mental Health Authority). At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Primary Government</u>	<u>Component Units</u>
Deferred Outflows of Resources:		
Proportionate share difference	\$ 1,325,892	\$ 150,043
Changes in assumptions	8,636,591	3,853,046
Differences between expected and actual experience	140,407	59,946
Contributions made subsequent to the measurement date	<u>3,923,266</u>	<u>1,787,744</u>
	<u>\$ 14,026,156</u>	<u>\$ 5,850,779</u>
Deferred Inflows of Resources:		
Proportionate share difference	\$ -	\$ 1,475,935
Differences between expected and actual experience	598,966	418,578
Net difference between projected and actual earnings on Plan investments	3,756,348	1,243,962
Changes in assumptions	<u>189,942</u>	<u>119,523</u>
	<u>\$ 4,545,256</u>	<u>\$ 3,257,998</u>

The amounts of deferred outflows of resources and deferred inflows of resources related to pension, excluding contributions to the Plan subsequent to the measurement date which will be recognized by the Plan in the next measurement period, will be recognized in pension expense as follows:

	<u>Primary Government</u>	<u>Component Units</u>
2021	\$ 4,169,040	\$ 378,157
2022	3,986,320	1,190,867
2023	618,813	609,314
2024	<u>(3,216,539)</u>	<u>(1,373,301)</u>
	<u>\$ 5,557,634</u>	<u>\$ 805,037</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 - RETIREMENT PLAN - (cont'd):

Investment Policy - The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Retirement Board to pursue an investment strategy that manages risk through diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of December 31, 2020 and 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	25.0 %
Domestic Equity	31.0
International Equity	20.0
Emerging Markets Equity	5.0
Alternatives	2.5
Real Estate	16.5
Cash	0.0

Rate of Return - For the years ended December 31, 2020 and 2019, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 9.12% and 18.03%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2018, which used updated procedures to roll forward the estimated liability to December 31, 2019, and by an actuarial valuation as of December 31, 2019, which also used updated procedures to roll forward this estimated liability to December 31, 2020. The valuations used the following actuarial assumptions based on the most recent experience study, completed December 31, 2019:

Salary Increases	2.25 - 7.00 %
Investment Rate of Return	7.00
Inflation	2.25

Mortality Rate - Mortality rates for the 2020 liability were from the Pub-2010 mortality tables incorporating generational improvements from 2010 based on the Society of Actuaries' MP-2018 scale and from the RP-2014 mortality tables incorporating generational improvements from 2006 based on the Society of Actuaries' MP-2018 scale. Mortality rates for the 2019 liability were from the Pub-2010 mortality tables incorporating generational improvements from 2010 based on the Society of Actuaries' MP-2018 scale and from the RP-2014 mortality tables incorporating generational improvements from 2006 based on the Society of Actuaries' MP-2018 scale.

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent for the 2020 and 2019 liabilities. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 - RETIREMENT PLAN - (cont'd):

Projected Cash Flows - Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of December 31, 2020 and 2019 for each major asset class included in the Plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	1.65 %
Domestic Equity	6.71
International Equity	6.28
Emerging Markets Equity	8.75
Alternatives	7.72
Real Estate	7.34
Cash	0.65

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the County, calculated using the discount rate of 7.00 percent for 2020 and 2019, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1 % Increase (8.00%)</u>
Net pension liability at December 31, 2020	\$ 69,751,561	\$ 34,440,977	\$ 4,898,758
		<u>Current Discount Rate (7.00%)</u>	
Net pension liability at December 31, 2019 -			
Primary government	\$ 50,655,511	\$ 27,723,221	\$ 8,566,936
Component units	23,527,925	11,836,450	2,071,215
	<u>\$ 74,183,436</u>	<u>\$ 39,559,671</u>	<u>\$ 10,638,151</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 - RETIREMENT PLAN - (cont'd):

DEFINED CONTRIBUTION PLAN

General Government -

The County offers to certain employees who have been hired on or after January 1, 2009, the option to participate in a defined contribution plan with contributions being held in accordance with Internal Revenue Code Section 457. The plan is administered by a third-party administrator. Participation in the plan is voluntary to eligible full-time employees. Employees opting to participate in the plan may contribute to the plan in increments of 1% up to a maximum of 8% of total wages with the County matching contributions. The plan may be amended by the County Board of Commissioners.

In addition, certain eligible employees have the option to contribute to a 457-deferred compensation plan in lieu of participating in the County's Retiree Health Care Trust Fund Plan. This option requires employee contributions from 1-5% with a matching County contribution of .5-2.5% (50% of employee contribution percentage).

Employer contributions for the year ended December 31, 2020 were \$981,120.

Component Units -

The Road Commission provides pension benefits through a defined contribution plan to employees not participating in the defined benefit plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus any investment earnings. The Road Commission matches employee contributions up to 8% of total wages and is subject to forfeiture by the employee based on a 5-year vesting schedule. Employee contributions are 100% vested at the time of contribution. For the year ended December 31, 2020, the Road Commission contributed \$175,289 to the plan.

The St. Clair County Community Mental Health Authority offers employees who have been hired on or after January 1, 2016 the option to participate in a defined contribution plan with contributions being held in accordance with Internal Revenue Code Section 457. The plan is administered by a third-party administrator. Participation in the plan is voluntary to eligible full-time employees. The St. Clair County Community Mental Health Authority will match the employee contribution dollar-for-dollar up to the maximum of 8% of total wages. The plan may be amended by the Board of Directors. For the year ended September 30, 2020, employer contributions were \$304,906.

NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN:

Two years of information on the Postemployment Healthcare Plan (the "OPEB Plan") is presented. The current year is presented for the OPEB Plan to satisfy requirements of GASB Statement No. 74, and the prior year is presented as the measurement date for reporting the liability of the employer to satisfy requirements of GASB Statement No. 75.

Plan Description -

The single-employer plan administered through St. Clair County provides postemployment benefits for eligible employees of the County, including those of the St. Clair County Road Commission and employees of the St. Clair County Community Mental Health Authority. As of January 1, 2016, the OPEB Plan was closed to all new participants. Postemployment benefits consist of health, dental, and prescription drug coverage. The plan is audited within the scope of the audit of the basic financial statements. Separate audited financial statements are not issued.

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

Benefits Provided -

The membership at December 31, 2019 was composed of 512 active participants, 572 retirees and beneficiaries, and 58 terminated vested participants. The membership at December 31, 2018 was composed of 544 active participants, 559 retirees and beneficiaries, and 61 terminated vested participants. In general, all employees are eligible for postemployment benefits as follows:

Some retirees age 55 and older are provided health, dental and prescription and drug coverage for recipient and dependents with 25 years of service or age 60 with 8 years of service. (Age 50 with 25 years of service for Sheriff Department or age 60 with 8 years of service.) Members of groups with "Rule of 80" are eligible if the sum of their age plus years of service are greater than or equal to 80 and their years of service equal to 25 years or more.

Beneficiaries of deceased retirees and survivors of deceased employees are provided health and dental coverages for recipients and dependents of retired employees who have at least ten years of service at time of death. Surviving spouse contribution requirement follows members' contribution requirements prior to their death.

Since the County does not issue a stand-alone report for its County postemployment benefit plan, following are condensed financial statements for the period as of and including December 31, 2020:

Statement of Net Position

Cash and investments	\$ 56,894,425
Other assets	<u>105,175</u>
Total assets	56,999,600
Liabilities	<u>12,062</u>
Net position	<u>\$ 56,987,538</u>

Statement of Changes in Net Position

Additions:	
Contributions	\$ 2,877,918
Investment Income	6,327,947
Other	<u>6,787</u>
Total additions	<u>9,212,652</u>
Deductions:	
Benefit payments	3,407,736
Other expenses	<u>433</u>
Total deductions	<u>3,408,169</u>
Change in net position	5,804,483
Net position, beginning of year	<u>51,183,055</u>
Net position, end of year	<u>\$ 56,987,538</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

Summary of Significant Accounting Policies and Method Used to Value Investments -

The Basis of Accounting and Method Used to Value Investments are the same as the Retirement Plan outlined in Note 10.

Contribution and Funding Policy -

The OPEB Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a level dollar amount designed to accumulate sufficient assets to pay benefits when due. During the year ended December 31, 2020, contributions of \$2,877,918 (\$2,475,409 employer and \$402,509 employee) were made. The actuarial valuation dated December 31, 2019 determined a contribution of \$0 for Community Mental Health, \$4,862,296 for General County, and \$1,219,087 for Road Commission employees.

The contribution requirements of OPEB Plan members and the County are established by the St. Clair County Board of Commissioners. Most administrative costs of the OPEB Plan are paid with OPEB assets.

The required contribution rate was determined as part of the December 31, 2019 actuarial valuation using the individual entry age normal level percent of salary cost method. The actuarial assumption included (a) a 6.00% net investment rate of return; (b) projected salary increases of 2.25% to 7.00% per year; (c) an annual healthcare cost trend of 8.00% initially for non-Medicare rates, reduced by decrements of 0.50% to an ultimate rate of 4.50% after 8 years and a trend of 7.00% for Medicare rates, reduced by decrements of 0.50% to an ultimate rate of 4.00% after 7 years; and (d) an inflation rate of 2.00%. There are no projected cost-of-living adjustments. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investment over a five-year period. The OPEB Plan's unfunded actuarial accrued liability is being amortized as a level dollar amount for General County employees and as a level percentage of member payroll for Community Mental Health and Road Commission employees on a closed period, with a remaining amortization period as of December 31, 2019 of 10 years.

Investment Policy -

The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the County Administrator.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy and the best estimates of arithmetic real rates of return for each asset class as of December 31, 2020 are as follows:

Asset Class	Target Allocation		Long-term Expected Real Rate of Return	
	2019	2020	2019	2020
Fixed Income	42.0 %	42.0 %	1.7 %	0.6 %
Domestic Equity	38.0	40.0	5.8	5.1
International Equity	13.0	14.0	6.3	5.7
Real Estate	1.0	1.0	4.9	4.2
Cash	6.0	3.0	0.0	(0.1)
TOTAL	100.0 %	100.0 %		

Rate of Return -

For the year ended December 31, 2020 and 2019, the annual money-weighted rate of return on OPEB Plan investments, net of investment expense, was 12.47% and 18.14%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the County -

The net OPEB liability of the County has been measured as of December 31, 2020, which used updated procedures to roll forward the estimated liability of an actuarial valuation at December 31, 2019, and is composed of the following:

	Total OPEB Liability	OPEB Plan's Net Position	Net OPEB Liability
Beginning balance	\$ 93,695,028	\$ 51,183,055	\$ 42,511,973
Service cost	1,507,259	-	1,507,259
Interest on total OPEB liability	5,143,667	-	5,143,667
Net investment income	-	6,327,947	(6,327,947)
Changes in assumptions	25,734,091	-	25,734,091
Expected and actual differences	(2,294,007)	-	(2,294,007)
Contributions from employer	-	2,475,409	(2,475,409)
Contributions from employees	-	402,509	(402,509)
Other revenue	-	6,787	(6,787)
Benefit payments	(3,407,736)	(3,407,736)	-
Administrative costs	-	(433)	433
Ending balance	\$ 120,378,302	\$ 56,987,538	\$ 63,390,764

OPEB Plan fiduciary net position as a percentage of the total OPEB liability 47.34%

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

The net OPEB liability of the County has been measured as of December 31, 2019, which used updated procedures to roll forward the estimated liability using the December 31, 2018 actuarial valuation, and is composed of the following:

	<u>Total OPEB Liability</u>	<u>OPEB Plan's Net Position</u>	<u>Net OPEB Liability</u>
Primary Government:			
Beginning balance	\$ 63,375,401	\$ 23,361,781	\$ 40,013,620
Service cost	1,244,520	-	1,244,520
Interest on total OPEB liability	3,302,524	-	3,302,524
Net investment income	-	4,155,708	(4,155,708)
Changes in assumptions	(2,107,273)	-	(2,107,273)
Expected and actual differences	(909,232)	-	(909,232)
Contributions from employer	-	986,546	(986,546)
Contributions from employees	-	327,237	(327,237)
Benefit payments	(2,248,196)	(2,248,196)	-
Administrative costs	-	(304)	304
Ending balance	<u>\$ 62,657,744</u>	<u>\$ 26,582,772</u>	<u>\$ 36,074,972</u>
OPEB Plan fiduciary net position as a percentage of the total OPEB liability			42.43%
	<u>Total OPEB Liability</u>	<u>OPEB Plan's Net Position</u>	<u>Net OPEB Liability</u>
Component Units:			
Beginning balance	\$ 33,187,690	\$ 20,065,809	\$ 13,121,881
Service cost	729,526	-	729,526
Interest on total OPEB liability	1,738,847	-	1,738,847
Net investment income	-	3,716,505	(3,716,505)
Changes in assumptions	(2,702,348)	-	(2,702,348)
Expected and actual differences	(948,479)	-	(948,479)
Contributions from employer	-	1,699,457	(1,699,457)
Contributions from employees	-	86,724	(86,724)
Benefit payments	(967,952)	(967,952)	-
Administrative costs	-	(260)	260
Ending balance	<u>\$ 31,037,284</u>	<u>\$ 24,600,283</u>	<u>\$ 6,437,001</u>
Road Commission Net OPEB Liability			\$ 10,199,214
CMHA Net OPEB Asset			(3,762,213)
Total Net OPEB Liability			<u>\$ 6,437,001</u>
OPEB Plan fiduciary net position as a percentage of the total OPEB liability			79.26%

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB -

For the year ended December 31, 2020, the County recognized OPEB expense of \$(1,573,060) in the government-wide and proprietary fund financial statements of the primary government and \$(1,799,419) in the component units [\$925,636 in the Road Commission and \$(873,783) in the Community Mental Health Authority]. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Primary Government</u>	<u>Component Units</u>
Deferred Outflows of Resources:		
Proportionate share difference	\$ 3,605,761	\$ 885,917
Net difference between projected and actual earnings on OPEB Plan investments	-	206,557
Differences between expected and actual experience	242,867	373,549
Changes in assumptions	2,557,198	1,680,974
Contributions made subsequent to the measurement date	<u>995,689</u>	<u>1,462,697</u>
	<u>\$ 7,401,515</u>	<u>\$ 4,609,694</u>
Deferred Inflows of Resources:		
Proportionate share difference	\$ -	\$ 4,491,678
Differences between expected and actual experience	5,572,777	1,912,963
Changes in assumptions	9,172,760	3,063,011
Net difference between projected and actual earnings on OPEB Plan investments	<u>2,153,459</u>	<u>476,912</u>
	<u>\$ 16,898,996</u>	<u>\$ 9,944,564</u>

The amounts of deferred outflows of resources and deferred inflows of resources related to OPEB, excluding contributions to the OPEB Plan subsequent to the measurement date which will be recognized by the OPEB Plan in the next measurement period, will be recognized in OPEB expense as follows:

	<u>Primary Government</u>	<u>Component Units</u>
2021	\$(4,513,404)	\$(2,711,431)
2022	(4,513,407)	(2,711,424)
2023	(596,961)	(1,219,602)
2024	<u>(869,398)</u>	<u>(155,110)</u>
	<u>\$(10,493,170)</u>	<u>\$(6,797,567)</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

Actuarial Assumptions -

The total OPEB liability of the OPEB Plan was determined by an actuarial valuation as of December 31, 2018, which used updating procedures to roll forward the estimated liability to December 31, 2019 and by an actuarial valuation at December 31, 2019, which used updating procedures to roll forward the estimated liability to December 31, 2020, the measurement date. The valuation used the following assumptions included in the measurement:

Salary Increases - 3.50%-8.00%, including inflation

Investment Rate of Return - 5.25% for 2020, 6.00% for 2019

Mortality Rates - For 2020, RPH-2019 Total Data Set Fully Generational Mortality Table using scale MP-2019, and for 2019, RPH-2019 Total Data Set Fully Generational Mortality Table using scale MP-2019

Inflation Rate - 2.00%

Healthcare Cost Trend Rate - 8.00%, decreasing by 0.25% per year to 4.50%

Projected Cash Flows - For the 2020 liability, the OPEB Plan's fiduciary net position was projected to cover projected benefit payments of current and active members through 2054. The discount rate used through this year was at 5.50% and the years thereafter at 3.26%, resulting in a single discount rate of 3.90% at December 31, 2020. For the 2019 liability, the OPEB Plan's fiduciary net position was projected to cover projected benefit payments of current and active members through 2062. The discount rate used through this year was at 6.00% and the years thereafter at 3.26%, resulting in a single discount rate of 5.50% at December 31, 2019. The projected cash flows assumed a level of contributions from the employer equal to the average contributions from the last 5 years.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate -

The following presents the net OPEB liability of the County, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate.

	1% Decrease (2.90%)	Current Discount Rate (3.90%)	1% Increase (4.90%)
Net OPEB liability at December 31, 2020	\$ 83,001,508	\$ 63,390,764	\$ 47,777,193
	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net OPEB liability at December 31, 2019			
Primary government	\$ 47,431,274	\$ 36,074,972	\$ 26,842,182
Component units	8,463,351	6,437,001	4,789,558
	\$ 55,894,625	\$ 42,511,973	\$ 31,631,740

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates -

The following presents the net OPEB liability of the County, calculated using the current healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current rate.

	1% Decrease <u>(7.0-3.5%)</u>	Current Discount Rate <u>(8.0-4.5%)</u>	1% Increase <u>(9.0-5.5%)</u>
Net OPEB liability at December 31, 2020	\$ <u>45,953,493</u>	\$ <u>63,390,764</u>	\$ <u>85,468,939</u>
	1% Decrease <u>(7.0-3.5%)</u>	Current Discount Rate <u>(8.0-4.50%)</u>	1% Increase <u>(9.0-5.5%)</u>
Net OPEB liability at December 31, 2019			
Primary government	\$ 25,628,284	\$ 36,074,972	\$ 49,039,703
Component units	<u>4,572,957</u>	<u>6,437,001</u>	<u>8,750,350</u>
	\$ <u>30,201,241</u>	\$ <u>42,511,973</u>	\$ <u>57,790,053</u>

NOTE 12 - CONTINGENT LIABILITIES:

Primary Government -

The County participates in a number of federal and state assisted grant programs, which are subject to compliance audits. The Single Audit of the federal programs and the periodic program compliance audits of many of the state programs have not yet been conducted or completed. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County is a defendant in a number of other lawsuits, a party in other disputes, and subject to claims and property tax appeals, and other potential liabilities that have resulted from its activities in providing services to citizens of St. Clair County. The ultimate unrecorded effect on the County's financial statements of the resolution of these various matters may, in the opinion of management, be material.

There are various other legal actions pending against the County. Due to the inconclusive nature of many of the actions, it is not possible for Corporate Counsel to determine the probable outcome or a reasonable estimate of the County's potential liability, if any. Those actions, for which a reasonable estimate can be determined of the County's potential liability, if any, are considered by County Management and Legal Counsel to be insignificant to the County as a whole.

A substantial portion of the Health Department's total patient revenues are for services provided to Medicare, Medicaid, and Blue Cross and Blue Shield of Michigan patients. Payments for these services are based upon allowable costs incurred and are subject to final audit by the intermediaries.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 - CONTINGENT LIABILITIES - (cont'd):

Component Unit - Road Commission -

In the normal course of its operations, the St. Clair County Road Commission often becomes a party to various claims and lawsuits. In the opinion of the Road Commission's legal counsel, if any of these claims should result in an unfavorable resolution to the Road Commission, the Road Commission's liability would be limited to its deductible under insurance policies. The insurer would pay the losses, and there should be no material effect on the financial position of the Road Commission.

The Road Commission participates in a number of federal and state assisted grant programs, which are subject to compliance audits. The periodic program compliance monitoring of many of the federal and state programs have not yet been conducted or completed. Accordingly, the Road Commission's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Road Commission expects such amounts, if any, to be immaterial.

Also, as part of its trunkline maintenance agreement with the State of Michigan, the Road Commission's costs charged to the State are subject to audit. The amounts, if any, which may have to be paid back to the State, cannot be determined at this time, although the Road Commission expects such amounts, if any, to be immaterial.

Component Unit - Community Mental Health Authority -

As is common for Mental Health Authorities, St. Clair County Community Mental Health Authority receives a significant portion of its revenues through contracts with the State of Michigan Department of Health and Human Services. Medicaid revenue is passed through Region 10 Prepaid Inpatient Health Plan (PIHP), with a settlement reached at the end of each fiscal year. The settlement is based on accumulated reimbursable cost of the Authority and is subject to final audit by the Michigan Department of Health and Human Services.

NOTE 13 - RISK MANAGEMENT:

Primary Government -

The County is self-insured for property and liability, health care, unemployment, workers' compensation, and disability. Property and liability insurance are charged to participating funds based on the County's cost allocation plan. Each participating fund of the County makes payments to the Self-Insurance Internal Service Fund equal to an established percentage of gross salaries for that fund, if deemed necessary for health care, unemployment, workers' compensation and disability. These payments are accounted for as other services and charges in the paying fund and charges for services in the receiving fund.

The County is completely self-insured for unemployment compensation and short-term disability claims and is self-insured for workers' compensation claims up to an amount of \$500,000 in individual claims for 2020.

Based on claims currently pending and past history, the County has estimated accrued claims, including an estimate for claims incurred but not reported (IBNR), of \$0, \$0, and \$225,000 for unemployment compensation, disability, and workers' compensation, respectively.

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 13 - RISK MANAGEMENT - (cont'd):

In addition, the Primary Government and the Drainage Districts (component unit) are voluntary members of the Michigan Municipal Risk Management Authority (MMRMA) established pursuant to laws of the State of Michigan which authorize local units of government to exercise jointly any power, privilege, or authority which each might exercise separately.

The administration of MMRMA is directed by a nine-member Board of Directors composed of municipal representatives from the membership elected by the membership. The Board of Directors establishes the general policy of MMRMA, creates and publishes rules to be followed by the Manager and Board of Directors and is empowered with the authority to impose sanctions or terminate membership. The County, by resolution of the County Board of Commissioners, has designated a representative to MMRMA to be responsible for the execution of all loss control measures, to ensure the payment of all annual and supplementary or other payment requirements, and to ensure the filing of all required reports and to act as a liaison between the County and MMRMA.

MMRMA administers risk management funds providing St. Clair County with loss protection for general and auto liability and property. Under most circumstances the County's maximum loss per occurrence is limited as follows:

<u>Type of Risk</u>	<u>Maximum Retention Per Occurrence</u>
General and auto liability	\$ 250,000
Property and Crime	1,000 per occurrence, plus 10% of the next \$100,000 of loss

The County has also elected to be a member of the Stop Loss Program, which limits the County's self-insurance retention. For 2020, that Stop Loss Program limited the retention for St. Clair County to \$637,500 in aggregate claims paid during the year.

MMRMA provides risk management, underwriting, reinsurance, and claims services with member contributions allocated to meet these obligations.

MMRMA has established a reserve to pay losses incurred by members who exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of MMRMA. In the event that St. Clair County incurs a loss in excess of the resources available, the County is liable for the excess.

Based on claims currently pending and past history, the County has estimated the accrued property and liability claims, including an estimate for claims incurred but not reported (IBNR), of \$360,000, which is recorded in the Self-Insurance Fund.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 13 - RISK MANAGEMENT - (cont'd):

The County is self-insured for health care benefits with the administrative services of the program being performed on a contractual basis by a third party. The County pays claims up to \$150,000 per contract per contract year. Stop-loss insurance has been purchased to insure the County against losses in excess of these limits. Based on past history, the County has estimated the accrued health care claims, including an estimate for claims IBNR, of \$700,000 at December 31, 2020, which is recorded as current liabilities in the Self Insurance (Internal Service) Fund. Changes in the balance of claims liability during the past two years as reported in the Self-Insurance (Internal Service) Fund are as follows:

	<u>Property/ Liability Insurance</u>		<u>Disability Insurance</u>		<u>Unemployment</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning of year	\$ 192,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Incurring claims (including IBNR's)	235,571	95,828	121,207	418,302	11,993	23,988
Claims paid	(67,571)	(153,828)	(121,207)	(418,302)	(11,993)	(23,988)
Unpaid claims, end of year	360,000	192,000	-	-	-	-
Less current portion	(167,000)	(30,000)	-	-	-	-
Long-term Liabilities	<u>\$ 193,000</u>	<u>\$ 162,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Workers' Compensation</u>		<u>Health Care</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning of year	\$ 147,000	\$ 121,000	\$ 350,000	\$ 415,000	\$ 689,000	\$ 786,000
Incurring claims (including IBNR's)	182,685	154,417	10,713,835	8,297,169	11,265,291	8,989,704
Claims paid	(104,685)	(128,417)	(10,363,835)	(8,362,169)	(10,669,291)	(9,086,704)
Unpaid claims, end of year	225,000	147,000	700,000	350,000	1,285,000	689,000
Less current portion	(225,000)	(147,000)	(700,000)	(350,000)	(1,092,000)	(527,000)
Long-term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,000</u>	<u>\$ 162,000</u>

Component Units -

Road Commission -

The Road Commission, including the Department of Public Works, is a member of the Michigan County Road Commission Self-Insurance Pool, established pursuant to the laws of the State of Michigan, which authorizes contracts between municipal corporations (inter-local agreements) to form group self-insurance pools and to prescribe conditions to the performance of these contracts. The Michigan County Road Commission Self-Insurance Pool was established for the purpose of making a self-insurance pooling program available for Michigan County Road Commissions, which includes, but is not limited to, general liability coverages, auto liability coverages, property insurance coverages, stop-loss insurance protection, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982.

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 13 - RISK MANAGEMENT - (cont'd):

The Road Commission pays an annual premium to the Pool for property (buildings and grounds) coverage, automobile liability, errors and omissions liability and bodily injury, property damage and personal injury liability. The agreement for the formation of the Pool provides that the Pool will be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance to the limits determined necessary by the Pool Board.

The Road Commission is also a member of the County Road Commission Road Association Self-Insurance Fund (the "Fund") for workers' compensation self-insurance. This Fund is a municipal self-insurance entity operating within the laws of the State of Michigan. The Fund has entered into reinsurance agreements providing for loss coverage in excess of amounts to be retained by the Fund.

The Road Commission continues to carry commercial insurance for accident insurance. The amount of settlements (claims) for the past three years has not exceeded insurance coverage.

The Road Commission is self-insured for health care benefits. The administrative services for the self-insured program are performed by a health insurance company. The Road Commission makes monthly payments, based on estimated claims and a stop-loss provision (up to \$30,000 per contract per contract year), which are adjusted quarterly. The Road Commission has estimated accrued health care claims in excess of the last quarter payments, including an estimate for claims IBNR of \$44,000 at December 31, 2020, which is recorded as a current liability.

Community Mental Health Authority -

CMHA is exposed to various risks of loss to general and auto liability, property damage, and errors and omissions. CMHA is a member in a public risk pool administered by the Michigan Municipal Risk Management Authority for risk of losses relating to its property and general liability (including auto liability and vehicle physical damage). MMRMA is a municipal self-insurance entity operating pursuant to the State of Michigan Public Act 138 of 1982. The purpose of the MMRMA is to administer a risk management fund, which provides members with loss protection for general and property liability. CMHA has joined with numerous other governmental agencies in Michigan as a participant in MMRMA's "State Pool." Members of the State Pool do not have individual self-retention amounts other than a \$250 or \$1,000 deductible per occurrence of property and vehicle coverage. State Pool members' limits of coverage (per occurrence) are \$15 million for liability and approximately \$15 million for buildings and personal property. If a loss exceeds these limits or, if for any reason, MMRMA's resources are depleted, the payment of all unpaid losses is the sole obligation of CMHA.

CMHA is also self-insured for medical and prescription health insurance. The self-insurance is administered by a third-party administrator and any reimbursed claims are billed to CMHA periodically.

CMHA purchases workers' compensation insurance through a commercial carrier with a maximum limit of \$500,000 per occurrence.

NOTE 14 - MAJOR TAXPAYER:

The County is economically dependent upon the Detroit Edison Company that has real and personal property within the County with a taxable value of \$906,494,942. This represents approximately 14 percent of the taxable value for the County.

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 15 - DEFERRED COMPENSATION:

The County, CMHA, and the Road Commission offer their employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, which are available to all employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

A trust, custodial account, or annuity contract exists; assets are owned or held by the trust, custodian, or insurer for the exclusive benefit of participants and beneficiaries and are not subject to the claims of public employer creditors, nor can they be used by the public employer for any purpose other than the payment of benefits to those individuals participating in the plan or their designated beneficiaries.

NOTE 16 - NET POSITION/FUND BALANCE:

NET INVESTMENT IN CAPITAL ASSETS -

Governmental Activities:

Capital Assets	\$ 81,830,832
Less related debt -	
2013 Refunding Bonds	(745,000)
2012 Refunding Bonds	(3,185,000)
2012 G.O. Bonds	(7,510,000)
2015 Refunding Bonds, Series B	(415,000)
2017 Refunding Bonds	(1,115,000)
2020 Refunding Bonds	(13,305,000)
Bond premiums	(914,723)
Deferred charges	<u>699,619</u>
	<u>\$ 55,340,728</u>

Business-type Activities:

Capital Assets	\$ 24,770,203
Less related debt -	
2010 G.O. Bond	(5,364,280)
2014 G.O. Bond	<u>(3,165,000)</u>
	<u>\$ 16,240,923</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 16 - NET POSITION/FUND BALANCE - (cont'd):

RESTRICTED FUND BALANCE/NET POSITION -

The fund balances and net position the Primary Government have been restricted for the following purposes at December 31, 2020:

	<u>Major Fund</u>	<u>Non-major Fund</u>	<u>Total</u>
Governmental Funds:			
Acquisition/construction of capital assets:			
Public Improvement	\$ -	\$ 6,345,433	\$ <u>6,345,433*</u>
Debt Service:			
Mental Health Building Debt Fund	610	-	610
Communications Debt Fund - Series B	-	407,622	407,622*
Communications Debt Fund - 2009	-	300,824	300,824*
Building Authority Debt Fund	-	757,980	757,980
Convention Center	-	155,183	155,183
Jail/Juvenile Facility	-	3,504	<u>3,504</u>
			<u>1,625,723</u>
Recreation and Cultural:			
Parks and Recreation	2,445,236	-	2,445,236*
Library	2,965,930	-	<u>2,965,930*</u>
			<u>5,411,166</u>
Health and Welfare:			
Senior Citizens Millage	3,662,498	-	3,662,498*
Health Department	-	334,094	334,094
CDBG Housing	-	364,015	364,015
HUD Housing	-	95,311	95,311
Veterans' Millage	-	312,205	<u>312,205*</u>
			<u>4,768,123</u>
Public Safety:			
Drug Task Force	1,770,478	-	1,770,478*
Drug Law Enforcement	-	521,420	521,420
Local Corrections and Training	-	38,189	38,189
Prosecutor's Drug Forfeitures	-	196,070	196,070
Concealed Pistol Licensing	-	344,330	344,330*
Animal Control Donations	-	24,411	<u>24,411</u>
			<u>2,894,898</u>
Judicial:			
Friend of Court	-	828,316	828,316
Family Counseling	-	124,064	124,064*
Indigent Defense	-	413,964	<u>413,964*</u>
			<u>1,366,344</u>
Other Purposes:			
Deeds Automation	-	357,096	<u>357,096*</u>
Total Restricted Fund Balance	<u>\$ 10,844,752</u>	<u>\$ 11,924,031</u>	<u>\$ 22,768,783</u>

* Restricted by Enabling Legislation

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 16 - NET POSITION/FUND BALANCE - (cont'd):

Governmental Activities:

Total Restricted Fund Balance - Governmental Funds	\$ 22,768,783
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Deferred Inflows of Resources:

Judicial Programs	2,500
Recreation and Cultural Programs	11,705
Health and Welfare Programs	714,796
Public Safety Programs	5,492
Debt Service	804
Capital Projects	73,340

Net Pension Liability and Net OPEB Liability associated with Recreation and Cultural Programs	(3,686,089)
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Total Restricted Net Position - Governmental Activities	<u>\$ 19,891,331</u>
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Business-type Activities:

Foreclosure sales	<u>\$ 1,185,304</u>
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COMMITTED FUND BALANCES -

At December 31, 2020, the Board of Commissioners had committed the following fund balances:

Combined General Fund - Budget Incentive	\$ 1,132,012
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Nonmajor Funds -

General Government - Convention Center	588,680
Health and Welfare - Health Department	4,845,966
Human Services	34,899
Child Care	1,656,716
Capital Outlay - Municipal Building	<u>84,469</u>

\$ 8,342,742

ASSIGNED FUND BALANCES -

At December 31, 2020, the Administrator/Controller had assigned \$133,425 in the Combined General Fund for Community and Economic Development.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 17 - CLOSURE AND POSTCLOSURE CARE COSTS:

State and federal laws and regulations require that the County of St. Clair place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of the landfill closure and postclosure care costs is based on the amount of the landfill capacity used during the year. The estimated liability for landfill closure and postclosure care costs was \$7,769,610 at December 31, 2020, which is based on the estimated percentage of capacity used to date of 42.32%.

Currently, the County has 97 acres licensed, with an additional 10 acres available for licensing. It is estimated that an additional \$11,487,691 will be recognized as closure and post-closure care expense between the date of the balance sheet and the date the landfill is expected to be filled to capacity and monitored for 30 years. The estimated remaining life of the landfill is 75 years.

The estimated total cost of the landfill closure and post-closure care cost of \$19,257,301 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain that landfill were acquired as of December 31, 2020. However, the actual cost of closure and post-closure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

In addition, as required by State regulations, the County has established the Landfill Private-Purpose Trust Fund for the accumulation of statutory fees and interest earnings to be used by the State of Michigan, if necessary, to safely maintain the landfill after its closure.

The County is also required by the State to purchase an irrevocable line of credit in the amount of \$2,595,000 that can be drawn on by the State of Michigan to pay any necessary closure and post-closure costs. The County is in compliance with this requirement.

NOTE 18 - TAX ABATEMENTS:

The County has received reduced property tax revenues during 2020 as a result of industrial facilities tax exemptions (IFT's) entered into by cities, villages, and townships within the County.

The IFT's were entered into based upon the Industrial Development Districts Act, PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high-tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements amounted to approximately \$160,000 in reduced County tax revenues in the General Fund and \$80,000 in reduced County tax revenues in the Special Revenue millage funds for 2020.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 19 - COVID-19:

Towards the end of December 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. During the first part of 2020, there have been mandates from federal, State, and local authorities requiring forced closures of large events, stay-at-home orders, required social distancing, etc. As a result, most of the non-essential County services have been shut down for part of March, and all of April and May, and some services into June. Because most businesses have been closed during the same period and many employees furloughed or laid off, the amount collected by the State in sales and income taxes have decreased significantly, which may have a negative impact on the County grants and State-shared revenues. In addition, other revenues collected by the County have been negatively impacted; however, the full extent of the impact is not known at this time.

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE:

The County adopted GASB Statement No. 84, *Fiduciary Activities*. This statement required the County to evaluate their financial reporting of fiduciary activities. As a result, certain funds previously reported as agency funds were reclassified and other activities that were previously reported as fiduciary activities are now reported within the primary government.

REQUIRED SUPPLEMENTARY INFORMATION

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 34,257,755	\$ 34,402,100	\$ 34,347,910	\$(54,190)
Licenses and permits	470,000	370,000	331,707	(38,293)
Intergovernmental	13,135,496	12,882,410	12,262,837	(619,573)
Charges for services	8,285,083	6,736,715	6,710,490	(26,225)
Fines and forfeits	371,000	296,000	279,987	(16,013)
Interest and rent	1,292,808	1,312,368	1,028,083	(284,285)
Other	1,989,231	1,859,250	1,776,278	(82,972)
Total Revenues	<u>59,801,373</u>	<u>57,858,843</u>	<u>56,737,292</u>	<u>(1,121,551)</u>
Expenditures:				
Legislative -				
Board of Commissioners	230,340	221,489	209,205	12,284
Other Legislative Activities	1,082,500	1,185,500	1,156,458	29,042
	<u>1,312,840</u>	<u>1,406,989</u>	<u>1,365,663</u>	<u>41,326</u>
General Government -				
Administrator/Controller	552,374	557,142	549,718	7,424
Elections	365,071	365,071	419,343	(54,272)
Accounting	360,109	345,227	295,457	49,770
Clerk	825,113	685,350	661,356	23,994
Equalization	938,348	789,385	780,165	9,220
Human Resources	437,028	412,521	407,027	5,494
Prosecuting Attorney	3,089,866	3,014,330	2,965,392	48,938
Victims Rights	10,800	10,800	6,221	4,579
Purchasing	97,908	92,908	86,992	5,916
Register of Deeds	125,264	114,565	99,741	14,824
Treasurer	552,796	516,254	502,063	14,191
Cooperative Extension	184,488	174,488	153,803	20,685
Information Technology	2,399,329	2,399,329	2,445,068	(45,739)
Building and Grounds	2,400,744	2,383,042	2,289,644	93,398
Drain Commissioner	586,751	536,615	470,219	66,396
Motor Pool	169,500	114,500	38,353	76,147
	<u>13,095,489</u>	<u>12,511,527</u>	<u>12,170,562</u>	<u>340,965</u>
Judicial -				
Circuit Court	1,295,962	1,254,983	1,208,089	46,894
District Court	2,301,690	2,268,448	2,192,940	75,508
Courthouse Security	640,640	614,755	561,320	53,435
Friend of the Court	3,186,659	3,104,807	3,000,760	104,047
Probate Court	1,197,534	1,212,405	1,196,117	16,288
Family Division - Circuit Court	1,603,187	1,558,568	1,490,005	68,563
Probation	7,300	7,300	3,578	3,722
District Court Probation	845,927	824,653	815,128	9,525
	<u>11,078,899</u>	<u>10,845,919</u>	<u>10,467,937</u>	<u>377,982</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Public Safety -				
Sheriff	\$ 8,577,538	\$ 8,182,014	\$ 7,962,533	\$ 219,481
Training	15,000	15,000	8,099	6,901
Communications/Radio	1,956,127	1,716,544	1,710,171	6,373
Marine Law Enforcement	233,201	243,201	228,415	14,786
Dive Team	31,606	31,606	26,672	4,934
Corrections / Jail	12,789,601	11,833,566	11,314,878	518,688
Other Corrections Activities	330,000	80,000	77,351	2,649
Emergency Preparedness	516,554	835,364	708,361	127,003
Hazardous Material Handling	39,629	39,629	29,937	9,692
Animal Shelter/Dog Warden	447,958	507,958	508,781	(823)
	<u>24,937,214</u>	<u>23,484,882</u>	<u>22,575,198</u>	<u>909,684</u>
Public Works -				
Road Commission	900,000	900,000	900,000	-
Drains - Public Benefit	238,587	35,430	204,405	(168,975)
	<u>1,138,587</u>	<u>935,430</u>	<u>1,104,405</u>	<u>(168,975)</u>
Health and Welfare -				
Medical Examiner	529,364	469,364	442,241	27,123
Mental Health	955,672	955,672	955,672	-
Public Guardian	472,655	472,655	466,768	5,887
Veterans' Burial	15,000	15,000	6,600	8,400
	<u>1,972,691</u>	<u>1,912,691</u>	<u>1,871,281</u>	<u>41,410</u>
Community and Economic Development -				
Planning Commission	672,500	636,546	595,452	41,094
Transportation Planning	8,350	8,350	482	7,868
Redevelopment and Housing	-	-	398	(398)
	<u>680,850</u>	<u>644,896</u>	<u>596,332</u>	<u>48,564</u>
Other	<u>207,714</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service -				
Principal	355,318	355,318	355,318	-
Interest	158,010	158,010	158,010	-
	<u>513,328</u>	<u>513,328</u>	<u>513,328</u>	<u>-</u>
Total Expenditures	<u>54,937,612</u>	<u>52,255,662</u>	<u>50,664,706</u>	<u>1,590,956</u>
Revenues over expenditures	<u>4,863,761</u>	<u>5,603,181</u>	<u>6,072,586</u>	<u>469,405</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Amended Budget Positive (Negative)
Other Financing Sources (Uses):				
Issuance of debt	\$ -	\$ 177,930	\$ 177,930	\$ -
Transfers from other funds	2,492,466	2,493,689	2,464,085	(29,604)
Transfers to other funds	<u>(7,356,227)</u>	<u>(8,235,803)</u>	<u>(8,547,455)</u>	<u>(311,652)</u>
Total Other Financing Sources (Uses)	<u>(4,863,761)</u>	<u>(5,564,184)</u>	<u>(5,905,440)</u>	<u>(341,256)</u>
Net Change in Fund Balance	-	38,997	167,146	128,149
Fund Balance at beginning of year	<u>10,829,350</u>	<u>10,829,350</u>	<u>10,829,350</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 10,829,350</u>	<u>\$ 10,868,347</u>	<u>\$ 10,996,496</u>	<u>\$ 128,149</u>

Reconciliation of Budget-Basis to GAAP-Basis Reporting:

Net Change in General Fund Fund Balance (Budgetary Basis)	\$ 167,146
Perspective difference -	
Other Budgeted Funds Net Change Allocated to the General Fund for GAAP-basis reporting	
Budget Incentive	(102,990)
Development Revolving	<u>-</u>
Net Change in Combined General Fund Fund Balance (GAAP-Basis)	<u>\$ 64,156</u>

(Concluded)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
PARKS AND RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,034,000	\$ 3,063,100	\$ 3,066,253	\$ 3,153
Intergovernmental	6,000	25,700	25,770	70
Charges for services	115,000	76,400	94,964	18,564
Interest and rent	10,500	12,200	14,631	2,431
Other	12,500	65,200	81,652	16,452
Total Revenues	<u>3,178,000</u>	<u>3,242,600</u>	<u>3,283,270</u>	<u>40,670</u>
Expenditures:				
Recreation and Cultural	<u>3,367,050</u>	<u>3,509,800</u>	<u>3,228,990</u>	<u>280,810</u>
Net Change in Fund Balance	(189,050)	(267,200)	54,280	321,480
Fund Balance at beginning of year	<u>2,390,956</u>	<u>2,390,956</u>	<u>2,390,956</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 2,201,906</u>	<u>\$ 2,123,756</u>	<u>\$ 2,445,236</u>	<u>\$ 321,480</u>

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
LIBRARY
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,327,918	\$ 4,332,851	\$ 4,337,118	\$ 4,267
Intergovernmental	189,166	227,479	220,922	(6,557)
Charges for services	74,000	35,000	22,097	(12,903)
Fines and forfeits	462,000	287,000	398,013	111,013
Interest and rent	53,550	38,900	33,073	(5,827)
Other	19,650	2,000	11,455	9,455
Total Revenues	<u>5,126,284</u>	<u>4,923,230</u>	<u>5,022,678</u>	<u>99,448</u>
Expenditures:				
Recreation and Cultural	<u>5,770,920</u>	<u>5,306,937</u>	<u>4,718,847</u>	<u>588,090</u>
Net Change in Fund Balance	(644,636)	(383,707)	303,831	687,538
Fund Balance at beginning of year	<u>2,662,099</u>	<u>2,662,099</u>	<u>2,662,099</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 2,017,463</u></u>	<u><u>\$ 2,278,392</u></u>	<u><u>\$ 2,965,930</u></u>	<u><u>\$ 687,538</u></u>

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
SENIOR CITIZENS MILLAGE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,971,865	\$ 4,971,865	\$ 4,951,779	\$(20,086)
Intergovernmental	-	41,615	41,615	-
Interest and rent	<u>20,000</u>	<u>25,000</u>	<u>25,371</u>	<u>371</u>
Total Revenues	<u>4,991,865</u>	<u>5,038,480</u>	<u>5,018,765</u>	<u>(19,715)</u>
Expenditures:				
Health and Welfare	<u>5,337,836</u>	<u>5,337,836</u>	<u>4,711,200</u>	<u>626,636</u>
Net Change in Fund Balance	(345,971)	(299,356)	307,565	606,921
Fund Balance at beginning of year	<u>3,354,933</u>	<u>3,354,933</u>	<u>3,354,933</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 3,008,962</u></u>	<u><u>\$ 3,055,577</u></u>	<u><u>\$ 3,662,498</u></u>	<u><u>\$ 606,921</u></u>

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
DRUG TASK FORCE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,498,445	\$ 3,470,437	\$ 3,472,125	\$ 1,688
Intergovernmental	-	6,000	7,965	1,965
Interest and rent	45,000	16,750	16,611	(139)
Other	-	9,000	22,172	13,172
Total Revenues	<u>3,543,445</u>	<u>3,502,187</u>	<u>3,518,873</u>	<u>16,686</u>
Expenditures:				
Public Safety	<u>3,063,571</u>	<u>2,653,624</u>	<u>2,669,053</u>	<u>(15,429)</u>
Revenues over expenditures	479,874	848,563	849,820	1,257
Other Financing Uses:				
Transfers to other funds	<u>(479,874)</u>	<u>(481,093)</u>	<u>(481,093)</u>	<u>-</u>
Net Change in Fund Balance	-	367,470	368,727	1,257
Fund Balance at beginning of year	<u>1,401,751</u>	<u>1,401,751</u>	<u>1,401,751</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,401,751</u></u>	<u><u>\$ 1,769,221</u></u>	<u><u>\$ 1,770,478</u></u>	<u><u>\$ 1,257</u></u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. The General Fund budgetary comparison schedule (non-GAAP budgetary basis) is presented on the same basis of accounting as that used in preparing the adopted budget. The County budgets the activities of the Budget Incentive Fund separately from the General Fund as well as the Development Revolving Fund which is not budgeted. For the GAAP-basis basic financial statements, however, the activities of the above mentioned funds are combined with the General Fund.
2. The Major Special Revenue Funds budgets shown in the required supplementary information were prepared on a basis consistent with accounting principles generally accepted in the United States of America and on the same modified accrual basis used to reflect actual results.

ST. CLAIR COUNTY, MICHIGAN
BASIC RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS

	<u>Annual money-weighted rate of return, net of expenses</u>
2020	9.12%
2019	18.03%
2018	-4.72%
2017	11.89%
2016	8.13%
2015	1.60%
2014	5.62%

* GASB No. 67 was implemented for fiscal year ended December 31, 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

ST. CLAIR COUNTY, MICHIGAN

**BASIC RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	Reporting Year**		
	2020	2019	2018
PRIMARY GOVERNMENT			
Total Pension Liability			
Service Cost	\$ 2,793,165	\$ 2,676,913	\$ 2,572,862
Interest	13,869,129	12,691,473	12,385,695
Changes of assumptions	12,136,467	(233,899)	(494,505)
Differences between expected and actual experience	210,610	(116,488)	(559,596)
Benefit payments, including refunds	(11,092,928)	(9,792,455)	(9,938,259)
Change in total pension liability	17,916,443	5,225,544	3,966,197
Total pension liability, beginning of year	<u>176,730,611</u>	<u>171,505,067</u>	<u>167,538,870</u>
Total pension liability, end of year	<u>\$ 194,647,054</u>	<u>\$ 176,730,611</u>	<u>\$ 171,505,067</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 3,555,904	\$ 3,737,255	\$ 3,946,975
Contributions - Member	1,282,569	1,222,685	1,105,447
Net investment income	26,134,016	(8,457,211)	17,464,462
Benefit payments, including refunds	(11,092,928)	(9,792,455)	(9,938,259)
Administrative expenses	(145,667)	(101,172)	(111,350)
Other	<u>15,325</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	19,749,219	(13,390,898)	12,467,275
Plan fiduciary net position, beginning of year	<u>147,174,614</u>	<u>160,565,512</u>	<u>148,098,237</u>
Plan fiduciary net position, end of year	<u>\$ 166,923,833</u>	<u>\$ 147,174,614</u>	<u>\$ 160,565,512</u>
County's Net Pension Liability - Ending	<u>\$ 27,723,221</u>	<u>\$ 29,555,997</u>	<u>\$ 10,939,555</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.76%	83.28%	93.62%
Covered Payroll	\$ 21,840,966	\$ 21,648,797	\$ 21,511,145
County's Net Pension Liability as a Percentage of Covered Payroll	126.93%	136.52%	50.86%

* GASB No. 68 was implemented for fiscal year ended December 31, 2015. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

** The amount reported for each reporting year is the net pension liability as of December 31 of the prior year (2019 is the December 31, 2018 net pension liability).

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,504,939	\$ 2,768,655	\$ 2,871,556
10,449,188	11,544,593	11,174,200
2,728,045	-	-
(482,191)	(1,451,427)	-
(7,116,901)	(9,130,574)	(8,877,982)
8,083,080	3,731,247	5,167,774
<u>159,455,790</u>	<u>155,724,543</u>	<u>150,556,769</u>
<u>\$ 167,538,870</u>	<u>\$ 159,455,790</u>	<u>\$ 155,724,543</u>
\$ 4,014,131	\$ 4,843,347	\$ 4,879,260
1,149,429	1,154,432	1,228,149
9,030,086	2,400,568	7,784,083
(7,116,901)	(9,130,574)	(8,877,982)
(129,296)	(95,353)	(103,298)
<u>-</u>	<u>-</u>	<u>-</u>
6,947,449	(827,580)	4,910,212
<u>141,150,788</u>	<u>141,978,368</u>	<u>137,068,156</u>
<u>\$ 148,098,237</u>	<u>\$ 141,150,788</u>	<u>\$ 141,978,368</u>
<u>\$ 19,440,633</u>	<u>\$ 18,305,002</u>	<u>\$ 13,746,175</u>
88.40%	88.52%	91.17%
\$ 22,609,487	\$ 23,709,482	\$ 24,888,511
85.98%	77.21%	55.23%

ST. CLAIR COUNTY, MICHIGAN

BASIC RETIREMENT SYSTEM

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

COMPONENT UNITS	Reporting Year**		
	2020	2019	2018
Total Pension Liability			
Service Cost	\$ 1,192,543	\$ 1,383,784	\$ 1,634,397
Interest	5,921,437	6,560,638	6,565,930
Changes of assumptions	5,181,675	(120,909)	(270,272)
Differences between expected and actual experience	89,920	(60,217)	(2,607,396)
Benefit payments, including refunds	(4,680,755)	(5,487,673)	(4,929,768)
Change in total pension liability	7,704,820	2,275,623	392,891
Total pension liability, beginning of year	91,044,734	88,769,111	88,376,220
Total pension liability, end of year	<u>\$ 98,749,554</u>	<u>\$ 91,044,734</u>	<u>\$ 88,769,111</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,138,942	\$ 2,435,353	\$ 2,445,872
Contributions - Member	547,595	632,045	783,359
Net investment income	13,195,560	(2,790,735)	8,612,555
Benefit payments, including refunds	(4,680,755)	(5,487,673)	(4,929,768)
Administrative expenses	(62,193)	(52,299)	(56,194)
Other	7,737	-	-
Net change in plan fiduciary net position	11,146,886	(5,263,309)	6,855,824
Plan fiduciary net position, beginning of year	75,766,218	81,029,527	74,173,703
Plan fiduciary net position, end of year	<u>\$ 86,913,104</u>	<u>\$ 75,766,218</u>	<u>\$ 81,029,527</u>
County's Net Pension Liability - Ending	<u>\$ 11,836,450</u>	<u>\$ 15,278,516</u>	<u>\$ 7,739,584</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.01%	83.22%	91.28%
Covered Payroll	\$ 12,525,127	\$ 12,616,569	\$ 14,197,693
County's Net Pension Liability as a Percentage of Covered Payroll	94.50%	121.10%	54.51%

* GASB No. 68 was implemented for fiscal year ended December 31, 2015. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

** The amount reported for each reporting year is the net pension liability as of December 31 of the prior year (2019 is the December 31, 2018 net pension liability).

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,830,004	\$ 1,621,125	\$ 1,576,074
7,633,742	5,964,738	5,748,827
1,992,996	-	-
(352,270)	1,245,014	-
(7,203,403)	(4,528,882)	(4,453,389)
3,901,069	4,301,995	2,871,512
<u>84,475,151</u>	<u>80,173,156</u>	<u>77,301,644</u>
<u>\$ 88,376,220</u>	<u>\$ 84,475,151</u>	<u>\$ 80,173,156</u>
\$ 2,250,146	\$ 2,336,633	\$ 2,312,937
839,726	884,526	865,706
7,944,148	1,054,248	3,664,535
(7,203,403)	(4,528,882)	(4,453,389)
(94,459)	(47,584)	(51,466)
-	-	-
3,736,158	(301,059)	2,338,323
<u>70,437,545</u>	<u>70,738,604</u>	<u>68,400,281</u>
<u>\$ 74,173,703</u>	<u>\$ 70,437,545</u>	<u>\$ 70,738,604</u>
<u>\$ 14,202,517</u>	<u>\$ 14,037,606</u>	<u>\$ 9,434,552</u>
83.93%	83.38%	88.23%
\$ 15,104,860	\$ 15,228,470	\$ 14,654,443
94.03%	92.18%	64.38%

ST. CLAIR COUNTY, MICHIGAN

**BASIC RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	Plan Year **		
	2020	2019	2018
Total Pension Liability			
Service Cost	\$ 3,707,733	\$ 3,985,708	\$ 4,060,697
Interest	20,219,358	19,790,566	19,252,111
Changes of assumptions	(586,752)	17,318,142	(354,808)
Differences between expected and actual experience	2,141,966	300,530	(176,705)
Benefit payments, including refunds	(16,512,733)	(15,773,683)	(15,280,128)
Change in total pension liability	8,969,572	25,621,263	7,501,167
Total pension liability, beginning of year	293,396,608	267,775,345	260,274,178
Total pension liability, end of year	<u>\$ 302,366,180</u>	<u>\$ 293,396,608</u>	<u>\$ 267,775,345</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 5,995,055	\$ 5,694,846	\$ 6,172,608
Contributions - Member	1,959,887	1,830,164	1,854,730
Net investment income	22,791,950	39,329,576	(11,247,946)
Benefit payments, including refunds	(16,512,733)	(15,773,683)	(15,280,128)
Administrative expenses	(147,104)	(207,860)	(153,471)
Other	1,211	23,062	-
Net change in plan fiduciary net position	14,088,266	30,896,105	(18,654,207)
Plan fiduciary net position, beginning of year	253,836,937	222,940,832	241,595,039
Plan fiduciary net position, end of year	<u>\$ 267,925,203</u>	<u>\$ 253,836,937</u>	<u>\$ 222,940,832</u>
County's Net Pension Liability - Ending	<u>\$ 34,440,977</u>	<u>\$ 39,559,671</u>	<u>\$ 44,834,513</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.61%	86.52%	83.26%
Covered Payroll	\$ 33,839,843	\$ 33,483,820	\$ 34,265,366
County's Net Pension Liability as a Percentage of Covered Payroll	101.8%	118.1%	130.8%

* GASB No. 67 was implemented for fiscal year ended December 31, 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

** The Plan Year is based on the prior year actuarial liability rolled forward to the current year. These amounts are not reported in the County's financial statements until the following year.

2017	2016	2015	2014
\$ 4,207,259	\$ 4,334,943	\$ 4,389,780	\$ 4,781,202
18,951,625	18,082,930	17,509,331	16,948,045
(764,777)	4,721,041	-	-
(3,166,992)	(834,461)	(206,413)	(358,590)
<u>(14,868,027)</u>	<u>(14,320,304)</u>	<u>(13,659,456)</u>	<u>(13,331,371)</u>
4,359,088	11,984,149	8,033,242	8,039,286
<u>255,915,090</u>	<u>243,930,941</u>	<u>235,897,699</u>	<u>227,858,413</u>
<u>\$ 260,274,178</u>	<u>\$ 255,915,090</u>	<u>\$ 243,930,941</u>	<u>\$ 235,897,699</u>
\$ 6,392,847	\$ 6,264,277	\$ 7,179,980	\$ 7,192,197
1,888,806	1,989,155	2,038,958	2,093,855
26,077,017	16,974,234	3,454,816	11,448,618
(14,868,027)	(14,320,304)	(13,659,456)	(13,331,371)
(167,544)	(223,755)	(142,937)	(154,764)
-	-	-	-
19,323,099	10,683,607	(1,128,639)	7,248,535
<u>222,271,940</u>	<u>211,588,333</u>	<u>212,716,972</u>	<u>205,468,437</u>
<u>\$ 241,595,039</u>	<u>\$ 222,271,940</u>	<u>\$ 211,588,333</u>	<u>\$ 212,716,972</u>
<u>\$ 18,679,139</u>	<u>\$ 33,643,150</u>	<u>\$ 32,342,608</u>	<u>\$ 23,180,727</u>
92.82%	86.85%	86.74%	90.17%
\$ 35,708,838	\$ 37,714,347	\$ 38,937,952	\$ 39,542,954
52.3%	89.2%	83.1%	58.6%

ST. CLAIR COUNTY, MICHIGAN

**BASIC RETIREMENT SYSTEM
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>Actuarially determined contributions</u>	<u>Contributions in relation to the actuarially determined contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
PRIMARY GOVERNMENT					
2020	\$ 3,908,222	\$ 3,923,266	\$(15,044)	\$ 21,840,966	17.96%
2019	3,500,277	3,555,904	(55,627)	21,648,797	16.43%
2018	3,517,819	3,737,255	(219,436)	21,511,145	17.37%
2017	3,822,897	3,947,749	(124,852)	22,609,487	17.46%
2016	3,551,582	4,014,131	(462,549)	23,709,482	16.93%
2015	4,062,123	4,841,086	(778,963)	24,888,512	19.45%
2014	4,879,260	4,879,260	-	26,897,465	18.14%
2013	5,164,114	5,164,114	-	29,675,363	17.40%
2012	4,490,006	4,547,153	(57,147)	27,131,512	16.76%
2011	4,664,029	4,664,029	-	29,011,272	16.08%
COMPONENT UNITS					
2020	\$ 1,738,935	\$ 2,063,461	\$(324,526)	\$ 12,525,127	16.47%
2019	1,705,957	2,126,341	(420,384)	13,158,103	16.16%
2018	1,919,500	2,476,820	(557,320)	12,759,059	19.41%
2017	2,195,477	2,373,562	(178,085)	13,933,660	17.03%
2016	2,101,104	2,275,043	(173,939)	15,356,127	14.82%
2015	2,146,742	2,348,157	(201,415)	15,286,757	15.36%
2014	2,322,948	2,328,973	(6,025)	15,564,359	14.96%
2013	2,181,635	2,181,635	-	17,166,929	12.71%
2012	1,870,203	2,207,847	(337,644)	17,862,124	12.36%
2011	1,807,663	1,807,663	-	16,700,587	10.82%

* Amounts combined do not agree to Total Plan on following page as this is reporting fiscal years of the Component Units and the following page is reporting on the Plan's fiscal year.

ST. CLAIR COUNTY, MICHIGAN
BASIC RETIREMENT SYSTEM
SCHEDULE OF COUNTY CONTRIBUTIONS

PLAN TOTAL	<u>Actuarially determined contributions</u>	<u>Contributions in relation to the actuarially determined contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2020	\$ 5,655,485	\$ 5,995,055	\$(339,570)	\$ 33,483,820	17.90%
2019	5,174,822	5,694,846	(520,024)	34,265,366	16.62%
2018	5,396,056	6,172,608	(776,552)	34,585,027	17.85%
2017	6,090,683	6,392,847	(302,164)	35,512,868	18.00%
2016	5,620,520	6,264,277	(643,757)	37,413,854	16.74%
2015	6,197,341	7,179,980	(982,639)	38,496,661	18.65%
2014	7,192,197	7,192,197	-	42,461,824	16.94%
2013	7,378,242	7,378,242	-	42,911,460	17.19%
2012	6,360,209	6,755,000	(394,791)	44,165,160	15.29%
2011	6,513,424	6,513,424	-	46,217,020	14.09%

Valuation Date December 31 of the second previous fiscal year

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Individual Entry Age
Amortization method	Level dollar
Remaining amortization period	15 years for General and Road Commission, 17 years for Community Mental Health on a closed period
Asset valuation method	5-year smoothed market value
Salary increases	3.5- 8.0% for General and Road Commission, 2.0% for Community Mental Health
Investment rate of return	7.50%
Retirement age	Earliest age participant becomes eligible for normal retirement
Mortality	RP-2014 Mortality Table with generational improvements from 2006 based on MP-18

ST. CLAIR COUNTY, MICHIGAN
RETIREE HEALTH BENEFITS
SCHEDULE OF INVESTMENT RETURNS

	Annual money-weighted rate of return, net of expenses
	<hr/>
2020	12.47%
2019	18.14%
2018	-3.18%
2017	20.08%

* GASB No. 74 was implemented for fiscal year ended December 31, 2017. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

ST. CLAIR COUNTY, MICHIGAN

**RETIREE HEALTH BENEFITS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

	Reporting Year**		
	2020	2019	2018
PRIMARY GOVERNMENT			
Total OPEB Liability			
Service Cost	\$ 1,244,520	\$ 2,891,255	\$ 2,619,609
Interest	3,302,524	4,866,947	4,729,272
Changes in benefit terms	-	(49,455,733)	-
Changes of assumptions	(2,107,273)	(10,761,637)	6,184,642
Differences between expected and actual experience	(909,232)	(7,983,356)	1,660,027
Benefit payments, including refunds	(2,248,196)	(2,711,471)	(2,757,601)
Change in total OPEB liability	(717,657)	(63,153,995)	12,435,949
Total OPEB liability, beginning of year	63,375,401	126,529,396	114,093,447
Total OPEB liability, end of year	<u>\$ 62,657,744</u>	<u>\$ 63,375,401</u>	<u>\$ 126,529,396</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 986,546	\$ 959,219	\$ 841,331
Contributions - Member	327,237	342,549	353,887
Net investment income	4,155,708	(787,575)	2,878,791
Benefit payments, including refunds	(2,248,196)	(2,711,471)	(2,757,601)
Administrative expenses	(304)	(316)	(21,220)
Net change in plan fiduciary net position	3,220,991	(2,197,594)	1,295,188
Plan fiduciary net position, beginning of year	23,361,781	25,559,375	24,264,187
Plan fiduciary net position, end of year	<u>\$ 26,582,772</u>	<u>\$ 23,361,781</u>	<u>\$ 25,559,375</u>
County's Net OPEB Liability - Ending	<u>\$ 36,074,972</u>	<u>\$ 40,013,620</u>	<u>\$ 100,970,021</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	42.43%	36.86%	20.20%
Covered Payroll	\$ 19,455,357	\$ 20,021,640	\$ 21,110,866
County's Net OPEB Liability as a Percentage of Covered Payroll	185.4%	199.9%	478.3%

The cost of benefits provided was changed in 2018 and is the reason for the change in benefit terms.

* GASB No. 75 was implemented for fiscal year ended December 31, 2018. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

** The amount reported for each reporting year is the net OPEB liability as of December 31 of the prior year (2019 is the December 31, 2018 net OPEB liability).

ST. CLAIR COUNTY, MICHIGAN

RETIREE HEALTH BENEFITS

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

COMPONENT UNITS	Reporting Year**		
	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 729,526	\$ 1,858,363	\$ 1,711,610
Interest	1,738,847	2,559,282	2,539,458
Changes in benefit terms	-	(26,905,935)	-
Changes of assumptions	(2,702,348)	(5,469,086)	3,127,806
Differences between expected and actual experience	(948,479)	(3,676,283)	(775,585)
Benefit payments, including refunds	(967,952)	(1,327,251)	(1,348,601)
Change in total OPEB liability	(2,150,406)	(32,960,910)	5,254,688
Total OPEB liability, beginning of year	<u>33,187,690</u>	<u>66,148,600</u>	<u>60,893,912</u>
Total OPEB liability, end of year	<u>\$ 31,037,284</u>	<u>\$ 33,187,690</u>	<u>\$ 66,148,600</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,699,457	\$ 1,910,694	\$ 1,527,062
Contributions - Member	86,724	81,607	89,223
Net investment income	3,716,505	(645,767)	2,176,273
Benefit payments, including refunds	(967,952)	(1,327,251)	(1,348,601)
Administrative expenses	(260)	(248)	(15,407)
Net change in plan fiduciary net position	4,534,474	19,035	2,428,550
Plan fiduciary net position, beginning of year	<u>20,065,809</u>	<u>20,046,774</u>	<u>17,618,224</u>
Plan fiduciary net position, end of year	<u>\$ 24,600,283</u>	<u>\$ 20,065,809</u>	<u>\$ 20,046,774</u>
County's Net OPEB Liability - Ending	<u>\$ 6,437,001</u>	<u>\$ 13,121,881</u>	<u>\$ 46,101,826</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	79.26%	60.46%	30.31%
Covered Payroll	\$ 12,316,538	\$ 12,718,123	\$ 14,257,669
County's Net OPEB Liability as a Percentage of Covered Payroll	52.3%	103.2%	323.3%

The cost of benefits provided was changed in 2018 and is the reason for the change in benefit terms.

* GASB No. 75 was implemented for fiscal year ended December 31, 2018. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

** The amount reported for each reporting year is the net OPEB liability as of December 31 of the prior year (2019 is the December 31, 2018 net OPEB liability).

ST. CLAIR COUNTY, MICHIGAN

**RETIREE HEALTH BENEFITS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

	Plan Year **			
	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	\$ 1,507,259	\$ 1,974,046	\$ 4,749,618	\$ 4,331,219
Interest	5,143,667	5,041,371	7,426,229	7,268,730
Changes in benefit terms	-	-	(76,361,668)	-
Changes of assumptions	25,734,091	(4,809,621)	(16,230,723)	9,312,448
Differences between expected and actual experience	(2,294,007)	(1,857,711)	(11,659,639)	884,442
Benefit payments, including refunds	(3,407,736)	(3,216,148)	(4,038,722)	(4,106,202)
Change in total OPEB liability	26,683,274	(2,868,063)	(96,114,905)	17,690,637
Total OPEB liability, beginning of year	<u>93,695,028</u>	<u>96,563,091</u>	<u>192,677,996</u>	<u>174,987,359</u>
Total OPEB liability, end of year	<u>\$ 120,378,302</u>	<u>\$ 93,695,028</u>	<u>\$ 96,563,091</u>	<u>\$ 192,677,996</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 2,475,409	\$ 2,686,003	\$ 2,869,913	\$ 2,368,393
Contributions - Member	402,509	413,961	424,156	443,110
Net investment income	6,327,947	7,864,780	(1,433,342)	5,055,064
Benefit payments, including refunds	(3,407,736)	(3,216,148)	(4,038,722)	(4,106,202)
Administrative expenses	(433)	(564)	(564)	(36,627)
Other	6,787	7,433	-	-
Net change in plan fiduciary net position	5,804,483	7,755,465	(2,178,559)	3,723,738
Plan fiduciary net position, beginning of year	<u>51,183,055</u>	<u>43,427,590</u>	<u>45,606,149</u>	<u>41,882,411</u>
Plan fiduciary net position, end of year	<u>\$ 56,987,538</u>	<u>\$ 51,183,055</u>	<u>\$ 43,427,590</u>	<u>\$ 45,606,149</u>
County's Net OPEB Liability - Ending	<u>\$ 63,390,764</u>	<u>\$ 42,511,973</u>	<u>\$ 53,135,501</u>	<u>\$ 147,071,847</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	47.34%	54.63%	44.97%	23.67%
Covered Payroll	\$ 31,487,706	\$ 31,771,895	\$ 32,739,763	\$ 35,368,535
County's Net OPEB Liability as a Percentage of Covered Payroll	201.3%	133.8%	162.3%	415.8%

The cost of benefits provided was changed in 2018 and is the reason for the change in benefit terms.

* GASB No. 74 was implemented for fiscal year ended December 31, 2017. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

** The Plan Year is based on the prior year actuarial liability rolled forward to the current year. These amounts are not reflected in the County's financial statements until the following year.

ST. CLAIR COUNTY, MICHIGAN

**RETIREE HEALTH BENEFITS
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>Actuarially determined contributions</u>	<u>Contributions in relation to the actuarially determined contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
PRIMARY GOVERNMENT					
2020	\$ 4,862,296	\$ 995,689	\$ 3,866,607	\$ 16,594,822	6.00%
2019	4,205,510	986,546	3,218,964	19,455,357	5.07%
2018	4,013,767	959,219	3,054,548	20,021,640	4.79%
COMPONENT UNITS					
2020	\$ 1,219,087	\$ 1,457,090	\$(238,003)	\$ 12,495,298	11.66%
2019	1,530,849	1,766,524	(235,675)	12,388,218	14.26%
2018	2,858,768	1,901,430	957,338	12,759,059	14.90%

The valuation determining the 2018 actuarially determined contribution reflects changes in the costs of insurance provided, mainly with the Medicare Advantage Plan projecting a 42.32% decrease in cost from 2018 to 2019.

* GASB No. 75 was implemented for fiscal year ended December 31, 2018. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

** Amounts combined do not agree to Total Plan on following page as this is reporting fiscal years of the Component Units and the following page is reporting on the Plan's fiscal year.

ST. CLAIR COUNTY, MICHIGAN

**RETIREE HEALTH BENEFITS
SCHEDULE OF COUNTY CONTRIBUTIONS**

	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered employee payroll
2020	\$ 6,081,383	\$ 2,475,409	\$ 3,605,974	\$ 21,487,706	11.52%
2019	5,675,768	2,686,003	2,989,765	31,771,895	8.45%
2018	5,772,415	2,869,913	2,902,502	32,739,763	8.77%
2017	14,223,015	2,368,393	11,854,622	35,368,535	6.70%

Valuation Date December 31 of the previous fiscal year

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Individual Entry Age
Amortization method	Level dollar for General, level percent of pay for Road Commission and Community Mental Health
Remaining amortization period	10 years for 2020
Asset valuation method	5-year smoothed market value
Inflation	2.0%, 2018 - 2.8%, 2017 - 3.0%
Salary increases	2.25-7.00% for 2019 and after; 3.5- 8.0% Road Commission and Community Mental Health for prior years
Investment rate of return	6.00%, 2019 - 6.34%, 2018 - 6.50%, 2017 - 5.00%
Retirement age	Earliest age participant becomes eligible for normal retirement
Mortality	Pub-2010 General, Public Safety, or Blue Collar weighted Mortality Table fully generational using scale MP-2018; Pub-2010 Non-Public Safety, Public Safety, or RPH-2006 Disabled Mortality Table Fully generational using scale MP-2018 for Disabled Retirees; and Pub-2010 General Headcount-weighted Mortality Table fully generational using scale MP-2018. For 2018 and 2017 - RP-2017 Mortality Table with generational improvements from 2006 based on the Social Security mortality improvement assumptions

The valuation determining the 2018 actuarially determined contribution reflects changes in the costs of insurance provided, mainly with the Medicare Advantage Plan projecting a 42.32% decrease in cost from 2018 to 2019.

* GASB No. 74 was implemented for fiscal year ended December 31, 2017. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

SUPPLEMENTARY INFORMATION

ST. CLAIR COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
COMBINED GENERAL FUND
DECEMBER 31, 2020**

	<u>General</u>	<u>Budget Incentive</u>	<u>Development Revolving</u>	<u>Combined General</u>
Assets:				
Cash and cash equivalents	\$ 23,693	\$ 1,132,012	\$ 133,425	\$ 1,289,130
Investments	13,099,379	-	-	13,099,379
Receivables, net of allowance -				
Property taxes	1,734,987	-	-	1,734,987
Interest and accounts	466,000	-	-	466,000
Due from other governmental units	2,319,409	-	418,428	2,737,837
Long-term notes receivable	401,667	-	-	401,667
Advances to component units	1,340,000	-	-	1,340,000
Prepayments and deposits	28,950	-	-	28,950
	<u>19,414,085</u>	<u>1,132,012</u>	<u>551,853</u>	<u>21,097,950</u>
Total Assets	<u>\$ 19,414,085</u>	<u>\$ 1,132,012</u>	<u>\$ 551,853</u>	<u>\$ 21,097,950</u>
Liabilities:				
Accounts payable	\$ 693,306	\$ -	\$ -	\$ 693,306
Accrued liabilities	1,123,613	-	-	1,123,613
Due to other governmental units	1,822	-	-	1,822
Due to other funds	5,600,000	-	-	5,600,000
Bonds and restitution payable	762,509	-	-	762,509
	<u>8,181,250</u>	<u>-</u>	<u>-</u>	<u>8,181,250</u>
Total Liabilities	<u>8,181,250</u>	<u>-</u>	<u>-</u>	<u>8,181,250</u>
Deferred Inflows of Resources:				
Unavailable revenue -				
Property taxes	44,602	-	-	44,602
Grants/fees	191,737	-	-	191,737
	<u>236,339</u>	<u>-</u>	<u>-</u>	<u>236,339</u>
Total Deferred Inflows of Resources	<u>236,339</u>	<u>-</u>	<u>-</u>	<u>236,339</u>
Fund Balances:				
Nonspendable -				
Long-term notes receivable/advances	1,741,667	-	418,428	2,160,095
Prepayments	28,950	-	-	28,950
Committed	-	1,132,012	-	1,132,012
Assigned	-	-	133,425	133,425
Unassigned	9,225,879	-	-	9,225,879
	<u>10,996,496</u>	<u>1,132,012</u>	<u>551,853</u>	<u>12,680,361</u>
Total Fund Balances	<u>10,996,496</u>	<u>1,132,012</u>	<u>551,853</u>	<u>12,680,361</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,414,085</u>	<u>\$ 1,132,012</u>	<u>\$ 551,853</u>	<u>\$ 21,097,950</u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMBINED GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Budget Incentive</u>	<u>Development Revolving</u>	<u>Eliminations</u>	<u>Combined General</u>
Revenues:					
Taxes	\$ 34,347,910	\$ -	\$ -	\$ -	\$ 34,347,910
Licenses and permits	331,707	-	-	-	331,707
Intergovernmental	12,262,837	-	-	-	12,262,837
Charges for services	6,710,490	-	-	-	6,710,490
Fines and forfeits	279,987	-	-	-	279,987
Interest and rent	1,028,083	-	-	-	1,028,083
Other	1,776,278	-	-	-	1,776,278
Total Revenues	<u>56,737,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,737,292</u>
Expenditures:					
Current -					
Legislative	1,365,663	-	-	-	1,365,663
General Government	12,170,562	60,469	-	-	12,231,031
Judicial	10,467,937	9,925	-	-	10,477,862
Public Safety	22,575,198	-	-	-	22,575,198
Public Works	1,104,405	-	-	-	1,104,405
Health and Welfare	1,871,281	-	-	-	1,871,281
Community and Economic Development	596,332	-	-	-	596,332
Debt Service -					
Principal	355,318	-	-	-	355,318
Interest	158,010	-	-	-	158,010
Total Expenditures	<u>50,664,706</u>	<u>70,394</u>	<u>-</u>	<u>-</u>	<u>50,735,100</u>
Revenues over (under) expenditures	<u>6,072,586</u>	<u>(70,394)</u>	<u>-</u>	<u>-</u>	<u>6,002,192</u>
Other Financing Sources (Uses):					
Issuance of debt	177,930	-	-	-	177,930
Transfers from other funds	2,464,085	-	-	(32,596)	2,431,489
Transfers to other funds	(8,547,455)	(32,596)	-	32,596	(8,547,455)
Total Other Financing Sources (Uses)	<u>(5,905,440)</u>	<u>(32,596)</u>	<u>-</u>	<u>-</u>	<u>(5,938,036)</u>
Net Change in Fund Balance	167,146	(102,990)	-	-	64,156
Fund Balance at beginning of year	<u>10,829,350</u>	<u>1,235,002</u>	<u>551,853</u>	<u>-</u>	<u>12,616,205</u>
Fund Balance at end of year	<u>\$ 10,996,496</u>	<u>\$ 1,132,012</u>	<u>\$ 551,853</u>	<u>\$ -</u>	<u>\$ 12,680,361</u>

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
BUDGET INCENTIVE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	Variance with Actual Positive (Negative)
Expenditures:			
General Government	\$ 94,000	\$ 60,469	\$ 33,531
Judicial	6,000	9,925	(3,925)
Total Expenditures	<u>100,000</u>	<u>70,394</u>	<u>29,606</u>
Other Financing Uses:			
Transfers to other funds	<u>-</u>	<u>(32,596)</u>	<u>(32,596)</u>
Net Change in Fund Balance	(100,000)	(102,990)	(2,990)
Fund Balance at beginning of year	<u>1,235,002</u>	<u>1,235,002</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,135,002</u></u>	<u><u>\$ 1,132,012</u></u>	<u><u>\$(2,990)</u></u>

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, debt service, or capital projects) that are restricted or committed to expenditures for specified purposes. The Nonmajor Special Revenue Funds of the County are as follows:

Friend of Court – is used to account for the revenues and expenditures of the Friend of the Court office required in 1982 Public Acts 294 through 298.

Convention Center – is used to account for the proceeds from and operations of the convention center.

Drug Law Enforcement – is used to account for revenues derived from the sale of assets seized by the Drug Task Force in drug cases and expenditures made in accordance with state drug forfeiture laws.

Health Department – is used to account for the operations of providing health protection and health services. Financing is provided by state and federal grants, charges for services and General Fund appropriations.

HUD Housing – is used to account for federal grant money received prior to 1987 for renovations made to qualified housing. It is also used to account for the loans resulting from these renovation projects. The interest from the loans and the repayments are used to supplement funding of future grants.

CDBG Housing – is used to account for federal grant money received after 1987 for renovations made to qualified housing. It is also used to account for the loans resulting from these renovation projects.

Human Services – is used to account for the cost of providing financial assistance to County residents who cannot meet basic requirements for personal needs, shelter and medical care. Financing is provided by the Michigan Family Independence Agency and General Fund appropriations.

CARES Act – is used to account for revenues and expenditures incurred as a result of the federal CARES Act.

Child Care – is used to account for court-ordered expenses for the health and welfare of minor children, and community based residential treatment program for emotionally impaired children and their families. Financing is provided by General Fund appropriations and state matching of certain eligible costs.

Indigent Defense – is used to account for revenues and expenditures of the delivery of indigent criminal defense services required by Act 93 of 2013.

Veterans' Millage – is used to account for a County special millage to be used for Veterans' aid.

Emergency 911 (E-911) – is used to account for revenues and expenditures of purchasing and providing Emergency 911 services.

Deeds Automation – is used to account for the revenues and expenditures set aside for the updating and streamlining the records system in the deeds office.

Local Corrections and Training – is used to account for the County's portion of booking fees collected in the Jail and used for corrections officer education and training and/or inmate substance abuse/mental health programs.

Family Counseling – is used to account for the portion of marriage license fees set aside for providing family counseling to individuals who have domestic related actions pending before the Circuit Court.

SPECIAL REVENUE FUNDS (continued)

Concealed Pistol Licensing – was created under State of Michigan Act 3 of 2015 and accounts for the deposit of licensing fees collected by the County and the related expenditures of the cost of administering.

Animal Control Donations – is used to account for contributions received for animal control programs.

Prosecutor's Drug Forfeitures – is used to account for the prosecuting attorney's proceeds for vehicle and drug forfeitures.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for restricted resources for the payment of general long-term debt principal, interest, and related costs. The Debt Service Funds of the County are as follows:

Communications Series B – is used to account for the debt service requirements related to the communications system.

Communications Series 2009 – is used to account for the debt service requirements related to the 2009 communications system.

Building Authority – is used to account for the accumulation of rents paid by the County departments for payment of separate debt service requirements on revenue bonds sold to defray the cost of construction and improvements to various County buildings. It also accounts for the payment of Debt Service requirements on revenue bonds sold to construct the new administrative facility.

Convention Center – is used to account for the debt service requirements related to the Blue Water Area Convention Center.

Jail/Juvenile Facility – is used to account for the accumulation of resources and payment of debt for the Jail/Juvenile facility.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for restricted financial resources to be used for the acquisition or construction of capital assets (other than those financed by Proprietary and Trust Funds). The Capital Projects Funds of the County are as follows:

Public Improvement – is used to account for the funds earmarked for improvements in County facilities or equipment. Financing is provided primarily by General Fund appropriations.

Municipal Building – is used to account for local revenues used for major improvements to existing County buildings.

Convention Center – is used to account for the construction of the Blue Water Area Convention Center.

ST. CLAIR COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	Special Revenue Funds					
	Friend of Court	Convention Center	Drug Law Enforcement	Health Department	HUD Housing	CDBG Housing
Assets:						
Cash and cash equivalents	\$ 284,312	\$ 672,522	\$ 521,468	\$ 4,737,513	\$ 95,311	\$ 364,015
Investments	500,000	-	-	-	-	-
Receivables, net of allowance -						
Property taxes	-	-	-	-	-	-
Interest and accounts	4,534	57	-	166,549	149,572	598,045
Due from other governmental units	47,526	-	-	878,087	-	-
Total Assets	\$ 836,372	\$ 672,579	\$ 521,468	\$ 5,782,149	\$ 244,883	\$ 962,060
Liabilities:						
Accounts payable	\$ 2,500	\$ 13,749	\$ 48	\$ 85,184	\$ -	\$ -
Accrued liabilities	3,056	-	-	93,056	-	-
Advances and deposits	-	70,150	-	4,425	-	-
Due to other governmental units	-	-	-	270,390	-	41,636
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	31,373	-	-
Total Liabilities	5,556	83,899	48	484,428	-	41,636
Deferred Inflows of Resources:						
Unavailable revenue -						
Delinquent property taxes	-	-	-	-	-	-
Lease contract/revolving loans	-	-	-	-	149,572	556,409
Grants/fees	2,500	-	-	117,661	-	-
Taxes levied for a subsequent period	-	-	-	-	-	-
Total Deferred Inflows of Resources	2,500	-	-	117,661	149,572	556,409
Fund Balances:						
Restricted	828,316	-	521,420	334,094	95,311	364,015
Committed	-	588,680	-	4,845,966	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	828,316	588,680	521,420	5,180,060	95,311	364,015
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 836,372	\$ 672,579	\$ 521,468	\$ 5,782,149	\$ 244,883	\$ 962,060

Special Revenue Funds

Human Services	CARES Act	Child Care	Indigent Defense	Veterans' Millage	E - 911	Deeds Automation	Local Corrections and Training
\$ 35,648	\$ 1,709	\$ 1,406,122	\$ 1,479,954	\$ 365,175	\$ -	\$ 357,406	\$ 38,189
-	-	-	-	-	-	-	-
-	-	-	-	598,250	-	-	-
-	-	-	-	-	-	1,705	-
-	833,985	413,618	-	-	-	-	-
<u>\$ 35,648</u>	<u>\$ 835,694</u>	<u>\$ 1,819,740</u>	<u>\$ 1,479,954</u>	<u>\$ 963,425</u>	<u>\$ -</u>	<u>\$ 359,111</u>	<u>\$ 38,189</u>
\$ 500	\$ 120,694	\$ 119,365	\$ 24,090	\$ 3,862	\$ -	\$ -	\$ -
249	-	43,659	22,345	4,955	-	2,015	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	715,000	-	-	-	-	-	-
-	-	-	1,019,555	-	-	-	-
<u>749</u>	<u>835,694</u>	<u>163,024</u>	<u>1,065,990</u>	<u>8,817</u>	<u>-</u>	<u>2,015</u>	<u>-</u>
-	-	-	-	979	-	-	-
-	-	-	-	-	-	-	-
-	656,835	-	-	-	-	-	-
-	-	-	-	641,424	-	-	-
-	656,835	-	-	642,403	-	-	-
-	-	-	413,964	312,205	-	357,096	38,189
34,899	-	1,656,716	-	-	-	-	-
-	(656,835)	-	-	-	-	-	-
<u>34,899</u>	<u>(656,835)</u>	<u>1,656,716</u>	<u>413,964</u>	<u>312,205</u>	<u>-</u>	<u>357,096</u>	<u>38,189</u>
<u>\$ 35,648</u>	<u>\$ 835,694</u>	<u>\$ 1,819,740</u>	<u>\$ 1,479,954</u>	<u>\$ 963,425</u>	<u>\$ -</u>	<u>\$ 359,111</u>	<u>\$ 38,189</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	Special Revenue Funds				Debt Service Funds	
	Family	Concealed	Animal	Prosecutor's	Communications	
	Counseling	Pistol	Control	Drug	Series B	Series 2009
		Licensing	Donations	Forfeitures		
Assets:						
Cash and cash equivalents	\$ 125,344	\$ 337,614	\$ 24,411	\$ 193,820	\$ 402,112	\$ 300,824
Investments	-	-	-	-	-	-
Receivables, net of allowance -						
Property taxes	-	-	-	-	-	-
Interest and accounts	-	-	-	2,250	-	-
Due from other governmental units	-	7,020	-	-	5,510	-
Total Assets	\$ 125,344	\$ 344,634	\$ 24,411	\$ 196,070	\$ 407,622	\$ 300,824
Liabilities:						
Accounts payable	\$ 1,280	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	304	-	-	-	-
Advances and deposits	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	1,280	304	-	-	-	-
Deferred Inflows of Resources:						
Unavailable revenue -						
Delinquent property taxes	-	-	-	-	-	-
Lease contract/revolving loans	-	-	-	-	-	-
Grants/fees	-	-	-	-	-	-
Taxes levied for a subsequent period	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balances:						
Restricted	124,064	344,330	24,411	196,070	407,622	300,824
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	124,064	344,330	24,411	196,070	407,622	300,824
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 125,344	\$ 344,634	\$ 24,411	\$ 196,070	\$ 407,622	\$ 300,824

Debt Service Funds			Capital Projects Funds			
Building Authority	Convention Center	Jail/Juvenile Facility	Public Improvement	Municipal Building	Convention Center	Total
\$ 757,980	\$ 140,242	\$ 3,504	\$ 6,773,483	\$ 84,534	\$ 347	\$ 19,503,559
-	-	-	-	-	-	500,000
-	-	-	-	-	-	598,250
-	15,745	-	-	162	-	938,619
-	-	-	112,496	-	-	2,298,242
<u>\$ 757,980</u>	<u>\$ 155,987</u>	<u>\$ 3,504</u>	<u>\$ 6,885,979</u>	<u>\$ 84,696</u>	<u>\$ 347</u>	<u>\$ 23,838,670</u>
\$ -	\$ -	\$ -	\$ 467,206	\$ 227	\$ 347	\$ 839,052
-	-	-	-	-	-	169,639
-	-	-	-	-	-	74,575
-	-	-	-	-	-	312,026
-	-	-	-	-	-	715,000
-	-	-	-	-	-	1,050,928
<u>-</u>	<u>-</u>	<u>-</u>	<u>467,206</u>	<u>227</u>	<u>347</u>	<u>3,161,220</u>
-	-	-	-	-	-	979
-	-	-	-	-	-	705,981
-	804	-	73,340	-	-	851,140
-	-	-	-	-	-	641,424
-	804	-	73,340	-	-	2,199,524
757,980	155,183	3,504	6,345,433	-	-	11,924,031
-	-	-	-	84,469	-	7,210,730
-	-	-	-	-	-	(656,835)
<u>757,980</u>	<u>155,183</u>	<u>3,504</u>	<u>6,345,433</u>	<u>84,469</u>	<u>-</u>	<u>18,477,926</u>
<u>\$ 757,980</u>	<u>\$ 155,987</u>	<u>\$ 3,504</u>	<u>\$ 6,885,979</u>	<u>\$ 84,696</u>	<u>\$ 347</u>	<u>\$ 23,838,670</u>

(Concluded)

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Special Revenue Funds					
	Friend of Court	Convention Center	Drug Law Enforcement	Health Department	HUD Housing	CDBG Housing
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	318,725	-	-
Intergovernmental	255,470	-	-	5,053,468	-	-
Charges for services	37,280	162,755	-	2,133,450	-	-
Fines and forfeits	-	-	123,916	-	-	-
Interest and rent	6,889	45,444	-	-	-	1,231
Other	3,038	65	22,193	242,584	-	18,387
Total Revenues	302,677	208,264	146,109	7,748,227	-	19,618
Expenditures:						
Current -						
Judicial	209,247	-	-	-	-	-
General Government	-	-	-	-	-	-
Public Safety	-	-	41,722	-	-	-
Health and Welfare	-	-	-	7,120,688	-	15,000
Recreation and Cultural	-	807,601	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debit Service -						
Principal	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-
Total Expenditures	209,247	807,601	41,722	7,120,688	-	15,000
Revenues over (under) expenditures	93,430	(599,337)	104,387	627,539	-	4,618
Other Financing Sources (Uses):						
Issuance of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers from other funds	-	620,131	-	1,701,420	-	-
Transfers to other funds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	620,131	-	1,701,420	-	-
Net Change in Fund Balances	93,430	20,794	104,387	2,328,959	-	4,618
Fund Balances at beginning of year	734,886	567,886	417,033	2,851,101	95,311	359,397
Fund Balances at end of year	\$ 828,316	\$ 588,680	\$ 521,420	\$ 5,180,060	\$ 95,311	\$ 364,015

Special Revenue Funds

Human Services	CARES Act	Child Care	Indigent Defense	Veterans' Millage	E - 911	Deeds Automation	Local Corrections and Training
\$ -	\$ -	\$ -	\$ -	\$ 618,661	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	3,788,284	3,996,672	1,689,117	46,481	-	-	-
-	-	46,904	126,506	-	1,050,396	166,406	18,833
-	-	-	-	-	-	-	-
-	-	-	-	90	-	1,915	-
-	-	9,297	58	1,210	-	-	-
-	<u>3,788,284</u>	<u>4,052,873</u>	<u>1,815,681</u>	<u>666,442</u>	<u>1,050,396</u>	<u>168,321</u>	<u>18,833</u>
-	-	-	1,963,581	-	-	-	-
-	538,392	-	-	-	-	186,516	-
-	2,861,220	-	-	-	-	-	12,864
18,682	1,045,507	5,382,813	-	594,781	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>18,682</u>	<u>4,445,119</u>	<u>5,382,813</u>	<u>1,963,581</u>	<u>594,781</u>	<u>-</u>	<u>186,516</u>	<u>12,864</u>
(18,682)	(656,835)	(1,329,940)	(147,900)	71,661	1,050,396	(18,195)	5,969
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
29,001	-	2,957,008	560,173	-	-	-	-
-	-	-	-	-	(1,050,396)	-	-
<u>29,001</u>	<u>-</u>	<u>2,957,008</u>	<u>560,173</u>	<u>-</u>	<u>(1,050,396)</u>	<u>-</u>	<u>-</u>
10,319	(656,835)	1,627,068	412,273	71,661	-	(18,195)	5,969
<u>24,580</u>	<u>-</u>	<u>29,648</u>	<u>1,691</u>	<u>240,544</u>	<u>-</u>	<u>375,291</u>	<u>32,220</u>
<u>\$ 34,899</u>	<u>\$(656,835)</u>	<u>\$ 1,656,716</u>	<u>\$ 413,964</u>	<u>\$ 312,205</u>	<u>\$ -</u>	<u>\$ 357,096</u>	<u>\$ 38,189</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Special Revenue Funds				Debt Service Funds	
	Family	Concealed	Animal	Prosecutor's	Communications	
	Counseling	Pistol	Control	Drug	Series B	Series 2009
		Licensing	Donations	Forfeitures		
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	140,307	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	11,756	-	-	6,750	295,546	-
Fines and forfeits	-	-	-	20,991	-	-
Interest and rent	-	-	-	-	-	-
Other	-	-	14,846	760	-	-
Total Revenues	11,756	140,307	14,846	28,501	295,546	-
Expenditures:						
Current -						
Judicial	4,947	-	-	-	-	-
General Government	-	34,728	-	-	-	-
Public Safety	-	-	799	16,402	-	-
Health and Welfare	-	-	-	-	-	-
Recreation and Cultural	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debit Service -						
Principal	-	-	-	-	390,000	245,000
Interest and charges	-	-	-	-	25,150	50,250
Total Expenditures	4,947	34,728	799	16,402	415,150	295,250
Revenues over (under) expenditures	6,809	105,579	14,047	12,099	(119,604)	(295,250)
Other Financing Sources (Uses):						
Issuance of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	580,700
Transfers to other funds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	580,700
Net Change in Fund Balances	6,809	105,579	14,047	12,099	(119,604)	285,450
Fund Balances at beginning of year	117,255	238,751	10,364	183,971	527,226	15,374
Fund Balances at end of year	\$ 124,064	\$ 344,330	\$ 24,411	\$ 196,070	\$ 407,622	\$ 300,824

Debt Service Funds			Capital Projects Funds			Total
Building Authority	Convention Center	Jail/Juvenile Facility	Public Improvement	Municipal Building	Convention Center	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 618,661
-	-	-	-	-	-	459,032
-	-	-	39,156	-	-	14,868,648
-	144,603	-	2,383	18,848	-	4,222,416
-	-	-	-	-	-	144,907
-	-	-	-	-	-	55,569
-	139,747	-	81,495	-	-	533,680
-	284,350	-	123,034	18,848	-	20,902,913
-	-	-	-	-	-	2,177,775
-	-	-	-	-	-	759,636
-	-	-	-	-	-	2,933,007
-	-	-	-	-	-	14,177,471
-	-	-	-	-	-	807,601
-	-	-	2,442,277	1,076	-	2,443,353
770,000	225,000	1,490,000	-	-	-	3,120,000
26,722	281,956	776,117	-	-	-	1,160,195
796,722	506,956	2,266,117	2,442,277	1,076	-	27,579,038
(796,722)	(222,606)	(2,266,117)	(2,319,243)	17,772	-	(6,676,125)
-	-	13,305,000	-	-	-	13,305,000
-	-	(13,096,920)	-	-	-	(13,096,920)
-	-	-	407,839	-	-	407,839
1,508,378	-	2,058,037	1,151,720	-	-	11,166,568
-	-	-	-	-	-	(1,050,396)
1,508,378	-	2,266,117	1,559,559	-	-	10,732,091
711,656	(222,606)	-	(759,684)	17,772	-	4,055,966
46,324	377,789	3,504	7,105,117	66,697	-	14,421,960
\$ 757,980	\$ 155,183	\$ 3,504	\$ 6,345,433	\$ 84,469	\$ -	\$18,477,926

(Concluded)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
FRIEND OF COURT			
Revenues:			
Intergovernmental	\$ 244,696	\$ 255,470	\$ 10,774
Charges for services	40,000	37,280	(2,720)
Interest and rent	6,500	6,889	389
Other	3,000	3,038	38
Total Revenues	<u>294,196</u>	<u>302,677</u>	<u>8,481</u>
Expenditures:			
Judicial	<u>206,174</u>	<u>209,247</u>	<u>(3,073)</u>
Net Change in Fund Balance	88,022	93,430	5,408
Fund Balance at beginning of year	<u>734,886</u>	<u>734,886</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 822,908</u>	<u>\$ 828,316</u>	<u>\$ 5,408</u>

CONVENTION CENTER

Revenues:			
Charges for services	\$ 158,862	\$ 162,755	\$ 3,893
Interest and rent	43,593	45,444	1,851
Other	-	65	65
Total Revenues	<u>202,455</u>	<u>208,264</u>	<u>5,809</u>
Expenditures:			
Recreation and Cultural	<u>822,586</u>	<u>807,601</u>	<u>14,985</u>
Revenues under expenditures	(620,131)	(599,337)	20,794
Other Financing Sources:			
Transfers from other funds	<u>620,131</u>	<u>620,131</u>	<u>-</u>
Net Change in Fund Balance	-	20,794	20,794
Fund Balance at beginning of year	<u>567,886</u>	<u>567,886</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 567,886</u>	<u>\$ 588,680</u>	<u>\$ 20,794</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
DRUG LAW ENFORCEMENT			
Revenues:			
Fines and forfeits	\$ 50,000	\$ 123,916	\$ 73,916
Other	<u>40,000</u>	<u>22,193</u>	<u>(17,807)</u>
Total Revenues	90,000	146,109	56,109
Expenditures:			
Public Safety	<u>65,000</u>	<u>41,722</u>	<u>23,278</u>
Net Change in Fund Balance	25,000	104,387	79,387
Fund Balance at beginning of year	<u>417,033</u>	<u>417,033</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 442,033</u>	<u>\$ 521,420</u>	<u>\$ 79,387</u>

HEALTH DEPARTMENT			
Revenues:			
Licenses and permits	\$ -	\$ 318,725	\$ 318,725
Intergovernmental	6,296,694	5,053,468	(1,243,226)
Charges for services	-	2,133,450	2,133,450
Other	<u>-</u>	<u>242,584</u>	<u>242,584</u>
Total Revenues	6,296,694	7,748,227	1,451,533
Expenditures:			
Health and Welfare	<u>6,483,915</u>	<u>7,120,688</u>	<u>(636,773)</u>
Revenues over (under) expenditures	(187,221)	627,539	814,760
Other Financing Sources:			
Transfers from other funds	<u>1,701,420</u>	<u>1,701,420</u>	<u>-</u>
Net Change in Fund Balance	1,514,199	2,328,959	814,760
Fund Balance at beginning of year	<u>2,851,101</u>	<u>2,851,101</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 4,365,300</u>	<u>\$ 5,180,060</u>	<u>\$ 814,760</u>

HUD HOUSING			
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance at beginning of year	<u>95,311</u>	<u>95,311</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 95,311</u>	<u>\$ 95,311</u>	<u>\$ -</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
CDBG HOUSING			
Revenues:			
Interest	\$ -	\$ 1,231	\$ 1,231
Other	<u>20,000</u>	<u>18,387</u>	<u>(1,613)</u>
Total Revenues	20,000	19,618	(382)
Expenditures:			
Health and Welfare	<u>5,000</u>	<u>15,000</u>	<u>(10,000)</u>
Net Change in Fund Balance	15,000	4,618	(10,382)
Fund Balance at beginning of year	<u>359,397</u>	<u>359,397</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 374,397</u>	<u>\$ 364,015</u>	<u>\$(10,382)</u>
HUMAN SERVICES			
Expenditures:			
Health and Welfare	\$ 23,000	\$ 18,682	\$ 4,318
Other Financing Sources:			
Transfers from other funds	<u>29,001</u>	<u>29,001</u>	<u>-</u>
Net Change in Fund Balance	6,001	10,319	4,318
Fund Balance at beginning of year	<u>24,580</u>	<u>24,580</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 30,581</u>	<u>\$ 34,899</u>	<u>\$ 4,318</u>
CARES ACT			
Revenues:			
Intergovernmental	\$ 4,487,611	\$ 3,788,284	\$(699,327)
Expenditures:			
General Government	433,243	538,392	(105,149)
Public Safety	2,582,884	2,861,220	(278,336)
Health and Welfare	1,471,484	1,045,507	425,977
Total Expenditures	<u>4,487,611</u>	<u>4,445,119</u>	<u>42,492</u>
Net Change in Fund Balance	-	(656,835)	(656,835)
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u>\$ -</u>	<u>\$(656,835)</u>	<u>\$(656,835)</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
CHILD CARE			
Revenues:			
Intergovernmental	\$ 3,602,800	\$ 3,996,672	\$ 393,872
Charges for services	-	46,904	46,904
Other	<u>55,000</u>	<u>9,297</u>	<u>(45,703)</u>
Total Revenues	<u>3,657,800</u>	<u>4,052,873</u>	<u>395,073</u>
Expenditures:			
Health and Welfare	<u>5,680,900</u>	<u>5,382,813</u>	<u>298,087</u>
Revenues under expenditures	<u>(2,023,100)</u>	<u>(1,329,940)</u>	<u>693,160</u>
Other Financing Sources:			
Transfers from other funds	<u>2,957,008</u>	<u>2,957,008</u>	<u>-</u>
Net Change in Fund Balance	933,908	1,627,068	693,160
Fund Balance at beginning of year	<u>29,648</u>	<u>29,648</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 963,556</u></u>	<u><u>\$ 1,656,716</u></u>	<u><u>\$ 693,160</u></u>
INDIGENT DEFENSE			
Revenues:			
Intergovernmental	\$ 1,689,117	\$ 1,689,117	\$ -
Charges for services	143,000	126,506	(16,494)
Other	<u>-</u>	<u>58</u>	<u>58</u>
Total Revenues	<u>1,832,117</u>	<u>1,815,681</u>	<u>(16,436)</u>
Expenditures:			
Judicial	<u>2,086,928</u>	<u>1,963,581</u>	<u>123,347</u>
Revenues under expenditures	<u>(254,811)</u>	<u>(147,900)</u>	<u>106,911</u>
Other Financing Sources:			
Transfers from other funds	<u>560,173</u>	<u>560,173</u>	<u>-</u>
Net Change in Fund Balance	305,362	412,273	106,911
Fund Balance at beginning of year	<u>1,691</u>	<u>1,691</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 307,053</u></u>	<u><u>\$ 413,964</u></u>	<u><u>\$ 106,911</u></u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
VETERANS' MILLAGE			
Revenues:			
Taxes	\$ 618,305	\$ 618,661	\$ 356
Intergovernmental	55,203	46,481	(8,722)
Interest and rent	83	90	7
Other	<u>6,000</u>	<u>1,210</u>	<u>(4,790)</u>
Total Revenues	679,591	666,442	(13,149)
Expenditures:			
Health and Welfare	<u>617,908</u>	<u>594,781</u>	<u>23,127</u>
Net Change in Fund Balance	61,683	71,661	9,978
Fund Balance at beginning of year	<u>240,544</u>	<u>240,544</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 302,227</u>	<u>\$ 312,205</u>	<u>\$ 9,978</u>
E - 911			
Revenues:			
Charges for services	\$ 1,140,000	\$ 1,050,396	\$(89,604)
Other Financing Uses:			
Transfers to other funds	<u>(1,140,000)</u>	<u>(1,050,396)</u>	<u>89,604</u>
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEEDS AUTOMATION			
Revenues:			
Charges for services	\$ 158,000	\$ 166,406	\$ 8,406
Fines and forfeits	3,000	-	(3,000)
Interest	<u>-</u>	<u>1,915</u>	<u>1,915</u>
Total Revenues	161,000	168,321	7,321
Expenditures:			
General Government	<u>190,000</u>	<u>186,516</u>	<u>3,484</u>
Net Change in Fund Balance	(29,000)	(18,195)	10,805
Fund Balance at beginning of year	<u>375,291</u>	<u>375,291</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 346,291</u>	<u>\$ 357,096</u>	<u>\$ 10,805</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
LOCAL CORRECTIONS AND TRAINING			
Revenues:			
Charges for services	\$ 20,000	\$ 18,833	\$(1,167)
Expenditures:			
Public Safety	<u>15,000</u>	<u>12,864</u>	<u>2,136</u>
Net Change in Fund Balance	5,000	5,969	969
Fund Balance at beginning of year	<u>32,220</u>	<u>32,220</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 37,220</u></u>	<u><u>\$ 38,189</u></u>	<u><u>\$ 969</u></u>

FAMILY COUNSELING

Revenues:			
Charges for services	\$ 15,000	\$ 11,756	\$(3,244)
Expenditures:			
Judicial	<u>5,000</u>	<u>4,947</u>	<u>53</u>
Net Change in Fund Balance	10,000	6,809	(3,191)
Fund Balance at beginning of year	<u>117,255</u>	<u>117,255</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 127,255</u></u>	<u><u>\$ 124,064</u></u>	<u><u>\$(3,191)</u></u>

CONCEALED PISTOL LICENSING

Revenues:			
Licenses and permits	\$ 115,000	\$ 140,307	\$ 25,307
Expenditures:			
General Government	<u>37,475</u>	<u>34,728</u>	<u>2,747</u>
Net Change in Fund Balance	77,525	105,579	28,054
Fund Balance at beginning of year	<u>238,751</u>	<u>238,751</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 316,276</u></u>	<u><u>\$ 344,330</u></u>	<u><u>\$ 28,054</u></u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
ANIMAL CONTROL DONATIONS			
Revenues:			
Other	\$ 15,000	\$ 14,846	\$(154)
Expenditures:			
Public Safety	<u>5,000</u>	<u>799</u>	<u>4,201</u>
Net Change in Fund Balance	10,000	14,047	4,047
Fund Balance at beginning of year	<u>10,364</u>	<u>10,364</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 20,364</u></u>	<u><u>\$ 24,411</u></u>	<u><u>\$ 4,047</u></u>

PROSECUTOR'S DRUG FORFEITURES

Revenues:			
Charges for services	\$ 15,000	\$ 6,750	\$(8,250)
Fines and forfeits	4,000	20,991	16,991
Other	<u>-</u>	<u>760</u>	<u>760</u>
Total Revenues	<u>19,000</u>	<u>28,501</u>	<u>9,501</u>
Expenditures:			
Public Safety	<u>10,000</u>	<u>16,402</u>	<u>(6,402)</u>
Net Change in Fund Balance	9,000	12,099	3,099
Fund Balance at beginning of year	<u>183,971</u>	<u>183,971</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 192,971</u></u>	<u><u>\$ 196,070</u></u>	<u><u>\$ 3,099</u></u>

(Concluded)

NON-MAJOR ENTERPRISE FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to report operations that provide services, which are financed primarily by user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes. The Nonmajor Enterprise Funds of the County are as follows:

Sheriff's Concession – is used to account for the concession operations in the County Jail complex, which sells various items to the jail inmates.

Homestead Exemption Audits – is used to account for the operations of administering audits of County residents claiming homestead exemption on their property.

School Tax Collection – is used to account for the administrative fees charged to school districts for the collection of their taxes.

ST. CLAIR COUNTY, MICHIGAN
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2020

	Sheriff's Concession	Homestead Exemption Audits	School Tax Collection	Total
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 427,471	\$ 52,281	\$ 114,595	\$ 594,347
Interest and accounts receivable, net of allowance	149,385	-	-	149,385
Total Assets	576,856	52,281	114,595	743,732
Liabilities:				
Current Liabilities:				
Accounts payable	39,108	-	-	39,108
Accrued expenses	1,654	-	-	1,654
Total Liabilities	40,762	-	-	40,762
Net Position:				
Unrestricted	\$ 536,094	\$ 52,281	\$ 114,595	\$ 702,970

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Sheriff's Concession</u>	<u>Homestead Exemption Audits</u>	<u>School Tax Collection</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 851,038	\$ 19	\$ -	\$ 851,057
Operating Expenses:				
Personal services	130,008	-	-	130,008
Supplies	3,579	-	-	3,579
Other services	625,368	-	-	625,368
Total Operating Expenses	<u>758,955</u>	<u>-</u>	<u>-</u>	<u>758,955</u>
Operating Income	92,083	19	-	92,102
Non-Operating Revenues:				
Interest revenue	<u>535</u>	<u>312</u>	<u>-</u>	<u>847</u>
Net Income Before Transfers	92,618	331	-	92,949
Transfers:				
Transfers to other funds	<u>(40,945)</u>	<u>-</u>	<u>-</u>	<u>(40,945)</u>
Change in Net Position	51,673	331	-	52,004
Net Position at beginning of year	<u>484,421</u>	<u>51,950</u>	<u>114,595</u>	<u>650,966</u>
Net Position at end of year	<u>\$ 536,094</u>	<u>\$ 52,281</u>	<u>\$ 114,595</u>	<u>\$ 702,970</u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Sheriff's Concession	Homestead Exemption Audits	School Tax Collection	Total
Cash Flows From Operating Activities:				
Cash receipts from customers	\$ 904,861	\$ 19	\$ -	\$ 904,880
Cash payments to suppliers	(674,354)	-	-	(674,354)
Cash payments to employees	(114,842)	-	-	(114,842)
Cash payments for interfund services	(18,217)	-	-	(18,217)
Net Cash Provided by Operating Activities	<u>97,448</u>	<u>19</u>	<u>-</u>	<u>97,467</u>
Cash Flows From Noncapital Financing Activities:				
Transfers to other funds	(40,945)	-	-	(40,945)
Cash Flows From Investing Activities:				
Interest	<u>535</u>	<u>312</u>	<u>-</u>	<u>847</u>
Net Increase in				
Cash and Cash Equivalents	57,038	331	-	57,369
Cash and Cash Equivalents at Beginning of Year	<u>370,433</u>	<u>51,950</u>	<u>114,595</u>	<u>536,978</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 427,471</u></u>	<u><u>\$ 52,281</u></u>	<u><u>\$ 114,595</u></u>	<u><u>\$ 594,347</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 92,083	\$ 19	\$ -	\$ 92,102
Adjustments to reconcile operating income to net cash provided by operating activities				
Change in assets and liabilities:				
Accounts receivable	53,823	-	-	53,823
Accounts payable	(45,407)	-	-	(45,407)
Accrued expenses	(3,051)	-	-	(3,051)
Net Cash Provided by Operating Activities	<u><u>\$ 97,448</u></u>	<u><u>\$ 19</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 97,467</u></u>

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the County for the other parties (either as a trustee or as an agent) that cannot be, or are not, used to finance the County's own operating programs.

Pension and Other Employee Benefits Trust Funds:

Basic Retirement System – is used to account for employer and employee pension contributions, investment income, accumulated assets and payments to beneficiaries including retiree health care.

Other Postemployment Benefits – is used to account for employer and employee contributions, investment income, accumulated assets and payment for post-employment benefits other than pension.

The Pension and Other Employee Benefits Trust Funds are accounted for in essentially the same manner as Proprietary Funds, but with an important expanded emphasis on net position restricted for pension and other post-employment benefits.

Custodial Funds:

Treasurer – is used to account for taxes collected, public guardian, and court costs collected by the County on behalf of individuals, private organizations, or other governments.

Clerk – is used to account for transfer taxes collected and court costs collected by the County on behalf of the State.

Penal Fines – is used to account for the portion of fines that are collected by the 72nd District Court and distributed to libraries within St. Clair County.

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
DECEMBER 31, 2020**

	Basic Retirement System	Other Postemployment Benefits	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 9,198,614	\$ 4,550,077	\$ 13,748,691
Investments, at fair value -			
U.S. Government/Agencies	9,417,316	-	9,417,316
Corporate Debt	49,008,712	11,658,525	60,667,237
Stocks	137,024,138	25,473,871	162,498,009
Mutual Funds	-	15,211,952	15,211,952
Partnerships	63,129,396	-	63,129,396
Receivables -			
Interest and dividends	380,463	94,226	474,689
Other	39,656	10,949	50,605
	<u>268,198,295</u>	<u>56,999,600</u>	<u>325,197,895</u>
Liabilities:			
Accounts payable	271,159	12,062	283,221
Accrued liabilities	1,933	-	1,933
	<u>273,092</u>	<u>12,062</u>	<u>285,154</u>
Net Position:			
Restricted for pension benefits	267,925,203	-	267,925,203
Restricted for other postemployment benefits	-	56,987,538	56,987,538
	<u>\$ 267,925,203</u>	<u>\$ 56,987,538</u>	<u>\$ 324,912,741</u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Basic Retirement System			
	Member Contributions	Employer Contributions	Pension Payments	Total
Additions:				
Contributions				
Member contributions	\$ 1,959,887	\$ -	\$ -	\$ 1,959,887
Employer contributions	-	5,995,055	-	5,995,055
Total contributions	<u>1,959,887</u>	<u>5,995,055</u>	<u>-</u>	<u>7,954,942</u>
Investment income				
Net appreciation in fair value of investments	-	19,543,647	-	19,543,647
Interest/Dividends	-	4,049,844	-	4,049,844
Less investment expense	-	(801,541)	-	(801,541)
Net investment income	<u>-</u>	<u>22,791,950</u>	<u>-</u>	<u>22,791,950</u>
Other	-	1,211	-	1,211
Total Additions	<u>1,959,887</u>	<u>28,788,216</u>	<u>-</u>	<u>30,748,103</u>
Deductions:				
Retirement payroll	-	-	16,271,037	16,271,037
Health/dental insurance	-	-	-	-
Death benefits	-	-	52,500	52,500
Employee refunds	189,196	-	-	189,196
Administration	-	147,104	-	147,104
Total Deductions	<u>189,196</u>	<u>147,104</u>	<u>16,323,537</u>	<u>16,659,837</u>
Net Increase (Decrease) before Transfers	1,770,691	28,641,112	(16,323,537)	14,088,266
Interfund Transfers In (Out):				
Retirees obligation	(2,377,410)	-	2,377,410	-
Interest	619,549	(17,304,567)	16,685,018	-
Net Increase	12,830	11,336,545	2,738,891	14,088,266
Net Position Restricted for Pension Benefits and Other Postemployment Benefits:				
Beginning of year	<u>31,693,757</u>	<u>51,051,038</u>	<u>171,092,142</u>	<u>253,836,937</u>
End of year	<u>\$ 31,706,587</u>	<u>\$ 62,387,583</u>	<u>\$ 173,831,033</u>	<u>\$ 267,925,203</u>

Other Postemployment Benefits	Total
\$ 402,509	\$ 2,362,396
<u>2,475,409</u>	<u>8,470,464</u>
<u>2,877,918</u>	<u>10,832,860</u>
5,486,970	25,030,617
986,142	5,035,986
(145,165)	(946,706)
<u>6,327,947</u>	<u>29,119,897</u>
<u>6,787</u>	<u>7,998</u>
<u>9,212,652</u>	<u>39,960,755</u>
-	16,271,037
3,374,421	3,374,421
-	52,500
33,315	222,511
433	147,537
<u>3,408,169</u>	<u>20,068,006</u>
5,804,483	19,892,749
-	-
<u>-</u>	<u>-</u>
5,804,483	19,892,749
<u>51,183,055</u>	<u>305,019,992</u>
<u>\$ 56,987,538</u>	<u>\$ 324,912,741</u>

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020**

	<u>Treasurer</u>	<u>Clerk</u>	<u>Penal Fines</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 2,705,812	\$ 1,407,025	\$ 3,136	\$ 4,115,973
Investments	22,430	-	-	22,430
Accounts receivable	259,705	68,761	4,404	332,870
Due from other governmental units	<u>100,970</u>	<u>-</u>	<u>-</u>	<u>100,970</u>
 Total Assets	 <u>3,088,917</u>	 <u>1,475,786</u>	 <u>7,540</u>	 <u>4,572,243</u>
Liabilities:				
Accounts payable	125	420	-	545
Accrued liabilities	-	-	-	-
Due to other governmental units	126,801	671,979	-	798,780
Due to individual and agencies	1,884,533	803,387	7,540	2,695,460
Undistributed taxes	<u>1,077,458</u>	<u>-</u>	<u>-</u>	<u>1,077,458</u>
 Total Liabilities	 <u>3,088,917</u>	 <u>1,475,786</u>	 <u>7,540</u>	 <u>4,572,243</u>
Net Position:				
Unrestricted	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Treasurer</u>	<u>Clerk</u>	<u>Penal Fines</u>	<u>Total</u>
Additions:				
Penal fines	\$ -	\$ -	\$ 11,335	\$ 11,335
Court costs	885,838	514,858	-	1,400,696
Transfer taxes collected	-	5,258,145	-	5,258,145
Concealed weapon permit fees	-	157,666	-	157,666
Taxes collected	69,214,751	-	-	69,214,751
Public Guardian trust receipts	6,436,945	-	-	6,436,945
Other collections	185,546	-	-	185,546
	<u>76,723,080</u>	<u>5,930,669</u>	<u>11,335</u>	<u>82,665,084</u>
Total Additions				
Deductions:				
Penal fines paid to libraries	-	-	11,335	11,335
Court costs paid to State	885,838	514,858	-	1,400,696
Transfer taxes paid to State	-	5,258,145	-	5,258,145
Concealed weapon permit fees paid to State	-	157,666	-	157,666
Taxes paid to other entities	69,214,751	-	-	69,214,751
Payments made on behalf of public guardian clients	6,436,945	-	-	6,436,945
Other	185,546	-	-	185,546
	<u>76,723,080</u>	<u>5,930,669</u>	<u>11,335</u>	<u>82,665,084</u>
Total Deductions				
Net Increase (Decrease)	-	-	-	-
Net Position:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

ST. CLAIR COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance January 1, 2020	Additions	Disposals/ Adjustments	Balance December 31, 2020
General County:				
Land	\$ 13,017,848	\$ 376,959	\$ -	\$ 13,394,807
Land improvements	9,129,848	490,250	-	9,620,098
Buildings	99,963,349	205,224	568,828	99,599,745
Equipment -				
Machinery	17,944,497	1,227,419	257,499	18,914,417
Marine	1,982,721	-	98,826	1,883,895
Vehicles	2,946,418	544,492	350,948	3,139,962
Books	6,332,301	301,398	337,085	6,296,614
	<u>151,316,982</u>	<u>3,145,742</u>	<u>1,613,186</u>	<u>152,849,538</u>
Less - Accumulated depreciation	<u>(68,409,646)</u>	<u>(4,967,556)</u>	<u>(1,223,907)</u>	<u>(72,153,295)</u>
	82,907,336	(1,821,814)	389,279	80,696,243
Construction in progress	<u>938,667</u>	<u>1,165,040</u>	<u>1,026,760</u>	<u>1,076,947</u>
Total Capital Assets, Net	<u>\$ 83,846,003</u>	<u>\$(656,774)</u>	<u>\$ 1,416,039</u>	<u>\$ 81,773,190</u>

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

ST. CLAIR COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2020**

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Equipment</u>
Judicial:				
District Court	\$ 790,347	\$ 50,051	\$ 605,087	\$ 135,209
Friend of Court	303,704	-	104,983	198,721
Courthouse Security	40,859	-	-	40,859
Public Improvement	768,690	5,900	446,397	316,393
	<u>1,903,600</u>	<u>55,951</u>	<u>1,156,467</u>	<u>691,182</u>
General Government:				
Administrator/Controller	8,819,356	970,215	7,791,034	58,107
Communications	549,616	-	-	549,616
Information Technology	346,452	-	-	346,452
Clerk	29,723	-	-	29,723
Register of Deeds	86,399	-	14,700	71,699
Equalization	46,225	-	-	46,225
Prosecuting Attorney	26,714	-	-	26,714
Property Description	16,341	-	-	16,341
County Treasurer	7,500	-	7,500	-
Buildings and Grounds	189,984	-	67,027	122,957
Public Improvement	2,666,063	797,883	447,367	1,420,813
Motor Pool	-	-	-	-
Drain Commissioner	257,813	12,286	-	245,527
MIDC	5,690	-	-	5,690
	<u>13,047,876</u>	<u>1,780,384</u>	<u>8,327,628</u>	<u>2,939,864</u>
Public Safety:				
Sheriff and Patrol	957,867	-	-	957,867
Marine Law Enforcement	1,928,147	-	-	1,928,147
Jail	46,162,311	103,335	45,636,761	422,215
Radio/Communications	11,420,542	-	376,203	11,044,339
Secondary Road Patrol	50,866	-	-	50,866
Energy Efficiency	465,696	-	465,696	-
Emergency Services	1,675,633	9,142	345,106	1,321,385
Hazardous Materials Handling	969,527	60,895	477,340	431,292
Animal Shelter	361,741	-	295,006	66,735
Drug Task Force	692,851	24,900	140,200	527,751
Public Improvement	1,681,258	8,700	186,167	1,486,391
	<u>66,366,439</u>	<u>206,972</u>	<u>47,922,479</u>	<u>18,236,988</u>

Continued

ST. CLAIR COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2020**

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Equipment</u>
Health and Welfare:				
Veterans Counselor	\$ 14,013	\$ -	\$ 8,323	\$ 5,690
Medical Examiner	143,878	10,890	19,500	113,488
Day Treatment/Night Watch	1,836,809	132,407	1,548,944	155,458
Health Department	1,625,794	81,920	1,290,431	253,443
Child Care - Welfare	5,299	-	-	5,299
Motor Pool	144,264	-	-	144,264
Public Improvement	590,884	204,573	325,951	60,360
	<u>4,360,941</u>	<u>429,790</u>	<u>3,193,149</u>	<u>738,002</u>
Recreation and Cultural:				
Parks and Recreation	27,278,656	18,741,629	7,494,998	1,042,029
Public Library	7,579,117	111,759	889,004	6,578,354
Public Improvement	115,854	-	107,385	8,469
	<u>34,973,627</u>	<u>18,853,388</u>	<u>8,491,387</u>	<u>7,628,852</u>
General:				
Land and improvements	1,688,420	1,688,420	-	-
Buildings	30,508,635	-	30,508,635	-
	<u>32,197,055</u>	<u>1,688,420</u>	<u>30,508,635</u>	<u>-</u>
Total General Capital Assets	152,849,538	23,014,905	99,599,745	30,234,888
Less: Accumulated depreciation	<u>(72,153,295)</u>	<u>(5,181,740)</u>	<u>(44,257,065)</u>	<u>(22,714,490)</u>
	80,696,243	17,833,165	55,342,680	7,520,398
Construction in progress	<u>1,076,947</u>	<u>-</u>	<u>968,923</u>	<u>108,024</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>\$ 81,773,190</u>	<u>\$ 17,833,165</u>	<u>\$ 56,311,603</u>	<u>\$ 7,628,422</u>

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

Concluded

ST. CLAIR COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance January 1, 2020	Additions	Disposals/ Adjustments	Balance December 31, 2020
Judicial:				
District Court	\$ 791,760	\$ 18,427	\$(19,840)	\$ 790,347
Friend of Court	303,704	-	-	303,704
Courthouse Security	40,859	-	-	40,859
Public Improvement	776,021	17,834	(25,165)	768,690
Total Judicial	<u>1,912,344</u>	<u>36,261</u>	<u>(45,005)</u>	<u>1,903,600</u>
General Government:				
Administrator/Controller	8,819,356	-	-	8,819,356
Communications	549,616	-	-	549,616
Information Technology	158,935	179,615	7,902	346,452
Clerk/Register	10,944	18,779	-	29,723
Register of Deeds	86,399	-	-	86,399
Equalization	46,225	-	-	46,225
Prosecuting Attorney	15,000	11,714	-	26,714
Property Description	16,341	-	-	16,341
County Treasurer	7,500	-	-	7,500
Buildings and Grounds	162,316	7,823	19,845	189,984
Public Improvement	3,314,728	-	(648,665)	2,666,063
Motor Pool	20,840	-	(20,840)	-
Drain Commissioner	269,562	-	(11,749)	257,813
MIDC	-	5,690	-	5,690
Total General Government	<u>13,477,762</u>	<u>223,621</u>	<u>(653,507)</u>	<u>13,047,876</u>
Public Safety:				
Sheriff and Patrol	571,104	442,989	(56,226)	957,867
Marine Law Enforcement	1,937,061	-	(8,914)	1,928,147
Jail	45,942,693	285,943	(66,325)	46,162,311
Radio/Communications	11,439,443	-	(18,901)	11,420,542
Secondary Road Patrol	50,866	-	-	50,866
Energy Efficiency	465,696	-	-	465,696
Emergency Preparedness	1,235,156	572,400	(131,923)	1,675,633
Hazardous Materials Handling	969,527	-	-	969,527
Animal Shelter	319,648	20,405	21,688	361,741
Drug Task Force	704,513	63,506	(75,168)	692,851
Public Improvement	1,828,010	-	(146,752)	1,681,258
Total Public Safety	<u>65,463,717</u>	<u>1,385,243</u>	<u>(482,521)</u>	<u>66,366,439</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance January 1, 2020	Additions	Disposals/ Adjustments	Balance December 31, 2020
Health and Welfare:				
Veterans Counselor	\$ 8,323	\$ 5,690	\$ -	\$ 14,013
Medical Examiner	50,845	93,033	-	143,878
Day Treatment/Night Watch	1,836,809	-	-	1,836,809
Health Department	1,593,132	38,990	(6,328)	1,625,794
Child Care - Welfare	5,299	-	-	5,299
Motor Pool	144,264	-	-	144,264
Public Improvement	590,884	-	-	590,884
Total Health and Welfare	<u>4,229,556</u>	<u>137,713</u>	<u>(6,328)</u>	<u>4,360,941</u>
Recreation and Cultural:				
Parks and Recreation	26,271,338	1,061,506	(54,188)	27,278,656
Public Library	7,649,356	301,398	(371,637)	7,579,117
Public Improvement	115,854	-	-	115,854
Total Recreation and Cultural	<u>34,036,548</u>	<u>1,362,904</u>	<u>(425,825)</u>	<u>34,973,627</u>
General:				
Land and improvements	1,688,420	-	-	1,688,420
Buildings	30,508,635	-	-	30,508,635
Total General	<u>32,197,055</u>	<u>-</u>	<u>-</u>	<u>32,197,055</u>
Construction in progress	938,667	1,165,040	(1,026,760)	1,076,947
Total Capital Assets	<u>\$ 152,255,649</u>	<u>\$ 4,310,782</u>	<u>\$(2,639,946)</u>	<u>\$ 153,926,485</u>

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

(Concluded)

DRAIN COMMISSIONER

ST. CLAIR COUNTY, MICHIGAN

**BALANCE SHEET/STATEMENT OF NET POSITION
DRAIN FUNDS
DECEMBER 31, 2020**

	<u>County Drain</u>	<u>Drain Revolving</u>	<u>Special Services</u>	<u>Drain Debt</u>
Assets:				
Cash and cash equivalents	\$ 1,726,224	\$ 212,154	\$ 10,568	\$ 2,915,872
Special assessments receivable	874,182	-	-	14,308,955
Due from other funds	-	1,290,000	-	-
Capital assets (net of accumulated depreciation) -				
Assets not being depreciated	-	-	-	-
Assets being depreciated	-	-	-	-
	<u>\$ 2,600,406</u>	<u>\$ 1,502,154</u>	<u>\$ 10,568</u>	<u>\$ 17,224,827</u>
Liabilities:				
Accounts payable	\$ 261,008	\$ -	\$ -	\$ -
Accrued interest	-	-	-	-
Due to other funds	1,290,000	-	-	-
Advances from primary government	-	1,340,000	-	-
Non-current liabilities				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total Liabilities	<u>1,551,008</u>	<u>1,340,000</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenue -				
Special Assessments	<u>874,182</u>	<u>-</u>	<u>-</u>	<u>14,308,955</u>
Fund Balances:				
Restricted	-	-	-	2,915,872
Committed	-	162,154	10,568	-
Unassigned	<u>175,216</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>175,216</u>	<u>162,154</u>	<u>10,568</u>	<u>2,915,872</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 2,600,406</u>	<u>\$ 1,502,154</u>	<u>\$ 10,568</u>	<u>\$ 17,224,827</u>
Net Position:				
Net investment in capital assets				
Restricted				
Unrestricted				
Total Net Position				

<u>Equipment</u>	<u>Total</u>	<u>GASB No. 34 Adjustments</u>	<u>Statement of Net Position</u>
\$ 140,391	\$ 5,005,209	\$ -	\$ 5,005,209
-	15,183,137	-	15,183,137
-	1,290,000	(1,290,000)	-
-	-	4,206,079	4,206,079
-	-	41,203,234	41,203,234
<u>\$ 140,391</u>	<u>\$ 21,478,346</u>	<u>44,119,313</u>	<u>65,597,659</u>
\$ 8,946	\$ 269,954	-	269,954
-	-	151,923	151,923
-	1,290,000	(1,290,000)	-
-	1,340,000	-	1,340,000
-	-	1,519,260	1,519,260
-	-	17,927,028	17,927,028
<u>8,946</u>	<u>2,899,954</u>	<u>18,308,211</u>	<u>21,208,165</u>
-	15,183,137	(15,183,137)	-
-	2,915,872	(2,915,872)	-
131,445	304,167	(304,167)	-
-	175,216	(175,216)	-
<u>131,445</u>	<u>3,395,255</u>	<u>(3,395,255)</u>	<u>-</u>
<u>\$ 140,391</u>	<u>\$ 21,478,346</u>		
		24,673,025	24,673,025
		19,237,086	19,237,086
		479,383	479,383
		<u>\$ 44,389,494</u>	<u>\$ 44,389,494</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET FOR DRAIN FUNDS
TO THE STATEMENT OF NET POSITION OF DRAIN ACTIVITIES
DECEMBER 31, 2020**

Fund Balances - Drain Funds		\$ 3,395,255
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds		
Capital assets		56,952,762
Accumulated depreciation		(11,543,449)
Other long term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds		
Special assessments		15,183,137
Discounts and premiums on bonds are reported as other financing sources or uses in the governmental funds, whereas they are capitalized and amortized from net position (netted against long-term debt)		
Bond premium		(62,163)
Bond discount		56,934
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds		
Notes payable	\$(3,162,059)	
Bonds payable	(13,738,000)	
Clean water revolving loans	(2,541,000)	
Accrued interest on bonds/notes payable	(151,923)	<u>(19,592,982)</u>
Net Position of Drainage Districts		<u>\$ 44,389,494</u>

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES/STATEMENT OF ACTIVITIES
DRAIN FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>County Drain</u>	<u>Drain Revolving</u>	<u>Special Services</u>	<u>Drain Debt</u>
Revenues:				
Charges for services	\$ 729,764	\$ -	\$ -	\$ 2,240,843
Interest and rent	14,063	-	-	-
Other	221,686	-	-	-
Total Revenues	<u>965,513</u>	<u>-</u>	<u>-</u>	<u>2,240,843</u>
Expenditures/Expenses:				
Public Works	1,101,575	-	-	-
Debt Service	-	-	-	4,340,545
Total Expenditures/Expenses	<u>1,101,575</u>	<u>-</u>	<u>-</u>	<u>4,340,545</u>
Revenues over (under) expenditures	<u>(136,062)</u>	<u>-</u>	<u>-</u>	<u>(2,099,702)</u>
Other Financing Sources (Uses):				
Bond/note proceeds	367,800	-	-	2,283,200
Transfer from other funds	216,000	46,000	-	123,786
Transfer to other funds	<u>(273,327)</u>	<u>-</u>	<u>-</u>	<u>(216,000)</u>
Total Other Financing Sources (Uses)	<u>310,473</u>	<u>46,000</u>	<u>-</u>	<u>2,190,986</u>
Net Change in Fund Balance/Net Position	174,411	46,000	-	91,284
Fund Balances/Net Position at beginning of year	<u>805</u>	<u>116,154</u>	<u>10,568</u>	<u>2,824,588</u>
Fund Balances/Net Position at end of year	<u>\$ 175,216</u>	<u>\$ 162,154</u>	<u>\$ 10,568</u>	<u>\$ 2,915,872</u>

<u>Equipment</u>	<u>Total</u>	<u>GASB No. 34 Adjustments</u>	<u>Statement of Activities</u>
\$ -	\$ 2,970,607	\$ (669,890)	\$ 2,300,717
-	14,063	-	14,063
-	221,686	-	221,686
<u>-</u>	<u>3,206,356</u>	<u>(669,890)</u>	<u>2,536,466</u>
79,267	1,180,842	(281,762)	899,080
-	4,340,545	(3,685,286)	655,259
<u>79,267</u>	<u>5,521,387</u>	<u>(3,967,048)</u>	<u>1,554,339</u>
<u>(79,267)</u>	<u>(2,315,031)</u>	<u>3,297,158</u>	<u>982,127</u>
-	2,651,000	(2,651,000)	-
103,541	489,327	(489,327)	-
-	(489,327)	489,327	-
<u>103,541</u>	<u>2,651,000</u>	<u>(2,651,000)</u>	<u>-</u>
24,274	335,969	646,158	982,127
<u>107,171</u>	<u>3,059,286</u>	<u>40,348,081</u>	<u>43,407,367</u>
<u>\$ 131,445</u>	<u>\$ 3,395,255</u>	<u>\$ 40,994,239</u>	<u>\$ 44,389,494</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF DRAIN FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net change in fund balances - Drain Fund	\$	335,969
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		1,090,241
Depreciation expense	(	808,479)
<p>Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
	(	669,890)
<p>The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position.</p>		
Principal payments on long-term liabilities		3,604,823
<p>Accrued interest expense on bonds and the amortization of bond issuance costs, discounts, and premiums are not recorded by governmental funds, but are reported under interest and fiscal charges for the purpose of net position.</p>		
Increase in accrued interest payable		84,127
Amortization of bond premium		3,453
Amortization of bond discount	(	<u>7,117</u>)
Change in net position of Drainage Districts	\$	<u><u>982,127</u></u>

BROWNFIELD REDEVELOPMENT AUTHORITY

ST. CLAIR COUNTY, MICHIGAN

**BALANCE SHEET/STATEMENT OF NET POSITION
BROWNFIELD REDEVELOPMENT AUTHORITY
DECEMBER 31, 2020**

	<u>Operating</u>	<u>GASB No. 34 Adjustments</u>	<u>Statement of Net Position</u>
Assets:			
Cash and cash equivalents	\$ 147,362	\$ -	\$ 147,362
Due from other governmental units	<u>15,154</u>	<u>-</u>	<u>15,154</u>
Total Assets	<u>\$ 162,516</u>	<u>-</u>	<u>162,516</u>
Liabilities:			
Accounts payable	\$ 1,246	-	1,246
Non-current liabilities			
Due within one year	-	27,391	27,391
Due in more than one year	<u>-</u>	<u>352,609</u>	<u>352,609</u>
Total Liabilities	<u>1,246</u>	<u>380,000</u>	<u>381,246</u>
Fund Balances:			
Unassigned	<u>161,270</u>	<u>(161,270)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 162,516</u>		
Net Position:			
Unrestricted		<u>\$(218,730)</u>	<u>\$(218,730)</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET FOR BROWNFIELD
REDEVELOPMENT AUTHORITY TO THE STATEMENT OF NET POSITION OF
BROWNFIELD REDEVELOPMENT AUTHORITY
DECEMBER 31, 2020**

Fund Balance - Brownfield Redevelopment Authority	\$ 161,270
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds	
Notes payable	<u>(380,000)</u>
Net Position of Brownfield Redevelopment Authority	<u><u>\$(218,730)</u></u>

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES/STATEMENT OF ACTIVITIES
BROWNFIELD REDEVELOPMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Operating</u>	<u>GASB No. 34 Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property taxes	\$ 47,767	\$ -	\$ 47,767
Intergovernmental	109,711	-	109,711
Charges for services	5,000	-	5,000
Total Revenues	<u>162,478</u>	<u>-</u>	<u>162,478</u>
Expenditures/Expenses:			
Community and Economic Development	<u>112,824</u>	<u>-</u>	<u>112,824</u>
Net Change in Fund Balance/Net Position	49,654	-	49,654
Fund Balances/Net Position at beginning of year	<u>111,616</u>	<u>(380,000)</u>	<u>(268,384)</u>
Fund Balances/Net Position at end of year	<u><u>\$ 161,270</u></u>	<u><u>\$(380,000)</u></u>	<u><u>\$(218,730)</u></u>

STATISTICAL SECTION

**STATISTICAL SECTION
(Unaudited)**

This part of St. Clair County, Michigan's comprehensive annual financial report presents detailed information as a context for understanding what the information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	S - 1 to S - 5
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	S - 6 to S - 9
Debt Capacity	
<i>These schedules present the information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	S - 10 to S - 13
Demographic and Economic Information	
<i>These schedules offer demographic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	S - 14 to S - 15
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	S - 16 to S - 19

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

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 1

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS - UNAUDITED**

**(accrual basis of accounting)
(amounts expressed in thousands)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Net investment in capital assets	\$ 53,410	\$ 54,475	\$ 53,667	\$ 54,114	\$ 54,417	\$ 54,110	\$ 53,996	\$ 53,387	\$ 54,447	\$ 55,341
Restricted	21,420	12,905	13,540	14,037	15,230	12,682	13,472	14,983	17,886	19,891
Unrestricted	(14,232)	(23,262)	(27,904)	(33,040)	(45,509)	(46,735)	(52,293)	(87,523)	(45,026)	(45,590)
Total Governmental Activities Net Position	<u>\$ 60,598</u>	<u>\$ 44,118</u>	<u>\$ 39,303</u>	<u>\$ 35,111</u>	<u>\$ 24,138</u>	<u>\$ 20,057</u>	<u>\$ 15,175</u>	<u>\$ (19,153)</u>	<u>\$ 27,307</u>	<u>\$ 29,642</u>
Business-Type Activities										
Net investment in capital assets	\$ 17,804	\$ 14,988	\$ 14,836	\$ 17,036	\$ 16,256	\$ 15,360	\$ 13,028	\$ 13,803	\$ 17,089	\$ 16,241
Restricted	1,822	2,078	2,417	2,735	3,008	3,531	3,715	770	784	1,185
Unrestricted	28,573	28,096	31,005	31,640	31,203	30,252	30,604	32,312	31,192	31,292
Total Business-Type Activities Net Position	<u>\$ 48,199</u>	<u>\$ 45,162</u>	<u>\$ 48,258</u>	<u>\$ 51,411</u>	<u>\$ 50,467</u>	<u>\$ 49,143</u>	<u>\$ 47,347</u>	<u>\$ 46,885</u>	<u>\$ 49,065</u>	<u>\$ 48,718</u>
Primary Government										
Net investment in capital assets	\$ 71,214	\$ 69,463	\$ 68,503	\$ 71,150	\$ 70,672	\$ 69,470	\$ 67,024	\$ 67,190	\$ 71,536	\$ 71,582
Restricted	23,242	14,983	15,957	16,772	18,238	16,212	17,187	15,753	18,670	21,076
Unrestricted	14,341	4,834	3,101	(1,400)	(14,306)	(16,483)	(21,690)	(55,211)	(13,834)	(14,298)
Total Primary Government Net Position	<u>\$ 108,797</u>	<u>\$ 89,280</u>	<u>\$ 87,561</u>	<u>\$ 86,522</u>	<u>\$ 74,604</u>	<u>\$ 69,200</u>	<u>\$ 62,522</u>	<u>\$ 27,732</u>	<u>\$ 76,372</u>	<u>\$ 78,360</u>

* The change of balances between 2014 and 2015 differs from the amount shown on Schedule 2 due to the prior period adjustment for GASB 68 implementation.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 2

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS - UNAUDITED
(accrual basis of accounting)
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
Legislative	\$ 3,021	\$ 1,086	\$ 1,847	\$ 1,653	\$ 1,026	\$ 1,247	\$ 1,184	\$ 1,209	\$ 1,231	\$ 1,370
Judicial	13,053	13,140	11,213	11,302	10,953	11,635	13,965	12,393	5,486	13,313
General Government	15,569	13,832	12,685	13,734	13,311	14,840	12,038	14,755	6,055	15,320
Public Safety	29,256	34,740	29,208	28,362	28,042	29,258	32,127	32,189	9,654	32,412
Public Works	2,046	1,247	1,008	1,111	1,045	1,083	971	2,187	982	1,102
Health and Welfare	21,411	20,888	20,709	20,135	19,589	20,412	20,845	21,992	16,125	21,276
Community and Economic Development	972	844	788	1,015	705	592	2,605	682	719	598
Recreation and Culture	8,534	8,567	8,802	7,802	9,479	9,586	10,362	10,367	7,376	9,127
Other Activities	-	-	-	-	-	-	-	-	-	-
Interest on Long Term Debt	2,342	2,710	2,318	2,065	2,260	1,863	1,795	1,654	1,510	1,400
Total Governmental Activities Expenses	96,204	97,054	88,577	87,179	86,410	90,515	95,893	97,428	49,138	95,918
Business-Type Activities:										
Delinquent Revolving Tax	462	557	534	461	413	430	423	400	406	398
Airport Commission	592	490	1,063	1,125	1,039	925	1,088	1,070	1,024	960
Sheriff Concession	451	509	631	620	572	798	1,156	1,161	1,014	759
School Tax Collection	-	-	-	-	-	-	-	-	-	-
Homestead Exemption Audits	1	-	-	-	-	-	-	-	-	-
Solid Waste Disposal System	5,221	5,103	1,348	4,647	6,864	7,084	8,462	7,656	7,530	8,506
Total Business-Type Activities Expenses	6,727	6,659	3,576	6,853	8,888	9,237	11,129	10,286	9,974	10,623
Total Primary Government Expenses	\$ 102,931	\$ 103,713	\$ 92,153	\$ 94,032	\$ 95,298	\$ 99,753	\$ 107,022	\$ 107,714	\$ 59,112	\$ 106,541
Program Revenue:										
Governmental Activities:										
Charges for Services:										
Legislative	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	2,330	2,404	2,440	2,240	2,136	1,987	1,977	1,961	2,055	1,651
General Government	4,552	4,871	5,215	4,359	4,653	4,937	5,117	5,194	4,614	5,108
Public Safety	8,033	7,446	6,828	6,133	5,244	6,264	6,320	7,493	6,554	4,699
Health and Welfare	2,761	1,663	3,076	3,211	3,527	2,543	2,997	3,057	3,791	2,942
Community and Economic Development	81	73	76	69	420	663	811	777	945	173
Recreation and Culture	988	1,026	1,078	1,034	1,021	783	848	768	871	618
Interest on Long Term Debt	404	394	695	676	485	970	945	933	940	815
Operating Grants and Contributions	15,855	15,558	14,809	13,987	13,742	14,380	17,102	15,539	16,534	23,248
Capital Grants and Contributions	323	1,042	1,770	2,132	1,292	641	231	96	570	254
Total Governmental Activities Program Revenues	35,327	34,477	35,988	33,841	32,520	33,168	36,348	35,818	36,874	39,508

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-Type Activities:										
Charges for Services:										
Delinquent Revolving Tax	\$ 1,288	\$ 1,219	\$ 1,310	\$ 1,175	\$ 1,099	\$ 1,259	\$ 920	\$ 990	\$ 925	\$ 1,319
Airport Commission	122	128	527	669	651	577	553	585	587	507
Sheriff Concession	517	578	643	649	603	832	1,201	1,337	1,099	851
School Tax Collection	-	-	-	-	-	-	-	-	-	-
Homestead Exemption Audits	-	-	-	-	-	1	-	-	-	-
Solid Waste Disposal System	4,384	4,692	4,933	5,598	7,209	6,808	8,800	8,944	8,325	9,419
Operating Grants and Contributions	77	159	335	137	505	68	75	112	119	371
Capital Grants and Contributions	42	24	224	3,309	314	760	-	226	3,360	171
Total Business-Type Activities Program Revenues	6,430	6,800	7,972	11,537	10,381	10,305	11,549	12,193	14,415	12,638
Total Primary Government Program Revenues	\$ 41,757	\$ 41,277	\$ 43,960	\$ 45,378	\$ 42,901	\$ 43,472	\$ 47,897	\$ 48,012	\$ 51,289	\$ 52,146
Net (expense)/revenue										
Governmental Activities	\$ (60,877)	\$ (62,577)	\$ (52,589)	\$ (53,338)	\$ (53,890)	\$ (57,348)	\$ (59,545)	\$ (61,610)	\$ (12,264)	\$ (56,410)
Business-Type Activities	(297)	141	4,396	4,684	1,493	1,068	421	1,907	4,441	2,015
Total Primary Government Net Expense	\$ (61,174)	\$ (62,436)	\$ (48,193)	\$ (48,654)	\$ (52,397)	\$ (56,280)	\$ (59,124)	\$ (59,703)	\$ (7,823)	\$ (54,395)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 42,495	\$ 41,670	\$ 42,145	\$ 41,955	\$ 43,235	\$ 43,557	\$ 45,983	\$ 47,282	\$ 49,197	\$ 50,785
Unrestricted Grants and Contributions	385	660	2,779	3,909	4,129	5,675	4,549	4,265	4,526	3,571
Unrestricted Investment Income	411	263	176	234	257	417	657	1,031	1,331	456
Interest and Penalties on Delinquent Taxes	13	10	9	6	11	5	14	5	4	7
Gain/Loss on Disposal of Capital Assets								(62)	-	408
Transfers	3,105	3,495	2,666	3,042	3,648	3,613	3,461	3,516	3,666	3,519
Special Item - Tribunal Settlement	1,700	-	-	-	-	-	-	-	-	-
Total Governmental Activities	48,109	46,098	47,774	49,146	51,280	53,267	54,664	56,037	58,724	58,746
Business-Type Activities										
Unrestricted Investment Income	78	56	24	32	49	103	168	279	145	104
Interest and Penalties on Delinquent Taxes	2,029	2,185	1,342	1,479	1,249	1,119	1,075	1,101	1,260	1,053
Transfers	(3,104)	(3,495)	(2,666)	(3,042)	(3,648)	(3,613)	(3,461)	(3,516)	(3,666)	(3,519)
Total Business-Type Activities	(997)	(1,254)	(1,300)	(1,531)	(2,350)	(2,391)	(2,217)	(2,135)	(2,261)	(2,362)
Total Primary Government	\$ 47,112	\$ 44,844	\$ 46,474	\$ 47,615	\$ 48,930	\$ 50,876	\$ 52,447	\$ 53,902	\$ 56,463	\$ 56,384
Change in Net Position										
Governmental Activities	\$ (12,768)	\$ (16,479)	\$ (4,815)	\$ (4,192)	\$ (2,609)	\$ (4,081)	\$ (4,881)	\$ (5,572)	\$ 46,460	\$ 2,336
Business-Type Activities	(1,294)	(1,113)	3,096	3,153	(857)	(1,323)	(1,796)	(228)	2,180	(347)
Total Primary Government	\$ (14,062)	\$ (17,592)	\$ (1,719)	\$ (1,039)	\$ (3,466)	\$ (5,404)	\$ (6,678)	\$ (5,801)	\$ 48,640	\$ 1,989

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 3

FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS - UNAUDITED
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 4,076	\$ 4,408	\$ 4,736	\$ 5,452	\$ 5,766	\$ 5,800	\$ 3,063	\$ 2,567	\$ 2,389	\$ 2,189
Restricted	45	-	-	-	-	-	-	-	-	-
Committed	-	686	1,093	1,364	1,353	1,438	1,548	1,303	1,235	1,132
Assigned	-	2,928	1,577	926	580	552	-	38	76	133
Unassigned	5,152	4,917	4,702	4,036	4,040	4,242	7,694	8,487	8,916	9,226
Total General Fund	<u>\$ 9,273</u>	<u>\$ 12,939</u>	<u>\$ 12,108</u>	<u>\$ 11,778</u>	<u>\$ 11,739</u>	<u>\$ 12,032</u>	<u>\$ 12,305</u>	<u>\$ 12,394</u>	<u>\$ 12,616</u>	<u>\$ 12,680</u>
All other Governmental Funds										
Nonspendable	\$ 389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	20,986	19,720	18,827	14,314	14,506	15,741	16,703	18,084	20,692	22,769
Committed	-	2,402	2,437	3,115	3,329	3,800	3,847	5,033	3,540	7,211
Assigned	2,482	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	(657)
Total all other Governmental Funds	<u>\$ 23,857</u>	<u>\$ 22,122</u>	<u>\$ 21,264</u>	<u>\$ 17,429</u>	<u>\$ 17,835</u>	<u>\$ 19,542</u>	<u>\$ 20,550</u>	<u>\$ 23,117</u>	<u>\$ 24,232</u>	<u>\$ 29,323</u>

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 4

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS - UNAUDITED
(modified accrual basis of accounting)
(amounts expressed in thousands)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 42,472	\$ 41,637	\$ 42,153	\$ 41,966	\$ 43,292	\$ 43,570	\$ 45,986	\$ 47,290	\$ 49,195	\$ 50,794
Licenses and Permits	765	717	749	758	794	766	813	754	802	791
Intergovernmental	16,917	16,816	19,370	19,703	19,338	20,769	21,250	20,027	20,850	27,428
Charges for Services	13,444	12,299	12,365	11,868	11,112	12,611	13,484	14,708	14,533	11,050
Fines and Forfeits	1,082	1,366	1,530	1,356	1,273	949	987	937	1,015	823
Interest and Rent	1,243	1,079	1,648	1,681	1,786	1,893	2,117	2,567	2,983	2,165
Other	2,822	3,033	3,220	2,845	3,410	3,024	2,683	2,792	2,431	2,425
Total Revenues	78,745	76,947	81,035	80,177	81,005	83,582	87,318	89,074	91,809	95,476
Expenditures:										
Legislative	2,996	1,054	1,839	1,643	1,028	1,242	1,178	1,193	1,289	1,366
Judicial	11,153	11,262	10,462	10,383	10,543	10,696	11,499	11,226	11,872	12,656
General Government	11,613	11,957	11,145	10,958	11,436	11,575	10,879	12,199	12,298	12,991
Public Safety	23,913	25,227	25,063	23,918	24,152	24,826	26,160	26,399	28,272	28,177
Public Works	2,046	1,248	1,004	1,107	1,042	1,086	977	2,179	985	1,104
Health and Welfare	19,822	19,321	19,967	19,330	19,196	19,589	19,971	21,082	21,592	20,760
Community and Economic Development	961	791	790	999	717	592	2,610	661	723	596
Recreation and Cultural	8,187	9,150	7,986	7,695	9,229	9,176	9,927	9,409	10,279	8,756
Capital Outlay	1,957	3,501	2,180	6,270	1,966	1,313	1,086	1,364	1,132	2,443
Debt Service										
Principal	2,242	2,364	2,622	3,066	3,187	3,385	3,480	3,691	3,981	4,225
Interest/Issuance Costs	2,286	2,369	2,453	2,123	2,210	1,978	1,929	1,789	1,665	1,560
Total Expenditures	87,176	88,244	85,511	87,492	84,705	85,458	89,697	91,192	94,088	94,634
Revenues over (under) expenditures	(8,431)	(11,297)	(4,476)	(7,315)	(3,700)	(1,876)	(2,379)	(2,118)	(2,279)	842
Other Financing Sources (Uses):										
Transfers In	15,871	15,665	15,557	11,546	11,888	12,526	12,470	13,641	15,055	13,598
Transfers Out	(12,767)	(12,170)	(12,891)	(8,504)	(8,240)	(8,913)	(9,009)	(10,125)	(11,439)	(10,079)
Issuance of debt	1,141	9,622	-	107	232	263	127	1,287	-	178
Issuance of Refunding Bonds	-	24,365	5,380	-	9,280	-	1,595	-	-	13,305
Sale of assets	-	-	-	-	-	-	-	-	-	408
Premium on Debt	-	2,620	-	-	1,138	-	156	-	-	-
Payment to Refunding Bond Escrow Agent	-	(26,874)	(5,259)	-	(10,231)	-	(1,679)	-	-	(13,097)
Total Other Financing Sources (Uses)	4,245	13,228	2,787	3,149	4,067	3,875	3,661	4,802	3,616	4,313
Net Change in Fund Balances	\$ (4,186)	\$ 1,931	\$ (1,689)	\$ (4,166)	\$ 367	\$ 2,000	\$ 1,282	\$ 2,684	\$ 1,337	\$ 5,155
Debt Service as a Percentage of Noncapital Expenditures	5.42%	5.78%	6.18%	6.50%	6.63%	6.45%	6.18%	6.14%	6.18%	6.33%

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 5

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS - UNAUDITED**

Fiscal Year Ended 12/31/2020	Real Property				Total Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Other Property					
2011	3,750,886,322	653,641,431	717,718,570	434,665,345	580,347,808	6,137,259,476	7.4022	12,363,112,485	49.64%
2012	3,538,223,638	610,977,218	698,943,058	401,257,193	595,313,942	5,844,715,049	7.9522	11,753,145,749	49.73%
2013	3,544,001,864	567,319,100	701,020,790	399,395,970	607,263,019	5,819,000,743	7.9522	11,700,887,497	49.73%
2014	3,647,452,119	514,049,239	704,585,720	477,832,025	629,706,602	5,973,625,705	7.9522	12,020,528,102	49.70%
2015	3,866,047,148	519,097,300	729,895,238	475,635,547	711,895,854	6,302,571,087	7.9522	12,676,913,578	49.72%
2016	4,133,911,528	565,812,942	727,091,150	442,567,334	673,454,031	6,542,836,985	8.2329	13,158,800,715	49.72%
2017	4,408,301,523	594,112,810	749,080,816	447,497,500	715,405,067	6,914,397,716	8.2329	13,912,504,690	49.70%
2018	4,563,302,894	632,776,798	787,646,500	457,459,860	751,715,432	7,192,901,484	8.2329	14,447,177,908	49.79%
2019	4,926,686,250	727,881,650	881,363,100	483,262,272	782,040,598	7,801,233,870	8.2329	15,689,217,728	49.72%
2020	5,336,286,542	759,296,900	585,743,640	481,075,525	1,064,013,180	8,226,415,787	8.2329	16,517,857,736	49.80%

Source: County Equalization Department

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 6

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS - UNAUDITED**

(Per \$1,000 of Assessed Value)

Fiscal Year	Townships**	Cities and Villages**	County								Community College	Intermediate School	Local Schools**	Total
			Operating	Senior Citizens	Drug Task Force	Library	Parks	Roads	Veterans	Total				
2011	2.32	14.46	5.3265	0.5000	0.2803	0.7000	0.4954	0.0000	0.1000	7.4022	1.89	3.43	29.62	59.12
2012	2.55	15.06	5.3265	0.8000	0.2803	0.7000	0.4954	0.2500	0.1000	7.9522	1.89	3.43	29.78	60.66
2013	2.50	15.80	5.3265	0.8000	0.2803	0.7000	0.4954	0.2500	0.1000	7.9522	1.89	3.43	29.80	61.37
2014	2.66	16.28	5.3265	0.8000	0.2803	0.7000	0.4954	0.2500	0.1000	7.9522	1.89	3.43	30.23	62.44
2015	2.69	17.01	5.3265	0.8000	0.2803	0.7000	0.4954	0.2500	0.1000	7.9522	1.89	3.43	29.91	62.88
2016	2.72	16.57	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	8.2329	1.89	3.43	29.83	62.67
2017	2.77	16.50	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	8.2329	1.89	3.43	29.86	62.69
2018	2.90	17.27	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	8.2329	1.89	3.43	29.82	63.54
2019	2.98	17.18	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	8.2329	1.89	3.43	29.81	63.52
2020	3.07	17.10	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	8.2329	1.89	3.43	29.95	63.67

Note: All tax rates rounded to two (2) decimal places, except the County rates.

** Average from Townships, Cities and Villages, and Local Schools are presented as these units have varying rates.

Source: Equalization Department

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 7

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO - UNAUDITED

		2020			2011		
		Taxable	Rank	Percentage	Taxable	Rank	Percentage
		Valuation		of Total	Valuation		of Total
				Taxable Value			Taxable Value
DTE Companies	Electrical Utility	\$ 906,494,942	1	13.99%	\$ 678,086,391	1	11.96%
ITC Transmission	Electrical Transmission	111,252,998	2	1.72%	33,300,456	4	0.59%
Consumers Energy Company	Liquid Natural Gas Storage	89,556,185	3	1.38%	N/A		N/A
Enbridge Energy	Natural Gas & Pipeline	63,220,738	4	0.98%	N/A		N/A
Semco Energy Gas Company	Gas Utility	48,650,728	5	0.75%	N/A		N/A
Marysville Hydrocarbon LLC	Propane and Butane Storage	24,015,331	6	0.37%	N/A		N/A
Blue Water Natural Gas Holdings	Natural Gas Storage	16,411,112	7	0.25%	19,725,200	8	0.35%
MPT of Port Huron LLC	Petroleum Distributor	11,869,021	8	0.18%	N/A		N/A
Plains LPG Services	Production and Storage of Petroleum	9,920,600	9	0.15%	N/A		N/A
Meijer Inc.	Retail	9,660,559	10	0.15%	N/A		N/A
Mich-Con	Gas Production	N/A	-	N/A	60,692,100	2	1.07%
ZF Industries	Automobile Manufacturing	N/A	-	N/A	37,962,900	3	0.67%
Chrysler LLC	Automotive Parts	N/A	-	N/A	24,474,600	5	0.43%
Marysville Ethanol	Gas Production	N/A	-	N/A	21,445,603	6	0.38%
Acheson Ventures	Land Development	N/A	-	N/A	19,462,132	7	0.34%
Birchwood Mall	Retail	N/A	-	N/A	15,997,710	9	0.28%
Domtar Industries	Paper Production	N/A	-	N/A	14,458,700	10	0.25%
		<u>\$ 1,291,052,214</u>		19.93%	<u>\$ 925,605,792</u>		16.32%

Source: Equalization Department

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 8

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS - UNAUDITED**

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections to March 1</u>	<u>Percentage of Levy Collected</u>	<u>Delinquent Tax Collections to December 31</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes **</u>	<u>Percentage of Delinquent Taxes to Tax Levy</u>
2011	42,634,713	40,385,017	94.7%	2,031,428	42,416,445	99.5%	218,268	0.5%
2012	44,247,974	42,158,910	95.3%	1,894,263	44,053,173	99.6%	194,801	0.4%
2013	44,024,180	41,340,361	93.9%	2,491,636	43,831,996	99.6%	192,184	0.4%
2014	44,138,950	41,649,782	94.4%	2,305,638	43,955,420	99.6%	183,530	0.4%
2015	45,488,432	43,323,968	95.2%	1,981,333	45,305,300	99.6%	183,132	0.4%
2016	47,048,311	44,803,444	95.2%	2,100,442	46,903,886	99.7%	144,425	0.3%
2017	48,222,693	46,107,827	95.6%	1,987,468	48,095,295	99.7%	127,398	0.3%
2018	49,767,833	47,517,704	95.5%	2,108,820	49,626,524	99.7%	141,309	0.3%
2019	51,533,061	49,293,110	95.7%	2,058,171	51,351,281	99.6%	181,780	0.4%
2020	53,615,087	51,223,311	95.5%	2,198,612	53,421,922	99.6%	193,164	0.4%

** Represents Delinquent Personal Property Taxes and Chargebacks

Note: The Delinquent Tax Revolving Fund purchases the delinquent real taxes of each unit in March of each year.
Taxes levied are for County general operations and six extra-voted millages (Senior Citizens, Drug Task Force, Library, Veterans, Roads, and Parks).

Source: County Treasurer's Office

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 9

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS - UNAUDITED

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Drain Districts	Premiums, Discounts	General Obligation Bonds			
2011	50,185,000	3,244,497	36,719	6,184,811	59,651,027	1.08%	365.87
2012	55,665,000	3,588,472	2,518,799	6,623,535	68,395,806	1.19%	419.50
2013	53,680,000	3,311,730	2,183,303	7,041,911	66,216,944	1.14%	406.14
2014	50,935,000	3,098,484	2,016,276	7,055,760	63,105,520	1.05%	387.06
2015	47,480,000	3,028,889	2,953,413	7,497,077	60,959,379	0.96%	373.89
2016	44,385,000	3,001,226	2,685,017	8,452,477	58,523,721	0.90%	358.95
2017	41,180,000	2,823,141	2,553,994	8,757,681	55,314,816	0.82%	339.27
2018	37,825,000	3,773,915	2,265,957	8,941,711	52,806,583	0.75%	323.89
2019	34,180,000	3,438,118	1,977,920	8,930,432	48,526,470	0.67%	297.64
2020	31,345,000	3,260,730	914,723	8,529,280	44,049,733	0.61%	270.18

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 10

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS - UNAUDITED**

<u>Fiscal Year</u>	<u>Population *</u>	<u>Assessed Value (000)</u>	<u>Bonded Debt</u>	<u>Premiums, Discounts & Adjustments</u>	<u>Less: Amounts Available in Debt Service Funds</u>	<u>Total</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Per Capita</u>
2011	163,040	6,137,259	55,909,526	(460,285)	939,005	54,510,236	0.44	334.34
2012	163,040	5,844,715	63,365,232	1,076,697	973,741	63,468,188	0.54	389.28
2013	163,040	5,819,001	61,522,919	801,008	1,750,395	60,573,532	0.52	371.53
2014	163,040	5,973,626	57,990,760	764,303	1,795,436	56,959,627	0.47	349.36
2015	163,040	6,302,571	54,977,077	1,415,235	1,909,191	54,483,121	0.43	334.17
2016	163,040	6,542,837	52,837,477	1,320,656	1,662,063	52,496,070	0.40	321.98
2017	163,040	6,914,398	49,937,681	1,315,841	1,445,250	49,808,272	0.36	305.50
2018	163,040	7,192,901	46,766,711	1,208,423	1,300,644	46,674,490	0.32	286.28
2019	163,040	7,801,234	43,110,432	1,101,005	972,680	43,238,757	0.28	265.20
2020	163,040	8,226,416	39,874,280	215,104	1,626,527	38,462,857	0.23	235.91

* U.S. Census

Note: Net Bonded Debt represents the Building Authority Debt, less debt service money available.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 11

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2020 - UNAUDITED

Direct Debt:

Building Authority		\$	745,000
Communication System - Refunding Bonds			415,000
Communication System - Refunding Bonds			1,115,000
Comm. Mental Health - Refunding Bonds			5,070,000
Jail Refunding Bonds			3,185,000
Jail Refunding Bonds			13,305,000
Convention Center - General Obligation Bonds			7,510,000
Drain Districts			3,260,730
Premiums, Discounts, and Adjustments			215,104
Net Direct Debt			<u>34,820,834</u>

Overlapping Debt:

Cities	\$	94,142,835	
Townships		11,075,108	
Villages		23,255	
School Districts		363,373,138	
Intermediate School District		49,495	
Community College		<u>4,988,507</u>	<u>473,652,337</u>

Net Direct and Overlapping Debt

\$ 508,473,171

Source: Debt information provided by Municipal Advisory Council of Michigan and Bendzinski and Co., Detroit, Michigan

Note: Percentage of overlap based on assessed property values.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 12

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS - UNAUDITED

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin
2011	613,544,334	52,969,212	560,575,122
2012	584,459,452	60,330,169	524,129,283
2013	581,900,074	57,792,738	524,107,336
2014	597,362,571	54,797,787	542,564,784
2015	630,257,109	51,924,124	578,332,985
2016	654,283,699	48,706,882	605,576,817
2017	691,556,650	44,003,141	647,553,509
2018	719,290,148	41,598,915	677,691,233
2019	780,123,387	37,618,118	742,505,269
2020	822,641,579	34,820,834	787,820,745

Legal Debt Margin Calculation for Fiscal Year 2019

State Equalized Value	<u><u>\$ 8,226,415,787</u></u>
Legal Debt Limit (10% of State Equalized Value)	\$ 822,641,579
Less: Total Long-Term Debt	<u>34,820,834</u>
Legal Debt Margin	<u><u>\$ 787,820,745</u></u>

Note: Total Long-Term Debt does not include accumulated vacation, sick and compensatory time, net OPEB obligation, accrued insurance liability claims, and Landfill closure and post-closure costs.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 13

**DEMOGRAPHIC AND ECONOMICAL STATISTICS
LAST TEN FISCAL YEARS - UNAUDITED**

<u>Fiscal Year</u>	<u>Population *</u>	<u>U. S. Census</u>	<u>Personal Income **</u>	<u>Per Capita Income **</u>	<u>K - 12 School Enrollment ***</u>	<u>Unemployment Rate ****</u>
2011	162,569	163,040	5,545,766	34,324	25,344	13.1
2012	160,182	163,040	5,770,156	35,924	24,875	12.2
2013	160,327	163,040	5,811,259	36,254	24,184	10.6
2014	160,506	163,040	6,026,586	37,646	23,867	9.9
2015	160,025	163,040	6,326,372	39,602	23,396	7.1
2016	159,699	163,040	6,527,171	40,937	22,974	6.2
2017	159,719	163,040	6,747,630	42,381	22,497	5
2018	159,134	163,040	7,061,186	44,316	21,892	4.7
2019	159,390	163,040	7,266,059	45,662	21,479	4.9
2020	159,042	163,040	7,266,059	45,662	20,406	12.0

Sources

- * Southeast Michigan Council of Governments
- ** U.S. Department of Commerce - Bureau of Economic Analysis. Numbers are in thousands.
- *** St. Clair County Regional Educational Service Agency
- **** Michigan Department of Labor and Economic Growth

Bold Data was not available at the time of publication, so the previous year data was used.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 14

PRINCIPAL EMPLOYERS
PRIOR YEAR AND NINE YEARS AGO - UNAUDITED

Employer	Product/Service	*2018			2011		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
McLaren Port Huron	Health Care	1,579	1	2.18%	1,750	1	2.87%
SMR Automotive	Manufacturing	1,119	2	1.55%	425	10	0.70%
Port Huron School District	Education	1,100	3	1.52%	1,111	2	1.82%
St. Clair County	Municipal Government	983	4	1.36%	988	3	1.62%
ZF Marysville	Manufacturing	921	5	1.27%	N/A	N/A	N/A
DTE Energy	Utility	747	6	1.03%	915	4	1.50%
Lake Huron Medical Center	Health Care	665	7	0.92%	770	5	1.26%
Meijer	Retail/ Big Box	604	8	0.83%	650	6	1.07%
East China School District	Education	539	9	0.74%	600	7	0.90%
St. Clair County Community College	Education	419	10	0.58%	N/A	N/A	N/A
AT & T	Utility	N/A	N/A	N/A	500	8	0.82%
St. John River District Hospital	Health Care Services	230	24	0.32%	450	9	0.74%
		<u>8,906</u>		<u>12.30%</u>	<u>8,159</u>		<u>13.30%</u>

Source: St. Clair County Metropolitan Planning, Bendzinski & Co., Economic Development Alliance of St. Clair County, and U.S. Bureau of Economic Analysis

*2019 & 2020 numbers are not available and were not updated by the EDA

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 15

**FULL - TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Legislative										
Board of Commissioners	7	7	7	7	7	7	7	7	7	7
Judicial										
Circuit Court	13	13	13	13	12	12	12	13	13	13
District Court	27	27	27	28	27	27	27	28	28	28
Courthouse Security	7	7	5	5	5	5	5	5	5	5
Friend of the Court	35	35	32	32	33	33	33	35	37	37
Probate Court - Adult	9	9	9	9	9	10	10	11	11	10
Probate Court - Juvenile	19	19	17	17	15	15	16	14	14	14
Probation - Adult	8	8	8	8	8	8	8	7	9	9
General Government										
Administrator/Controller	3	3	3	3	4	4	4	4	4	4
Elections	1	1	1	0	0	0	0	0	0	0
Accounting	4	4	4	4	4	4	4	4	4	4
Purchasing	2	2	2	2	1	1	1	1	1	1
Clerk	10	10	10	9	9	9	9	9	9	9
Equalization	10	10	9	8	8	8	8	8	9	9
Human Resources	4	4	5	5	5	7	7	6	7	7
Prosecuting Attorney	25	25	24	24	25	26	26	28	27	28
Register of Deeds	2	2	2	2	2	2	2	2	2	2
Treasurer	7	7	7	7	7	7	7	7	8	8
Cooperative Extension	2	2	2	2	2	2	2	2	2	2
Information Technology	12	14	14	15	15	15	16	16	16	16
Buildings and Grounds	20	20	19	20	20	20	20	20	20	20
Drain Commissioner	8	8	8	7	7	7	7	6	6	6
Public Defender										20
Public Safety										
Sheriff Department	77	79	86	85	85	85	86	86	87	90
Communications	23	26	23	21	21	22	22	22	22	22
Marine Patrol	1	1	1	1	1	1	1	1	1	1
Jail	96	96	95	100	100	100	100	100	101	100
Emergency Services	3	3	3	3	3	3	3	3	4	4
Animal Control	1	3	3	3	3	3	3	3	5	5
Metropolitan Planning	7	5	5	5	5	6	7	7	7	7

(Continued)

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Health and Welfare										
Medical Examiner	1	2	2	2	2	2	2	1	1	2
Veterans Counselor	2	4	4	4	6	6	6	6	6	6
Public Guardian	3	3	3	3	4	4	5	5	5	6
Health Department	75	75	68	61	61	61	64	65	73	78
Child Care	48	48	48	42	40	40	40	40	41	42
Recreation and Culture										
Parks and Recreation	10	10	10	11	11	11	11	11	11	11
Library	37	37	37	36	37	37	35	35	35	35
Proprietary Activities										
Landfill	4	5	5	4	4	4	5	4	4	4
Airport	1	1	1	1	1	1	1	2	2	2

(Concluded)

Source: Accounting Department, Annual Budget by Department Sheets and Annual Budget book.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 16

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Judicial										
Circuit Court Cases Filed	3,795	3,764	3,843	3,616	3,721	3,638	3,732	3,650	3,623	2,197
Circuit Court Cases Dispositions	3,851	3,952	4,099	3,797	3,836	3,818	3,797	3,699	3,725	2,145
General Government										
Marriage licenses	957	937	937	964	963	968	970	938	832	804
Births Certificates	1,605	1,496	1,462	1,501	1,429	1,435	1,262	1,335	1,368	1,265
Divorces Filed	635	743	787	780	735	525	550	503	539	339
Death Certificates	1,551	1,472	1,633	1,608	1,632	1,592	1,653	1,538	1,608	1,905
Public Safety										
Inmate bookings	5,451	5,794	5,935	5,646	6,047	5,164	4,442	4,160	3,598	2,719
Dispatch Calls	118,511	123,958	122,499	119,743	116,294	114,070	118,884	126,247	141,156	116,629
Dog Licenses Issued	25,816	27,023	25,719	25,600	27,019	26,405	25,582	19,570	23,727	13,379
Airport										
Take-offs and Landings (1)	32,000	18,775	27,500	25,689	26,230	26,500	27,011	27,000	25,000	15,000
Landfill										
Tons of Waste Collected	238,254	171,072	176,671	221,912	293,962	297,049	384,686	308,774	303,275	345,953

Source: Various County Departments

(1) These numbers were estimates

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 17

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Judicial										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	1	3	2	0	0	0	0	0	0	0
General Government										
Buildings	2	2	3	3	4	4	4	4	4	4
Vehicles	10	20	26	28	27	25	25	23	24	23
Public Safety										
Buildings	3	3	4	5	5	5	5	5	5	5
Jail Beds Available	491	491	491	491	491	491	491	491	491	491
Vehicles										
Patrol	41	43	41	35	35	34	39	40	34	40
Other	28	30	33	34	35	40	40	34	38	33
Health & Welfare										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	6	6	8	8	11	12	12	13	11	12
Recreation & Cultural										
Buildings	37	43	43	47	47	47	47	47	47	47
Vehicles	10	10	10	10	10	10	9	9	10	10
Park Acreage	562	562	565	566	568	633	633	633	633	633
Airport										
Buildings	6	6	7	7	7	7	7	7	7	7
Vehicles	2	2	3	2	2	2	2	2	2	2
Landfill										
Buildings	2	3	3	6	6	6	6	6	6	6
Vehicles	2	3	3	3	3	3	3	2	4	4

Source: Accounting Department