

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**LAPEER COUNTY, MICHIGAN**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**BOARD OF COMMISSIONERS**

**Gary Roy, Chairperson**  
**Dyle G. Henning, Vice Chairperson**  
**Lenny Schneider**  
**Bryan Zender**  
**Rick Warren**  
**Linda M. Jarvis**  
**Brendan Miller**

**ISSUED BY:**  
**COUNTY ADMINISTRATION OFFICE**

**Quentin L. Bishop, Controller/Administrator**  
**Jacqueline Arnold, Chief Financial Officer**

# LAPEER COUNTY, MICHIGAN

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## ***Lapeer County Administration Office***

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July 28, 2023

To the Board of Commissioners and Citizens of Lapeer County:

The Annual Comprehensive Financial Report (ACFR) of the County of Lapeer, Michigan (the "County"), for the year ended December 31, 2022, is submitted herewith. The administration of the County is responsible for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and the County as a whole. The report is prepared for the purpose of disclosing the County's financial condition to our community, elected officials, and other interested parties. A comprehensive framework of internal control to provide a reasonable basis for asserting that the financial statements are fairly presented has been established. Since 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.

The financial statements have been prepared in compliance with applicable statutes of the State of Michigan and generally accepted accounting principles (GAAP) as stated in the Government Accounting Standards Board's (GASB) Statements and Interpretations. This ACFR is issued pursuant to the requirements of the GASB. Readers of this report will notice a Statement of Net Position and a Statement of Activities are included. These statements present the financial position of the County viewed in their entirety. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to augment the MD&A and should be read in conjunction with it. The MD&A can be found following the report of the independent auditors.

The County's financial statements have been audited by UHY LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the ending fiscal year are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the County's financial statements for the year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County is 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 government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

## **PROFILE OF LAPEER COUNTY**

Incorporated in 1835, the County covers an area of approximately 666 square miles. Located 56 miles north of the City of Detroit, and 48 miles west of the Canadian border on Interstate 69, the County has exceptional access to transportation systems. Four major state highways, M-21J M-24 M-90, and M-53, intersect the County. Bishop International Airport located adjacent to I-75, 20 miles to the west in Flint, offers a hub to major commercial and passenger air carriers. The local DuPont Airport serves the private aviation community. Rail passenger service is provided by AMTRAK and freight service by CSX via a major east-west rail line that links Canada and Chicago. The Greater Lapeer Transportation Authority provides bus transportation intra-county. There are eighteen townships, two cities, and six villages within the boundaries of the County.

The proximity of the County to the Detroit Metropolitan Area and job markets in Oakland, Macomb, and Genesee County remains a principle factor in the local economy with approximately 50% of the county work force employed in those areas. A pastoral landscape and planning efforts to direct growth and preserve green space, along with ample hunting and fishing opportunities, are attractive attributes to those considering relocating to the County.

A number of financial institutions are located throughout the County. Branches of Chase, TCF, First Citizen, PNC, Tri-County, Independent, Flagstar, Oxford, Citizens First, Choice One and six credit unions also offer financial services.

The taxable value of property in FY 2022 was \$3,503,894,862 compared to \$3,301 in 2021, an increase of approximately 6.11%. During the same period, S.E.V. increased from \$4,474,528,072 to \$4,825,099,011 up approximately 7.83%. The tax levy of 3.6654 in 2022 was rolled back to 3.6258 as a result of the Headlee rollback computations for general County operations. Only five counties in Michigan have a lower operational tax rate than Lapeer County.

Considered by the U.S. Census Bureau as part of the Detroit Metropolitan Statistical Area, the County population in 2020 was 88,619 compared to the 2010 Census total of 88,319. The U. S. Census Bureau estimated the 2022 population at 88,780.

The real estate market throughout the County continues to reflect the effects of the economic climate. The median residential selling price in 2022 was \$255,790, an increase from \$241,570 in 2021, based on data from REDFIN.COM.

With over 250 lakes, two County, two State, and a number of local parks, abundant camping, and water sport opportunities are available for the enthusiast. Within an hour drive, Lake Huron provides additional fishing and boating experiences and access to the other Great Lakes. Numerous golf courses add to the extensive recreation options. The County is also home to three sites on the national historical register, including one of the oldest operating Courthouses in the nation. Built in 1846, this significant historical site is an outstanding example of Greek revival architecture and has undergone a complete renovation.

Major professional sports teams, the Detroit Lions, the Detroit Red Wings, Detroit Tigers, and the Detroit Pistons, play their home games within a 60-minute drive. Michigan State University in East Lansing and the University of Michigan in Ann Arbor are less than 75 miles from Lapeer. These Big Ten institutions provide ready access to excellent educational and research facilities, and NCAA Division One college athletic events.

Creating a link between government and businesses interested in locating or expanding in the County, the Lapeer Development Corporation (LDC) continues to lead and coordinate economic development. During 2022, LDC assisted in the facilitation of 150 businesses, and \$800 thousand in financial aid. Since its inception in 1981, the LDC has brought a private sector investment of over \$831 million into the County and has assisted with the creation/retention of 8,540 jobs. In 2003 the LDC was designated as the County Brownfield Authority by the Board of Commissioners (the "County Board"). With the Brownfield capacity, another tool is available for the local economic development process.

A major economic initiative focused on jobs and investment continues with the 1-69 International Trade Corridor, Next Michigan Corporation, which is one of five designations permitted in the State. Next Michigan Corporation is an independently established entity that works to establish a logistics hub around inter-modal access points to create a cooperative partnership involving 35 local communities in St. Clair, Lapeer, Genesee and Shiawassee counties located along the 1-69 corridor that allows the use of tax incentives to attract new businesses. The partnership includes agencies, authorities, municipalities, and businesses.

McLaren-Lapeer Region (the "Hospital"), an acute care facility serves the County and is affiliated with McLaren Health Care Corporation. Located in the City of Lapeer, the Hospital has 222 beds with a staff of 350 doctors and more than 500 nurses, and provides a full range of advanced diagnostic technology including an imaging center. McLaren has developed a network of care sites throughout the County that provide a range of outpatient services, renovated the emergency room at the hospital, and completed construction of a 16,200 square foot state-of-the-art Great Lakes Cancer Institute in 2008. The Hospital has also been verified as a Level Two Trauma Center, the only facility in the Thumb with that prestigious designation.

In addition to private nursing home facilities throughout the County, the County Medical Care Facility provides 202 beds with a staff of 3 doctors and approximately 350 employees.

The Lapeer County Community Foundation (the "Foundation") continues to perform a vital role in supporting various projects and initiatives in the community. From humble beginnings of a \$20,000 gift to establish the Lapeer County Community Fund with the Community Foundation of Greater Flint, the Foundation became wholly independent in 2005 and has grown to over \$14.2 million in assets spread over 75 managed funds. In that time, the Foundation has granted \$6 million back into our County communities. In 2022 alone, the Foundation granted over \$387,000 in 64 grants and 81 scholarships to local non-profit organizations, education and government institutions and County students. To recognize the impact the Foundation has had in our local communities, the Foundation granted \$25,000 for quality-of-life projects to the nine villages and cities across the County. The Foundation provides expertise and guidance to help donors achieve their charitable goals through gifts large, and small — that will impact the quality of life in the County for future generations. The Foundation's focus is in 4 pillars: Lapeer County Learns, Lapeer County Works, Lapeer County Plays and Lapeer County Cares.

The Lapeer County Intermediate School District serves five school systems and a number of private and charter schools provide diverse educational experiences within the County. Chatfield School, chartered by Saginaw Valley State University, completed its twentieth year of operation in August. Located in the City of Lapeer, Chatfield School has an enrollment of 486 students.

Mott Community College maintains a campus site in the City of Lapeer. Significant improvements have been made to accommodate additional parking at the facility and Mott Community College continues to modify classroom space and enhance the use of technology.

The Lapeer District Library with eight branches, an automated circulation system and an on-line catalog, offers ready access to residents within the County. The Lapeer District Library also operates the Lapeer Information Depot, a web site that offers links to many sites in the County and a community calendar that notes a wide range of local activities and events. The Almont area is served by a district library, as is the Imlay City community. Both Dryden and North Branch Townships maintain a local library.

All public safety dispatching within the County is coordinated through one central communication site. The Lapeer County 911 Central Dispatch Center (the "Center") is responsible for dispatching 18 local fire departments, the County Sheriff Department, the Michigan State Police, the Department of Natural Resources, 7 local police departments, and 5 EMS organizations. The Emergency Operations Center located in the Center is the hub for communication and coordination in the event of a natural or man-made disaster, providing inter-operative communications for all responding local departments and the State.

The Emergency Operations Center functions as a single point of presence, connecting via fiber-optics lines for various state agencies (DHHS, MSP, LEIN, DOC) and county departments, with one outgoing fiber-optic line to Lansing. This collaborative arrangement is cost effective for all participating agencies.

## **ORGANIZATION STRUCTURE**

The County is organized under various public acts of the State and is governed by the seven-member County Board. The County operates under the Controller/Administrator form of government. Each Commissioner is elected on a partisan basis for a term of two years from districts that are approximately equal in population. The County Board annually elects a member to serve as Chairperson and a member to serve as Vice Chairperson. Primary functions of the County Board include determination of the type and level of County service, adoption of the County Budget, equalization of County property values, legislative oversight of County services and the appointment of various boards, commissions, and certain County officials.

The Judicial System within the County operates under the direction of the State Supreme Court. The District Judge serves a six-year term and is elected at large. One Judge is elected at large for a six-year term in the Probate Court. Two Judges are elected at large for six-year terms in the 40th Judicial Circuit Court. The Supreme Court selects a Judge to serve as the Chief Judge of the Courts. The office of the Friend of the Court is a statutorily created agency of the Circuit Court. The office is headed by a Friend of the Court appointed by the Chief Judge.

Administration of the County is divided by the Michigan Constitution among various statutory County officials including the County Treasurer, County Clerk, Register of Deeds, Prosecuting



Attorney, Drain Commissioner, Sheriff, and Surveyor, who are elected at large for four-year terms. The County Treasurer is the custodian of funds for the County and performs other duties concerned with the fiscal affairs of County departments and agencies. The duties of County Clerk include keeping and maintaining records of births, deaths, marriages and discharges of military personnel and serving as Clerk to the County Board and the Circuit Court. The duties of the Register of Deeds include the recording of deeds, mortgages, surveys, recording of plats, notices of liens and bills of sales.

The Prosecuting Attorney prosecutes violations of state criminal law within the County. The County Drain Commissioner administers the location, construction, and the maintenance of drains in the County. The Sheriff's duties involve the charge and custody of the County Jail, the serving of process, and law enforcement in unincorporated areas. The County Surveyor is responsible for a multi-year County remonumentation project and for the public land survey records in the County.

The County Board appoints several County officers, including the Administrator/Controller, the Health Officer, the Medical Examiner, the E-911 Director, the Equalization Director, and the Emergency Management Coordinator. The responsibility of these officials is defined by State statute and/or policy of the County Board.

The County Board also appoints various boards and commissions to oversee specific County services and to advise the Board. Appointments to specific County functions include the Department of Human Services Board, the Veterans Affairs Board, the 911 Authority, the Historical Courthouse Committee, the Community Mental Health Board, the Community Corrections Board, and the Local Emergency Planning Committee.

## **FINANCIAL PRACTICES**

### **Factors Affecting Financial Condition**

Focused budget management efforts over the past ten years have enabled the County to contend with the impact of dramatic revenue reductions that occurred during the "great recession" without significant limitations in services. With the improving Michigan economic environment, the contraction of the property tax base has seen a moderate change, and State Revenue Sharing payments reached \$1,814,642 in FY 2022, increasing from \$1,758,221 in FY 2021, slightly more than the peak of \$1,774,671 received in 2001. As one of the major general fund revenue sources, these changes have enforced stringent stewardship of the budget process.

The County continues to comply with the requirements of the State in order to receive full revenue sharing payments. With the adoption of the "County Incentive Program" (CIP), the County, pursuant to PA 200 of 2012, submits the required compliance document to the Michigan Department of Treasury and posts the documents as required on the County's publicly accessible website.

Growth in the tax base through 2008 had historically produced an incremental annual increase in property tax revenue. While not offsetting other lost or reduced revenue, the expansion of taxable value, even with the required rollback in the tax rate, had provided some restrained capacity to meet the growing demands on the General Fund budget. As originally noted in the 2008 ACFR, trends indicating that this growth had leveled along with the slowing of the State

economy, and in fact may be declining, were evident. The data from 2012 confirmed the continued reduction in the property tax base and consequently, tax revenue. Significantly though, 2013 saw a slight modification in the downward trend, and for the first time since 2008, property tax revenues were slightly higher than the prior year. In 2021, \$12,073,146 was received in property taxes in the General Fund, and in FY 2022 \$12,664,943 was posted. As a point of reference, the County recorded \$11 in property tax revenue in 2008.

Local Tax Increment Finance Authorities (TIFA's) and Downtown Development Authorities (DDA's) created by local units of governments continue to capture revenues that otherwise would be available for use in the County General Fund. The revenue produced for the general fund by multiplying the taxable value of property by the adopted tax rate was reduced by approximately \$687,124 that was "captured" by local government TIFA's and DDA's in 2022.

While progress is being made in the overall stability of the State budget, the State continues to face cyclical and structural budget problems that create a perplexing dilemma at the County level of government. The uncertainty of State funding for court equity, diverted felon, community corrections, revenue sharing, public health programs, and other functions supported by restricted revenue presents both planning and operational questions. In addition, substantial year end receivables for State revenue grant programs also compounds County cash flow forecasting.

As the year concluded, a number of emerging initiatives from the State level present another level of fiscal concern. Discussions and proposals regarding County level programs; Equalization, Medical Examiner, and raising the age of juvenile offenders, portend to have significant fiscal impact on the general fund budget without State fiscal support.

Additional new expenses are also anticipated as the need to enhance cyber security to meet developing audit requirements to comply as both Federal and State guidelines and/or regulations are established.

### **Long-term Financial Planning/Budgeting**

The County has as a matter of practice and policy, focused on a long-term financial planning perspective. In 2003 the County Board adopted a multi-year fiscal plan and established a biennial budget process. Under the provisions of the Uniform Budget Act for Local Government (PA 621 of 1978), the General Appropriations Act serves as the foundation for financial planning and control. The two-year budget and the multi-year fiscal plan provide a basis to anticipate current fiscal challenges and take timely and appropriate action to respond to major budgetary fluctuations.

Recent and ongoing economic events at the local, state, and national level have intensified the value of a multi-year financial planning and budgeting process. As a result of continued financial uncertainty, County Administration and the County Board have expanded the scope of the planning process to address rapidly changing fiscal circumstances and requisite budgetary and expenditure adjustments, both cyclical and structural.

The County has also adopted a position control system and adheres to the practice of budgeting for full employment. Consequently, salary and fringe benefits appropriations are tied to specific authorized positions, not to the individual factors and variances that occur with employees in

the respective positions. This practice adds substantial stability to budget and personnel management.

Grant management continues to receive additional attention by analyzing long term budget effects occurring through the potential transfer of expense to the general fund when a grant expires. A historical review of grant-based initiatives underscores the program and activities cost that has subsequently become a reoccurring expense in the General Fund. Consequently, grant proposals are reviewed to ensure that any long-time reoccurring cost are identified prior to any authorization to submit and any match or continuation expense are fully identified before approval.

### **Capital Improvement/Acquisitions**

A key element in overall fiscal planning has been the strong support of the County Board in maintaining facilities and equipment. Through the adoption of a capital planning and budgeting process, the County has taken affirmative steps to maintain buildings, parking lots, and the fleet. Capital budgeting has in addition provided the means to address technology needs and to replace aging equipment on a schedule.

The multi-year technology plan approved by the County Board continued into 2022. This Plan remains as a footprint for the development of a cost-effective informational technology platform that gives each department the capacity to meet internal needs, yet ensures that hardware and software are acquired to integrate into the county-wide system. A single point of access, at substantial cost benefit, provides connectivity to the internet for all departments.

### **Cooperative Purchasing**

Considerable cost benefit has been achieved from the participation in cooperative/group purchasing programs. Fleet replacement vehicles have been acquired from the State and/or the Oakland County programs at discounted prices. Office supplies are obtained through contract pricing with the State and various service programs.

### **Privatization**

A continued element in the fiscal planning process has been the opportunity to privatize certain services when warranted. Food services for senior citizens home delivered and congregate meals, and for jail inmates, remain contracted with a private vendor. Custodial and snow removal, vehicle repair and technology services remain under contract. Periodic review of contractual cost compared to the expense of in-house services provides a bench mark in the decision of which fiscal model presents the most cost-effective manner of service delivery.

### **Shared Services**

As the County faces continuing budgetary pressures, opportunities to partner with other units of government are considered when circumstances allow. While highly non-traditional, the County continues an agreement with St Clair County to share the duties of their Equalization Director. This arrangement has resulted in cost containment and will be monitored during the life of the agreement to determine cost benefit and measure the delivery of service.

The County Parks Department, in collaboration with Lapeer County Community Mental Health (CMH) and Team Work, Inc. (a local private non-profit agency), provide job training for CMH

clients. The clients work maintenance and concessions at the two County waterparks. This provides real world experience and allows the County Parks Department to fully operate at a reduced cost.

The City of Lapeer and the County continued snow plowing project around the downtown court complex area with City staff and equipment extending their plowing to include County sidewalks. With reduced grounds personal, this cost-effective accommodation allowed County staff to concentrate on other County facilities.

## **Bond Rating**

The County is cognizant of the value of bond ratings for the present and future development of infrastructure throughout the County. Standard and Poor's reaffirmed the AA+ stable rating for the County's existing GO debt. While the County has a low debt load, a prominent focus of fiscal planning is the attainment of bond ratings that support low interest rates when the need to acquire capital occurs. Not only the County benefits from a favorable rate, but also local units that borrow with the pledge of full faith and credit of the County. The retention of an extremely low debt load remains a significant factor in the rating. Without a focused financial planning perspective, the cost to the citizens of the County to construct and/or improve public facilities and infrastructure may be significantly higher for any future debt issues.

## **Budgeting Controls**

The County maintains budgetary internal controls with the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget approved by the County Board. Activities of the General Fund and special revenue funds are included in the annual budget. The approved budgets of the County are adopted for the General Fund at the activity level and the special revenue funds at the function level. These are the legally enacted levels under the State Uniform Budgeting and Accounting Act. However, budgets are maintained throughout the year at the account level to provide additional control in preventing over-expenditures at levels adopted for reporting to the State. Budgetary transfers are permitted in accordance with County Board adopted budget policies. In the present economic environment, frequent fiscal review and planning sessions occur throughout the year with the County Board.

## **MAJOR INITIATIVES**

The implementation of the Information Systems Plan to upgrade technology throughout all departments continued into 2022. The integration of systems, additional security applications, and backup capacity have added efficiencies to our communication capacities. The collaborative effort with the Lapeer County Intermediate School District for internet service and fiber optic lines remains a cost effective and productive relationship. An expanded and enhanced capacity for digital record retention has been given increased importance as the system evolves.

Recognizing that energy costs are a significant element of the operational budgets, the County Grounds and Maintenance Department continued to install energy saving equipment in respective county facilities. Department staff remained involved in the analysis and implementation of programs to reduce or contain expenses with all utilities. A continued review of energy containment methods for all County facilities remains in effect.

The County remains a member of the 1-69 International Trade Corridor Next Michigan Development Corporation. This initiative, in cooperation with the State was created to benefit

from the commercial link 1-69 provides from Canada to the Mid-West and provides the manufacturing/industrial community access to additional tools to begin or enhance operations.

### **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its ACFR for the fiscal year ending December 31, 2021. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. The County has been a recipient of the award each year since 1997.

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

The Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to Certificate of Achievement Program requirements, and are submitting it to the GFOA to determine eligibility for recognition for FY 2022.

Acknowledgments: The preparation of this report could not have been accomplished without the participation of the County departments and the various elected and appointed officials. Our appreciation is extended to all who assisted in the creation of this document. We would also like to thank the County Board for their commitment and support in the planning and management of the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Jacqueline Arnold  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Lapeer  
Michigan**

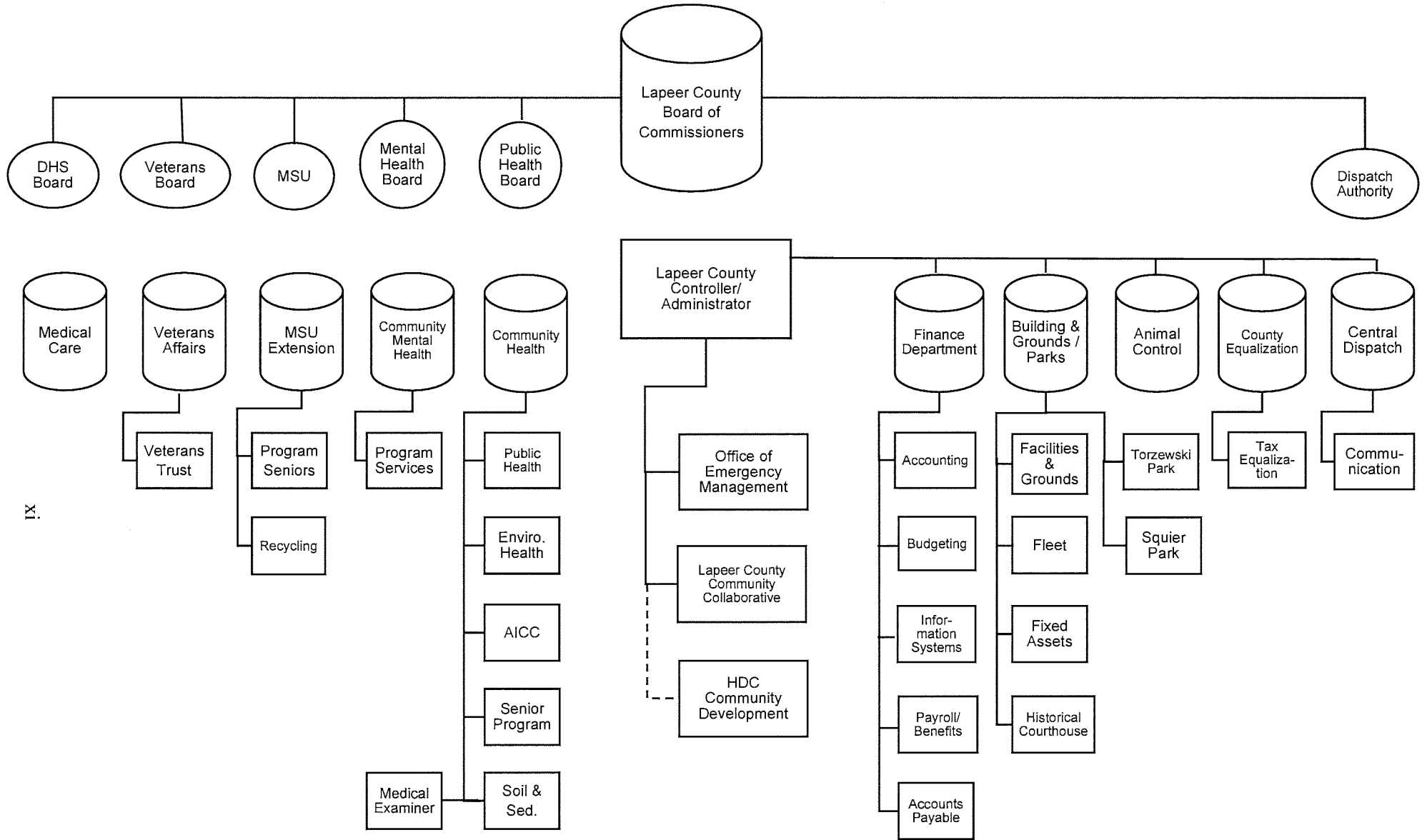
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

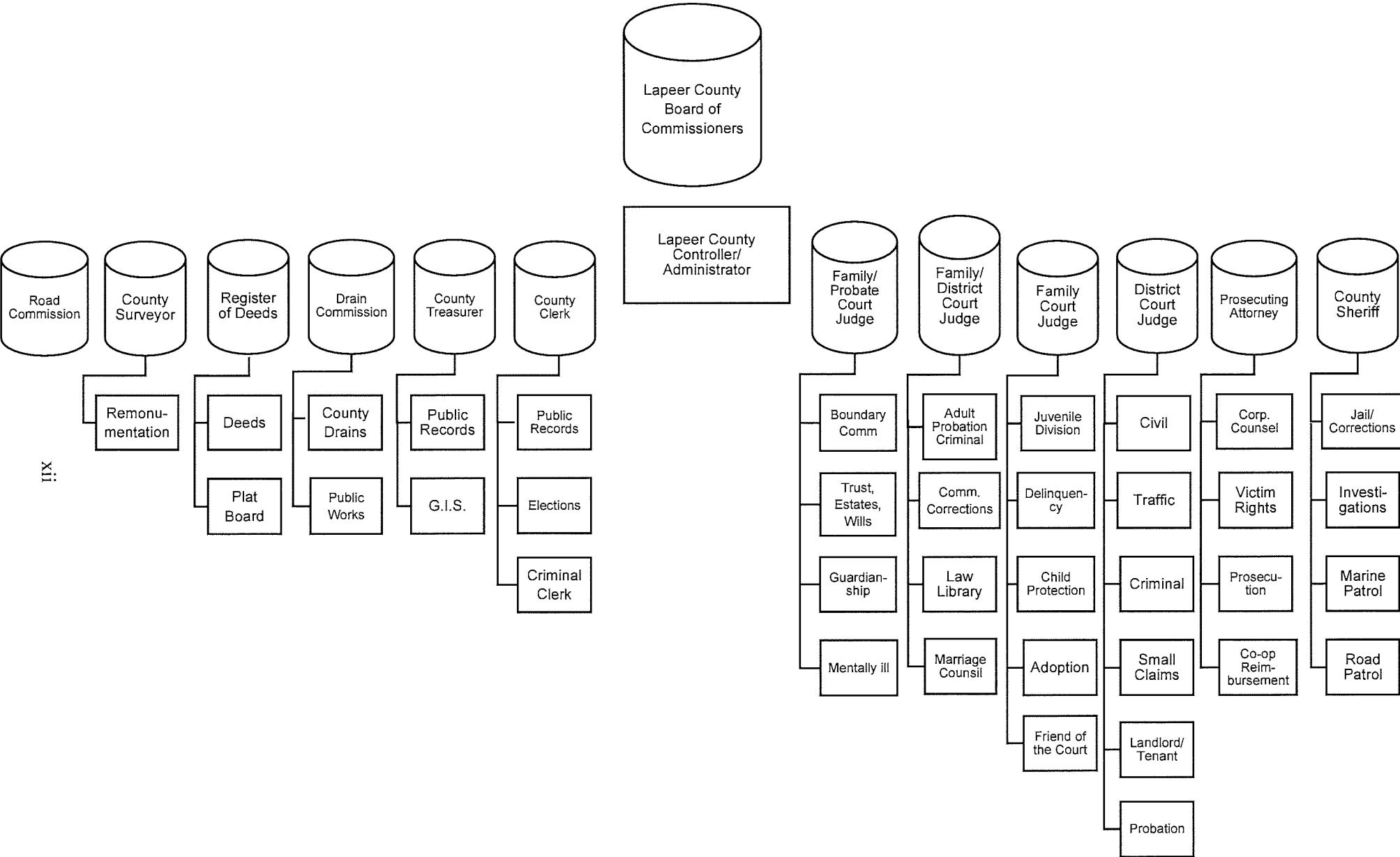
*Christopher P. Morill*

Executive Director/CEO

# LAPEER COUNTY APPOINTED ORGANIZATIONAL CHART



LAPEER COUNTY ELECTORATE ORGANIZATIONAL CHART





# **LAPEER COUNTY, MICHIGAN**

## **BOARD OF COMMISSIONERS**

### **Chairperson**

Gary Roy

### **Vice Chairperson**

Dyle G. Henning

### **Members**

Lenny Schneider  
Rick Warren

Linda M. Jarvis

Brendan Miller  
Bryan Zender

## **COURT JUDGES**

Nick O. Holowka  
Family Court

Justus C. Scott  
Probate Court

Michael Hodges  
Family/Circuit Court

Laura Chegar Barnard  
District Court

## **COUNTY ELECTED OFFICIALS**

Dana M. Miller  
Treasurer

Scott McKenna  
Sheriff

Joseph Suma  
Drain Commissioner

Theresa Spencer  
Clerk

John Miller  
Prosecuting Attorney

Henry Horton  
Surveyor

Lori Gebhardt  
Register of Deeds

## **COUNTY APPOINTED**

Jackie Arnold  
Interim Controller/Administrator

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
of Lapeer County  
Lapeer, Michigan

### **Report on the Financial Statements**

#### ***Opinions***

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 Lapeer County, Michigan (the "County"), as of and for the year ended December 31, 2022 and the related notes to the financial statements which collectively comprise the County's basic financial statements, as listed in the table of contents.

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 Lapeer County, Michigan, as of December 31, 2022 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.

#### ***Basis for Opinions***

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 of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 20 to the financial statements, in 2022, the County adopted new accounting guidances GASB Statement No. 87, *Leases*, and GASB Statement No. 91, *Conduit Debt Obligations*. Our opinions are not modified with respect to these matters.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events considered in the aggregate that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***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 plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The General Fund schedules; individual and combining statements and schedules for the nonmajor governmental funds, Delinquent Tax proprietary fund schedules, internal service fund combining statements, and fiduciary fund combining statements; capital assets used in the operation of governmental funds schedules; and discretely presented component unit individual and combining fund statements and reconciliations, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements; 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, as identified above, is fairly stated, in all respects, in relation to the basic financial statements as a whole.

### ***Other Information Included in the Report***

Management is responsible for the other information included in the annual report. The other information comprises introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2023 on our consideration of Lapeer 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's 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 Lapeer County's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "UHY LLP". The letters are stylized and cursive.

Port Huron, Michigan  
July 26, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Lapeer, Michigan (the "County") we offer readers of our financial statements this narrative and analysis of the financial activities for the fiscal year ended December 31, 2022. This analysis should be read in conjunction with the letter of transmittal, beginning on page i of this report, and with the basic financial statements and related notes that follow this section.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$75,261,957 (net position) at December 31, 2022. Of this amount, \$19,373,420 represents unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors. Also included is \$16,485,368 of restricted net position restricted for specific purposes (specific millage funds, E-911, etc.) and \$36,395,748 representing investment in capital assets.
- Capital assets of the primary government (carrying value net of accumulated depreciation) decreased by \$218,778 from the previous year due to depreciation moderation exceeding capital additions and adjustment of the governmental activities capital asset activity. Non-current liabilities of the primary government increased by \$341,529, due primarily to the adoption of GASB Statement No. 87, *Leases*.
- At December 31, 2022, the County's governmental funds reported a combined ending fund balance of \$24,685,341, an increase of \$3,509,563 compared to the prior year. Approximately 16.2% of this amount, \$4,002,009 is available for spending at the government's discretion (unassigned fund balance).

### 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 supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the County'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, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them 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 events giving rise to the changes occur, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost 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, and recreation and culture. The business-type activities of the County include Medical Care Facility, Delinquent Tax, and Telecommunications functions.

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate component units consisting of the Road Commission, Board of Public Works, Drainage Districts, and Land Bank Authority for which the County is financially accountable. Financial information for these components is reported separately from the financial information presented for the primary government itself.

**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 where, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources available to meet expenses, as well as on balances of those resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Governmental funds include the General Fund, the Special Revenue funds, the Debt Service fund, and the Capital Projects 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 financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balances provide a reconciliation to facilitate this comparison between governmental fund financial statements and government-wide financial statements.

The County maintains 41 individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balance for the General Fund, Community Mental Health (CMH), E-911, and American Rescue Plan, all of which are considered major funds. Schedules for the combining General Fund - non-GAAP budgetary to GAAP basis presentation and data for the other governmental funds that are combined into a single, aggregated column on the basic financial statements are provided as supplemental information. Individual fund data of the budgetary basis of the Local Reserve, Budget Stabilization, Emergency Disaster, and Rental Property Funds (GASB Statement No. 54 components of the General Fund) are provided elsewhere in this report.

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

**Proprietary Funds:** Proprietary funds use the accrual basis of accounting, which is the same type 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 Medical Care Facility, Delinquent Tax, and Telecommunications (Tele-Comm) Funds.

Internal Service funds are an accounting device used by governments to accumulate and allocate cost internally among the County's various functions. The County uses internal service funds to account for its various employee benefit and risk management programs as well as two equipment acquisition pools. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds are required to present a statement of cash flows, which is not required for the government-wide presentation. The proprietary fund financial statements provide separate information for all three of the County's proprietary funds, of which the Medical Care Facility and Delinquent Tax Funds are considered major funds. The County's Internal Service funds in combination are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Fund column.

**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 largest of the fiduciary funds is the General Custodial Fund. The accounting used for the fiduciary funds is much like that used for proprietary funds.

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

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on budgetary comparisons for four major governmental funds and certain pension system schedules.

The combining statements referred to earlier in connection with the combining non-GAAP budgetary basis General Fund schedules, non-major governmental, DTR Fund schedules, internal service and fiduciary funds are presented immediately following the required supplementary information.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$75,261,957 at December 31, 2022.

Approximately 24.3% or \$18,287,947 of the County's net position is unrestricted and available for future obligations. Approximately 27.3% or \$20,578,262 of the County's net position is restricted for specific purposes by external parties, constitutional provisions, or enabling legislation. Approximately 48.4% or \$36,395,748 of net position represents our investment in capital assets (e.g., land, buildings, machinery, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The following analysis focuses on the net position of the County's governmental and business-type activities.



## Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets -						
Current and Other Assets	\$ 63,024,200	\$ 45,374,472	\$ 29,970,286	\$ 34,009,023	\$ 92,994,486	\$ 79,383,495
Capital Assets, net	<u>19,648,531</u>	<u>18,937,040</u>	<u>16,747,217</u>	<u>17,004,001</u>	<u>36,395,748</u>	<u>35,941,041</u>
Total Assets	<u>82,672,731</u>	<u>64,311,512</u>	<u>46,717,503</u>	<u>51,013,024</u>	<u>129,390,234</u>	<u>115,324,536</u>
Deferred Outflows of Resources	<u>11,926,457</u>	<u>4,401,054</u>	<u>5,445,177</u>	<u>2,827,775</u>	<u>17,371,634</u>	<u>7,228,829</u>
Liabilities -						
Non-current Liabilities	24,614,360	4,089,099	18,270,757	10,932,799	42,885,117	15,021,898
Other Liabilities	<u>22,270,098</u>	<u>15,921,323</u>	<u>2,962,297</u>	<u>2,668,080</u>	<u>25,232,395</u>	<u>18,589,403</u>
Total Liabilities	<u>46,884,458</u>	<u>20,010,422</u>	<u>21,233,054</u>	<u>13,600,879</u>	<u>68,117,512</u>	<u>33,611,301</u>
Deferred Inflows of Resources	<u>2,536,543</u>	<u>9,107,591</u>	<u>845,856</u>	<u>2,928,481</u>	<u>3,382,399</u>	<u>12,036,072</u>
Net Position -						
Net investment in capital assets	19,648,531	18,937,040	16,747,217	17,004,001	36,395,748	35,941,041
Restricted	14,607,163	11,229,704	4,092,894	3,780,992	18,700,057	15,010,696
Unrestricted	<u>10,922,493</u>	<u>9,427,809</u>	<u>9,243,659</u>	<u>16,526,446</u>	<u>20,166,152</u>	<u>25,954,255</u>
Total Net Position	<u>\$ 45,178,187</u>	<u>\$ 39,594,553</u>	<u>\$ 30,083,770</u>	<u>\$ 37,311,439</u>	<u>\$ 75,261,957</u>	<u>\$ 76,905,992</u>

At the end of the fiscal year, the County was able to report positive balances in all three categories of net position for the government as a whole. The same situation held true for the prior fiscal year.

The County's net position decreased from \$76,905,992 to \$75,261,957 for a net change of governmental and business-type activities of \$(1,644,055) from the prior year, primarily due to the increase in net pension liability.

## Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

**Net Results of Activities** - which will impact (increase/decrease) current assets and unrestricted net position.

**Borrowing for Capital** - which will increase current assets and long-term debt.

**Spending Borrowed Proceeds on New Capital** - which will reduce current assets and increase capital assets. There is a second impact, an increase in net investment in capital assets and an increase in related debt which will not change the net investment in capital assets category.

**Spending of Non-borrowed Current Assets on New Capital** - which will (a) reduce current assets and increase capital assets and (b) will reduce restricted net position and increase net investment in capital assets.

**Principal Payment on Debt** - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

**Reduction of Capital Assets through Depreciation** - which will reduce capital assets and net investment in capital assets.

The following condensed financial information was derived from the Government-wide Statement of Activities and reflects how the County's net position changed during 2022 and 2021.

### Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>Revenue:</b>						
Program Revenue -						
Charges for services	\$ 38,729,686	\$ 12,805,358	\$ 24,739,159	\$ 24,511,405	\$ 63,468,845	\$ 37,316,763
Operating grants and contributions	14,295,633	29,167,123	-	-	14,295,633	29,167,123
Capital grants and contributions	1,530,827	700,380	-	-	1,530,827	700,380
General Revenue -						
Property taxes	13,992,876	13,104,450	1,152,205	1,092,182	15,145,081	14,196,632
Grants and contributions not restricted to specific programs	1,814,642	1,758,221	1,826,318	11,890,793	3,640,960	13,649,014
Other	( 412,896)	69,888	16,806	8,728	( 396,090)	78,616
<b>Total Revenue</b>	<u>69,950,768</u>	<u>57,605,420</u>	<u>27,734,488</u>	<u>37,503,108</u>	<u>97,685,256</u>	<u>95,108,528</u>
<b>Expenses:</b>						
Legislative	368,096	353,813	-	-	368,096	353,813
Judicial	6,760,651	5,325,503	-	-	6,760,651	5,325,503
General government	6,782,698	7,138,394	-	-	6,782,698	7,138,394
Public safety	16,122,598	13,683,609	-	-	16,122,598	13,683,609
Public works	598,936	844,194	-	-	598,936	844,194
Health and welfare	36,525,705	29,852,869	-	-	36,525,705	29,852,869
Recreation and culture	848,855	451,882	-	-	848,855	451,882
Medical Care Facility	-	-	31,129,047	28,006,714	31,129,047	28,006,714
Delinquent tax	-	-	230,443	232,717	230,443	232,717
Other activities	( 47,405)	-	9,667	-	( 37,738)	-
<b>Total Expenses</b>	<u>67,960,134</u>	<u>57,650,264</u>	<u>31,369,157</u>	<u>28,239,431</u>	<u>99,329,291</u>	<u>85,889,695</u>
Change in net position before transfers	1,990,634	( 44,844)	( 3,634,669)	9,263,677	( 1,644,035)	9,218,833
Transfers	<u>3,593,000</u>	<u>-</u>	<u>( 3,593,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	5,583,634	( 44,844)	( 7,227,669)	9,263,677	( 1,644,035)	9,218,833
Net position at beginning of year	<u>39,594,553</u>	<u>39,639,397</u>	<u>37,311,439</u>	<u>28,047,762</u>	<u>76,905,992</u>	<u>67,687,159</u>
Net position at end of year	<u>\$ 45,178,187</u>	<u>\$ 39,594,553</u>	<u>\$ 30,837,770</u>	<u>\$ 37,311,439</u>	<u>\$ 75,261,957</u>	<u>\$ 76,905,992</u>

## Normal Impacts

There are eight basic (normal) impacts on revenues and expenses as reflected below.

### Revenues:

**Economic Condition** - which can reflect a declining, stable or growing economic environment and has a substantial impact on property taxes, charges for services, shared revenue or other tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

**Increase/Decrease in Board Approved Rates** - while certain tax rates are set by statute, the County Commissioners have significant authority to impose and periodically increase/decrease rates.

**Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)** - certain recurring revenues (state revenue sharing, block grants, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

**Market Impacts on Investment Income** - the County's investment portfolio is managed using a shorter average maturity than most governments and the market condition may cause investment income to fluctuate more than alternative long-term options.

### Expenses:

**Introduction of New Programs** - within the functional expenses categories (Public Safety, Public Works, Parks and Recreation, etc.), individual programs may be added or discontinued to meet changing community needs.

**Increase/Decrease in Authorized Personnel** - changes in service demand may cause the County Commissioners to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent a significant percentage of the County's operating cost.

**Salary Increases (cost of living, merit, and market adjustment)** - the ability to attract and retain human and intellectual resources requires the County to strive to approach a competitive salary range position in the marketplace.

**Inflation** - while overall inflation appears to be reasonably modest, the County is a major consumer of certain commodities such as chemicals and supplies, fuels and parts. Some functions may experience unusual commodity-specific increases.

### Governmental Activities:

The largest revenue source for governmental activities is the allocated operating property tax. The General Fund property tax rate was 3.6258 mills in 2022 as a result of the Headlee Amendment and the application of the base tax rate reduction fraction.

Although the taxable value of the property assessments increased from \$3,301,993,009 in 2021 to \$3,503,894,862 in 2022, the County does not retain the entire property tax that is collected from this base. Tax Increment Finance Authorities (TIFA) and Downtown Development Authorities (DDA) established by local units of government "captured" approximately \$674,000 of property tax revenue that otherwise would have been available for use in the General Fund. It is important to note the existing TIFA's and DDA's continue to "capture" each year an increasing percentage of the total property tax, thereby limiting the capacity of the County to otherwise apply the revenue to mandated and essential activities.

State Revenue Sharing, the second largest single source of general revenue, was \$1,814,642 and \$1,758,221 in 2022 and 2021, respectively.

In total, fiscal year 2022 governmental activities revenue increased by \$12,345,348 or approximately 21% over the prior year. Charges for services increased \$25,924,328. This increase is substantially due to the change in reporting Medicaid revenue from an intergovernmental revenue source to charges for services in 2022. In 2021, Medicaid revenue reported in the CMH Fund was \$22,570,328. After consideration of the Medicaid presentation item, the 2022 charges for services revenue sources increase was substantially due to an increase of non-Medicaid charges of \$2,255,483 in the CMH Fund and an increase of charges for services of \$469,042 in the 911 Service Fund. Operating grants and contributions decreased by \$18,471,490. This decrease is primarily due to the change in reporting Medicaid as indicated above. After consideration of the Medicaid presentation item, the 2022 operating grants and contributions would be higher by \$7,698,838, and this increase is substantially due to the additional ARPA funding of \$6,985,896 received in 2022. None of the other changes to revenue source categories were considered significant. Expenses for the governmental activities increased by \$10,309,870 or approximately 18% over the prior year. The increase was primarily related to increased expenditures related to judicial, public safety, and health and welfare of \$1,435,148, \$2,438,989, and \$6,672,836, respectively. The increase to judicial is due to changes mandated by the new State of Michigan chart of accounts implemented in 2022. It is now required to report the prosecuting attorney activity with the judicial function, which increased the judicial expense by \$1,242,914. Prior to 2022, the prosecuting attorney activity was reported in general government. The increase to public safety expenses in 2022 is primarily due to the allocation of the net pension liability increase to this function. The increase to health and welfare expenses is due to the increase in expense in the CMH Fund of \$4,544,813 and allocation of net pension liability increase to this function.

#### **Business-type Activities:**

In total, fiscal year 2022 business-type activities revenue decreased by \$9,768,620 over the prior year, mainly due to PPP Loan forgiveness in the Medical Care Facility Fund in 2021. Expenses for the business-type activities increased by \$3,129,726 or approximately 11% over the prior year. The increase was primarily related to increased salary and wage expense and changes in the County's net pension liability in the Medical Care Facility.

### **Financial Analysis of the County's Major 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, 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, 2022, the County's governmental funds reported combined ending fund balances of \$24,685,341, an increase of \$3,509,563 in comparison to the prior year. Nonspendable fund balance is \$485,672, consisting of advances, prepaids, and deposits. Restricted fund balance is \$14,607,163. Committed fund balance is \$5,090,497. Assigned fund balance is \$500,000 and unassigned fund balance is \$4,002,009.

The General Fund is the primary operating fund of the County. At December 31, 2022, the General Fund reported an ending fund balance of \$9,028,840 with \$4,002,009 of that amount unassigned. As a measure of the General Fund's liquidity, the unassigned fund balance represents approximately 19% of the total General Fund expenditures and transfers out, while total fund balance represents 42% of total General Fund expenditures and transfers out.

During the fiscal year 2022, there were no significant budget amendments approved for the General Fund.

The 2022 amended budget of the General Fund had projected revenues of \$20,597,310 and transfers in of \$2,000,000, with expenditures of \$19,568,805 and transfers out of \$2,777,884. The final budget anticipated revenues and other financing sources over expenditures and other financing uses of \$250,621.

The second major governmental fund is the Community Mental Health. At year-end, Community Mental Health reported a fund balance of \$2,219,513. Fund balance decreased by \$140,034 from the prior year. The CMH Fund experienced increases to both expenditures and revenues during 2022 of \$4,544,813 and \$3,943,066, respectively. The expenditure increase is attributable to increased salaries, wages, and fringes of \$2,079,037 due to relief of COVID-19 restrictions and starting an autism program, creating need to hire additional staff and expanding the residential service contract accounting for approximately \$1 million of increase. The balance of increase can be attributed to inflation. The increase to revenue is primarily due to the increase to Medicaid funding of \$3,321,571, which is based on an annual cost settlement.

The third major governmental fund is the E-911. At December 31, 2022, the E-911 reported a fund balance of \$1,517,819. Fund balance increased by \$536,580 over the prior fiscal year. The increase was primarily due to increases in surcharges.

The fourth major fund is the American Rescue Plan. This was established in 2021 and is used to account for activities funded by the American Rescue Plan Act of 2021 (ARPA). Revenue is recognized as expenses are incurred. At December 31, 2022, the American Rescue Plan reported a fund balance of \$350. The 2022 activity included grant expenditures of \$1,620,477, which could only be offset by ARPA grant funding of \$1,530,827 due to investment losses experienced year to year. Due to the nature of the grant, funding was provided in advance, and unspent monies are deferred. At December 31, 2022, unearned revenue of \$14,785,427 is reported in the fund.

**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 two major proprietary funds at December 31, 2022.

The Medical Care Facility reported a net position decrease from \$18,302,399 to \$13,638,145 or approximately 25%. This decrease was primarily due to increases to the operating cost of the Medical Care Facility primarily related to wages and fringe benefits, including the allocated share of increase of net pension liability. The need to utilize the State of Michigan non-available bed plan at times during 2022 created census issues resulting in less revenue to cover fixed costs of cooperating the Medical Care Facility. The Delinquent Tax Fund reported a decrease in net position from \$18,959,040 to \$16,375,932 or approximately 14%. The decrease to net position was primarily due to the \$3,000,000 transfer provided to the Middle Mile Project capital projects fund.

### **Capital Assets and Debt Administration**

**Capital Assets:** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2022 amounted to \$36,395,748. The balance is \$218,778 less than the balance at December 31, 2021 due to depreciation expense exceeding capital additions and adjustments made in 2022. The activity also included the restatement of the beginning balances and activity relative to the adoption of GASB Statement No. 87, *Leases*. This investment in capital assets includes land, land improvements, building and building improvements, machinery and equipment, and vehicles. During the year, the County added \$2,753,039 in its governmental activities mainly related to paving projects at the Animal Control Facility and the Health Department, an incinerator at the Animal Control Facility, a phone system, CMH building improvements, and vehicles. Leases also contributed to the additions made to governmental activities reflecting the right-to-use leases that were identified as meeting the criteria of GASB Statement No. 87. The County added \$557,590 in the business-type activities primarily related to building improvement additions at the Medical Care Facility.

See Note 5 to the financial statements for additional information regarding capital assets.

**Long-term Liabilities:** At December 31, 2022, the County's long-term liabilities consisted of accrued self-insurance claims, compensated absences, and lease liabilities at December 31, 2022 of \$2,666,492, increasing from the 2021 balance of \$2,139,734. The significant activity for the year was primarily the result of the adoption of GASB Statement No. 87. As a result of the standard, the County restated the beginning balance by \$673,486 and reported additions and reductions of \$452,895 and \$173,588, respectively, and ended the year with a lease liability balance of \$952,793. See Note 8 to the financial statements for additional information regarding lease liabilities. See Note 9 to the financial statements for additional information regarding the activity relative to the accrued compensated absences and claim liabilities.

### **Economic Outlook**

The County has continued to be concerned about the inflationary effects on the overall budget, while the need for increased spending on cyber security is inevitable. With specific requirements relating to mandatory expenses, the budget does not allow for increased spending in other areas. Consequently, pressure remains for constant review and modification on the budget when warranted. Ten-year forecasting, even with evident limitations and efficient use of reserves, may help to minimize the effects of the next economic downturn. Additionally, with the exception of American Rescue Plan Act funds, certain projects may be funded whereby budget impact can be minimized.

The County continues to use multi-year budgeting in an attempt to create a structure, in addition to other tools, that gives policy makers time to address issues from a longer-term perspective. With the emergence of new conditions, this process provides time to deliberate, as opposed to perceptive action.

### **Request 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 request for additional financial information should be addressed to the Office of Controller/Administrator, 255 Clay Street, Lapeer, Michigan 48446, or contact us at (810) 667-0366.

## **BASIC FINANCIAL STATEMENTS**

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF NET POSITION DECEMBER 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets:</b>				
Cash and cash equivalents	\$ 38,870,157	\$ 9,238,182	\$ 48,108,339	\$ 6,816,679
Investments	17,910,327	17	17,910,344	1,207,393
Receivables (net of allowance)	12,573,596	13,413,602	25,987,198	12,438,589
Prepays	106,757	110,452	217,209	182,587
Internal balances	( 7,164,628)	7,164,628	-	-
Inventory	-	-	-	1,123,830
Advance to component units	90,000	-	90,000	-
Other assets	466,010	-	466,010	-
Restricted assets -				
Cash and cash equivalents	171,981	43,405	215,386	8,196
Capital assets (net of accumulated depreciation) -				
Assets not being depreciated/amortized	1,304,188	-	1,304,188	36,472,884
Assets being depreciated/amortized	18,344,343	16,747,217	35,091,560	90,566,087
Total Assets	<u>82,672,731</u>	<u>46,717,503</u>	<u>129,390,234</u>	<u>148,816,245</u>
<b>Deferred Outflows of Resources:</b>				
Related to OPEB plan	-	-	-	382,339
Related to pensions	11,926,457	5,445,177	17,371,634	2,390,062
Total Deferred Outflows of Resources	<u>11,926,457</u>	<u>5,445,177</u>	<u>17,371,634</u>	<u>2,772,401</u>
<b>Liabilities:</b>				
Payables and accrued liabilities	7,179,264	2,918,892	10,098,156	3,755,759
Interest payable	108,174	-	108,174	-
Advances and deposits	-	-	-	997,965
Advances from primary government	-	-	-	90,000
Unearned revenue	14,833,007	-	14,833,007	-
Liabilities payable from restricted assets	-	43,405	43,405	8,196
Leases payable				
Due within one year	131,562	71,799	203,361	-
Due in more than one year	686,581	62,851	749,432	-
Other Non-current liabilities -				
Due within one year	863,146	505,292	1,368,438	887,771
Due in more than one year -				
Other liabilities	345,261	-	345,261	6,571,477
Net pension liability	22,737,463	17,630,815	40,368,278	1,814,323
Net OPEB liability	-	-	-	5,716,917
Total Liabilities	<u>46,884,458</u>	<u>21,233,054</u>	<u>68,117,512</u>	<u>19,842,408</u>
<b>Deferred Inflows of Resources:</b>				
Taxes levied for a subsequent period	1,481,724	-	1,481,724	-
Unavailable revenues	-	-	-	-
Related to OPEB plan	-	-	-	2,847,075
Leases	454,440	-	454,440	-
Related to pensions	600,379	845,856	1,446,235	1,523,450
Total Deferred Inflows of Resources	<u>2,536,543</u>	<u>845,856</u>	<u>3,382,399</u>	<u>4,370,525</u>

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

Continued



	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Net Position:</b>				
Net investment in capital assets	\$ 19,648,531	\$ 16,747,217	\$ 36,395,748	\$ 120,071,790
Restricted - Expendable -				
Debt service	-	-	-	12,368,443
Acquisition/construction of capital assets	6,854,451	-	6,854,451	1,673,725
Foreclosure sales	-	3,897,377	3,897,377	-
Treasurer's office administration	-	195,517	195,517	-
Public works	350	-	350	-
Health and Welfare	3,450,530	-	3,450,530	-
Public Safety	2,289,086	-	2,289,086	-
General Government	3,632,433	-	3,632,433	-
Other Purposes	258,518	-	258,518	-
Unrestricted (deficit)	9,044,288	9,243,659	18,287,947	( 6,738,245)
Total Net Position	<u>\$ 45,178,187</u>	<u>\$ 30,083,770</u>	<u>\$ 75,261,957</u>	<u>\$ 127,375,713</u>

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

Concluded

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
Legislative	\$ 368,096	\$ -	\$ -	\$ -
Judicial	6,760,651	1,162,154	1,599,174	-
General Government	6,782,698	4,713,607	665,744	1,409,462
Public Safety	16,144,759	5,157,160	489,727	59,471
Public Works	598,936	-	-	-
Health and Welfare	36,503,544	27,574,802	11,462,725	-
Recreation and Culture	531,344	121,963	57,390	61,894
Other Activities	270,106	-	20,873	-
Total governmental activities	<u>67,960,134</u>	<u>38,729,686</u>	<u>14,295,633</u>	<u>1,530,827</u>
Business-type activities:				
Medical Care Facility	31,129,047	23,484,740	-	-
Delinquent Tax	230,443	1,225,059	-	-
Tele-Comm	9,667	29,360	-	-
Total business-type activities	<u>31,369,157</u>	<u>24,739,159</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 99,329,291</u>	<u>\$ 63,468,845</u>	<u>\$ 14,295,633</u>	<u>\$ 1,530,827</u>
<b>Component Units</b>				
Road Commission	\$ 12,708,160	\$ 2,279,694	\$ 18,710,905	\$ 1,758,506
Board of Public Works	307,235	307,235	-	-
Drainage Districts	1,995,525	1,124,583	-	-
Land Bank Authority	17,354	-	-	-
Total Component Units	<u>\$ 15,028,274</u>	<u>\$ 3,711,512</u>	<u>\$ 18,710,905</u>	<u>\$ 1,758,506</u>
General revenues:				
Property taxes				
Grants and contributions not				
restricted to specific programs				
Unrestricted investment income				
Gain on sale of capital assets				
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			Component Units
Governmental Activities	Business-type Activities	Total	
\$( 368,096)	\$ -	\$( 368,096)	\$ -
( 3,999,323)	-	( 3,999,323)	-
6,115	-	6,115	-
( 10,438,401)	-	( 10,438,401)	-
( 598,936)	-	( 598,936)	-
2,533,983	-	2,533,983	-
( 290,097)	-	( 290,097)	-
( 249,233)	-	( 249,233)	-
<u>( 13,403,988)</u>	<u>-</u>	<u>( 13,403,988)</u>	<u>-</u>
-	( 7,644,307)	( 7,644,307)	-
-	994,616	994,616	-
-	19,693	19,693	-
<u>-</u>	<u>( 6,629,998)</u>	<u>( 6,629,998)</u>	<u>-</u>
<u>( 13,403,988)</u>	<u>( 6,629,998)</u>	<u>( 20,033,986)</u>	<u>-</u>
-	-	-	10,040,945
-	-	-	-
-	-	-	( 870,942)
<u>-</u>	<u>-</u>	<u>-</u>	<u>( 17,354)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>9,152,649</u>
13,992,876	1,152,205	15,145,081	-
1,814,642	1,826,318	3,640,960	-
( 508,640)	16,806	( 491,834)	26,145
95,744	-	95,744	113,674
3,593,000	( 3,593,000)	-	-
<u>18,987,622</u>	<u>( 597,671)</u>	<u>18,389,951</u>	<u>139,819</u>
5,583,634	( 7,227,669)	( 1,644,035)	9,292,468
<u>39,594,553</u>	<u>37,311,439</u>	<u>76,905,992</u>	<u>118,083,245</u>
<u>\$ 45,178,187</u>	<u>\$ 30,083,770</u>	<u>\$ 75,261,957</u>	<u>\$ 127,375,713</u>

# LAPEER COUNTY, MICHIGAN

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2022

	General	Community Mental Health	E-911	American Rescue Plan
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,770,218	\$ 4,887,880	\$ 983,176	\$ 9,828,378
Investments	13,078,386	-	-	4,831,941
Receivables (net of allowance) -				
Property taxes	1,125,635	-	-	-
Accounts and interest	39,808	190,496	526,337	43,514
Leases	454,440	-	-	-
Due from other governmental units	387,608	113,669	70,662	-
Due from other funds	-	-	-	90,000
Deposits with agent	267,521	-	-	-
Advances to other funds	25,000	7,500	-	-
Advances to component units	90,000	-	-	-
Prepays	18,122	59,404	-	-
Restricted assets - Cash	-	171,981	-	-
<b>Total Assets</b>	<b>\$ 18,256,738</b>	<b>\$ 5,430,930</b>	<b>\$ 1,580,175</b>	<b>\$ 14,793,833</b>
<b>Liabilities:</b>				
Accounts payable	\$ 784,311	\$ 2,091,080	\$ 24,069	\$ 8,056
Accrued liabilities	196,829	295,775	34,451	-
Due to other governmental units	189,062	776,982	-	-
Due to individuals and agencies	667,335	-	-	-
Due to other funds	29,915	-	3,836	-
Interfund payables	6,880,744	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	47,580	-	14,785,427
<b>Total Liabilities</b>	<b>8,748,196</b>	<b>3,211,417</b>	<b>62,356</b>	<b>14,793,483</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues -				
Revolving loans	-	-	-	-
Grants/fees	25,262	-	-	-
Leases	454,440	-	-	-
Taxes levied for a subsequent period	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>479,702</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	400,643	59,404	-	-
Restricted	2,693,146	171,981	1,517,819	350
Committed	1,433,042	1,988,128	-	-
Assigned - 2023 operations	500,000	-	-	-
Unassigned	4,002,009	-	-	-
<b>Total Fund Balances</b>	<b>9,028,840</b>	<b>2,219,513</b>	<b>1,517,819</b>	<b>350</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 18,256,738</b>	<b>\$ 5,430,930</b>	<b>\$ 1,580,175</b>	<b>\$ 14,793,833</b>

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

Other Governmental Funds	Total Governmental Funds
\$ 13,618,104	\$ 32,087,756
-	17,910,327
6,123,704	7,249,339
592,197	1,392,352
-	454,440
2,803,690	3,375,629
21,240	111,240
179,378	446,899
-	32,500
-	90,000
25,625	103,151
-	171,981
<u>\$ 23,363,938</u>	<u>\$ 63,425,614</u>
\$ 350,981	\$ 3,258,497
211,924	738,979
1,118,015	2,084,059
-	667,335
30,715	64,466
283,884	7,164,628
32,500	32,500
-	14,833,007
<u>2,028,019</u>	<u>28,843,471</u>
557,405	557,405
7,377,971	7,403,233
-	454,440
1,481,724	1,481,724
<u>9,417,100</u>	<u>9,896,802</u>
25,625	485,672
10,223,867	14,607,163
1,669,327	5,090,497
-	500,000
-	4,002,009
<u>11,918,819</u>	<u>24,685,341</u>
<u>\$ 23,363,938</u>	<u>\$ 63,425,614</u>

**LAPEER COUNTY, MICHIGAN**

**RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

Fund Balances - Total governmental funds	\$ 24,685,341
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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 governmental funds.

Capital assets	48,461,812
Accumulated depreciation	( 31,196,715)

Certain pension contributions and changes in pension plan liabilities are reported as deferred outflows/inflows of resources in the statement of net position.

Deferred outflows of resources	11,926,457
Deferred inflows of resources	( 600,379)

Other long-term assets are not available to pay for current period expenditures, and therefore, are a deferred inflow of resources in the governmental funds.

Revolving loans	7,403,233
Grants/fees	557,405

Premiums on bonds are reported as other financing sources in the governmental funds, whereas they are capitalized and amortized from net position (and netted against bonds payable).

-

Losses on refunding are not reported in the governmental funds, whereas they are capitalized and amortized from net position

-

Internal service funds are used by management to charge the cost of health, unemployment, and workers' compensation expenses and claims, retirement contributions, post-employment health care, and capital acquisition and replacement. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

8,663,567

Losses on refunding are not reported in the governmental funds, whereas they are capitalized and amortized from net position.

-

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the governmental funds.

Accrued vacation and sick	( 688,493)
Net pension liability	( 22,737,463)
Lease payable	( 818,143)
Accrued claims liability	( 370,261)
Accrued interest on leases payable	( 108,174)

Net Position of governmental activities	<u>\$ 45,178,187</u>
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The accompanying notes are an integral part of these financial statements.

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Community Mental Health	911 Service	American Rescue Plan
<b>Revenues:</b>				
Taxes	\$ 12,528,708	\$ -	\$ -	\$ -
Licenses and permits	2,948	-	-	-
Intergovernmental	2,841,669	1,177,618	-	1,530,827
Charges for services	2,437,539	25,311,072	2,567,914	-
Fines and forfeits	150,931	-	-	-
Rents	230,451	-	17,920	-
Interest	( 541,333)	3,768	9,689	-
Other	2,936,839	152,781	-	-
Total Revenues	<u>20,587,752</u>	<u>26,645,239</u>	<u>2,595,523</u>	<u>1,530,827</u>
<b>Expenditures:</b>				
Current -				
Legislative	368,096	-	-	-
Judicial	4,791,007	-	-	-
General government	4,960,683	-	-	1,499,112
Public safety	7,150,453	-	2,058,943	59,471
Public works	598,336	-	-	-
Health and welfare	117,570	27,485,013	-	-
Community and economic development	492,988	-	-	-
Recreation and culture	-	-	-	61,894
Capital outlay	-	-	-	-
Total Expenditures	<u>18,479,133</u>	<u>27,485,013</u>	<u>2,058,943</u>	<u>1,620,477</u>
Revenues over (under) expenditures	<u>2,108,619</u>	<u>( 839,774)</u>	<u>536,580</u>	<u>( 89,650)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	500,000	267,580	-	90,000
Transfers out	( 2,726,243)	-	-	-
Proceeds from lease obligations	-	432,160	-	-
Total Other Financing Sources (Uses)	<u>( 2,226,243)</u>	<u>699,740</u>	<u>-</u>	<u>90,000</u>
Net Change in Fund Balances	( 117,624)	( 140,034)	536,580	350
Fund Balances at beginning of year	<u>9,146,464</u>	<u>2,359,547</u>	<u>981,239</u>	<u>-</u>
Fund Balances at end of year	<u>\$ 9,028,840</u>	<u>\$ 2,219,513</u>	<u>\$ 1,517,819</u>	<u>\$ 350</u>

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

Other Governmental Funds	Total Governmental Funds		
\$ 1,464,168	\$ 13,992,876		
665,697	668,645		
5,253,321	10,803,435		
3,279,288	33,595,813		
264,007	414,938		
-	248,371		
19,236	(508,640)		
365,380	3,455,000		
<u>11,311,097</u>	<u>62,670,438</u>		
-	368,096		
1,979,891	6,770,898		
194,389	6,654,184		
3,447,775	12,716,642		
-	598,336		
7,374,575.00	34,977,158		
-	492,988		
255,617	317,511		
174,140	174,140		
<u>13,426,387</u>	<u>63,069,953</u>		
<u>( 2,115,290)</u>	<u>( 399,515)</u>		
6,347,152	7,204,732		
( 1,023,732)	( 3,749,975)		
22,161	454,321		
<u>5,345,581</u>	<u>3,909,078</u>		
3,230,291	3,509,563		
<u>8,688,528</u>	<u>21,175,778</u>		
<u>\$ 11,918,819</u>	<u>\$ 24,685,341</u>		



## LAPEER COUNTY, MICHIGAN

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balances - Total governmental funds	\$ 3,509,563
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/amortization expense.	
Capital outlay	2,257,949
Depreciation/amortization expense	( 1,953,198)
Net book value of fixed assets sold/disposed	( 7,205)
Adjustments to net book value	39,799
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	7,960,638
The issuance of long-term lease obligations provides current financial resources to governmental funds, while the payment of principal on lease obligations consumes the current financial resources to governmental funds. Neither transaction, however has any effect on net position.	
Principal payment on lease obligations	102,429
Lease proceeds	( 797,523)
Accrued interest on lease obligations is not reported in governmental funds.	
Increase accrued interest on lease obligations.	( 108,174)
Internal Service Funds used by management to charge costs of healthcare, unemployment, and workers' compensation expenses and claims, retirement contributions, post-employment health care, and capital acquisition and replacement. The net revenues (expenses) attributable to those funds is reported with governmental activities.	
	580,906
Changes in deferred outflows/inflows of resources related to pension plan	14,619,214
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 governmental funds.	
Increase in compensated absences	( 39,980)
Increase in net pension liability	( 19,810,046)
Increase in leases payable	( 818,143)
Decrease in accrued claims liability	47,405
Change in net position of governmental activities	<u>\$ 5,583,634</u>

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

**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2022**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Nonmajor Tele- Comm	Total	Internal Service Fund
<b>Assets:</b>					
Current assets -					
Cash and cash equivalents	\$ 2,213,322	\$ 6,955,167	\$ 69,693	\$ 9,238,182	\$ 6,782,401
Investments	-	17	-	17	-
Receivables (net of allowance):					
Current and delinquent taxes	1,044,115	2,084,983	-	3,129,098	-
Accounts	3,673,215	-	-	3,673,215	-
Accrued interest	-	313,369	-	313,369	-
Due from other governmental units	6,297,920	-	-	6,297,920	10,000
Interfund receivables	-	7,164,628	-	7,164,628	-
Due from other funds	-	-	-	-	45,062
Deposit with agent	-	-	-	-	19,111
Prepays	110,452	-	-	110,452	3,606
Restricted assets - Cash	43,405	-	-	43,405	-
Total Current Assets	<u>13,382,429</u>	<u>16,518,164</u>	<u>69,693</u>	<u>29,970,286</u>	<u>6,860,180</u>
Noncurrent assets -					
Capital assets/ROU leases, net	<u>16,734,252</u>	<u>12,965</u>	<u>-</u>	<u>16,747,217</u>	<u>2,383,434</u>
Total Assets	<u>30,116,681</u>	<u>16,531,129</u>	<u>69,693</u>	<u>46,717,503</u>	<u>9,243,614</u>
<b>Deferred Outflows of Resources:</b>					
Related to pensions	<u>5,445,177</u>	<u>-</u>	<u>-</u>	<u>5,445,177</u>	<u>-</u>

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

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Nonmajor Tele-Comm	Total	Internal Service Fund
<b>Liabilities:</b>					
Current liabilities -					
Accounts payable	\$ 1,314,280	\$ 5,407	\$ -	\$ 1,319,687	\$ 430,394
Accrued liabilities	1,449,415	1,878	-	1,451,293	-
Due to other governmental units	-	57,668	-	57,668	-
Due to other funds	-	90,244	-	90,244	-
Current portion of:					
Accrued vacation and sick	420,680	-	-	420,680	-
Accrued claims	84,612	-	-	84,612	149,653
Lease liabilities	71,799	-	-	71,799	-
Liabilities payable from restricted assets:					
Patient deposits	43,405	-	-	43,405	-
Total Current Liabilities	3,384,191	155,197	-	3,539,388	580,047
Long-term liabilities -					
Lease liabilities, net of current portion	62,851	-	-	62,851	-
Net pension liability	17,630,815	-	-	17,630,815	-
Total Liabilities	21,077,857	155,197	-	21,233,054	580,047
<b>Deferred Inflows of Resources:</b>					
Related to pensions	845,856	-	-	845,856	-
<b>Net Position:</b>					
Investment in capital assets	16,734,252	12,965	-	16,747,217	2,383,434
Restricted -					
Foreclosure sales	-	3,897,377	-	3,897,377	-
Treasurer's office administration	-	195,517	-	195,517	-
Unrestricted (deficit)	( 3,096,107)	12,270,073	69,693	9,243,659	6,280,133
Total Net Position	\$ 13,638,145	\$ 16,375,932	\$ 69,693	\$ 30,083,770	\$ 8,663,567

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

**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Nonmajor Tele-Comm	Total	Internal Service Fund
<b>Operating Revenues:</b>					
Charges for services	\$ 22,809,280	\$ 512,930	\$ 29,360	\$23,351,570	\$ 10,351,218
Interest on taxes	-	475,286	-	475,286	-
Fees and penalties on delinquent taxes	-	236,843	-	236,843	-
Other	675,460	-	-	675,460	-
Total Operating Revenues	<u>23,484,740</u>	<u>1,225,059</u>	<u>29,360</u>	<u>24,739,159</u>	<u>10,351,218</u>
<b>Operating Expenses:</b>					
Salaries and wages	14,803,075	70,765	-	14,873,840	-
Fringe benefits	7,641,023	40,405	-	7,681,428	8,945,763
Operating supplies and expenses	2,091,401	29,784	-	2,121,185	-
Professional services	2,321,335	72,121	-	2,393,456	-
Repairs and maintenance	311,331	-	9,667	320,998	-
Utilities	735,900	-	-	735,900	-
Maintenance of effort	390,700	-	-	390,700	-
Provider tax expense	1,225,406	-	-	1,225,406	-
Other	646,788	11,122	-	657,910	519,475
Depreciation/amortization	962,088	6,246	-	968,334	539,061
Total Operating Expenses	<u>31,129,047</u>	<u>230,443</u>	<u>9,667</u>	<u>31,369,157</u>	<u>10,004,299</u>
Operating Income (Loss)	<u>( 7,644,307)</u>	<u>994,616</u>	<u>19,693</u>	<u>( 6,629,998)</u>	<u>346,919</u>
<b>Non-Operating Revenues (Expenses):</b>					
CARES Act Funding	1,826,318	-	-	1,826,318	-
Property taxes	1,152,205	-	-	1,152,205	-
Interest	1,530	15,276	-	16,806	-
Gain on disposal of assets	-	-	-	-	95,744
Total Non-Operating Revenues (Expenses)	<u>2,980,053</u>	<u>15,276</u>	<u>-</u>	<u>2,995,329</u>	<u>95,744</u>
Net Income Before Transfers	<u>( 4,664,254)</u>	<u>1,009,892</u>	<u>19,693</u>	<u>( 3,634,669)</u>	<u>442,663</u>
<b>Transfers:</b>					
Transfers in	-	-	-	-	638,243
Transfers out	-	( 3,593,000)	-	( 3,593,000)	( 500,000)
Total Transfers	<u>-</u>	<u>( 3,593,000)</u>	<u>-</u>	<u>( 3,593,000)</u>	<u>138,243</u>
Change in Net Position	<u>( 4,664,254)</u>	<u>( 2,583,108)</u>	<u>19,693</u>	<u>( 7,227,669)</u>	<u>580,906</u>
Net Position at beginning of year	<u>18,302,399</u>	<u>18,959,040</u>	<u>50,000</u>	<u>37,311,439</u>	<u>8,082,661</u>
Net Position end of year	<u><u>\$ 13,638,145</u></u>	<u><u>\$ 16,375,932</u></u>	<u><u>\$ 69,693</u></u>	<u><u>\$30,083,770</u></u>	<u><u>\$ 8,663,567</u></u>

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

**LAPEER COUNTY, MICHIGAN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Nonmajor Tele-Comm	Total	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>					
Cash receipts from customers and governmental units	\$ 19,136,065	\$ 6,491,554	\$ 29,360	\$ 25,656,979	\$ -
Cash received from quality assurance supplement	2,619,620	-	-	2,619,620	-
Cash receipts from interfund services	-	-	-	-	10,337,481
Cash payments to employees and suppliers	( 27,458,991)	( 5,244,436)	( 9,667)	( 32,713,094)	( 9,334,509)
Interest payments on lease liabilities	( 2,059)	-	-	( 2,059)	-
Other cash receipts	675,460	-	-	675,460	-
Net Cash Provided by (Used in) Operating Activities	( 5,029,905)	1,247,118	19,693	( 3,763,094)	1,002,972
<b>Cash Flows From Noncapital Financing Activities:</b>					
Transfers out	-	( 503,000)	-	( 503,000)	( 500,000)
Transfers in	-	-	-	-	500,000
Noncapital grants and stimulus received	2,005,534	-	-	2,005,534	-
Patient trust deposits	( 26,133)	-	-	( 26,133)	-
Net cash payments to other funds	-	( 3,749,686)	-	( 3,749,686)	-
Property taxes received	1,047,087	-	-	1,047,087	-
Net Cash Provided by (Used in) Noncapital Financing Activities	3,026,488	( 4,252,686)	-	( 1,226,198)	-
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Transfers out	-	( 3,090,000)	-	( 3,090,000)	-
Transfers in	-	-	-	-	138,243
Acquisition of capital assets	( 577,590)	-	-	( 577,590)	( 485,090)
Proceeds from sale of capital assets	-	-	-	-	95,504
Principal payments on lease liabilities	( 71,160)	-	-	( 71,160)	-
Interest paid on long-term debt	( 97)	-	-	( 97)	-
Net Cash Used in Capital and Related Financing Activities	( 648,847)	( 3,090,000)	-	( 3,738,847)	( 251,343)
<b>Cash Flows From Investing Activities:</b>					
Promissory note payments received	-	-	-	-	-
Interest received	1,534	15,276	-	16,810	-
Net Cash Provided by Investing Activities	1,534	15,276	-	16,810	-
Net Increase (decrease) in cash and cash equivalents	( 2,650,730)	( 6,080,292)	19,693	( 8,711,329)	751,629
Cash and cash equivalents at beginning of year	4,907,457	13,035,459	50,000	17,992,916	6,030,772
Cash and cash equivalents at end of year	<u>\$ 2,256,727</u>	<u>\$ 6,955,167</u>	<u>\$ 69,693</u>	<u>\$ 9,281,587</u>	<u>\$ 6,782,401</u>
<b>Statement of Net Position:</b>					
Cash and Cash Equivalents -					
Cash and cash equivalents	\$ 2,213,322	\$ 6,955,167	\$ 69,693	\$ 9,238,182	\$ 6,782,401
Restricted assets - cash	43,405	-	-	43,405	-
Cash and cash equivalents at end of year	<u>\$ 2,256,727</u>	<u>\$ 6,955,167</u>	<u>\$ 69,693</u>	<u>\$ 9,281,587</u>	<u>\$ 6,782,401</u>

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

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Nonmajor Tele-Comm	Total	Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Operating income (loss) for the year	\$( 7,644,307)	\$ 994,616	\$ 19,693	\$(6,629,998)	\$ 346,919
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -					
Depreciation	962,088	6,246	-	968,334	539,061
Provision for uncollectible accounts	20,542	-	-	20,542	-
Change in assets and liabilities:					
(Increase) decrease in -					
Receivables	( 958,235)	250,848	-	( 707,387)	-
Due from other governmental units	-	-	-	-	( 10,000)
Due from other funds	-	-	-	-	( 3,737)
Prepaid items	( 85,807)	-	-	( 85,807)	47,777
Deferred outflows related to pensions	( 2,617,402)	-	-	( 2,617,402)	-
Increase (decrease) in -					
Accounts payable	( 13,703)	5,348	-	( 8,355)	28,802
Accrued liabilities	201,733	1,108	-	202,841	54,150
Due to other funds	-	90,122	-	90,122	-
Net pension liability	7,187,811	-	-	7,187,811	-
Deferred inflows related to pensions	( 2,082,625)	-	-	( 2,082,625)	-
Due to other governmental units	-	( 101,170)	-	( 101,170)	-
Net Cash Provided by (Used in) Operating Activities	<u><u>\$( 5,029,905)</u></u>	<u><u>\$ 1,247,118</u></u>	<u><u>\$ 19,693</u></u>	<u><u>\$(3,763,094)</u></u>	<u><u>\$ 1,002,972</u></u>

**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2022**

	Custodial Funds
<b>Assets:</b>	
Cash and cash equivalents	\$ 626,371
Due from other governmental units	30,907
	<hr/>
Total Assets	657,278
	<hr/>
<b>Liabilities:</b>	
Due to other governmental units	21,157
Due to individuals and agencies	326,965
Undistributed taxes	309,156
	<hr/>
Total Liabilities	657,278
	<hr/>
<b>Net Position:</b>	
Unrestricted	\$ -
	<hr/> <hr/>

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

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Custodial Funds
<b>Additions:</b>	
Property taxes and PILT	\$ 22,789,824
Fees and assessments	116,301
Permits	88,131
Court fees	727,870
Transfer tax	3,979,598
Penal fines	239,363
Other collections	15,432
Inmate revenues	14,092
	<hr/>
Total Additions	27,970,611
	<hr/>
<b>Deductions:</b>	
Distribution of property taxes and PILT	22,789,824
Distribution of fees and assessments	116,301
Distribution of permit fees	88,131
Distribution of court fees	727,870
Distribution of transfer tax	3,979,598
Distribution of penal fines	239,363
Other distributions	15,432
Inmate expenses	14,092
	<hr/>
Total Deductions	27,970,611
	<hr/>
Change in net position	-
Net Position -	
Beginning of year	-
	<hr/>
End of year	\$ -
	<hr/> <hr/>

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



## **COMPONENT UNITS**

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
DECEMBER 31, 2022**

	Road Commission	Board of Public Works	Drainage Districts	Land Bank Authority	Totals
<b>Assets:</b>					
Cash and cash equivalents	\$ 2,608,917	\$ -	\$ 3,932,469	\$ 275,293	\$ 6,816,679
Investments	-	-	1,207,393	-	1,207,393
Receivables	119,179	-	7,500,368	-	7,619,547
Due from other governmental units	4,657,945	-	161,097	-	4,819,042
Inventory	1,123,830	-	-	-	1,123,830
Prepaid items/deposits	182,587	-	-	-	182,587
Restricted cash	-	8,196	-	-	8,196
Capital Assets (net of accumulated depreciation) -					
Assets not being depreciated	32,107,081	-	4,365,803	-	36,472,884
Assets being depreciated	75,339,667	-	15,226,420	-	90,566,087
Total Assets	<u>116,139,206</u>	<u>8,196</u>	<u>32,393,550</u>	<u>275,293</u>	<u>148,816,245</u>
<b>Deferred Outflows of Resources:</b>					
Related to OPEB plan	382,339	-	-	-	382,339
Related to pension	2,390,062	-	-	-	2,390,062
Total Deferred Outflows of Resources	<u>2,772,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,772,401</u>
<b>Liabilities:</b>					
Payables and accrued liabilities	2,028,881	-	314,757	-	2,343,638
Accrued interest	-	-	18,187	-	18,187
Advances and deposits	517,856	-	480,109	-	997,965
Due to other governmental units	1,393,934	-	-	-	1,393,934
Advance from primary government	-	-	90,000	-	90,000
Liabilities payable from restricted assets -					
Due to other governmental units	-	8,196	-	-	8,196
Non-current liabilities -					
Due within one year	-	-	887,771	-	887,771
Due in more than one year	492,067	-	6,079,410	-	6,571,477
Net pension liability	1,814,323	-	-	-	1,814,323
Net OPEB liability	5,716,917	-	-	-	5,716,917
Total Liabilities	<u>11,963,978</u>	<u>8,196</u>	<u>7,870,234</u>	<u>-</u>	<u>19,842,408</u>
<b>Deferred Inflows of Resources:</b>					
Related to OPEB plan	2,847,075	-	-	-	2,847,075
Related to pension	1,523,450	-	-	-	1,523,450
Total Deferred Inflows of Resources	<u>4,370,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,370,525</u>

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

Continued

	Road Commission	Board of Public Works	Drainage Districts	Land Bank Authority	Totals
<b>Net Position:</b>					
Net investment in capital assets	\$107,446,748	\$ -	\$ 12,625,042	\$ -	\$ 120,071,790
Restricted -					
Debt service	-	-	12,368,443	-	12,368,443
Acquisition/construction of capital assets	-	-	1,673,725	-	1,673,725
Unrestricted (deficit)	<u>( 4,869,644)</u>	<u>-</u>	<u>( 2,143,894)</u>	<u>275,293</u>	<u>( 6,738,245)</u>
Total Net Position	<u><u>\$102,577,104</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 24,523,316</u></u>	<u><u>\$ 275,293</u></u>	<u><u>\$ 127,375,713</u></u>

Concluded

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF ACTIVITIES DISCRETELY PRESENTED COMPONENT UNITS FOR THE YEAR ENDED DECEMBER 31, 2022

	Road Commission	Board of Public Works	Drainage Districts	Land Bank Authority	Total
<b>Expenses:</b>					
Community and Economic Development \$	-	\$ -	\$ -	\$ 17,354	\$ 17,354
Public Works	-	-	1,995,525	-	1,995,525
Highways and streets	12,708,160	-	-	-	12,708,160
Debt service	-	307,235	-	-	307,235
Total Expenses	<u>12,708,160</u>	<u>307,235</u>	<u>1,995,525</u>	<u>17,354</u>	<u>15,028,274</u>
<b>Program Revenues:</b>					
Charges for services	2,279,694	307,235	1,124,583	-	3,711,512
Operating grants and contributions	18,710,905	-	-	-	18,710,905
Capital grants and contributions	1,758,506	-	-	-	1,758,506
Total Program Revenues	<u>22,749,105</u>	<u>307,235</u>	<u>1,124,583</u>	<u>-</u>	<u>24,180,923</u>
Net program revenue (expense)	<u>10,040,945</u>	<u>-</u>	<u>( 870,942)</u>	<u>( 17,354)</u>	<u>9,152,649</u>
<b>General Revenues:</b>					
Unrestricted investment income	14,095	-	12,050	-	26,145
Gain on sale of capital assets	113,674	-	-	-	113,674
Total General Revenues	<u>127,769</u>	<u>-</u>	<u>12,050</u>	<u>-</u>	<u>139,819</u>
Change in Net Position	10,168,714	-	( 858,892)	( 17,354)	9,292,468
Net Position at the beginning of year	<u>92,408,390</u>	<u>-</u>	<u>25,382,208</u>	<u>292,647</u>	<u>118,083,245</u>
Net Position at the end of year	<u>\$102,577,104</u>	<u>\$ -</u>	<u>\$ 24,523,316</u>	<u>\$ 275,293</u>	<u>\$ 127,375,713</u>

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

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of Lapeer County, Michigan (the “County”) have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

#### **A. Reporting Entity -**

The County was organized in 1835 and covers an area of approximately 670 square miles with the County seat located in the City of Lapeer, Michigan. The County operates under an elected seven-member Board of Commissioners (the “County Board”) and provides services to approximately 88,000 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 operation. 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 -**

**LAPEER COUNTY BUILDING AUTHORITY** is governed by a three (3) member Board appointed by the County Board. Although it is legally separate from the County, the Lapeer County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the County’s public buildings. The Lapeer County Building Authority’s activity is reported as a capital project fund captioned “Capital Construction/Improvement.” Separate financial statements for the Lapeer County Building Authority are not published.

#### **DISCRETELY PRESENTED COMPONENT UNITS -**

**LAPEER COUNTY ROAD COMMISSION** is responsible for the maintenance and construction of the County road system in the County. The Lapeer County Road Commission (the “Road Commission”) operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance and contributions from other local governmental units within the County. The three (3) member Board of Road Commissioners (the “Road Commission Board”) are elected by County residents through a general election. The Road Commission is financially accountable to the County for the following reasons: All general long-term debt issuances, excluding capital lease purchase agreements, require County authorization. In addition, the County must approve the annual budget appropriating the salaries and fringe benefits of the members of the Road Commission Board.

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

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

**LAPEER COUNTY BOARD OF PUBLIC WORKS (BPW)** is administrated by the Drain Commissioner as appointed by the County Board. The BPW Board establishes policy and reviews operations of the BPW for the County Board. The BPW has the responsibility of administering the various public works construction projects and the associated debt service funds under the provision of Act 185 Public Act 1957, as amended. The BPW is financially accountable to the County because any general obligation bond issuances require County authorization and the County is secondarily responsible for all operations and obligations.

**LAPEER COUNTY DRAINAGE DISTRICTS** established pursuant to Act 40, P.A. 1956, as amended, of the Michigan Drain Code and are under the administration of the County Drain Commissioner. The statutory Inter-County Drainage Boards consist 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 Commissioner, 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. The full faith and credit of the County may be given for the debt of the drainage district upon authorization of the County Board. 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 owners.

**LAPEER 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 Lapeer County Treasurer. The Lapeer County Land Bank Authority (the "Authority") is governed by a five-member board including the Lapeer County Treasurer, who is, by law, its Chairperson, and four other members appointed by the County Board. The Authority was created to acquire, hold, manage, and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The Authority is primarily funded through contributions from the County.

**COMPONENT UNIT FINANCIAL STATEMENTS** - Complete financial statements of the Road Commission, which is audited separately, may be obtained from their administration office at the following location:

Lapeer County Road Commission  
820 Davis Lake Road  
Lapeer, Michigan 48446

The component units associated with the activities of the public works projects administered by the BPW, the Drainage Districts administered by the County Drain Commissioner, and the Lapeer County Land Bank 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

**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 Road Commission component unit, Community Mental Health, Health Department, Senior Activities, Community Corrections, Law Enforcement Grants, TNU, Social Welfare, County Community Collaborative, Child Care, Specialty Courts, Juvenile Defense, and Indigent Defense funds which operate and are reported as of September 30.

#### **B. Government-wide and Fund Financial Statements -**

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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 fund 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 revenue 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 County considers revenues to be available if they are normally collected within 60 days of the end of the current fiscal period. 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.

## LAPEER COUNTY, MICHIGAN

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

State shared revenues, licenses, 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. Also, only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

**General Fund** - is the County's primary operating fund. It accounts for all financial resources of the primary government not accounted for and reported in another fund.

**Community Mental Health** - is used to account for the operations of providing specialized mental health services to residents. Financing is provided by State Public Act 258, federal grants, charges for services, and General Fund appropriations.

**911 Service** - is used to account for telephone surcharges and is used to account for the County-wide 911 Service system.

**American Rescue Plan** - is used to account for activities funded by the federal American Rescue Plan Act of 2021 (ARPA).

The County reports the following major proprietary funds:

**Medical Care Facility** - is used to account for the operations of the County-owned long-term care facility.

**Delinquent Tax** - is used to account for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County and the collection from the property owners of the delinquent taxes with penalties and interest. Also, the fund accounts for the activity related to property foreclosures.

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 to expenditures for specified purposes other than debt service or capital projects.

**Capital Project Funds** - are used to account for all financial resources that are restricted to expenditures for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

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



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

#### **Proprietary Fund Types -**

**Enterprise Fund** - is used to report operations for services provided to external users financed primarily by user charges intended to recover the cost of services provided. The Telecommunications Fund is the only non-major enterprise fund currently in use by the County.

**Internal Service Funds** - are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis for health care, unemployment, workers' compensation, retirement and supplemental health care benefit programs, and equipment acquisition and replacement, and to account for the payment of related insurance claims, retirement and supplemental health care contributions, and expenses.

#### **Fiduciary Fund Type -**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary fund includes:

**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 costs, library collections of penal fines, and inmate monies.

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 nonoperating 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 services funds are charges to customers for sales and services and intergovernmental operating grants. Operating expenses for enterprise and internal service funds include costs of sales and services, administrative expenses, retirement and supplemental health care contributions, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the 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 maintains a pooled common cash account (common cash) for its funds in the pool and several of its component units. Each participating fund or entity reports its share separately. To the extent that some funds have negative balances as their share of common cash, such negative balances represent temporary interfund borrowings and, at December 31, have been recorded as interfund payables to funds with positive balances.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

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

The County's cash and cash equivalents are considered to be cash on hand, demand and time deposits, money markets, 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.

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 Investment Act, Public Act 314 of 1965, as amended, authorizes pension and other employee benefit plans 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."

Advances by the General Fund to other funds and component units, as reported in the fund financial statements, have fund balance in the amount of the outstanding advances classified as nonspendable to indicate that they are not available for appropriation and are not expendable available financial resources.

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. The Road Commission's (component unit) inventory consists of road materials and equipment parts and is valued at average cost, which is recognized using the consumption method (recorded as an expense when used).

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements.

#### 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 (extra voted levies) 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 and Medical Care Facility levies are recognized in the year of the levy. The special purpose taxes levied on December 1, except for the Medical Care Facility levy, are recorded as a receivable and a deferred inflow of resources since they are levied for the subsequent year operations. For the 2022 year, the County levied 3.62584 mills for the General Fund operations and extra voted levies of 0.1960 mills for the Medical Care Facility, 0.2457 mills for senior citizens programs, 0.1813 mills for veterans' programs, 0.1450 for law enforcement, and 0.8810 mills for EMS.

#### 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 Drainage Districts component units. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year, except for the Road Commission, which capitalizes assets except road equipment with an individual cost of more than \$2,000. The Road Commission 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 asset lives 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 exception of depreciation for road equipment which is computed on the sum-of-the-years' digits method:

	Primary Government	Years Road Commission	Drainage Districts
Buildings/Improvements	5-50	50	-
Drainage Systems	-	-	50
Road Systems/Other Infrastructure	-	8-50	-
Machinery/Equipment/Vehicles	4-15	5-8	5-15

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

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

#### **Leases**

##### **Lessee -**

The County is a lessee for noncancellable leases of buildings, equipment, and vehicles. The County recognizes a lease liability and an intangible right-to-use asset (lease asset) in the government-wide and proprietary fund financial statements. The County recognizes lease liabilities with an initial individual value of \$10,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option (if applicable) that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

##### **Lessor -**

The County is a lessor for noncancellable leases of land and buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payment from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

### **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 leave under formulas and conditions specified in the contracts. All vested vacation is accrued when incurred in the government-wide and proprietary 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.

#### **Pensions and Other Postemployment Benefits -**

For purposes of measuring the net pension liability, net other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to pension and other postemployment benefit plans, and pension and other postemployment benefit expenses, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The items reported as deferred outflows of resources by the County are related to the pension plans and other postemployment benefits (OPEB) plan and are reported on the government-wide statement of net position and in the enterprise fund financial statements. These deferrals are amortized over the expected remaining service lives of the participants, with the exception of the net difference between projected and actual plan investment earnings, which is amortized over five (5) years.

## LAPEER COUNTY, MICHIGAN

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

In addition to liabilities, the statement of net position/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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The County had several items that qualified for reporting under this category, including taxes levied for a subsequent period, unavailable revenues that did not meet the availability criteria, pension and OPEB related items, and deferred inflows of resources. The County had unavailable revenues from long-term loans paid by individuals and expense reimbursement grants. These amounts are recognized as an inflow of resources in the period that the amounts become available. The taxes levied are deferred and are recognized as an inflow of resources in the period for which the tax is levied. The pension and OPEB items are amortized over the expected remaining service lives of the participants, with the exception of the net difference between projected and actual plan investment earnings, which is amortized over five (5) years. Finally, the statements of net position and governmental funds balance sheets report deferred inflows of resources related to leases. The amounts are deferred and amortized over the remaining life of the lease.

#### **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 (County Board) 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 Controller/Administrator has authority to set aside funds pursuant to County Board resolution. Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the General Fund is reported as assigned.

*Unassigned fund balance* – the portion of fund balance in the General Fund that cannot be classified into one of the four categories previously explained. In governmental funds other than the General Fund, it is not appropriate to report a positive unassigned fund balance amount. When expenditures incurred for specific purposes in the other governmental funds exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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, assigned, and lastly, unassigned fund balance.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

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

#### **Budget Stabilization Arrangement -**

The Budget Stabilization Fund was established in accordance with Michigan Compiled Laws 141.442, which required the County Board to adopt a resolution passed by 2/3 vote of the County Board members. Subsequent additions to the fund are subject to the same 2/3 voting approval by the County Board with the total accumulation in the fund not to exceed 15% of the County's most recent General Fund budget or 15% of the County's five most recent General Fund budgets, as amended, whichever is less. Any interest earned on the fund's accumulated balances must be returned to the General Fund. The County Board has passed a resolution to retain interest in the fund until maximum balance is achieved. The Budget Stabilization Fund accumulated fund balance may be appropriated only by a 2/3 vote on a resolution passed by the County Board and only for the following purposes:

- To cover a General Fund deficit.
- To prevent reduction in the level of public services or in the number of employees at any time in a fiscal year when the budgeted revenue is insufficient to cover budgeted expenses or when preparing the budget for the next year the estimated revenues are insufficient to cover estimated expenses.
- To cover expenses arising from a natural disaster with the stipulation that if Federal or State funding is provided to reimburse for cost the amount reimbursed is to be replenished back to the Budget Stabilization Fund.

At December 31, 2022, the accumulation within the Budget Stabilization Fund was \$2,693,146 and is reported within the General Fund as restricted fund balance for the stabilization arrangement.

#### **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 the General Fund and specific Special Revenue Funds. 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 Financial Report will be issued under a separate cover as supplementary information to the Annual Financial Report. A separate audit of the Medical Care Facility financial activities and federal awards will be performed.

#### **Upcoming Accounting Pronouncements -**

GASB issued the following statements that will have an impact on the County's financial statements when adopted. The County is currently evaluating the implications of the pronouncements.

## LAPEER COUNTY, MICHIGAN

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, is based on the standards established in GASB Statement No. 87, *Leases*. This statement (1) defines a subscription-based information technology arrangement (SBITA) as a contract that conveys control of the right-to-use an SBITA vendor's IT software, either alone or in combination with tangible capital assets, as specified in the contract, for a period of time in an exchange or exchange-like transaction; (2) requires governments with SBITA's to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to an SBITA. This statement is effective for the year ending December 31, 2023.

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending December 31, 2024.

#### NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

##### **Budgetary Information -**

The budgets of General and Special Revenue Funds reported in schedules of budgetary comparison presented with the financial statements as required supplementary information for the major funds and supplementary information for the nonmajor funds are 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.

The County departments, in conjunction with the Finance Department, prepare budgets for the following fiscal year. The budgets include proposed expenditures and resources to finance them.

Prior to the commencement of the fiscal year, the proposed budgets are presented to the County Board. The County Board holds a public hearing and may add to, subtract from, or change appropriations. The budget is then legally enacted through passage of a County Board Resolution.

The approved budgets of the County were adopted for the General Fund at the activity level except for transfers out, which are at the account level, and the Special Revenue Funds at the function level. These are the enacted levels under the State of Michigan (the "State") Uniform Budgeting and Accounting Act and the legally adopted levels of the budget. State statutes do not require legally adopted budgets for debt service or capital projects funds.

Budgets are maintained throughout the year at the account level, to provide additional control in preventing over-expenditures at the legally adopted levels. Amendments at the activity level for the General Fund and function level for the Special Revenue Funds must be approved by the County Board. The Controller/Administrator is given authorization by the County Board to make the final amendments to the legally adopted budget to allow for efficiency of the budget process.

The County does not employ encumbrance accounting as an extension of formal budgetary integration. All unexpended appropriations lapse at year-end.



## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

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

Budget amounts are reported as originally adopted, or as amended by the County Board, during the year.

Similar procedures are followed in the case of the component units included in the Reporting Entity of the County, except that the respective Administrator/Director of each performs the function described above rather than the County Controller/Administrator. Budgetary comparisons have not been provided for the component unit financial statements in the Annual Financial Report but for the Road Commission comparisons are available in the Road Commission's separately issued 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, 2022, the County did not have any overages that exceeded this threshold.

#### **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 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, by section 21.145 and 21.146 of the Michigan Compiled Laws.

Act 20 PA 1943 as amended by Act 1997 PA 1999 authorizes the County to invest surplus funds in bonds, securities and other direct obligations of the United States government or an agency or instrumentality of the United States; certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution only if the financial institution is eligible to be a depository of funds belonging to the State; repurchase agreements consisting of bonds, securities and other direct obligations of the United States government or an agency or instrumentality of the United States; bankers' acceptances of United States banks; commercial paper rated at the time of purchase within the highest classification established by not less than two standard rating services, which mature not more than 270 days after the date of purchase; mutual funds registered under the Investment Company Act of 1940, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation; investment pools through an interlocal agreement under the Urban Cooperation Act of 1967; and investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, 129.111 to 129.118.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

#### Carrying Amount -

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

	Primary Government	Component Units	Fiduciary Funds	Reporting Entity
Cash on Hand	\$ 15,640	\$ 350	\$ 300	\$ 16,290
Deposits with Financial Institutions	47,779,897	6,824,525	626,071	55,230,493
Investments -				
Cash with Broker	30,472	4,371	-	34,843
Municipal Bonds	275,406	121,080	-	396,486
U.S. Government Securities	17,327,077	1,081,942	-	18,409,019
Marketable CD's	508,777	-	-	508,777
Investment Trust Funds	296,800	-	-	296,800
Total Investments	18,438,532	1,207,393	-	19,645,925
Grand Total	\$ 66,234,069	\$ 8,032,268	\$ 626,371	\$ 74,892,708

#### Reconciliation to Statements of Net Position -

##### Reported as Cash and Cash Equivalents -

Cash on Hand	\$ 15,640	\$ 350	\$ 300	\$ 16,290
Cash in Checking/Savings	48,011,285	6,824,525	626,071	55,461,881
Investment Trust Funds	296,800	-	-	296,800
Total Cash and Cash Equivalents Reported on Statements of Net Position	48,323,725	6,824,875	626,371	55,774,971

##### Reported as Investments -

Cash with Broker	30,472	4,371	-	34,843
Municipal Bonds	275,406	121,080	-	396,486
U.S. Government Securities	17,095,689	1,081,942	-	18,177,631
Marketable CD's	508,777	-	-	508,777
Total Investments Reported on Statements of Net Position	17,910,344	1,207,393	-	19,117,737

##### Grand Total - Statements of Net Position

	\$ 66,234,069	\$ 8,032,268	\$ 626,371	\$ 74,892,708
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#### 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 the State 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 in the name of the County.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

**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 of December 31, 2022, the County has \$53,797,989 of bank deposits, of which \$16,221,122 is insured with the remaining \$37,576,867 uninsured and uncollateralized.

The County's investment policy does not address custodial credit risk for deposits.

Common cash is utilized by most of the funds of the primary government and component units within the reporting entity. Common cash consists of checking and savings accounts. Segregation of the bank balance of common cash between the primary government and component units for the determination of deposit insurance was not practical. The bank balance of common cash was included as part of the primary government's demand deposits for this determination.

The County believes that due to the dollar amounts of cash deposits and the limits of deposit 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.

#### **Investments -**

As of December 31, 2022, the County had the following investment types:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage</u>
Cash with Broker	\$ 34,843	0.2 %
Municipal Bonds	396,486	2.0
U.S. Government Securities	18,177,631	93.6
Marketable CD's	508,777	2.6
Investment Trust Funds	296,800	1.5
Total	<u>\$ 19,414,537</u>	<u>100.0 %</u>

**Credit Risk - Investments** - The Michigan CLASS investment trust fund is invested primarily in U.S. Treasuries, U.S. Agencies, repurchase agreements, and commercial paper.

	<u>Amount</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Average Days to Maturity</u>
Primary Government - Michigan CLASS	\$ 296,800	AAAm	Standard & Poors	65

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, issues 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.

This investment pool has been reported in the financial statements as cash equivalents because it has 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

As of December 31, 2022, the County investments, excluding the investment trust fund previously reported, cash held with brokers, U.S. government securities, and marketable CD's, had the following ratings:

<u>Fair Value</u>	<u>Ratings</u>	<u>Rating Agency</u>
\$ 149,604	AA	Standard & Poors
101,061	AA-	Standard & Poors
107,537	A+	Standard & Poors
<u>38,284</u>	A	Standard & Poors
<u>\$ 396,486</u>		

The County's investment policy stipulates a recommendation that investments be made only in institutions that meet the median rating or above. In deciding which institutions to invest, the County Treasurer and the County Investment Committee will weigh information gained from rating services, asset size, and historical information gained such as profitability, past ratings, asset growth, etc.

The County's investment policy establishes the following criteria relative to diversifying the investment portfolio. With the exception of U.S. Treasury Securities, the primary depository institution, and authorized pools, no more than 25 percent of the total investment portfolio will be invested in a single security type or with a single financial institution.

***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 the possession of another party. The County's policy requires securities to be diversified by institution and may be held by a third-party custodian designated by the County Treasurer and evidenced by safekeeping receipts. As of December 31, 2022, \$19,118,737 of investments was held in third-party safekeeping not in the County's name, however, evidenced by safekeeping receipts.

***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 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 should not exceed the income generated from the remainder of the portfolio.

***Interest Rate Risk - Investment*** - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The County investment policy does not address interest rate risk. At year-end, the County's investments have the following range of maturity dates:

<u>Investment Type</u>	<u>Maturity (Years)</u>		
	<u>Fair Value</u>	<u>&lt;1</u>	<u>1-5</u>
Municipal Bonds	\$ 396,486	\$ 223,880	\$ 172,606
U.S. Government Securities	18,177,631	551,164	17,626,467
Marketable CD's	<u>508,777</u>	<u>281,790</u>	<u>226,987</u>
	<u>\$ 19,082,894</u>	<u>\$ 1,056,834</u>	<u>\$ 18,026,060</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

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, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Municipal Bonds	\$ -	\$ 396,486	\$ -	\$ 396,486
U.S. Governmental Securities	<u>-</u>	<u>18,177,631</u>	<u>-</u>	<u>18,177,631</u>
	<u>\$ -</u>	<u>\$ 18,574,117</u>	<u>\$ -</u>	18,574,117
Cash Held with Broker				34,843
Marketable CD's				508,777
Investment Trust Funds				<u>296,800</u>
				<u>\$ 19,414,537</u>

The fair value of municipal bonds and U.S. government securities are based on inputs (pricing) of similar assets at or near December 31, 2022.

Michigan CLASS (Investment Trust Funds) are considered money market funds, as defined by GASB, and as such are recorded at amortized cost, which approximates fair value. The funds require no notification of redemption to avoid penalties. The funds are not subject to the fair value disclosures under GASB Statement No. 72.

### NOTE 4 - RECEIVABLES:

Receivables as of December 31, 2022 in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 7,249,339	\$ 3,129,098
Interest and accounts	1,918,909	4,541,908
Leases	454,440	-
Intergovernmental	3,385,629	6,297,920
Due from other funds	<u>90,244</u>	<u>-</u>
	13,098,561	13,968,926
Less: Allowance for uncollectible	( 524,965)	( 555,324)
	<u>\$ 12,573,596</u>	<u>\$ 13,413,602</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 5 - CAPITAL ASSETS:

#### Primary Government

Capital asset activity of the primary government for the year ended December 31, 2022 was as follows:

	Restated Balance January 1, 2022	Additions	Adjustments/ Disposals	Balance December 31, 2022
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated -				
Land	\$ 1,040,890	\$ -	\$ -	\$ 1,040,890
Construction in progress	112,130	263,298	112,130	263,298
Total Capital Assets, not being depreciated	<u>1,153,020</u>	<u>263,298</u>	<u>112,130</u>	<u>1,304,188</u>
Capital Assets, being depreciated/amortized -				
Buildings	29,824,313	730,969	-	30,555,282
Improvements other than buildings	2,671,170	618,027	-	3,289,197
Machinery and equipment	24,091,604	226,007	6,544,056	17,773,555
Vehicles	2,940,477	568,227	226,319	3,282,385
Right-to-use leased buildings	443,605	345,944	-	789,549
Right-to-use leased equipment	24,070	90,536	-	114,606
Right-to-use leased vehicles	-	22,161	-	22,161
Total Capital Assets being depreciated/ amortized	<u>59,995,239</u>	<u>2,601,871</u>	<u>6,770,375</u>	<u>55,826,735</u>
Less: Accumulated Depreciation/Amortization for -				
Buildings	20,041,822	731,315	-	20,773,137
Improvements other than buildings	1,896,876	100,089	449	1,996,516
Machinery and equipment	17,455,353	1,238,222	6,584,561	12,109,014
Vehicles	2,349,493	307,195	168,402	2,488,286
Right-to-use leased buildings	-	97,630	-	97,630
Right-to-use leased equipment	-	11,653	-	11,653
Right-to-use leased vehicles	-	6,156	-	6,156
Total Accumulated Depreciation/ Amortization	<u>41,743,544</u>	<u>2,492,260</u>	<u>6,753,412</u>	<u>37,482,392</u>
Total Capital Assets, Being Depreciated/ Amortized, net	<u>18,251,695</u>	<u>109,611</u>	<u>16,963</u>	<u>18,344,343</u>
Governmental Activities Capital Assets, net	<u>19,404,715</u>	<u>372,909</u>	<u>129,093</u>	<u>19,648,531</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

	Restated Balance January 1, 2022	Additions	Adjustments/ Disposals	Balance December 31, 2022
<b>Business-type Activities:</b>				
Capital Assets, being depreciated/amortized -				
Buildings	\$ 32,225,822	\$ 446,693	\$ -	\$ 32,672,515
Improvements other than Buildings	6,750	-	-	6,750
Machinery and Equipment	4,641,220	130,897	-	4,772,117
Right-to-use leased equipment	<u>205,810</u>	<u>-</u>	<u>-</u>	<u>205,810</u>
Total Capital Assets, being depreciated/ amortized	<u>37,079,602</u>	<u>577,590</u>	<u>-</u>	<u>37,657,192</u>
Less: Accumulated Depreciation/Amortization for -				
Buildings	15,745,564	807,242	-	16,552,806
Improvements other than Buildings	6,750	-	-	6,750
Machinery and equipment	4,117,477	161,092	-	4,278,569
Right-to-use leased equipment	<u>-</u>	<u>71,850</u>	<u>-</u>	<u>71,850</u>
Total Accumulated Depreciation/ Amortization	<u>19,869,791</u>	<u>1,040,184</u>	<u>-</u>	<u>20,909,975</u>
Total Capital Assets, being depreciated/ amortized, net	<u>17,209,811</u>	<u>( 462,594)</u>	<u>-</u>	<u>16,747,217</u>
Total Primary Government Capital Assets, net	<u>\$ 36,614,526</u>	<u>\$ ( 89,685)</u>	<u>\$ 129,093</u>	<u>\$ 36,395,748</u>

Depreciation/amortization expense for 2022 was charged to functions/programs of the primary government as follows:

Governmental Activities -	
Judicial	\$ 6,628
General Government	319,321
Public Safety	1,269,466
Public Works	600
Health and Welfare	295,488
Recreation and Cultural	<u>61,696</u>
Depreciation/Amortization Expense - Governmental Activities	1,953,199
Depreciation Expense in the Internal Service Funds	<u>539,061</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 2,492,260</u>
Business-type Activities -	
Medical Care Facility	\$ 962,088
Delinquent Tax Revolving	<u>6,246</u>
Depreciation/Amortization Expense - Business-type Activities	968,334
Lease Amortization Expense	<u>71,850</u>
Total Depreciation/Amortization Expense - Business-type Activities	<u>\$ 1,040,184</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

#### Component Units

**Drainage Districts:** Capital asset activity for the Drainage Districts for the year ended December 31, 2022 was as follows:

	Balance January 1, 2022	Additions	Adjustments/ Disposals	Balance December 31, 2022
Capital Assets, not being depreciated:				
Land Improvements	\$ 3,545,359	\$ 299,312	\$ -	\$ 3,844,671
Construction in Progress	<u>3,142,284</u>	<u>371,969</u>	<u>2,993,121</u>	<u>521,132</u>
Total Capital Assets, not being depreciated	<u>6,687,643</u>	<u>671,281</u>	<u>2,993,121</u>	<u>4,365,803</u>
Capital Assets, being depreciated:				
Equipment	355,473	-	-	355,473
Infrastructure	<u>31,668,088</u>	<u>2,693,809</u>	<u>-</u>	<u>34,361,897</u>
Total Capital Assets, being depreciated	<u>32,023,561</u>	<u>2,693,809</u>	<u>-</u>	<u>34,717,370</u>
Less: Accumulated Depreciation for:				
Equipment	111,468	-	-	111,468
Infrastructure	<u>18,775,086</u>	<u>604,396</u>	<u>-</u>	<u>19,379,482</u>
Total Accumulated Depreciation	<u>18,886,554</u>	<u>604,396</u>	<u>-</u>	<u>19,490,950</u>
Total Capital Assets, being depreciated, net	<u>13,137,007</u>	<u>2,089,413</u>	<u>-</u>	<u>15,226,420</u>
Drainage Districts Capital Assets, net	<u>\$ 19,824,650</u>	<u>\$ 2,760,694</u>	<u>\$ 2,993,121</u>	<u>\$ 19,592,223</u>

Depreciation expense was \$604,396 for 2022.



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

**Road Commission:** Capital asset activity for the Road Commission for the year ended September 30, 2022 was as follows:

	Balance October 1, 2021	Additions	Deletions/ Adjustments	Balance September 30, 2022
Capital Assets, not being depreciated -				
Land	\$ 159,507	\$ -	\$ 18,389	\$ 141,118
Land Improvements	31,785,917	-	-	31,785,917
Right of Ways	180,046	-	-	180,046
Total Capital Assets, not being depreciated	<u>32,125,470</u>	<u>-</u>	<u>18,389</u>	<u>32,107,081</u>
Capital Assets, being depreciated -				
Building and Improvements	2,497,949	8,049	-	2,505,998
Road Equipment	9,663,461	1,802,587	878,673	10,587,375
Shop Equipment	119,665	-	-	119,665
Infrastructure -				
Roads	90,552,951	10,213,406	4,207,539	96,558,818
Bridges	21,667,305	1,899,498	-	23,566,803
Traffic Signals	83,723	-	-	83,723
Depletable Assets	<u>205,130</u>	<u>-</u>	<u>-</u>	<u>205,130</u>
	<u>124,790,184</u>	<u>13,923,540</u>	<u>5,086,212</u>	<u>133,627,512</u>
Less: Accumulated depreciation for -				
Buildings and Improvements	2,071,495	54,871	-	2,126,366
Road Equipment	7,225,595	901,069	810,983	7,315,681
Shop Equipment	61,864	11,967	-	73,831
Infrastructure -				
Roads	38,169,820	5,848,599	4,207,539	39,810,880
Bridges	8,290,556	452,525	-	8,743,081
Traffic Signals	83,723	-	-	83,723
Depletable Assets	<u>134,283</u>	<u>-</u>	<u>-</u>	<u>134,283</u>
	<u>56,037,336</u>	<u>7,269,031</u>	<u>5,018,522</u>	<u>58,287,845</u>
Total Capital Assets, being depreciated, net	<u>68,752,848</u>	<u>6,654,509</u>	<u>67,690</u>	<u>75,339,667</u>
Capital Assets, net	<u>\$ 100,878,318</u>	<u>\$ 6,654,509</u>	<u>\$ 86,079</u>	<u>\$ 107,446,748</u>

Depreciation expense was \$7,269,031 for 2022.

### NOTE 6 - PAYABLES:

Payables as of December 31, 2022 in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 3,688,891	\$ 1,319,687
Accrued liabilities	738,979	1,451,293
Intergovernmental	2,084,059	57,668
Individuals and agencies	667,335	-
Due to other funds	<u>-</u>	<u>90,244</u>
	<u>\$ 7,179,264</u>	<u>\$ 2,918,892</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 7 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

The composition of interfund balances as of December 31, 2022 is as follows:

#### Due To/From Other Funds

	Receivable	Payable
<b>Governmental Funds -</b>		
General Fund	\$ -	\$ 29,915
911 Service	-	3,836
	-	33,751
<b>Nonmajor Special Revenue Funds -</b>		
Friend of the Court	-	2,707
Health Department	21,240*	-
Animal Control	-	543
Disaster Continency	-	27
Community Corrections	-	13,830*
Police Service Contracts	-	7,138
American Rescue Plan	90,000	-
Veterans' Relief	-	531
Soil and Sedimentation	-	121
Specialty Courts	-	5,818*
	111,240	30,715
<b>Internal Service Funds -</b>		
Retirement	45,062	-
<b>Proprietary Funds -</b>		
Delinquent Tax	-	90,244
*Reconciling item for September 30 year-end funds	( 21,240)	( 19,648)
Total	\$ 135,062	\$ 135,062

The outstanding balances between funds result mainly from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

#### Advances From/To Other Funds

	Receivable	Payable
<b>Governmental Funds -</b>		
General Fund	\$ 25,000	\$ - (1)
Community Mental Health	7,500	- (1)
Lapeer Family Continuation	-	7,500 (1)
Parks/Recreation	-	25,000 (1)
Total	\$ 32,500	\$ 32,500

(1) The advances were executed to assist with cash flows.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 7 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS - (cont'd):

#### Advances From/To Primary Government and Component Units

	<u>Receivable</u>	<u>Payable</u>
Primary Government - General Fund	\$ 90,000	\$ -
Component Unit - Drainage Districts	<u>-</u>	<u>90,000</u>
	<u>\$ 90,000</u>	<u>\$ 90,000</u>

The advance was executed in order to assist providing cash flow for various drain projects prior to the levy of special assessments.

#### Interfund Receivable/Payable

	<u>Receivable</u>	<u>Payable</u>
<b>Proprietary Fund -</b>		
Delinquent Tax	\$ 7,164,628	\$ -
<b>Governmental Funds -</b>		
General Fund	-	6,880,744
Specialty Courts	-	16,216
Police Service Contracts	-	249,669
Juvenile Grant	<u>-</u>	<u>17,999</u>
Total	<u>\$ 7,164,628</u>	<u>\$ 7,164,628</u>

The interfund receivable/payable balances at December 31, 2022 represent short-term borrowing between funds to cover negative cash balances in the common checking account in accordance with County Board policy.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 7 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS - (cont'd):

#### Transfers In and Out

Transfers In	Transfers Out	Amount
Parks Department	General Fund	\$ 80,000 (1)
Friend of the Court		499,376 (1)
Health Department		329,146 (1)
Community Mental Health		267,580 (1)
Animal Control		167,233 (1)
Rubbish Collection		10,000 (1)
Remonumentation		27,000 (1)
Disaster Contingency		29,400 (1)
Indigent Defense		110,106 (1)
Community Corrections		28,939 (1)
Police Service Contracts		506,681 (1)
Law Enforcement Programs		887 (1)
Law Enforcement Grants		83,534 (1)
Law Library		4,500 (1)
Child Care		420,000 (1)
Juvenile Grant		5,118 (1)
County Community Collaborative		18,500 (1)
Building and Grounds		<u>138,243 (3)</u>
		<u>2,726,243</u>
Middle Mile Project Capital Projects	Delinquent Tax	3,000,000 (3)
American Rescue Plan		90,000 (5)
General Fund		500,000 (5)
Friend of Court		<u>3,000 (4)</u>
		<u>3,593,000</u>
Public Employee Health Care	Health Insurance	<u>500,000 (4)</u>
Senior Activities	Senior Millage	<u>993,040 (2)</u>
Child Care	Social Welfare	<u>30,692 (6)</u>
Total Transfers		<u>\$ 7,842,975</u>

Transfers represent:

- (1) The movement of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations (annual appropriations)
- (2) The movement of tax revenue from the collecting fund to the fund that is budgeted to expend the tax collections
- (3) The transfer of funds to finance capital acquisition
- (4) The transfer of resources
- (5) The transfer of funds to cover fund deficit
- (6) The transfer of funds closing the Social Welfare Fund

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 8 - LEASES:

**Lessee** - The County is involved in 16 agreements as a lessee that qualify as long-term lease agreements. Below is a summary of the nature of these agreements. These transactions qualify as intangible, right-to-use assets and not financed purchases, as the County will not own the assets at the end of the contract terms and the noncancellable terms of the agreements surpass one year.

<u>Asset Type</u>	<u>Remaining Term of the Agreements</u>
Buildings	1.167 - 10.25 years
Equipment	1.33 - 5.33
Vehicles	3

The assets acquired through leases in governmental activities are summarized as follows:

Buildings, equipment, & vehicles	\$ 926,316
Less: Accumulated depreciation	<u>115,439</u>
Net book value	<u><u>\$ 810,877</u></u>

The net present value of future minimum payments as of December 31, 2022 were as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 131,561	\$ 30,296
2024	123,278	25,167
2025	97,091	20,729
2026	98,211	16,853
2027	100,573	12,889
2028-2032	<u>267,429</u>	<u>20,525</u>
Total	<u><u>\$ 818,143</u></u>	<u><u>\$ 126,459</u></u>

The assets acquired through leases in business-type activities are summarized as follows:

Equipment	\$ 205,810
Less: Accumulated depreciation	<u>71,850</u>
Net book value	<u><u>\$ 133,960</u></u>

The net present value of future minimum payments as of December 31, 2022 were as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 71,799	\$ 1,281
2024	46,178	502
2025	<u>16,673</u>	<u>67</u>
Total	<u><u>\$ 134,650</u></u>	<u><u>\$ 1,850</u></u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 8 - LEASES - (cont'd):

Lease liability activity for the year ended December 31, 2022 was as follows:

	Restated Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Lease payable	<u>\$ 467,676</u>	<u>\$ 452,895</u>	<u>\$ 102,428</u>	<u>\$ 818,143</u>	<u>\$ 131,561</u>
<b>Business-type Activities:</b>					
Lease payable	<u>\$ 205,810</u>	<u>\$ -</u>	<u>\$ 71,160</u>	<u>\$ 134,650</u>	<u>\$ 71,799</u>

**Lessor** - The County is involved in four agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements, as the County will not surrender control of the asset at the end of the term and the noncancellable term of the agreement surpasses one year. Total lease revenue for the year ended December 31, 2022 was \$186,500.

<u>Asset Type</u>	<u>Remaining Term of the Agreements</u>
Land	3 years
Buildings	1 - 9

Lease receivable activity for the year ended December 31, 2022 was as follows:

	Restated Beginning Balance	Additions	Deductions	Ending Balance
<b>Governmental Activities:</b>				
Lease receivable	<u>\$ 619,638</u>	<u>\$ -</u>	<u>\$ 165,198</u>	<u>\$ 454,440</u>

### NOTE 9 - CONDUIT DEBT OBLIGATIONS:

The DPW has issued Limited Tax General Obligation bonds under the provisions of Act 185, Public Acts of Michigan, 1957, as amended, to provide capital financing to villages and townships within Lapeer County for construction of water supply and sewage disposal systems. The bonds are anticipated to be repaid primarily from semi-annual contractual payments from the local unit, which has pledged its limited tax full faith and credit for the payment of the bonds. The County has irrevocably pledged the contractual payments from the local unit to pay the bond principal and interest. As additional security for the payment of the bonds, the County has pledged its full faith and credit for the payments should the local units' payment prove insufficient for any reason. Upon final payment of the respective bond issue or loan, ownership of the system will revert to the respective municipality.

In accordance with GASB Statement No. 91, these bonds are considered conduit debt, and therefore, the DPW has not recorded a liability for the related conduit debt obligation or a receivable for the payments related to those arrangements. At December 31, 2022, the aggregate outstanding principal amount was \$917,562.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 9 - CONDUIT DEBT OBLIGATIONS - (cont'd):

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

	<u>Principal</u>	<u>Interest</u>
2023	\$ 155,000	\$ 19,498
2024	155,000	16,204
2025	160,000	12,911
2026	160,000	9,511
2027	164,868	6,111
2028	<u>122,694</u>	<u>2,608</u>
	<u>\$ 917,562</u>	<u>\$ 66,842</u>

### NOTE 10 - LONG-TERM LIABILITIES:

#### Primary Government

The following is a summary of changes in the long-term liabilities (including current portions) of the Primary Government for the year ended December 31, 2022:

	<u>Balance January 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2022</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Governmental Funds -					
Other Liabilities:					
Accrued Claims Liability	\$ 417,666	\$ 162,371	\$ 209,776	\$ 370,261	\$ 25,000
Accrued Vacation	<u>648,513</u>	<u>688,493</u>	<u>648,513</u>	<u>688,493</u>	<u>688,493</u>
Total Governmental Funds	1,066,179	850,864	858,289	1,058,754	713,493
Internal Service Funds -					
Other Liabilities:					
Workers' Compensation					
Claims Liabilities	<u>95,503</u>	<u>218,343</u>	<u>164,193</u>	<u>149,653</u>	<u>149,653</u>
Total Governmental Activities	<u>1,161,682</u>	<u>1,069,207</u>	<u>1,022,482</u>	<u>1,208,407</u>	<u>863,146</u>
<b>Business-type Activities:</b>					
Other Liabilities -					
Medical Care Facility:					
Workers' Compensation					
Claims Liabilities	146,290	219,556	281,234	84,612	84,612
Accrued Vacation and Sick	<u>343,505</u>	<u>420,680</u>	<u>343,505</u>	<u>420,680</u>	<u>420,680</u>
Total Business-type Activities	<u>489,795</u>	<u>640,236</u>	<u>624,739</u>	<u>505,292</u>	<u>505,292</u>
Total Primary Government	<u>\$ 1,651,477</u>	<u>\$ 1,709,443</u>	<u>\$ 1,647,221</u>	<u>\$ 1,713,699</u>	<u>\$ 1,368,438</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 10 - LONG-TERM LIABILITIES - (cont'd):

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

#### **Accrued Claims Liability -**

The County has estimated an accrued claims liability for its general and auto liability, vehicle physical damage, and property risk, including an estimate for claims incurred but not reported (IBNR), administered through a third-party service provider in the amount of \$370,261 at December 31, 2022.

The County has estimated accrued outstanding workers' compensation insurance claims, including an estimate for the claims incurred but not reported (IBNR). The dollar amount of these claims reported as a liability on the statements of net position of the Workers' Compensation Fund and Medical Care Facility Fund is \$149,653 and \$84,612, respectively, at December 31, 2022.

#### **Accrued Vacation and Sick -**

Accrued vacation and sick of \$420,680 has been recorded as a long-term liability in the Medical Care Facility (enterprise) Fund. The governmental funds' portion of \$688,493 has been recorded in the government-wide financial statements as a long-term liability and is generally liquidated by the General Fund or the fund where the employee salary is charged. The County's policy requires vacation earned to be used by the employee's anniversary date of hire each year and employees are not allowed to carryover. Therefore, all accrued vacation and sick is reported as due within one year.

### **Component Units**

The following is a summary of changes in long-term liabilities (including current portions) of the Road Commission for the year ended September 30, 2022 and the Drainage Districts for the year ended December 31, 2022:

	Balance October 1, 2021	Additions	Reductions	Balance September 30, 2022	Due Within One Year
<b>Road Commission -</b>					
Other Liability: Accrued Vacation	\$ 508,062	\$ 307,197	\$ 323,192	\$ 492,067	\$ -
	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
<b>Drainage Districts -</b>					
General Obligation Bonds:					
Drainage Bonds	6,675,000	-	650,000	6,025,000	650,000
Amount for Bond Premium	28,368	-	2,579	25,789	2,579
Other Direct Borrowing:					
Notes Payable	778,452	342,029	204,089	916,392	235,192
Total Drainage District	7,481,820	342,029	856,668	6,967,181	887,771
Total Component Units	\$ 7,989,882	\$ 649,226	\$ 1,179,860	\$ 7,459,248	\$ 887,771



# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

### **NOTE 10 - LONG-TERM LIABILITIES - (cont'd):**

#### **Road Commission**

##### **Accrued Vacation -**

In accordance with contracts negotiated with the various employee groups, individual employees have a vested right upon termination of employment to receive payment for unused vacation under formulas and conditions specified in the contracts. The dollar amount of these vested rights, which has been accrued on the financial statements amounts to \$492,067 at September 30, 2022.

#### **Drainage Districts**

##### **Drainage Bonds -**

The County, through the Drain Commissioner, administers the construction of drains, which are deemed to benefit properties against which special assessments are levied. To finance the construction, notes and bonds 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. Repayment of the notes and bonds are made from the special assessment revenues collected and are serviced from debt service funds. The full faith and credit of the Drainage Districts have been pledged for the making of said payments. Also, pursuant to a resolution adopted by the County Board, the County has pledged its full faith and credit as additional security for the payment of the principal of and interest on the bonds.

On March 29, 2005, the County issued \$2,830,000 in bonds in connection with the Imlay-Bigelow Branches Drainage Districts. Principal payments are due in annual installments through June 1, 2025 in the amount of \$125,000, with interest due semi-annually on June 1 and December 1 with rates ranging from 4.45-4.70%

In May 2017, the County issued \$2,520,000 in bonds in connection with the Indian Creek Intercounty Drainage District. Principal payments are due in annual installments through June 1, 2032 in amounts ranging from \$165,000 to \$170,000 with interest due semi-annually on June 1 and December 1 with rates ranging from 2.00-3.25%.

In September 2019, the County issued \$545,000 in bonds in connection with the Marshall Creek Drainage District. Principal payments are due in annual installments through June 1, 2031 in amounts ranging from \$45,000 to \$50,000, with interest of 2.13% due semi-annually on June 1 and December 1.

On September 1, 2020, the County issued \$1,275,000 in bonds in connection with the Peasley Drainage District. Principal payments are due in annual installments through June 1, 2032 in amounts ranging from \$95,000 to \$110,000, with interest of 1.57% due semi-annually on June 1 and December 1.

On November 18, 2020, the County issued \$1,310,000 in bonds in connection with the Bottom Creek Drainage District. Principal payments are due in annual installments through June 1, 2033 in amounts ranging from \$105,000 to \$115,000, with interest of 1.66% due semi-annually on June 1 and December 1.

On November 18, 2020, the County issued \$1,255,000 in bonds in connection with the Stroup Drainage District. Principal payments are due in annual installments through June 1, 2036 in amounts ranging from \$65,000 to \$85,000, with interest of 1.79% due semi-annually on June 1 and December 1.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 10 - LONG-TERM LIABILITIES - (cont'd):

On March 11, 2021, the County issued \$125,000 in bonds in connection with the Burke Drainage District. Principal payments are due in annual installments through June 1, 2036 in amounts ranging from \$5,000 to \$10,000, with interest rates ranging from 0.53% - 1.83% due semi-annually on June 1 and December 1.

The balances of outstanding drainage bonds at December 31, 2022 are as follows:

	<u>Interest Rate</u>	
Imlay-Bigelow and Branches Drainage District	4.45 - 4.70 %	\$ 375,000
Indian Creek Intercounty Drainage District	2.00 - 3.25	1,670,000
Marshall Creek Drainage District	2.13	420,000
Peasley Drainage District	1.57	1,075,000
Bottom Creek Drainage District	1.66	1,195,000
Stroup Drainage District	1.79	1,170,000
Burke Drainage District	0.53 - 1.83	<u>120,000</u>
		<u>\$ 6,025,000</u>

### Notes Payable -

On December 20, 2020, the County executed a promissory note with the County Drain Commission, a component unit of the County, for the purpose of funding the Lake Nepessing Drainage District Project. Payments are due in annual installments ranging from \$40,339 to \$41,968 through 2024, with interest of 2.00% due on June 30 of each year. The outstanding balance at December 31, 2022 is \$83,113.

On October 8, 2021, the County executed a Series 2021 note with the Drainage Board of the Belle River Intercounty Drain Drainage District for the purpose of funding the Belle River Intercounty Drain Drainage District project. Payments are due in annual installments of \$163,750 through 2025, with interest of 1.40% due on July 1 of each year. The outstanding balance at December 31, 2022 is \$491,250.

On December 20, 2022, the County executed a Series 2022 note with the Drainage Board of the Lake Level Special Assessment District for Lake Lapeer for the purpose of funding to defray the cost of establishing and maintaining the revised normal levels for Lake Lapeer. Payments are due in annual installments of \$47,636 through 2027, with interest of 3.82% due on July 1 of each year. The outstanding balance at December 31, 2022 is \$190,546.

On August 25, 2022, the ChoiceOne Bank executed a Series 2022 note with the Drainage Board of the Anderson Intercounty Drain Drainage District for the purpose of funding to defray the cost of culvert removal and replacement for the Anderson Intercounty Drain Drainage District project. The costs of the project have been apportioned at 73% to Lapeer County and 27% to St. Clair County. Payments are due in annual installments of \$30,297 through 2027, with interest of 3.75% due on June 1 of each year. The outstanding balance at December 31, 2022 is \$151,483.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 10 - LONG-TERM LIABILITIES - (cont'd):

Annual debt service requirements to maturity for the drainage bonds and promissory note are as follows:

Year Ended Year Ended December 31,	Promissory Note		Drainage Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 235,192	\$ 12,895	\$ 650,000	\$ 128,094
2024	283,652	21,116	650,000	111,207
2025	241,680	11,160	645,000	94,263
2026	77,934	5,912	520,000	80,228
2027	77,934	2,956	520,000	69,173
2028-2032	-	-	2,575,000	178,865
2033-2036	-	-	465,000	13,222
	<u>\$ 916,392</u>	<u>\$ 54,039</u>	<u>\$ 6,025,000</u>	<u>\$ 675,052</u>

### NOTE 11 - PENSION PLANS:

#### Primary Government

#### Plan Description -

The County participates in the Municipal Employees' Retirement System (MERS), an agent multiple-employer, State-wide public employee defined benefit pension plan (the "Plan") created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996 and the MERS Plan Document, as revised. MERS was established to provide retirement, survivor, and disability benefits on a voluntary basis to the State's local government employees. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefits provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or online at [www.mersofmich.com](http://www.mersofmich.com).

Contributions are recognized as revenue when due and payable. Benefits and refunds are recognized when due and are payable in accordance with the Plan. Plan investments are reported at fair value or estimated fair value.

The membership at December 31, 2022 was comprised of 629 active participants, 461 retirees and beneficiaries, and 162 other vested inactive participants. The membership at December 31, 2021 was comprised of 685 active participants, 431 retirees and beneficiaries, and 155 other vested inactive participants.

The net pension liabilities are primarily liquidated by the General Fund, the Community Mental Health, 911 Service, Health Department, and Police Service Contracts special revenue funds and the Medical Care Facility enterprise fund.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 11 - PENSION PLANS - (cont'd):

#### Benefits Provided -

Retirement benefits are calculated based on multiples of 2.0-2.5% with a maximum of 80%, except for one division that has no maximum, of the employee's final five-year average salary times the employee's years of service. Employees are vested after 10 years of service. Normal retirement age is 60. Early retirement with a reduced benefit is at 50 with 25 years of service or at 55 with 15 years of service for all divisions, excluding two divisions where the reduced benefit is at 55 with 15 years of service only. An unreduced benefit is available for four (4) divisions at 50 with 25 years of service or at 55 with 25 years of service. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability benefits are determined in the same manner as retirement benefits but are payable immediately. An employee who leaves service may withdraw his or her contributions, plus accumulated interest.

Benefit terms, within the parameters established by MERS, are established and amended by authority of the County Board.

#### Contributions -

Participants of the Plan contribute 0.00-2.53% of compensation with the remaining amount contributed by the County based on actuarially determined amounts. The County pays the actuarially determined amount, which for the year ended December 31, 2022 was 8.00-21.00% of covered payroll. The County had \$189,351 payable to the Plan related to December 2022 contributions.

#### Net Pension Liability -

The net pension liability of the County has been measured as of December 31, 2022, which used updated procedures to roll forward the estimated liability determined by an actuarial valuation performed from December 31, 2021 to December 31, 2022, and is composed of the following:

	Total Pension Liability	Plan's Net Position	Net Pension Liability
Beginning balance	\$ 151,586,431	\$ 138,216,010	\$ 13,370,421
Service cost	2,974,679	-	2,974,679
Interest on total pension liability	10,974,940	-	10,974,940
Net investment income	-	( 14,298,306)	14,298,306
Difference between expected and actual experience	( 2,083,879)	-	( 2,083,879)
Change in assumptions	6,137,287	-	6,137,287
Contributions from employer	-	5,121,068	( 5,121,068)
Contributions from employees	-	238,955	( 238,955)
Benefit payments	( 8,070,299)	( 8,070,299)	-
Administrative costs	-	( 254,461)	254,461
Other changes	( 197,914)	-	( 197,914)
Ending balance	<u>\$ 161,321,245</u>	<u>\$ 120,952,967</u>	<u>\$ 40,368,278</u>

Plan fiduciary net position as a percentage of the total pension liability 75.00%

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 11 - PENSION PLANS - (cont'd):

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

For the year ended December 31, 2022, the County recognized pension expense of \$12,794,743 in the government-wide and proprietary fund financial statements of the primary government. At December 31, 2022, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Primary Government</b>		
Net difference between projected and actual earnings of Plan investments	\$ 10,399,505	\$ -
Difference between expected and actual experience	566,913	1,446,235
Change in assumptions	<u>6,405,216</u>	<u>-</u>
	<u>\$ 17,371,634</u>	<u>\$ 1,446,235</u>

The amounts of deferred outflows/inflows of resources related to pension will be recognized in pension expense as follows:

2023	\$ 4,459,484
2024	3,394,387
2025	3,229,232
2026	<u>4,842,296</u>
	<u>\$ 15,925,399</u>

#### Actuarial Assumptions -

The total pension liability was determined by an actuarial valuation as of December 31, 2021 that used updated procedures to roll forward the liability to December 31, 2022. The valuation used the following actuarial assumptions based on the most recent study of Plan experience covering the period from January 1, 2014 through December 31, 2018.

**Salary Increases** - 3.00%

**Inflation** - 2.50%

**Investment Rate of Return** - 7.35%

**Mortality Rates** - Pub-2010 Mortality Table fully generational mortality improvements projected with Scale MP-2019

**Discount Rate** - The discount rate used to measure the total pension liability was 7.25 percent. 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 11 - PENSION PLANS - (cont'd):

#### Projected Cash Flows -

Based on the assumptions above, 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, 2021 for each major asset class included in the Plan's target asset allocation are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	60.00 %	3.15 %
Global Fixed Income	20.00	0.25
Private Investments	20.00	1.45

#### 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 7.25 percent, 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net pension liability of the Primary Government	<u>\$ 60,342,647</u>	<u>\$ 40,368,278</u>	<u>\$ 23,800,083</u>

#### Component Unit - Road Commission

##### Defined Benefit Plan:

##### Plan Description -

The Road Commission participates in MERS, an agent multiple employer, state-wide, public employee-defined benefit pension plan that covers all full-time, non-seasonal employees. The pension plan (the "Plan") description is the same as the County's primary government as noted previously in this Note.

The membership at December 31, 2021 was comprised of 38 active participants, 59 retirees and beneficiaries, and 6 other vested inactive participants.

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

#### **NOTE 11 - PENSION PLANS - (cont'd):**

##### **Benefits Provided -**

Retirement benefits for active employees hired before April 1, 2014 are calculated as a percentage of final average compensation (FAC) multiplied by the employee's years of service. The percentages range from 2.25% to 2.50% dependent upon the employee's collective bargaining unit or administrative division and are applied to FAC (five-year average salary). Maximum benefits are 80% of FAC for the Local 1071 division. Employees are vested after 10 years of service. Normal retirement age is 60. Early retirement with a reduced benefit is at 50 years with 25 years of service or at 55 with 15 years of service. An unreduced benefit at age 55 with 25 years of service is available to all divisions. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability benefits are determined in the same manner as retirement benefits but are payable immediately. An employee may withdraw his or her contributions, plus accumulated interest. These benefits are not available to new-hires after March 31, 2014.

Retirement benefits for active employees hired between April 1, 2014 and July 31, 2017 are via participation in the MERS hybrid plan. The hybrid plan provides a guaranteed pension element through a defined benefit component with a flexible and transferable retirement savings element through a defined contribution account. The defined benefit component provides a retirement benefit calculated at 1.25% of FAC based on three (3) years and a vesting period of six (6) years. This hybrid plan is not available to new-hires after July 31, 2017.

Benefit terms, within the parameters established by MERS, are established and amended by authority of the Road Commission Board and ratification by the collective bargaining units.

##### **Contributions -**

Participants of the Plan contribute 0.00%-7.10% of compensation, depending on division, with the remaining flat dollar amounts contributed by the Road Commission based on an actuarial valuation. During the year ended September 30, 2022, actuarially determined contributions were \$593,040 and contributions of \$2,016,396 were made. At September 30, 2022, \$173,206 was payable to the Plan relating to September 2022 contributions.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 11 - PENSION PLANS - (cont'd):

#### Net Pension Liability -

The net pension liability of the Road Commission has been measured as of December 31, 2021 as determined by an actuarial valuation performed as of that date, and the changes in net pension liability are composed of the following:

	Total Pension Liability	Plan's Fiduciary Net Position	Net Pension Liability
Beginning balance	\$ 20,493,062	\$ 16,502,358	\$ 3,990,704
Service cost	167,982	-	167,982
Interest on total pension liability	1,511,862	-	1,511,862
Net investment income	-	2,372,746	( 2,372,746)
Difference between expected and actual experience	( 200,399)	-	( 200,399)
Changes in assumptions	773,791	-	773,791
Contributions from employer	-	2,004,102	( 2,004,102)
Contributions from members	-	79,983	( 79,983)
Benefit payments	( 1,368,286)	( 1,368,286)	-
Administrative costs	-	( 27,214)	27,214
Ending balance	<u>\$ 21,378,012</u>	<u>\$ 19,563,689</u>	<u>\$ 1,814,323</u>

Plan fiduciary net position as a percentage of the total pension liability 91.50%

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

For the year ended September 30, 2022, the Road Commission recognized pension expense of \$432,266. At September 30, 2022, the Road Commission reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on Plan investments	\$ -	\$ 1,364,454
Change in assumptions	864,419	-
Difference between expected and actual experience	13,346	158,996
	877,765	1,523,450
Contributions made subsequent to the measurement date	1,512,297	-
	<u>\$ 2,390,062</u>	<u>\$ 1,523,450</u>



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 11 - PENSION PLANS - (cont'd):

The amounts of deferred outflows/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:

2023	\$ 197,986
2024	( 238,279)
2025	( 386,912)
2026	( 218,480)
	<u>\$( 645,685)</u>

### Actuarial Assumptions and Projected Cash Flows -

Actuarial assumptions and projected cash flows are the same as the County's Primary Government, as noted previously in this Note.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the Road Commission, calculated using the discount rate of 7.25 percent, as well as what the Road Commission's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 4,308,147	\$ 1,814,323	\$( 277,819)

The Road Commission issued a separate annual financial statement as of September 30, 2022. The defined benefit pension plan schedules required as supplementary information are provided in those financial statements.

### Defined Contribution Plan -

The Defined Contribution (the "DC Plan") portion of the hybrid plan for employees hired between April 1, 2014 and July 31, 2017 requires the Road Commission to contribute/match on behalf of each participant 6.00% of each participating employee's base salary, along with a required employee contribution of 6.00%. This plan was not available to new-hires after July 31, 2017. Employer contributions for the year ended September 30, 2022 were \$44,503.

Retirement benefits for all employees hired after August 1, 2017 is a DC Plan which consists of the Road Commission contributing 7.00% of each participating employee's base salary, along with a required employee contribution of 3.00%. Employer contributions are vested after six years. Employer contributions to the DC Plan for the year ended September 30, 2022 were \$55,897.

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

#### **NOTE 12 - OTHER POST EMPLOYMENT BENEFITS:**

##### **Primary Government -**

The County sponsors a defined contribution plan known as the Lapeer County Retiree Health Care Plan (the "Retiree Health Care Plan") and is available to all full-time employees to provide resources for postemployment health care expenses. The County provides a basic contribution of \$30 per month per individual into an account in the employee's name. The Retiree Health Care Plan requires 10 years of continuous service in full-time capacity to vest. Forfeitures are used to reduce the County's contributions. The County Board has the authority to amend the Retiree Health Care Plan. Employer contributions to participant accounts of \$462,715 were made for the year ended December 31, 2022. The Medical Care Facility made a separate contribution to the Retiree Health Care Plan of \$80,790 for the year ended December 31, 2022. The County obligation is limited to the amount of employer contributions provided to the Retiree Health Care Plan.

##### **Component Unit - Road Commission**

##### **Plan Description -**

The Road Commission provides other postemployment benefits (OPEB) through a single-employer defined benefit healthcare plan (the "OPEB Plan") for all employees hired prior to July 1, 2015 who retire from the Road Commission at age 55 with 25 years of service or at age 60 with 10 years of service. Employer contributions are vested after ten years. Management of the OPEB Plan is provided by the Road Commission Board, which consists of three members. A separate financial statement of the Road Commission's OPEB Plan is not issued.

Healthcare benefits for active employees hired after July 1, 2015 consist of a Health Care Savings Plan in which the Road Commission makes bi-weekly deposits into their accounts until retirement.

##### **Summary of Significant Accounting Policies -**

For purposes of measuring net OPEB liability, deferred outflows/inflows of resources, and OPEB expense, the fiduciary net position of the OPEB Plan and additions to/deductions from fiduciary net position have been determined as the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### **Benefits Provided -**

Benefits for employees hired prior to July 1, 2015 provided by the OPEB Plan consist of healthcare, vision allowance, and prescription drug coverage for retirees, spouses, and dependents up to age 26. Benefit eligibility is based on MERS full retirement. A system of Tiers 1-4, dependent upon the year of hire, designates the amount of benefits. The OPEB Plan was closed to all new-hires on July 1, 2015.

##### **OPEB Plan Membership -**

At September 30, 2022, OPEB plan membership consisted of 27 active members and 52 inactive members or beneficiaries receiving benefits.

##### **Contributions -**

During the year ended September 30, 2022, the actuarial determined contributions were \$814,270 and actual contributions of \$804,238 were made.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 12 - OTHER POST EMPLOYMENT BENEFITS - (cont'd):

The OPEB Plan was established by, and is being funded under, the authority of the Road Commission and under agreements with unions representing various classes of employees. The OPEB Plans' funding policy is that the Road Commission will review the funded status and make contributions (in addition to the current retiree benefits) as deemed prudent, which is currently at least \$250,000 per year (\$62,500 per quarter).

#### Investment Policy -

The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Road Commission Board by a majority vote of its members.

The long-term expected rate of return on the OPEB Plan's investments was determined using a forward-looking estimate of capital market returns model for each investment's 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 and investment expenses. The adopted asset allocation policy and the best estimates of arithmetic real rates of return for each asset class as of September 30, 2022 are as follows:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return Before Inflation
Global Equity	60.00 %	4.50 %
Global Fixed Income	20.00	2.00
Private Assets	20.00	7.00

#### Rate of Return -

For the year ended September 30, 2022, the annual money-weighted rate of return on OPEB Plan investments, net of investment expense, is (14.02)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

#### Methods and Assumptions -

The total OPEB liability was determined by an actuarial valuation at September 30, 2022. The valuation used the following assumptions included in the measurement:

Retirement Age of Active Employees - Based on the required retirement age for the covered group, active plan members were assumed to retire at age 55 with 25 years of service or age 60 with 10 years of service.

Marital Status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Public General 2010 Employee and Healthy Retiree, headcount weighted, MP-2021 improvement scale.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 12 - OTHER POST EMPLOYMENT BENEFITS - (cont'd):

Healthcare Cost Trend Rate - The expected rate of increase in healthcare insurance premiums was based on standards set by Michigan Public Act 202. Non-Medicare rates were estimated at 7.50%, graded down to 4.50% by 0.25% per year. Medicare rates were estimated at 5.75%, graded down to 4.50% by 0.25% per year.

Health Insurance Premiums - Actual health insurance premiums for retirees as of the valuation date were used as the basis for calculation of the present value of total benefits to be paid.

Payroll Growth Rate - The expected long-term payroll growth rate assumption of 2.50% was based on historical trends.

Discount Rate - A discount rate of 7.00% was used. The projection of cash flows used to determine the discount rate assumes that the Road Commission will make annual contributions of at least \$250,000 and continue to pay benefits from general operating funds, as long as there are active participants in the OPEB Plan. Based on this assumption, the assets are projected to be sufficient to make projected future benefit payments of current OPEB Plan members. For projected benefits that are covered by the projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability.

The only assumption change since the prior valuation is as follows:

- The discount rate changed from 7.35% to 7.00%

### Net OPEB Liability of the Road Commission -

The net OPEB liability of the Road Commission has been measured as of September 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by the alternative measurement method valuation as of that date and is composed of the following:

	Total OPEB Liability	OPEB Plan's Fiduciary Net Position	Net OPEB Liability
Beginning Balance	\$ 8,097,329	\$ 2,651,202	\$ 5,446,127
Service cost	24,473	-	24,473
Interest on net OPEB liability	577,278	-	577,278
Change in assumptions	239,505	-	239,505
Net investment income	-	( 389,983)	389,983
Difference between expected and actual experience	( 156,211)	-	( 156,211)
Contributions from employer	-	804,238	( 804,238)
Benefit payments	( 535,361)	( 538,361)	-
Ending Balance	<u>\$ 8,247,013</u>	<u>\$ 2,530,096</u>	<u>\$ 5,716,917</u>

OPEB Plan fiduciary net position as a percentage of total OPEB liability 30.10%

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 12 - OTHER POST EMPLOYMENT BENEFITS - (cont'd):

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

For the year ended September 30, 2022, the Road Commission recognized OPEB expense of \$3,118,823 for the OPEB Plan. At September 30, 2022, the Road Commission reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB Plan investments	\$ 196,070	\$ -
Difference between expected and actual experience	-	1,193,319
Changes in assumptions	<u>186,269</u>	<u>1,653,756</u>
	<u>\$ 382,339</u>	<u>\$ 2,847,075</u>

The amounts of deferred inflows of resources related to OPEB (excluding contributions) will be recognized in OPEB expense as follows:

2023	\$( 2,631,152)
2024	20,864
2025	27,619
2026	<u>117,933</u>
	<u>\$( 2,464,736)</u>

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

The following presents the net OPEB liability of the Road Commission, calculated using the discount rate of 7.00% as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability	<u>\$ 6,480,462</u>	<u>\$ 5,716,917</u>	<u>\$ 5,065,828</u>

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

The following presents the net OPEB liability of the Road Commission, calculated using the healthcare cost trend rate of 8.50/7.00%, graded down to 4.50% over six years, 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 (7.50/6.00%) or one percentage-point higher (9.50/8.00%) than the current rate.

	1% Decrease	Current Healthcare Rates	1% Increase
Net OPEB Liability	<u>\$ 5,016,553</u>	<u>\$ 5,716,917</u>	<u>\$ 6,538,732</u>

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

#### **NOTE 13 - 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 and its Treasurer are part of a couple class actions with members of other counties and treasurers in the State that allege that, after the auction of a foreclosed property, the counties and their treasurers kept the excess proceeds after back taxes, penalties, and fees were paid. On July 17, 2020, the Michigan Supreme Court ruled in *Rafaeli, LLC v Oakland County* that counties cannot sell tax-foreclosed property at a profit without compensating the individual from whom the property was taken. The ruling stated that counties are required to refund excess proceeds on foreclosure tax sales. However, the retroactivity of providing refunds was not addressed in the ruling. In a recent opinion in the *Freed v Thomas* case in the Federal District Court for the Eastern District of Michigan, the judge ruled that surplus proceeds were the appropriate level of compensation for the *Rafaeli, LLC* taking. This ruling has been appealed and is awaiting a ruling. There is also no indication at this time whether any loss suffered due to refunding would be covered by insurance. Although the payback is expected to be material, the amount of the payback cannot be determined until the issues outlined above are determined by the courts.

A wrongful death matter alleging negligence of the care of a patient at the Medical Care Facility has been dismissed without prejudice subsequent to December 31, 2022, and any damages were paid by the Medical Care Facility's insurer.

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 covered by insurance, and risk of loss to the County would be limited to the deductibles on coverages.

##### **Component Unit - Road Commission**

In the normal course of its operations, the 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.

Also, as a part of its trunkline maintenance agreement with the State, 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 13 - CONTINGENT LIABILITIES - (cont'd):

#### Component Unit - Drainage District

In the normal course of its operations, the Drainage District often becomes a party to various claims and lawsuits. In the opinion of the Drainage District's legal counsel, if any of these claims should result in an unfavorable resolution to the Drainage District, the Drainage District'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 Drainage District.

### NOTE 14 - RISK MANAGEMENT:

#### Primary Government

The County maintains separate internal service funds to account for the costs of providing workers' compensation, unemployment, retirement, health insurance and health care savings and the resources to finance those costs. Each participating fund of the County makes payments to the respective internal service fund equal to an established percentage of gross salaries for that fund. These payments are accounted for as other services and charges in the paying fund and charges for services in the receiving fund. The settlements have not exceeded insurance coverage for each of the past three years for workers' compensation, health care and the risk covered through participation with the Michigan Municipal Risk Management Authority (MMRMA).

The County is completely self-insured for unemployment compensation and is self-insured for workers' compensation claims up to \$500,000 per occurrence. The County is insured for the amount of claims in excess of such limitation to a maximum of \$5,000,000. The County is then self-insured for annual aggregate claims in excess of insurance coverage.

In addition, the Primary Government and the Lapeer County Land Bank Authority (under County umbrella) are voluntary members of MMRMA, established pursuant to laws of the State 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, and is empowered with the authority to impose sanctions or terminate membership. The County, by resolution of the Board of Directors, has designated a representative to the 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 the County with loss protection for general and auto liability, motor vehicle physical damage, and property. Under most circumstances the County's maximum loss is limited as follows:

Type of Risk	Self-insured Retention
General and Auto Liability	\$ 75,000 per occurrence
Vehicle Physical Damage	15,000 per vehicle
	30,000 per occurrence

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 14 - RISK MANAGEMENT - (cont'd):

The County has also elected to be a member of the Stop Loss Program, which limits the County's self-insurance retention. For 2022, the Stop Loss Program limited the retention for the County to \$500,000 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 which exceed individual retention levels and are not covered under existing reinsurance agreements incurred by members. Losses incurred within the established limits are general obligations of MMRMA. In the event that the County incurs a loss in excess of the resources available, the County is liable for the excess.

Changes in the balance of accrued claims liabilities during the past two years are as follows:

	General and Auto Liability		Workers' Compensation			
			Primary Government, excluding MCF		Medical Care Facility	
	2022	2021	2022	2021	2022	2021
Unpaid claims, beginning of year	\$ 417,666	\$ 226,391	\$ 95,503	\$ 103,876	\$ 146,290	\$ 45,968
Incurring claims (including IBNR's)	162,371	328,136	162,371	48,730	219,556	145,263
Claims Paid	( 209,776)	( 136,861)	( 209,776)	( 57,103)	( 281,234)	( 44,941)
Unpaid claims, end of year	370,261	417,666	370,261	95,503	84,612	146,290
Less - current portion	( 25,000)	( 25,000)	( 25,000)	( 95,503)	( 84,612)	( 146,290)
Long-term Liabilities	<u>\$ 345,261</u>	<u>\$ 392,666</u>	<u>\$ 245,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### Component Unit - Road Commission

The Road Commission is exposed to various risks of loss related to property loss, torts, error and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Road Commission has acquired commercial insurance for health care claims. However, the Road Commission would be responsible for claims in excess of coverage limits. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Road Commission is partially self-funded for prescription drug and medical deductibles for pre-Medicare retirees. The Road Commission contracts with a separate third-party administrator to manage the partially self-funded prescription plan and the partially self-funded medical plan. Based on claims incurred, the Road Commission has determined an estimate at September 30, 2022 of unpaid incurred claims, including an estimate of claims incurred but not reported (IBNR), would not be significant and that an accrual was necessary.



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

### NOTE 14 - RISK MANAGEMENT - (cont'd):

Changes in the balance of the self-funded health claims provision for the years ended September 30 are as follows:

	<u>2022</u>	<u>2021</u>
Unpaid claims, beginning of year	\$ -	\$ -
Incurring claims (including IBNR's)	25,876	45,203
Claims paid	( 25,876)	( 45,203)
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

The Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool for claims relating to property loss, torts, and errors and omissions and County Road Commission Self-Insurance Fund for workers' compensation coverage. The pools operate as common risk-sharing management programs for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The Road Commission provides for its employee's dental/optical reimbursement programs for regular full-time employees, spouses, and dependent children under twenty-six (26) years of age. Based on their bargaining unit, employees may be reimbursed for dental and/or optical up to \$1,200 for bills or apply their reimbursement amount to the cost of the insurance premium.

### NOTE 15 - DEFERRED COMPENSATION:

The County, including its component units, offers its employees deferred compensation plans created in accordance with the Internal Revenue Code Section 457.

Trusts, custodial accounts, or annuity contract assets are owned or held by a 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. As a result, these deferred compensation plans are not reported as part of the County or its component units.

As part of its fiduciary role, the County, including its component units, has an obligation of due care in selecting the third-party administrator and believe they have acted in a prudent manner and are not liable for losses that may arise from the administration of the plan.

### NOTE 16 - NET POSITION/FUND BALANCE:

#### Net Investment in Capital Assets -

##### Governmental Activities:

Capital Assets	<u>\$ 19,648,531</u>
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##### Business-type Activities:

Capital Assets	<u>\$ 16,747,217</u>
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# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

#### Restricted Fund Balance/Net Position -

The fund balance and net position of the Primary Government have been restricted for the following purposes at December 31, 2022:

Governmental Activities -	Enabling Legislation	Other	Total
Acquisition/construction of capital assets:			
Construction	\$ -	\$ 3,802,244	\$ 3,802,444
Historic Courthouse	-	63,673	63,673
Middle Mile Project	-	2,988,334	<u>2,988,334</u>
			<u>6,854,451</u>
Health and Welfare:			
Community Mental Health	-	171,981	171,981
Health Department	128,161	-	128,161
Community Development	-	247,256	247,256
Veterans' Trust	-	192	192
Veterans' Relief	-	433,071	433,071
Senior Millage	-	213,281	213,281
Soil and Sedimentation	-	61,098	61,098
Lapeer Family Continuation	-	43,839	43,839
Opioid Settlement	-	273,350	273,350
Specialty Courts	96	-	<u>96</u>
			<u>1,572,325</u>
Public Safety:			
911 Service	1,517,819	-	1,517,819
TNU	-	578,179	578,179
Forfeitures	-	193,088	<u>193,088</u>
			<u>2,289,086</u>
Public Works:			
American Rescue Plan	350	-	<u>350</u>
General Government:			
Budget Stabilization	2,693,146	-	2,693,146
Register of Deeds Automation	820,409	-	820,409
Concealed Pistol Licensing	118,878	-	<u>118,878</u>
			<u>3,632,433</u>
Other:			
Friend of Court	-	152,231	152,231
Family Marriage Counseling	105,333	-	105,333
Remonumentation	-	954	<u>954</u>
			<u>258,518</u>
Total Restricted Fund Balance - Governmental Funds			14,607,163
Unavailable Revenues - Health and Welfare -			
Opioid Settlement			1,320,800
Community Development			<u>557,405</u>
			<u>1,878,205</u>
Total Restricted Net Position - Governmental Activities			<u>\$ 16,485,368</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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

	Enabling Legislation	Other	Total
<b>Business-type Activities -</b>			
Foreclosure sales	\$ 3,897,377	\$ -	\$ 3,897,377
Treasurer's office administration	195,517	-	<u>195,517</u>
Total Restricted Net Position - Business-type Activities			<u>\$ 4,092,894</u>

### Committed Fund Balances -

At December 31, 2022, the County Controller/Administrator had committed the following fund balances:

#### Major Funds -

##### General Fund -

##### General Government -

Local Reserve	\$ 1,394,453
Emergency Disaster	34,100
Rental Property	<u>4,489</u>
	<u>1,433,042</u>

##### Community Mental Health -

Health and Welfare	<u>1,988,128</u>
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#### Nonmajor Funds -

##### Judicial -

Law Library	14,660
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##### Public Safety -

Animal Control	38,471
Disaster Contingency	102,648
Police Service Contracts	106,902
Law Enforcement Programs	56,791
Law Enforcement Grants	120,805
Community Corrections	1,246

##### Health and Welfare -

Health Department	822,536
Senior Activities	12,677
Rubbish Collection	359
Child Care	380,638

##### Recreation and Cultural -

Parks/Recreation	6,117
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##### Acquisition/Construction of Capital Assets -

Capital Projects	<u>5,477</u>
	<u>1,669,327</u>

Total Committed Fund Balance	<u>\$ 5,090,497</u>
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## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022**

#### **NOTE 17 - EMPLOYEE RETENTION CREDIT:**

The CARES Act created an Employee Retention Credit (“ERC”), which is available to eligible employers who retained employees during the COVID-19 pandemic. Employers who qualify may claim a tax credit against 70 percent of qualified 2021 wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through September 30, 2021. The County’s Medical Care Facility qualified for the tax credit under the CARES Act for the first and second quarter of 2021, and it was accounted for as a governmental contribution. As a result, the County recorded a receivable of \$5,982,095 and recorded the Employee Retention Credit on the 2021 statements of net position and revenues, expenses, and changes in net position in the Medical Care Facility Fund. As of December 31, 2022 and through the date of this report, the credit has not been received.

#### **NOTE 18 - TAX ABATEMENTS:**

The County has received reduced property tax revenues during 2022 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 \$35,500, \$2,000, \$5,600 in reduced County tax revenues in the General Fund, Medical Care Facility Fund, and Special Revenue Funds, respectively, for 2022.

#### **NOTE 19 - OPIOID SETTLEMENT:**

The County is a part of a \$21 billion settlement reached to resolve the opioids litigation brought by the states and local political subdivisions against the three largest pharmaceutical distributors and their parent company. The settlement terms vary by entity; however, the County anticipates receiving eighteen installments from the distributors and eleven from the parent company. The County received two installments from the distributors and five from the parent company in early 2023 in the amount of \$273,350. The County has allocated approximately 0.00989% of the total State of Michigan settlement. The County expects to receive \$2,256,106 from the distributors and parent company.

As a result of the payment terms, the receivable for the settlement agreements was recorded at the net present value using a discount rate of 3% for payments to be received subsequent to 2023. The net present value of the settlement payments to be received as of December 31, 2022 is \$1,594,150.

There have been additional settlements with pharmacies and manufacturers in 2022; however, as of December 31, 2022, the amounts to be allocated to and collected by the County have not been determined, and as such, no amounts relating to these settlements are reported in these financial statements.

## LAPEER COUNTY, MICHIGAN

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

#### NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE:

For the year ended December 31, 2022, the DPW implemented GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this statement is to clarify and eliminate diversity of reporting of this type of debt. In accordance with this statement, the receivable due from the townships and villages and the bond liability have been removed from the statement of net position. There has been no change in fund balance or net position with the implementation of this statement; however, contracts receivable and bonds payable of \$1,197,562 was removed from the financial statements as of January 1, 2022.

The County and Road Commission implemented GASB Statement No. 87, *Leases*. 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 County's leasing. There was no effect on the beginning fund balance or net position. At January 1, 2022, the County is reporting leases meeting the criteria of the standard that was entered into prior to 2022 with a right-to-use asset and lease liability of \$467,676 and \$205,810 in the governmental activities and business-type activities, respectively, and a lease receivable and deferred inflow of resources of \$619,638 in the governmental activities.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget			Variance with Amended Budget Positive (Negative)
	Original	Amended	Actual	
<b>Revenues:</b>				
Taxes	\$ 11,631,460	\$ 12,234,302	\$ 12,528,708	\$ 294,406
Licenses and permits	2,000	2,000	2,948	948
Intergovernmental	2,757,028	3,148,519	2,841,669	( 306,850)
Charges for services	1,861,125	2,246,125	2,437,539	191,414
Fines and forfeits	125,000	125,000	150,931	25,931
Interest and rent	260,712	( 339,288)	( 381,550)	( 42,262)
Other	3,112,198	3,180,652	2,936,839	( 243,813)
Total Revenues	<u>19,749,523</u>	<u>20,597,310</u>	<u>20,517,084</u>	<u>( 80,226)</u>
<b>Expenditures:</b>				
Legislative -				
Board of Commissioners	<u>376,538</u>	<u>376,538</u>	<u>368,096</u>	<u>8,442</u>
Judicial -				
Circuit Court	1,857,258	1,857,258	1,623,650	233,608
District Court	1,774,700	1,774,700	1,737,662	37,038
Jury Board	7,292	7,292	5,802	1,490
Indigent Counsel	160,000	160,000	151,354	8,646
Prosecuting Attorney	1,369,308	1,369,308	1,242,914	126,394
Probation	31,162	31,162	29,625	1,537
	<u>5,199,720</u>	<u>5,199,720</u>	<u>4,791,007</u>	<u>408,713</u>
General Government -				
Administrator	307,098	309,043	307,794	1,249
Elections	284,067	284,067	182,476	101,591
Professional Services	387,000	187,000	133,740	53,260
County Clerk	757,295	757,295	721,459	35,836
Tax Equalization	269,372	333,392	332,097	1,295
County Treasurer	404,032	404,032	350,556	53,476
Information Technology	450,000	450,000	416,397	33,603
Accounting	466,723	464,778	409,036	55,742
Building Operations	461,460	461,840	400,324	61,516
Building and Grounds	858,308	857,928	802,888	55,040
Public Works Activity	263,208	263,208	251,450	11,758
Boundary Commission	400	400	-	400
County Memberships and Dues	14,800	14,800	14,269	531
Insurance	530,000	549,000	548,360	640
Lapeer Development Corporation	10,000	10,000	10,000	-
	<u>5,463,763</u>	<u>5,346,783</u>	<u>4,880,846</u>	<u>465,937</u>

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget			Variance with Amended Budget Positive (Negative)
	Original	Amended	Actual	
<b>Expenditures (cont'd):</b>				
Public Safety -				
Sheriff	\$ 3,700,622	\$ 3,700,622	\$ 3,451,464	\$ 249,158
Training	9,500	9,500	5,421	4,079
Emergency Services	1,000	1,000	-	1,000
Corrections/Jail	3,746,603	3,697,603	3,693,568	4,035
	<u>7,457,725</u>	<u>7,408,725</u>	<u>7,150,453</u>	<u>258,272</u>
Public Works -				
Road Commission	305,000	305,000	289,393	15,607
Drain Public Benefit	200,000	309,000	308,943	57
	<u>505,000</u>	<u>614,000</u>	<u>598,336</u>	<u>15,664</u>
Health and Welfare -				
Medical Examiner	98,000	98,000	96,000	2,000
	<u>98,000</u>	<u>98,000</u>	<u>96,000</u>	<u>2,000</u>
Community and Economic Development -				
Conservation Activities	2,500	2,500	-	2,500
Register of Deeds	344,366	344,366	320,245	24,121
MSU Extension	178,173	178,173	172,743	5,430
	<u>525,039</u>	<u>525,039</u>	<u>492,988</u>	<u>32,051</u>
Total Expenditures	<u>19,625,785</u>	<u>19,568,805</u>	<u>18,377,726</u>	<u>1,191,079</u>
Revenues Over Expenditures	<u>123,738</u>	<u>1,028,505</u>	<u>2,139,358</u>	<u>1,110,853</u>

Continued



# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance with Amended Budget Positive (Negative)
	Original	Amended		
<b>Other Financing Sources (Uses):</b>				
Transfer In	\$ 2,000,000	\$ 2,000,000	\$ 500,000	\$( 1,500,000)
Transfers Out:				
Special Revenue Funds -				
Parks/Recreation	\$ -	\$( 80,000)	\$( 80,000)	\$ -
Friend of the Court	( 499,376)	( 499,376)	( 499,376)	-
Health Department	( 340,630)	( 367,630)	( 356,146)	11,484
Community Mental Health	( 202,900)	( 202,900)	( 202,900)	-
Animal Control	( 90,000)	( 168,000)	( 167,233)	767
Rubbish Collection	( 10,000)	( 10,000)	( 10,000)	-
Disaster Contingency	( 49,000)	( 49,000)	( 29,400)	19,600
Indigent Defense	( 108,771)	( 110,106)	( 110,106)	-
Community Corrections	( 25,000)	( 29,000)	( 28,939)	61
Police Service Contracts	( 490,000)	( 507,000)	( 506,681)	319
Law Enforcement Programs	( 1,872)	( 1,872)	( 887)	985
Law Enforcement Grants	( 80,000)	( 85,000)	( 83,534)	1,466
Law Library	( 4,500)	( 4,500)	( 4,500)	-
Child Care	( 500,000)	( 500,000)	( 420,000)	80,000
Juvenile Grant	-	-	( 5,118)	( 5,118)
Rental Property	-	-	( 5,000)	( 5,000)
County Community Collaborative	( 18,500)	( 18,500)	( 18,500)	-
	( 2,420,549)	( 2,632,884)	( 2,528,320)	104,564
Internal Service Funds -				
Building and Grounds	( 140,000)	( 145,000)	( 138,243)	6,757
Total Transfers Out	( 2,560,549)	( 2,777,884)	( 2,666,563)	111,321
Total Other Financing Sources (Uses)	( 560,549)	( 777,884)	( 2,166,563)	( 1,388,679)
Net Change in Fund Balance	( 436,811)	250,621	( 27,205)	( 277,826)
Fund Balance at beginning of year	4,929,857	4,929,857	4,929,857	-
Fund Balance at end of year	\$ 4,493,046	\$ 5,180,478	\$ 4,902,652	\$( 277,826)

### Reconciliation of Budget-Basis to GAAP-Basis Reporting:

Net Change in General Fund Fund Balance - Budgetary Basis \$( 27,205)

#### Perspective Difference -

Other Budgeted Funds Net Change Allocated to the  
General Fund for GAAP-Basis General Fund:

Local Reserve	( 20,413)
Budget Stabilization	( 67,873)
Rental Property	( 2,133)

Net Change in General Fund Fund Balance - GAAP-Basis \$( 117,624)

Concluded

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - COMMUNITY MENTAL HEALTH FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance with Amended Budget Positive (Negative)
	Original	Amended		
<b>Revenues:</b>				
Intergovernmental	\$ 1,209,139	\$ 1,276,892	\$ 1,177,618	\$( 99,274)
Charges for services	25,140,293	25,850,177	25,311,072	( 539,105)
Interest	1,500	1,500	3,768	2,268
Other	121,566	123,566	152,781	29,215
Total Revenues	26,472,498	27,252,135	26,645,239	( 606,896)
<b>Expenditures:</b>				
Health and welfare	26,853,402	27,519,715	27,485,013	34,702
Revenues under expenditures	( 380,904)	( 267,580)	( 839,774)	( 572,194)
<b>Other Financing Sources:</b>				
Transfers in	380,904	267,580	267,580	-
Proceeds from lease obligations	-	-	432,160	432,160
Total Other Financing Sources (Uses)	380,904	267,580	699,740	432,160
Net Change in Fund Balance	-	-	( 140,034)	( 140,034)
Fund Balance at beginning of year	2,359,547	2,359,547	2,359,547	-
Fund Balance at end of year	<u>\$ 2,359,547</u>	<u>\$ 2,359,547</u>	<u>\$ 2,219,513</u>	<u>\$( 140,034)</u>

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - 911 SERVICE FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget			Variance with Amended Budget Positive (Negative)
	Original	Amended	Actual	
<b>Revenues:</b>				
Charges for services	\$ 2,517,927	\$ 2,517,927	\$ 2,567,914	\$ 49,987
Rents	16,000	16,000	17,920	1,920
Interest	175	175	9,689	9,514
Total Revenues	<u>2,534,102</u>	<u>2,534,102</u>	<u>2,595,523</u>	<u>61,421</u>
<b>Expenditures:</b>				
Public safety	<u>2,534,102</u>	<u>2,534,102</u>	<u>2,058,943</u>	<u>475,159</u>
Net Change in Fund Balance	-	-	536,580	536,580
Fund Balance at beginning of year	<u>981,239</u>	<u>981,239</u>	<u>981,239</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 981,239</u></u>	<u><u>\$ 981,239</u></u>	<u><u>\$ 1,517,819</u></u>	<u><u>\$ 536,580</u></u>

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - AMERICAN RESCUE PLAN FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget			Variance with Amended Budget Positive (Negative)
	Original	Amended	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 1,900,000	\$ 1,530,827	\$( 369,173)
<b>Expenditures:</b>				
General Government	-	1,650,000	1,499,112	150,888
Public Safety	-	70,000	59,471	10,529
Recreation and Cultural	-	80,000	61,894	18,106
Total Expenditures	-	1,800,000	1,620,477	179,523
Revenues under expenditures	-	100,000	( 89,650)	( 189,650)
<b>Other Financing Sources:</b>				
Transfers in	-	-	90,000	90,000
Net Change in Fund Balance	-	100,000	350	( 99,650)
Fund Balance at beginning of year	-	-	-	-
Fund Balance at end of year	\$ -	\$ 100,000	\$ 350	\$( 99,650)

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. The General Fund budgetary comparison schedule (non-GAAP budgetary basis) on pages 80-82 is presented on the same basis of accounting as that used in preparing the adopted budget. The County budgets the activities of the Local Reserve Fund, Budget Stabilization Fund, Emergency Disaster Fund and Rental Property Fund separately from the General Fund. However, the activities of the above mentioned funds are combined with the General Fund non-GAAP budgetary basis presentation to establish for financial reporting purposes the GAAP basis General Fund basic financial statement as required by GASB Statement No. 54.
2. The budgets for the Community Mental Health Fund, 911 Service Fund and American Rescue Plan Fund (major special revenue funds) shown on pages 83-85 as required supplementary information was 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.

# LAPEER COUNTY, MICHIGAN

## MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS FISCAL YEARS

	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service Cost	\$ 2,974,679	\$ 2,705,035	\$ 2,715,927	\$ 2,537,563
Interest	10,974,940	10,304,084	9,659,690	9,770,323
Differences between expected and actual experience	( 2,083,879)	1,529,789	( 546,018)	( 431,728)
Changes in assumptions	6,137,287	6,941,075	3,637,609	-
Benefit payments, including refunds	( 8,070,299)	( 7,418,211)	( 6,698,310)	( 6,243,668)
Other	( 197,914)	( 411,988)	75,377	( 522,212)
	<u>9,734,814</u>	<u>13,649,784</u>	<u>8,844,275</u>	<u>5,110,278</u>
Change in total pension liability				
Total pension liability, beginning of year	<u>151,586,431</u>	<u>137,936,647</u>	<u>129,092,372</u>	<u>123,982,094</u>
Total pension liability, end of year	<u><u>\$ 161,321,245</u></u>	<u><u>\$ 151,586,431</u></u>	<u><u>\$ 137,936,647</u></u>	<u><u>\$ 129,092,372</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 5,121,068	\$ 4,332,283	\$ 4,214,710	\$ 5,962,671
Contributions - Member	238,955	241,129	258,813	248,848
Net investment income (loss)	( 14,298,306)	17,365,621	14,313,145	13,398,428
Benefit payments, including refunds	( 8,070,299)	( 7,418,211)	( 6,698,310)	( 6,243,668)
Administrative expenses	( 254,461)	( 199,254)	( 224,195)	( 230,899)
	<u>( 17,263,043)</u>	<u>14,321,568</u>	<u>11,864,163</u>	<u>13,135,380</u>
Net change in plan fiduciary net position				
Plan fiduciary net position, beginning of year	<u>138,216,010</u>	<u>123,894,442</u>	<u>112,030,279</u>	<u>98,894,899</u>
Plan fiduciary net position, end of year	<u><u>\$ 120,952,967</u></u>	<u><u>\$ 138,216,010</u></u>	<u><u>\$ 123,894,442</u></u>	<u><u>\$ 112,030,279</u></u>
<b>Lapeer County Net Pension Liability - Ending</b>	<u><u>\$ 40,368,278</u></u>	<u><u>\$ 13,370,421</u></u>	<u><u>\$ 14,042,205</u></u>	<u><u>\$ 17,062,093</u></u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	74.98%	91.18%	89.82%	86.78%
<b>Covered Payroll</b>	\$ 30,307,527	\$ 31,712,640	\$ 31,661,130	\$ 31,377,727
<b>Lapeer County's Net Pension Liability as a Percentage of Covered Payroll</b>	133.2%	42.2%	44.4%	54.4%

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>
\$ 2,474,800	\$ 2,343,842	\$ 2,366,432	\$ 2,222,044
9,438,989	9,085,570	8,239,642	8,069,877
( 1,532,225)	( 1,053,532)	952,237	-
-	-	4,501,823	-
( 5,827,825)	( 5,499,092)	( 5,149,683)	( 4,718,473)
( 235,517)	( 360,167)	( 150,347)	( 251,209)
<u>4,318,222</u>	<u>4,516,621</u>	<u>10,760,104</u>	<u>5,322,239</u>
<u>119,663,872</u>	<u>115,147,251</u>	<u>104,387,147</u>	<u>99,064,908</u>
<u>\$ 123,982,094</u>	<u>\$ 119,663,872</u>	<u>\$ 115,147,251</u>	<u>\$ 104,387,147</u>
\$ 5,317,378	\$ 4,101,123	\$ 5,606,378	\$ 3,567,407
236,838	299,588	222,971	224,328
( 4,056,159)	12,177,411	9,434,600	( 1,271,123)
( 5,827,825)	( 5,499,092)	( 5,149,683)	( 4,718,473)
( 200,366)	( 192,484)	( 185,747)	( 185,343)
( 4,530,134)	10,886,546	9,928,519	( 2,383,204)
<u>103,425,033</u>	<u>92,538,487</u>	<u>82,609,968</u>	<u>84,993,172</u>
<u>\$ 98,894,899</u>	<u>\$ 103,425,033</u>	<u>\$ 92,538,487</u>	<u>\$ 82,609,968</u>
<u>\$ 25,087,195</u>	<u>\$ 16,238,839</u>	<u>\$ 22,608,764</u>	<u>\$ 21,777,179</u>
79.77%	86.43%	80.37%	79.14%
\$ 29,624,749	\$ 29,081,885	\$ 26,625,465	\$ 26,625,465
84.7%	55.84%	84.91%	81.79%

# LAPEER COUNTY, MICHIGAN

## MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN SCHEDULE OF CONTRIBUTIONS FISCAL YEARS

For the year ended December 31,	Actuarially Determined Contributions (ADC)	Contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2022	\$ 5,439,504	\$ 5,121,068	\$ 318,436	\$ 30,307,527	16.90%
2021	4,533,576	4,332,283	201,293	31,681,242	13.67%
2020	3,990,480	4,214,710	( 224,230)	31,661,130	13.31%
2019	3,882,511	5,962,671	( 2,080,160)	29,766,267	20.03%
2018	3,717,378	5,317,378	( 1,600,000)	28,965,529	18.36%
2017	3,601,123	4,101,123	( 500,000)	27,580,728	14.87%
2016	2,822,340	5,606,378	( 2,784,038)	28,034,436	20.00%
2015	3,089,610	3,567,407	( 477,797)	28,184,024	12.66%

**Valuation Date:** December 31 two years prior to the end of the fiscal year

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll, open
Remaining amortization period	17 years
Asset valuation method	5-year smoothed market value
Salary increases	3.00%
Investment rate of return	7.00%
Retirement age	Replacement Index up to age 70, then 100%
Mortality	Pub-2010 Mortality Table fully generational mortality improvements projected with Scale MP-2019

GASB Statement 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.

## **SUPPLEMENTARY INFORMATION**



**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET SCHEDULE  
GENERAL FUND  
DECEMBER 31, 2022**

	General Fund (Budgetary Basis)	Local Reserve	Budget Stabilization	Emergency Disaster
<b>Assets:</b>				
Cash and cash equivalents	\$ 832,290	\$ 862,619	\$ 1,040,866	\$ 34,100
Investments	10,898,250	530,677	1,649,459	-
Receivables -				
Property taxes	1,125,635	-	-	-
Accounts and interest	35,830	1,157	2,821	-
Leases	454,440	-	-	-
Due from other governmental units	383,367	-	-	-
Due from other funds	-	-	-	-
Deposits with agent	267,521	-	-	-
Advances to other funds	25,000	-	-	-
Advances to component units	90,000	-	-	-
Prepays	18,122	-	-	-
	<u>14,130,455</u>	<u>1,394,453</u>	<u>2,693,146</u>	<u>34,100</u>
Total Assets	\$ 14,130,455	\$ 1,394,453	\$ 2,693,146	\$ 34,100
<b>Liabilities:</b>				
Accounts payable	\$ 784,216	\$ -	\$ -	\$ -
Accrued liabilities	196,829	-	-	-
Due to other governmental units	189,062	-	-	-
Due to individuals and agencies	667,335	-	-	-
Due to other funds	29,915	-	-	-
Interfund payables	6,880,744	-	-	-
Total Liabilities	<u>8,748,101</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Leases	454,440	-	-	-
Unavailable revenues - Grants	25,262	-	-	-
	<u>479,702</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>				
Nonspendable - Advances/prepays	400,643	-	-	-
Restricted	-	-	2,693,146	-
Committed	-	1,394,453	-	34,100
Assigned	500,000	-	-	-
Unassigned	4,002,009	-	-	-
Total Fund Balance	<u>4,902,652</u>	<u>1,394,453</u>	<u>2,693,146</u>	<u>34,100</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,130,455	\$ 1,394,453	\$ 2,693,146	\$ 34,100

<u>Rental Property</u>	<u>General Fund (GAAP-Basis)</u>
\$ 343	\$ 2,770,218
-	13,078,386
-	1,125,635
-	39,808
-	454,440
4,241	387,608
-	-
-	267,521
-	25,000
-	90,000
-	18,122
<u>\$ 4,584</u>	<u>\$ 18,256,738</u>
\$ 95	\$ 784,311
-	196,829
-	189,062
-	667,335
-	29,915
-	6,880,744
<u>95</u>	<u>8,748,196</u>
-	454,440
-	25,262
<u>-</u>	<u>479,702</u>
-	400,643
-	2,693,146
4,489	1,433,042
-	500,000
-	4,002,009
<u>4,489</u>	<u>9,028,840</u>
<u>\$ 4,584</u>	<u>\$ 18,256,738</u>

**LAPEER COUNTY, MICHIGAN**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**

**GENERAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

	General Fund (Budgetary Basis)	Local Reserve	Budget Stabilization	Emergency Disaster
<b>Revenues:</b>				
Taxes	\$ 12,528,708	\$ -	\$ -	\$ -
Licenses and permits	2,948	-	-	-
Intergovernmental	2,841,669	-	-	-
Charges for services	2,437,539	-	-	-
Fines and forfeits	150,931	-	-	-
Rents	163,760	-	-	-
Interest	( 545,310)	1,157	2,820	-
Other	2,936,839	-	-	-
Total Revenues	<u>20,517,084</u>	<u>1,157</u>	<u>2,820</u>	<u>-</u>
<b>Expenditures:</b>				
Current -				
Legislative	368,096	-	-	-
Judicial	4,791,007	-	-	-
General government	4,880,846	-	70,693	-
Public safety	7,150,453	-	-	-
Public works	598,336	-	-	-
Health and welfare	96,000	21,570	-	-
Community and economic development	492,988	-	-	-
Total Expenditures	<u>18,377,726</u>	<u>21,570</u>	<u>70,693</u>	<u>-</u>
Revenues over (under) expenditures	<u>2,139,358</u>	<u>( 20,413)</u>	<u>( 67,873)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	500,000	-	-	-
Transfers out	( 2,666,563)	-	-	-
Total Other Financing Sources (Uses)	<u>( 2,166,563)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	( 27,205)	( 20,413)	( 67,873)	-
Fund Balances at beginning of year	<u>4,929,857</u>	<u>1,414,866</u>	<u>2,761,019</u>	<u>34,100</u>
Fund Balances at end of year	<u>\$ 4,902,652</u>	<u>\$ 1,394,453</u>	<u>\$ 2,693,146</u>	<u>\$ 34,100</u>

<u>Rental Property</u>	<u>Eliminations</u>	<u>General Fund (GAAP-Basis)</u>
\$ -	\$ -	\$ 12,528,708
-	-	2,948
-	-	2,841,669
-	-	2,437,539
-	-	150,931
66,691	-	230,451
-	-	( 541,333)
-	-	2,936,839
<u>66,691</u>	<u>-</u>	<u>20,587,752</u>
-	-	368,096
-	-	4,791,007
9,144	-	4,960,683
-	-	7,150,453
-	-	598,336
-	-	117,570
-	-	492,988
<u>9,144</u>	<u>-</u>	<u>18,479,133</u>
<u>57,547</u>	<u>-</u>	<u>2,108,619</u>
5,000	( 5,000)	500,000
<u>( 64,680)</u>	<u>5,000</u>	<u>( 2,726,243)</u>
<u>( 59,680)</u>	<u>-</u>	<u>( 2,226,243)</u>
( 2,133)	-	( 117,624)
<u>6,622</u>	<u>-</u>	<u>9,146,464</u>
<u>\$ 4,489</u>	<u>\$ -</u>	<u>\$ 9,028,840</u>

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GAAP BASIS COMPONENTS OF THE GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2022

	Amended Budget	Actual	Variance Positive (Negative)
<b>LOCAL RESERVE</b>			
<b>Revenues:</b>			
Interest	\$ 10,000	\$ 1,157	\$( 8,843)
<b>Expenditures:</b>			
Health and welfare	<u>386</u>	<u>21,570</u>	<u>( 21,184)</u>
Revenues over (under) expenditures	9,614	( 20,413)	( 30,027)
<b>Other Financing Uses:</b>			
Transfers out	<u>( 9,614)</u>	<u>-</u>	<u>9,614</u>
Net Change in Fund Balance	-	( 20,413)	( 20,413)
Fund Balance at beginning of year	<u>1,414,866</u>	<u>1,414,866</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,414,866</u></u>	<u><u>\$ 1,394,453</u></u>	<u><u>\$( 20,413)</u></u>

### BUDGET STABILIZATION

<b>Revenues:</b>			
Interest	\$ 120,000	\$ 2,820	\$( 117,180)
<b>Expenditures:</b>			
General Government	<u>20,000</u>	<u>70,693</u>	<u>( 50,693)</u>
Revenues over (under) expenditures	100,000	( 67,873)	( 167,873)
<b>Other Financing Uses:</b>			
Transfers Out	<u>( 100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balance	-	( 67,873)	( 67,873)
Fund Balance at beginning of year	<u>2,761,019</u>	<u>2,761,019</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 2,761,019</u></u>	<u><u>\$ 2,693,146</u></u>	<u><u>\$( 67,873)</u></u>

### EMERGENCY DISASTER

Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance at beginning of year	<u>34,100</u>	<u>34,100</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 34,100</u></u>	<u><u>\$ 34,100</u></u>	<u><u>\$ -</u></u>

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GAAP BASIS COMPONENTS OF THE GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Amended Budget	Actual	Variance Positive (Negative)
<b>RENTAL PROPERTY</b>			
<b>Revenues:</b>			
Rent	\$ 73,830	\$ 66,691	\$( 7,139)
<b>Expenditures:</b>			
General government	<u>15,000</u>	<u>9,144</u>	<u>5,856</u>
Revenues over expenditures	<u>58,830</u>	<u>57,547</u>	<u>( 1,283)</u>
<b>Other Financing Uses:</b>			
Transfers in	-	5,000	5,000
Transfers out	<u>( 58,830)</u>	<u>( 64,680)</u>	<u>( 5,850)</u>
Total other financing sources (uses)	<u>( 58,830)</u>	<u>( 59,680)</u>	<u>( 850)</u>
Net Change in Fund Balance	-	( 2,133)	( 2,133)
Fund Balance at beginning of year	<u>6,622</u>	<u>6,622</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 6,622</u></u>	<u><u>\$ 4,489</u></u>	<u><u>\$( 2,133)</u></u>

Note: The schedules presented above provide the budgetary comparisons for the special revenue funds that are combined with the General Fund for the financial statement presentation required by GASB Statement No. 54.

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

The Special Revenue Funds of the County are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects.

The Nonmajor Special Revenue Funds of the County are as follows:

**Parks/Recreation** - is used to account for the operations of the County Park System financed primarily with charges for services. Other sources of support are provided by a General Fund appropriation.

**Polly Ann Trail** - is used to account for grants to develop old railroad right-of-ways into walking and hiking trails.

**Friend of the Court** - is used to account for the revenues and expenditures of the Friend of the Court office required in 1982 under Public Acts 294 through 298. A significant amount of the financing of operations is from federal and state sources in the form of grant funding. Other sources of revenue include fees and General Fund appropriations.

**Family Marriage 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.

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

**Senior Activities** - is used to account for the federal and state funded grant program to provide in-home services to eligible recipients. Other sources of support are provided by a transfer from the Senior Millage Fund.

**Animal Control** - is used to account for the operations of providing public safety services associated with the control of domestic and wild animals within the County and is funded primarily by licenses and fees.

**Rubbish Collection** - is used to account for the operations of providing services associated with the control of environment recycling of solid waste, clean sweep, and waste management within the County.

**Remonumentation** - is used to account for funds received from Michigan Department of Labor & Economic Growth, Bureau of Construction Codes & Fire Safety Office of Land Survey and Remonumentation.

**Register of Deeds Automation** - is used to account for the charges for services set aside for the updating and streamlining of the records system in the Register of Deeds office.

**Emergency Management** - is used to account for the costs of assuring that the County is ready and prepared for any emergency disasters and is primarily funded through federal and state grants.

**Forfeitures** - is used to account for seized drug forfeitures and confiscated property earmarked for drug law enforcement under the provision of Public Act 135 of 1985.

**Law Library** - is used to account for penal fines earmarked for maintaining a law library. The County also supplements the operations with General Fund appropriations.

**Community Development** - is used to account for programs which benefit the members of the community. The funding is primarily federal grants for qualified housing renovations and charges for services.

**Social Welfare** - is used to maintain the operations of the County Family Independence Agency. The Agency administers programs financed primarily with federal and state funds to provide assistance to enable eligible recipients to gain self-sufficiency.

**Child Care** - is used to account for court-ordered services for the health and welfare of minor children. Financing is provided by state matching of certain eligible costs. Other sources of support are provided by a General Fund appropriation and charges for services.

**Veterans' Trust** - is used to account for the operations of providing aid to veterans. This fund is required by state law and financed by state grants.

**Veterans' Relief** - is used to account for an ad valorem voted property tax millage to provide programs for veterans.

**Senior Millage** - is used to account for an ad valorem voted property tax millage and the distribution to various funds and agencies that provide programs for seniors.

**Soil & Sedimentation Special Projects** - is used to account for operations of providing soil and sedimentation enforcement and inspection services. Financing is provided by permits, fines, and General Fund appropriations.

**CARES ACT** - is used to account for activities funded by the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

**Concealed Pistol Licensing** - is used to account for pistol license fees under the provision of Public Act 3 of 2015.

**Indigent Defense** - is used, as required by State statute, to develop and implement minimum standards for those providing indigent defense services and to collect data, support compliance, administer grants, and encourage best practices to accomplish their mission.

The remaining special revenue funds are Community Corrections, T.N.U., Police Service Contracts, Law Enforcement Programs, Law Enforcement, Multi Purpose Collaborative Body, Lapeer Family Continuation Coordinator, Specialty Court, Prosecuting Attorney, Juvenile Grant, and Opioid Settlement. These funds are utilized to maintain various programs and activities financed primarily with federal and state grants, charges for services, and fines and forfeits.

## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds of the County are used to account for restricted resources to be used for the acquisition or construction of capital assets. The Capital Projects Funds of the County are as follows:

**911 Service Construction** - is used to account for the accumulation of bond proceeds and earnings to finance the cost of acquiring and updating facilities and equipment associated with the 911 Service Central Dispatch System.

**Capital Construction/Improvement** - is used to account for the construction costs associated with the development and furnishing of the County Complex.

**Old Courthouse** - is used to account for other revenue sources provided to fund the ongoing renovation project of the Historic County Courthouse.

**Middle Mile Project** - is used to account for other revenue sources provided to fund the ongoing project of establishing accessible highspeed internet across the County.

## **DEBT SERVICE FUND**

**911 Service Debt** - is used to account for the accumulation of property taxes and earnings and the payment of principal, interest and related cost of bonded debt associated with the construction of 911 Service Central Dispatch System.



**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	Special Revenue Funds				
	Parks/ Recreation	Polly Ann Trail	Friend of the Court	Family Marriage Counseling	Health Department
<b>Assets:</b>					
Cash and cash equivalents	\$ 31,417	\$ -	\$ 31,702	\$ 105,333	\$ 2,100,155
Receivables (net of allowance) -					
Property taxes	-	-	-	-	-
Accounts and interest	-	-	-	-	49,862
Due from other governmental units	-	-	273,091	-	158,763
Due from other funds	-	-	-	-	21,240
Deposits with agent	-	-	-	-	-
Prepays	-	-	-	-	2,537
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,537</u>
Total Assets	<u>\$ 31,417</u>	<u>\$ -</u>	<u>\$ 304,793</u>	<u>\$ 105,333</u>	<u>\$ 2,332,557</u>
<b>Liabilities:</b>					
Accounts payable	\$ 300	\$ -	\$ 20,329	\$ -	\$ 166,293
Accrued liabilities	-	-	21,207	-	91,650
Due to other governmental units	-	-	-	-	986,924
Due to other funds	-	-	2,707	-	-
Interfund payables	-	-	-	-	-
Advances from other funds	25,000	-	-	-	-
Unearned revenues	-	-	-	-	-
Total Liabilities	<u>25,300</u>	<u>-</u>	<u>44,243</u>	<u>-</u>	<u>1,244,867</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	108,319	-	134,456
Taxes levied for subsequent period	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>108,319</u>	<u>-</u>	<u>134,456</u>
<b>Fund Balance:</b>					
Nonspendable - Prepays	-	-	-	-	2,537
Restricted	-	-	152,231	105,333	128,161
Committed	6,117	-	-	-	822,536
Total Fund Balance	<u>6,117</u>	<u>-</u>	<u>152,231</u>	<u>105,333</u>	<u>953,234</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 31,417</u>	<u>\$ -</u>	<u>\$ 304,793</u>	<u>\$ 105,333</u>	<u>\$ 2,332,557</u>

Special Revenue Funds

Senior Activities	Animal Control	Rubbish Collection	Remonumentation	Register of Deeds Automation	Disaster Contingency	Community Corrections
\$ 24,404	\$ 44,756	\$ 359	\$ 1,254	\$ 822,604	\$ 51,199	\$ 2,231
-	-	-	-	-	-	-
-	-	-	-	-	-	-
37,668	-	-	38,951	-	51,890	43,460
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	23,088	-
<u>\$ 62,072</u>	<u>\$ 44,756</u>	<u>\$ 359</u>	<u>\$ 40,205</u>	<u>\$ 822,604</u>	<u>\$ 126,177</u>	<u>\$ 45,691</u>
\$ 25,756	\$ 1,734	\$ -	\$ 300	\$ 2,195	\$ -	\$ 25,682
23,639	4,008	-	-	-	414	4,933
-	-	-	-	-	-	-
-	543	-	-	-	27	13,830
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>49,395</u>	<u>6,285</u>	<u>-</u>	<u>300</u>	<u>2,195</u>	<u>441</u>	<u>44,445</u>
-	-	-	38,951	-	-	-
-	-	-	-	-	-	-
-	-	-	<u>38,951</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	23,088	-
-	-	-	954	820,409	-	-
<u>12,677</u>	<u>38,471</u>	<u>359</u>	<u>-</u>	<u>-</u>	<u>102,648</u>	<u>1,246</u>
<u>12,677</u>	<u>38,471</u>	<u>359</u>	<u>954</u>	<u>820,409</u>	<u>125,736</u>	<u>1,246</u>
<u>\$ 62,072</u>	<u>\$ 44,756</u>	<u>\$ 359</u>	<u>\$ 40,205</u>	<u>\$ 822,604</u>	<u>\$ 126,177</u>	<u>\$ 45,691</u>

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	Special Revenue Funds				
	T.N.U.	Police Service Contracts	Law Enforcement Programs	Law Enforcement Grants	Forfeitures
<b>Assets:</b>					
Cash and cash equivalents	\$ 577,652	\$ -	\$ 48,593	\$ 126,271	\$ 193,188
Receivables (net of allowance) -					
Property taxes	-	-	-	-	-
Accounts and interest	-	-	-	-	-
Due from other governmental units	2,468	404,668	10,478	28,429	-
Due from other funds	-	-	-	-	-
Deposits with agent	-	-	-	-	-
Prepays	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 580,120</u>	<u>\$ 404,668</u>	<u>\$ 59,071</u>	<u>\$ 154,700</u>	<u>\$ 193,188</u>
<b>Liabilities:</b>					
Accounts payable	\$ 1,941	\$ -	\$ 2,280	\$ 88	\$ 100
Accrued liabilities	-	38,696	-	5,379	-
Due to other governmental units	-	-	-	-	-
Due to other funds	-	7,138	-	-	-
Interfund payables	-	249,669	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>1,941</u>	<u>295,503</u>	<u>2,280</u>	<u>5,467</u>	<u>100</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	2,263	-	28,428	-
Taxes levied for subsequent period	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>2,263</u>	<u>-</u>	<u>28,428</u>	<u>-</u>
<b>Fund Balance:</b>					
Nonspendable - Prepays	-	-	-	-	-
Restricted	578,179	-	-	-	193,088
Committed	-	106,902	56,791	120,805	-
Total Fund Balance	<u>578,179</u>	<u>106,902</u>	<u>56,791</u>	<u>120,805</u>	<u>193,088</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 580,120</u>	<u>\$ 404,668</u>	<u>\$ 59,071</u>	<u>\$ 154,700</u>	<u>\$ 193,188</u>

Special Revenue Funds

Law Library	Community Development	Social Welfare	Child Care	Veterans' Trust	Veterans' Relief	County Community Collaborative
\$ 15,786	\$ 199,923	\$ -	\$ 318,965	\$ 192	\$ 472,191	\$ -
-	-	-	-	-	592,234	-
-	542,335	-	-	-	-	-
-	-	-	86,732	-	7,622	-
-	-	-	-	-	-	-
-	179,378	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 15,786</u>	<u>\$ 921,636</u>	<u>\$ -</u>	<u>\$ 405,697</u>	<u>\$ 192</u>	<u>\$ 1,072,047</u>	<u>\$ -</u>
\$ 1,126	\$ -	\$ -	\$ 7,059	\$ -	\$ 480	\$ -
-	-	-	13,969	-	4,868	-
-	116,975	-	4,031	-	-	-
-	-	-	-	-	531	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,126</u>	<u>116,975</u>	<u>-</u>	<u>25,059</u>	<u>-</u>	<u>5,879</u>	<u>-</u>
-	557,405	-	-	-	-	-
-	-	-	-	-	633,097	-
-	<u>557,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>633,097</u>	<u>-</u>
-	-	-	-	-	-	-
-	247,256	-	-	192	433,071	-
14,660	-	-	380,638	-	-	-
<u>14,660</u>	<u>247,256</u>	<u>-</u>	<u>380,638</u>	<u>192</u>	<u>433,071</u>	<u>-</u>
<u>\$ 15,786</u>	<u>\$ 921,636</u>	<u>\$ -</u>	<u>\$ 405,697</u>	<u>\$ 192</u>	<u>\$ 1,072,047</u>	<u>\$ -</u>

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2022**

	Special Revenue Funds					
	Senior Millage	Soil and Sedimentation	Lapeer Family Continuation	Specialty Courts	Concealed Pistol Licensing	Indigent Defense
<b>Assets:</b>						
Cash and cash equivalents	\$ 257,830	\$ 62,896	\$ 51,770	\$ -	\$ 119,615	\$ 762,606
Receivables (net of allowance) -						
Property taxes	793,861	-	-	-	-	-
Accounts and interest	-	-	-	-	-	-
Due from other governmental units	10,217	-	-	29,134	-	-
Due from other funds	-	-	-	-	-	-
Deposits with agent	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,061,908</u>	<u>\$ 62,896</u>	<u>\$ 51,770</u>	<u>\$ 29,134</u>	<u>\$ 119,615</u>	<u>\$ 762,606</u>
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 771	\$ -	\$ 6,465	\$ -	\$ 77,755
Accrued liabilities	-	906	431	539	737	-
Due to other governmental units	-	-	-	-	-	10,085
Due to other funds	-	121	-	5,818	-	-
Interfund payables	-	-	-	16,216	-	-
Advances from other funds	-	-	7,500	-	-	-
Unearned revenues	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>1,798</u>	<u>7,931</u>	<u>29,038</u>	<u>737</u>	<u>87,840</u>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenue	-	-	-	-	-	674,766
Taxes levied for subsequent period	848,627	-	-	-	-	-
Total Deferred Inflows of Resources	<u>848,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>674,766</u>
<b>Fund Balance:</b>						
Nonspendable - Prepays	-	-	-	-	-	-
Restricted	213,281	61,098	43,839	96	118,878	-
Committed	-	-	-	-	-	-
Total Fund Balance	<u>213,281</u>	<u>61,098</u>	<u>43,839</u>	<u>96</u>	<u>118,878</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,061,908</u>	<u>\$ 62,896</u>	<u>\$ 51,770</u>	<u>\$ 29,134</u>	<u>\$ 119,615</u>	<u>\$ 762,606</u>

Special Revenue Funds			Capital Project Funds				
Opioid Settlement	Public Safety Millage	Juvenile Grant	911 Construction	Capital Projects	Middle Mile Project	Historic Courthouse	Total
\$ -	\$ 327,284	\$ -	\$3,802,444	\$ 5,477	\$2,996,334	\$ 63,673	\$13,618,104
-	4,737,609	-	-	-	-	-	6,123,704
-	-	-	-	-	-	-	592,197
1,594,150	-	25,969	-	-	-	-	2,803,690
-	-	-	-	-	-	-	21,240
-	-	-	-	-	-	-	179,378
-	-	-	-	-	-	-	25,625
<u>\$1,594,150</u>	<u>\$5,064,893</u>	<u>\$ 25,969</u>	<u>\$3,802,444</u>	<u>\$ 5,477</u>	<u>\$2,996,334</u>	<u>\$ 63,673</u>	<u>\$23,363,938</u>
\$ -	\$ -	\$ 2,327	\$ -	\$ -	\$ 8,000	\$ -	\$ 350,981
-	-	548	-	-	-	-	211,924
-	-	-	-	-	-	-	1,118,015
-	-	-	-	-	-	-	30,715
-	-	17,999	-	-	-	-	283,884
-	-	-	-	-	-	-	32,500
-	-	-	-	-	-	-	-
-	-	20,874	-	-	8,000	-	2,028,019
1,320,800	5,064,893	5,095	-	-	-	-	7,935,376
-	-	-	-	-	-	-	1,481,724
<u>1,320,800</u>	<u>5,064,893</u>	<u>5,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,417,100</u>
-	-	-	-	-	-	-	25,625
273,350	-	-	3,802,444	-	2,988,334	63,673	10,223,867
-	-	-	-	5,477	-	-	1,669,327
<u>273,350</u>	<u>-</u>	<u>-</u>	<u>3,802,444</u>	<u>5,477</u>	<u>2,988,334</u>	<u>63,673</u>	<u>11,918,819</u>
<u>\$1,594,150</u>	<u>\$5,064,893</u>	<u>\$ 25,969</u>	<u>\$3,802,444</u>	<u>\$ 5,477</u>	<u>\$2,996,334</u>	<u>\$ 63,673</u>	<u>\$23,363,938</u>

Concluded

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Special Revenue Funds				
	Parks/ Recreation	Polly Ann Trail	Friend of the Court	Family Marriage Counseling	Health Department
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	8,603	368,275
Intergovernmental	-	57,390	916,779	-	2,222,018
Charges for services	121,704	-	102,001	-	927,660
Fines and forfeits	-	-	-	-	-
Interest	308	-	-	-	-
Other	259	-	-	-	97,700
Total Revenues	<u>122,271</u>	<u>57,390</u>	<u>1,018,780</u>	<u>8,603</u>	<u>3,615,653</u>
<b>Expenditures:</b>					
Current -					
Judicial	-	-	1,523,712	2,146	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	4,199,486
Recreation and cultural	198,227	57,390	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>198,227</u>	<u>57,390</u>	<u>1,523,712</u>	<u>2,146</u>	<u>4,199,486</u>
Revenues over (under) expenditures	<u>( 75,956)</u>	<u>-</u>	<u>( 504,932)</u>	<u>6,457</u>	<u>( 583,833)</u>
<b>Other Financing Sources (Uses):</b>					
Lease proceeds	-	-	-	-	-
Transfer in	80,000	-	502,376	-	329,146
Transfer out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>80,000</u>	<u>-</u>	<u>502,376</u>	<u>-</u>	<u>329,146</u>
Net Change in Fund Balances	4,044	-	( 2,556)	6,457	( 254,687)
Fund Balances at beginning of year	<u>2,073</u>	<u>-</u>	<u>154,787</u>	<u>98,876</u>	<u>1,207,921</u>
Fund Balances at end of year	<u>\$ 6,117</u>	<u>\$ -</u>	<u>\$ 152,231</u>	<u>\$ 105,333</u>	<u>\$ 953,234</u>

Special Revenue Funds

Senior Activities	Animal Control	Rubbish Collection	Remonumentation	Register of Deeds Automation	Disaster Contingency	Community Corrections
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	139,322	-	-	-	-	9,397
519,705	-	-	26,073	-	124,753	215,036
-	23,831	3,500	-	80,040	2	149,825
-	20,832	-	-	-	-	-
-	702	-	-	3,254	-	-
14,379	23,939	-	-	-	28,040	-
<u>534,084</u>	<u>208,626</u>	<u>3,500</u>	<u>26,073</u>	<u>83,294</u>	<u>152,795</u>	<u>374,258</u>
-	-	-	-	-	-	-
-	-	-	65,023	58,663	-	-
-	375,857	-	-	-	83,866	402,692
1,527,122	-	13,529	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,527,122</u>	<u>375,857</u>	<u>13,529</u>	<u>65,023</u>	<u>58,663</u>	<u>83,866</u>	<u>402,692</u>
<u>( 993,038)</u>	<u>( 167,231)</u>	<u>( 10,029)</u>	<u>( 38,950)</u>	<u>24,631</u>	<u>68,929</u>	<u>( 28,434)</u>
-	-	-	-	-	-	-
993,040	167,233	10,000	27,000	-	29,400	28,939
-	-	-	-	-	-	-
<u>993,040</u>	<u>167,233</u>	<u>10,000</u>	<u>27,000</u>	<u>-</u>	<u>29,400</u>	<u>28,939</u>
2	2	( 29)	( 11,950)	24,631	98,329	505
12,675	38,469	388	12,904	795,778	27,407	741
<u>\$ 12,677</u>	<u>\$ 38,471</u>	<u>\$ 359</u>	<u>\$ 954</u>	<u>\$ 820,409</u>	<u>\$ 125,736</u>	<u>\$ 1,246</u>

Continued



**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Special Revenue Funds				
	T.N.U.	Police Service Contracts	Law Enforcement Programs	Law Enforcement Grants	Forfeitures
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	51,186	-	20,099	69,432	-
Charges for services	-	1,614,459	2,426	64,050	5,651
Fines and forfeits	192,135	-	-	-	41,933
Interest	1,008	-	-	-	-
Other	14,028	-	1,884	22,064	1,110
Total Revenues	<u>258,357</u>	<u>1,614,459</u>	<u>24,409</u>	<u>155,546</u>	<u>48,694</u>
<b>Expenditures:</b>					
Current -					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	85,049	2,123,403	45,589	254,550	76,769
Health and welfare	-	-	-	-	-
Recreation and cultural	-	-	-	-	-
Capital Outlay	22,161	-	-	-	-
Total Expenditures	<u>107,210</u>	<u>2,123,403</u>	<u>45,589</u>	<u>254,550</u>	<u>76,769</u>
Revenues over (under) expenditures	<u>151,147</u>	<u>( 508,944)</u>	<u>( 21,180)</u>	<u>( 99,004)</u>	<u>( 28,075)</u>
<b>Other Financing Sources (Uses):</b>					
Lease proceeds	22,161	-	-	-	-
Transfers in	-	506,681	887	83,534	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>22,161</u>	<u>506,681</u>	<u>887</u>	<u>83,534</u>	<u>-</u>
Net Change in Fund Balances	173,308	( 2,263)	( 20,293)	( 15,470)	( 28,075)
Fund Balances at beginning of year	<u>404,871</u>	<u>109,165</u>	<u>77,084</u>	<u>136,275</u>	<u>221,163</u>
Fund Balances at end of year	<u>\$ 578,179</u>	<u>\$ 106,902</u>	<u>\$ 56,791</u>	<u>\$ 120,805</u>	<u>\$ 193,088</u>

Special Revenue Funds

Law Library	Community Development	Social Welfare	Child Care	Veterans' Trust	Veterans Relief	County Community Collaborative
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 625,445	\$ -
-	-	-	-	-	-	-
-	-	-	376,397	-	-	-
-	15,070	-	140,770	-	-	-
6,500	-	-	2,507	-	-	-
-	-	-	-	-	3,167	-
-	-	-	65,000	-	23,140	-
<u>6,500</u>	<u>15,070</u>	<u>-</u>	<u>584,674</u>	<u>-</u>	<u>651,752</u>	<u>-</u>
11,368	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	14,358	-	969,333	-	442,143	18,500
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,368</u>	<u>14,358</u>	<u>-</u>	<u>969,333</u>	<u>-</u>	<u>442,143</u>	<u>18,500</u>
<u>( 4,868)</u>	<u>712</u>	<u>-</u>	<u>( 384,659)</u>	<u>-</u>	<u>209,609</u>	<u>( 18,500)</u>
-	-	-	-	-	-	-
4,500	-	-	450,692	-	-	18,500
-	-	( 30,692)	-	-	-	-
<u>4,500</u>	<u>-</u>	<u>( 30,692)</u>	<u>450,692</u>	<u>-</u>	<u>-</u>	<u>18,500</u>
( 368)	712	( 30,692)	66,033	-	209,609	-
<u>15,028</u>	<u>246,544</u>	<u>30,692</u>	<u>314,605</u>	<u>192</u>	<u>223,462</u>	<u>-</u>
<u>\$ 14,660</u>	<u>\$ 247,256</u>	<u>\$ -</u>	<u>\$ 380,638</u>	<u>\$ 192</u>	<u>\$ 433,071</u>	<u>\$ -</u>

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Special Revenue Funds				
	Senior Millage	Soil and Sedimentation	Lapeer Family Continuation	Specialty Courts	Concealed Pistol Licensing
<b>Revenues:</b>					
Taxes	\$ 838,517	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	70,100	-	-	70,000
Intergovernmental	-	-	-	55,970	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	100	-	-	-
Interest	-	-	-	-	-
Other	-	-	50,874	-	-
Total Revenues	<u>838,517</u>	<u>70,200</u>	<u>50,874</u>	<u>55,970</u>	<u>70,000</u>
<b>Expenditures:</b>					
Current -					
Judicial	-	-	-	-	-
General government	-	-	-	-	70,703
Public safety	-	-	-	-	-
Health and welfare	11,745	61,453	35,027	55,888	-
Recreation and cultural	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>11,745</u>	<u>61,453</u>	<u>35,027</u>	<u>55,888</u>	<u>70,703</u>
Revenues over (under) expenditures	<u>826,772</u>	<u>8,747</u>	<u>15,847</u>	<u>82</u>	<u>( 703)</u>
<b>Other Financing Sources (Uses):</b>					
Lease proceeds	-	-	-	-	-
Transfer in	-	-	-	-	-
Transfer out	( 993,040)	-	-	-	-
Total Other Financing Sources (Uses)	<u>( 993,040)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	( 166,268)	8,747	15,847	82	( 703)
Fund Balances at beginning of year	<u>379,549</u>	<u>52,351</u>	<u>27,992</u>	<u>14</u>	<u>119,581</u>
Fund Balances at end of year	<u>\$ 213,281</u>	<u>\$ 61,098</u>	<u>\$ 43,839</u>	<u>\$ 96</u>	<u>\$ 118,878</u>

Special Revenue Funds				Capital Projects Funds				Total
Indigent Defense	Opioid Settlement	Public Safety Millage	Juvenile Grant	911 Construction	Capital Projects	Middle Mile Project	Historic Courthouse	
\$ -	\$ -	\$ -	\$ -	\$ 206	\$ -	\$ -	\$ -	\$ 1,464,168
-	-	-	-	-	-	-	-	665,697
304,260	273,350	-	20,873	-	-	-	-	5,253,321
28,299	-	-	-	-	-	-	-	3,279,288
-	-	-	-	-	-	-	-	264,007
-	-	-	-	8,578	-	2,219	-	19,236
-	-	-	-	-	-	-	22,963	365,380
<u>332,559</u>	<u>273,350</u>	<u>-</u>	<u>20,873</u>	<u>8,784</u>	<u>-</u>	<u>2,219</u>	<u>22,963</u>	<u>11,311,097</u>
442,665	-	-	-	-	-	-	-	1,979,891
-	-	-	-	-	-	-	-	194,389
-	-	-	-	-	-	-	-	3,447,775
-	-	-	25,991	-	-	-	-	7,374,575
-	-	-	-	-	-	-	-	255,617
-	-	-	-	136,041	-	13,885	2,053	174,140
<u>442,665</u>	<u>-</u>	<u>-</u>	<u>25,991</u>	<u>136,041</u>	<u>-</u>	<u>13,885</u>	<u>2,053</u>	<u>13,426,387</u>
( 110,106)	273,350	-	( 5,118)	( 127,257)	-	( 11,666)	20,910	( 2,115,290)
-	-	-	-	-	-	-	-	22,161
110,106	-	-	5,118	-	-	3,000,000	-	6,347,152
-	-	-	-	-	-	-	-	( 1,023,732)
<u>110,106</u>	<u>-</u>	<u>-</u>	<u>5,118</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>-</u>	<u>5,345,581</u>
-	273,350	-	-	( 127,257)	-	2,988,334	20,910	3,230,291
-	-	-	-	3,929,701	5,477	-	42,763	8,688,528
<u>\$ -</u>	<u>\$ 273,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,802,444</u>	<u>\$ 5,477</u>	<u>\$ 2,988,334</u>	<u>\$ 63,673</u>	<u>\$ 11,918,819</u>

Concluded

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>PARKS/RECREATION</b>			
<b>Revenues:</b>			
Charges for services	\$ 205,845	\$ 121,704	\$( 84,141)
Interest	6,600	308	( 6,292)
Other	<u>-</u>	<u>259</u>	<u>259</u>
Total Revenues	212,445	122,271	( 90,174)
<b>Expenditures:</b>			
Recreation and cultural	<u>292,445</u>	<u>198,227</u>	<u>94,218</u>
Revenues over (under) expenditures	( 80,000)	( 75,956)	4,044
<b>Other Financing Sources:</b>			
Transfers in	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net Change in Fund Balance	-	4,044	4,044
Fund Balance at beginning of year	<u>2,073</u>	<u>2,073</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 2,073</u></u>	<u><u>\$ 6,117</u></u>	<u><u>\$ 4,044</u></u>
<b>POLLY ANN TRAIL</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 62,000	\$ 57,390	\$( 4,610)
<b>Expenditures:</b>			
Recreation and cultural	<u>62,000</u>	<u>57,390</u>	<u>4,610</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>\$ -</u></u>	<u><u>\$ -</u></u>

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>FRIEND OF THE COURT</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 1,069,499	\$ 916,779	\$( 152,720)
Charges for services	105,800	102,001	( 3,799)
Other	100	-	( 100)
Total Revenues	<u>1,175,399</u>	<u>1,018,780</u>	<u>( 156,619)</u>
<b>Expenditures:</b>			
Judicial	<u>1,674,775</u>	<u>1,523,712</u>	<u>151,063</u>
Revenues over (under) expenditures	( 499,376)	( 504,932)	( 5,556)
<b>Other Financing Sources:</b>			
Transfers in	<u>499,376</u>	<u>502,376</u>	<u>3,000</u>
Net Change in Fund Balance	-	( 2,556)	( 2,556)
Fund Balance at beginning of year	<u>154,787</u>	<u>154,787</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 154,787</u></u>	<u><u>\$ 152,231</u></u>	<u><u>\$( 2,556)</u></u>
<b>FAMILY MARRIAGE COUNSELING</b>			
<b>Revenues:</b>			
Licenses and permits	\$ 7,500	\$ 8,603	\$ 1,103
<b>Expenditures:</b>			
Judicial	<u>7,500</u>	<u>2,146</u>	<u>5,354</u>
Net Change in Fund Balance	-	6,457	6,457
Fund Balance at beginning of year	<u>98,876</u>	<u>98,876</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 98,876</u></u>	<u><u>\$ 105,333</u></u>	<u><u>\$ 6,457</u></u>

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Amended Budget	Actual	Variance Positive (Negative)
<b>HEALTH DEPARTMENT</b>			
<b>Revenues:</b>			
Licenses and permits	\$ 295,375	\$ 368,275	\$ 72,900
Intergovernmental	2,369,300	2,222,018	( 147,282)
Charges for services	1,131,668	927,660	( 204,008)
Other	282,956	97,700	( 185,256)
Total Revenues	<u>4,079,299</u>	<u>3,615,653</u>	<u>( 463,646)</u>
<b>Expenditures:</b>			
Health and welfare	<u>4,419,929</u>	<u>4,199,486</u>	<u>220,443</u>
Revenues under expenditures	( 340,630)	( 583,833)	( 243,203)
<b>Other Financing Sources:</b>			
Transfers in	<u>340,630</u>	<u>329,146</u>	<u>( 11,484)</u>
Net Change in Fund Balance	-	( 254,687)	( 254,687)
Fund Balance at beginning of year	<u>1,207,921</u>	<u>1,207,921</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,207,921</u></u>	<u><u>\$ 953,234</u></u>	<u><u>\$( 254,687)</u></u>
<b>SENIOR ACTIVITIES</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 528,379	\$ 519,705	\$( 8,674)
Charges for services	82,995	-	( 82,995)
Other	28,100	14,379	( 13,721)
Total Revenues	<u>639,474</u>	<u>534,084</u>	<u>( 105,390)</u>
<b>Expenditures:</b>			
Health and welfare	<u>1,640,910</u>	<u>1,527,122</u>	<u>113,788</u>
Revenues over (under) expenditures	( 1,001,436)	( 993,038)	8,398
<b>Other Financing Sources:</b>			
Transfers in	<u>1,001,436</u>	<u>993,040</u>	<u>( 8,396)</u>
Net Change in Fund Balance	-	2	2
Fund Balance at beginning of year	<u>12,675</u>	<u>12,675</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 12,675</u></u>	<u><u>\$ 12,677</u></u>	<u><u>\$ 2</u></u>

Continued

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>ANIMAL CONTROL</b>			
<b>Revenues:</b>			
Licenses and permits	\$ 220,000	\$ 139,322	\$( 80,678)
Interest	-	702	702
Charges for services	40,640	23,831	( 16,809)
Fines and forfeits	29,162	20,832	( 8,330)
Other	<u>17,000</u>	<u>23,939</u>	<u>6,939</u>
Total Revenues	306,802	208,626	( 98,176)
<b>Expenditures:</b>			
Public safety	<u>396,802</u>	<u>375,857</u>	<u>20,945</u>
Revenues over (under) expenditures	( 90,000)	( 167,231)	( 77,231)
<b>Other Financing Sources:</b>			
Transfers in	<u>90,000</u>	<u>167,233</u>	<u>77,233</u>
Net Change in Fund Balance	-	2	2
Fund Balance at beginning of year	<u>38,469</u>	<u>38,469</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 38,469</u></u>	<u><u>\$ 38,471</u></u>	<u><u>\$ 2</u></u>
<b>RUBBISH COLLECTION</b>			
<b>Revenues:</b>			
Charges for services	\$ 3,645	\$ 3,500	\$( 145)
<b>Expenditures:</b>			
Health and welfare	<u>13,645</u>	<u>13,529</u>	<u>116</u>
Revenues over (under) expenditures	( 10,000)	( 10,029)	( 29)
<b>Other Financing Sources:</b>			
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balance	-	( 29)	( 29)
Fund Balance at beginning of year	<u>388</u>	<u>388</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 388</u></u>	<u><u>\$ 359</u></u>	<u><u>\$( 29)</u></u>

Continued



**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REMONUMENTATION</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 65,182	\$ 26,073	\$( 39,109)
<b>Expenditures:</b>			
General government	<u>65,182</u>	<u>65,023</u>	<u>159</u>
Revenues over (under) expenditures	-	( 38,950)	( 38,950)
<b>Other Financing Sources:</b>			
Transfers in	<u>-</u>	<u>27,000</u>	<u>27,000</u>
Net Change in Fund Balance	-	( 11,950)	( 11,950)
Fund Balance at beginning of year	<u>12,904</u>	<u>12,904</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 12,904</u></u>	<u><u>\$ 954</u></u>	<u><u>\$( 11,950)</u></u>

**REGISTER OF DEEDS AUTOMATION**

<b>Revenues:</b>			
Charges for services	\$ 108,744	\$ 80,040	\$( 28,704)
Interest	<u>1,000</u>	<u>3,254</u>	<u>2,254</u>
Total Revenues	<u>109,744</u>	<u>83,294</u>	<u>( 26,450)</u>
<b>Expenditures:</b>			
General government	<u>109,744</u>	<u>58,663</u>	<u>51,081</u>
Net Change in Fund Balance	-	24,631	24,631
Fund Balance at beginning of year	<u>795,778</u>	<u>795,778</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 795,778</u></u>	<u><u>\$ 820,409</u></u>	<u><u>\$ 24,631</u></u>

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Amended Budget	Actual	Variance Positive (Negative)
<b>DISASTER CONTINGENCY</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 96,515	\$ 124,753	\$ 28,238
Charges for services	195	2	( 193)
Other	10,000	28,040	18,040
Total Revenues	<u>106,710</u>	<u>152,795</u>	<u>46,085</u>
<b>Expenditures:</b>			
Public safety	<u>155,710</u>	<u>83,866</u>	<u>71,844</u>
Revenues over (under) expenditures	( 49,000)	68,929	117,929
<b>Other Financing Sources:</b>			
Transfers in	<u>49,000</u>	<u>29,400</u>	( 19,600)
Net Change in Fund Balance	-	98,329	98,329
Fund Balance at beginning of year	<u>27,407</u>	<u>27,407</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 27,407</u></u>	<u><u>\$ 125,736</u></u>	<u><u>\$ 98,329</u></u>
<b>COMMUNITY CORRECTIONS</b>			
<b>Revenues:</b>			
Licenses and permits	\$ 15,000	\$ 9,397	\$( 5,603)
Intergovernmental	353,380	215,036	( 138,344)
Charges for services	202,785	149,825	( 52,960)
Total Revenues	<u>571,165</u>	<u>374,258</u>	<u>( 196,907)</u>
<b>Expenditures:</b>			
Public safety	<u>571,165</u>	<u>402,692</u>	<u>168,473</u>
Revenues over (under) expenditures	-	( 28,434)	( 28,434)
<b>Other Financing Sources:</b>			
Transfers in	<u>-</u>	<u>28,939</u>	<u>28,939</u>
Net Change in Fund Balance	-	505	505
Fund Balance at beginning of year	<u>741</u>	<u>741</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 741</u></u>	<u><u>\$ 1,246</u></u>	<u><u>\$ 505</u></u>

Continued

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Amended Budget	Actual	Variance Positive (Negative)
T.N.U.			
<b>Revenues:</b>			
Intergovernmental	\$ 35,000	\$ 51,186	\$ 16,186
Fines and forfeits	90,000	192,135	102,135
Interest	-	1,008	1,008
Other	10,000	14,028	4,028
Total Revenues	<u>135,000</u>	<u>258,357</u>	<u>123,357</u>
<b>Expenditures:</b>			
Capital outlay	-	22,161	( 22,161)
Public safety	135,000	85,049	49,951
Total Expenditures	<u>135,000</u>	<u>107,210</u>	<u>27,790</u>
<b>Other Financing Sources:</b>			
Lease proceeds	<u>-</u>	<u>22,161</u>	<u>22,161</u>
Net Change in Fund Balance	-	173,308	195,469
Fund Balance at beginning of year	<u>404,871</u>	<u>404,871</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 404,871</u></u>	<u><u>\$ 578,179</u></u>	<u><u>\$ 195,469</u></u>

**POLICE SERVICE CONTRACTS**

<b>Revenues:</b>			
Charges for services	\$ 1,663,795	\$ 1,614,459	\$( 49,336)
<b>Expenditures:</b>			
Public safety	<u>2,180,399</u>	<u>2,123,403</u>	<u>56,996</u>
Revenues over (under) expenditures	( 516,604)	( 508,944)	7,660
<b>Other Financing Sources:</b>			
Transfers in	<u>516,604</u>	<u>506,681</u>	<u>( 9,923)</u>
Net Change in Fund Balance	-	( 2,263)	( 2,263)
Fund Balance at beginning of year	<u>109,165</u>	<u>109,165</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 109,165</u></u>	<u><u>\$ 106,902</u></u>	<u><u>\$( 2,263)</u></u>

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Amended Budget	Actual	Variance Positive (Negative)
<b>LAW ENFORCEMENT PROGRAMS</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 26,528	\$ 20,099	\$( 6,429)
Charges for services	12,500	2,426	( 10,074)
Other	14,425	1,884	( 12,541)
Total Revenues	<u>53,453</u>	<u>24,409</u>	<u>( 29,044)</u>
<b>Expenditures:</b>			
Public safety	<u>55,325</u>	<u>45,589</u>	<u>9,736</u>
Revenues over (under) expenditures	( 1,872)	( 21,180)	( 19,308)
<b>Other Financing Sources:</b>			
Transfers in	<u>1,872</u>	<u>887</u>	<u>( 985)</u>
Net Change in Fund Balance	-	( 20,293)	( 20,293)
Fund Balance at beginning of year	<u>77,084</u>	<u>77,084</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 77,084</u></u>	<u><u>\$ 56,791</u></u>	<u><u>\$( 20,293)</u></u>
<b>LAW ENFORCEMENT GRANTS</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 201,391	\$ 69,432	\$( 131,959)
Charges for services	41,453	64,050	22,597
Other	78,211	22,064	( 56,147)
Total Revenues	<u>321,055</u>	<u>155,546</u>	<u>( 165,509)</u>
<b>Expenditures:</b>			
Public safety	<u>401,055</u>	<u>254,550</u>	<u>146,505</u>
Revenues over (under) expenditures	( 80,000)	( 99,004)	( 19,004)
<b>Other Financing Sources:</b>			
Transfers in	<u>80,000</u>	<u>83,534</u>	<u>3,534</u>
Net Change in Fund Balance	-	( 15,470)	( 15,470)
Fund Balance at beginning of year	<u>136,275</u>	<u>136,275</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 136,275</u></u>	<u><u>\$ 120,805</u></u>	<u><u>\$( 15,470)</u></u>

Continued

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Amended Budget	Actual	Variance Positive (Negative)
<b>FORFEITURES</b>			
<b>Revenues:</b>			
Charges for services	\$ -	\$ 5,651	\$ 5,651
Fines and forfeits	103,400	41,933	( 61,467)
Other	-	1,110	1,110
Rent	60	-	( 60)
Total Revenues	<u>103,460</u>	<u>48,694</u>	<u>( 54,766)</u>
<b>Expenditures:</b>			
Public Safety	<u>103,460</u>	<u>76,769</u>	<u>26,691</u>
Net Change in Fund Balance	-	( 28,075)	( 28,075)
Fund Balance at beginning of year	<u>221,163</u>	<u>221,163</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 221,163</u></u>	<u><u>\$ 193,088</u></u>	<u><u>\$ ( 28,075)</u></u>
<b>LAW LIBRARY</b>			
<b>Revenues:</b>			
Fines and forfeits	\$ 7,500	\$ 6,500	\$( 1,000)
<b>Expenditures:</b>			
Judicial	<u>12,000</u>	<u>11,368</u>	<u>632</u>
Revenues under expenditures	( 4,500)	( 4,868)	( 368)
<b>Other Financing Sources:</b>			
Transfers in	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Net Change in Fund Balance	-	( 368)	( 368)
Fund Balance at beginning of year	<u>15,028</u>	<u>15,028</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 15,028</u></u>	<u><u>\$ 14,660</u></u>	<u><u>\$ ( 368)</u></u>

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Amended Budget	Actual	Variance Positive (Negative)
<b>COMMUNITY DEVELOPMENT</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 250,000	\$ -	\$ ( 250,000)
Charges for services	50,000	15,070	( 34,930)
Total Revenues	300,000	15,070	( 284,930)
<b>Expenditures:</b>			
Health and welfare	300,000	14,358	285,642
Net Change in Fund Balance	-	712	712
Fund Balance at beginning of year	246,544	246,544	-
Fund Balance at end of year	<u>\$ 246,544</u>	<u>\$ 247,256</u>	<u>\$ 712</u>
<b>SOCIAL WELFARE</b>			
<b>Expenditures:</b>			
Health and welfare	\$ 31,000	\$ -	\$ ( 31,000)
<b>Other Financing Sources:</b>			
Transfers out	31,000	30,692	308
Net Change in Fund Balance	-	30,692	( 30,692)
Fund Balance at beginning of year	30,692	30,692	-
Fund Balance at end of year	<u>\$ 30,692</u>	<u>\$ 61,384</u>	<u>\$ ( 30,692)</u>

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Amended Budget	Actual	Variance Positive (Negative)
<b>CHILD CARE</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 1,059,443	\$ 376,397	\$( 683,046)
Charges for services	125,000	140,770	15,770
Fines and forfeitures	8,604	2,507	( 6,097)
Other	55,000	65,000	10,000
Total Revenues	<u>1,248,047</u>	<u>584,674</u>	<u>( 663,373)</u>
<b>Expenditures:</b>			
Health and welfare	<u>1,748,047</u>	<u>969,333</u>	<u>778,714</u>
Revenues under expenditures	( 500,000)	( 384,659)	115,341
<b>Other Financing Sources:</b>			
Transfers in	<u>500,000</u>	<u>450,692</u>	<u>( 49,308)</u>
Net Change in Fund Balance	-	66,033	66,033
Fund Balance at beginning of year	<u>314,605</u>	<u>314,605</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 314,605</u></u>	<u><u>\$ 380,638</u></u>	<u><u>\$ 66,033</u></u>
<b>VETERANS' TRUST</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 10,000	\$ -	\$( 10,000)
<b>Expenditures:</b>			
Health and Welfare	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	<u>192</u>	<u>192</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 192</u></u>	<u><u>\$ 192</u></u>	<u><u>\$ -</u></u>

Continued

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>VETERANS' RELIEF</b>			
<b>Revenues:</b>			
Taxes	\$ 671,380	\$ 625,445	\$( 45,935)
Interest	-	3,167	3,167
Other	-	23,140	23,140
Total Revenues	<u>671,380</u>	<u>651,752</u>	<u>( 19,628)</u>
<b>Expenditures:</b>			
Health and welfare	<u>671,380</u>	<u>442,143</u>	<u>229,237</u>
Net Change in Fund Balance	-	209,609	209,609
Fund Balance at beginning of year	<u>223,462</u>	<u>223,462</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 223,462</u></u>	<u><u>\$ 433,071</u></u>	<u><u>\$ 209,609</u></u>
<b>COUNTY COMMUNITY COLLABORATIVE</b>			
<b>Expenditures:</b>			
Health and welfare	\$ 18,500	\$ 18,500	\$ -
<b>Other Financing Sources:</b>			
Transfers in	<u>18,500</u>	<u>18,500</u>	<u>-</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>\$ -</u></u>	<u><u>\$ -</u></u>

Continued



**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>SENIOR MILLAGE</b>			
<b>Revenues:</b>			
Taxes	\$ 1,036,928	\$ 838,517	\$( 198,411)
<b>Expenditures:</b>			
Health and welfare	<u>24,845</u>	<u>11,745</u>	<u>13,100</u>
Revenues over expenditures	1,012,083	826,772	( 185,311)
<b>Other Financing Uses:</b>			
Transfers out	<u>( 1,012,083)</u>	<u>( 993,040)</u>	<u>19,043</u>
Net Change in Fund Balance	-	( 166,268)	( 166,268)
Fund Balance at beginning of year	<u>379,549</u>	<u>379,549</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 379,549</u></u>	<u><u>\$ 213,281</u></u>	<u><u>\$( 166,268)</u></u>
<b>SOIL AND SEDIMENTATION</b>			
<b>Revenues:</b>			
Licenses and permits	\$ 65,000	\$ 70,100	\$ 5,100
Fines and forfeits	<u>1,000</u>	<u>100</u>	<u>( 900)</u>
Total Revenues	66,000	70,200	4,200
<b>Expenditures:</b>			
Health and welfare	<u>66,000</u>	<u>61,453</u>	<u>4,547</u>
Net Change in Fund Balance	-	8,747	8,747
Fund Balance at beginning of year	<u>52,351</u>	<u>52,351</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 52,351</u></u>	<u><u>\$ 61,098</u></u>	<u><u>\$ 8,747</u></u>

Continued

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>LAPEER FAMILY CONTINUATION</b>			
<b>Revenues:</b>			
Other	\$ 44,176	\$ 50,874	\$ 6,698
<b>Expenditures:</b>			
Health and welfare	<u>44,176</u>	<u>35,027</u>	<u>9,149</u>
Net Change in Fund Balance	-	15,847	15,847
Fund Balance at beginning of year	<u>27,992</u>	<u>27,992</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 27,992</u></u>	<u><u>\$ 43,839</u></u>	<u><u>\$ 15,847</u></u>

**SPECIALTY COURTS**

<b>Revenues:</b>			
Intergovernmental	\$ 175,520	\$ 55,970	\$( 119,550)
<b>Expenditures:</b>			
Health and welfare	<u>175,520</u>	<u>55,888</u>	<u>119,632</u>
Net Change in Fund Balance	-	82	82
Fund Balance at beginning of year	<u>14</u>	<u>14</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 14</u></u>	<u><u>\$ 96</u></u>	<u><u>\$ 82</u></u>

Continued

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>CONCEALED PISTOL LICENSING</b>			
<b>Revenues:</b>			
Licenses and permits	\$ 168,678	\$ 70,000	\$( 98,678)
<b>Expenditures:</b>			
General government	<u>168,678</u>	<u>70,703</u>	<u>97,975</u>
Net Change in Fund Balance	-	( 703)	( 703)
Fund Balance at beginning of year	<u>119,581</u>	<u>119,581</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 119,581</u></u>	<u><u>\$ 118,878</u></u>	<u><u>\$( 703)</u></u>
<b>INDIGENT DEFENSE</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 740,171	\$ 304,260	\$( 435,911)
Charges for services	<u>-</u>	<u>28,299</u>	<u>28,299</u>
Total Revenues	740,171	332,559	( 407,612)
<b>Expenditures:</b>			
Judicial	<u>850,016</u>	<u>442,665</u>	<u>407,351</u>
Revenues under expenditures	( 109,845)	( 110,106)	( 261)
<b>Other Financing Sources:</b>			
Transfers in	<u>109,845</u>	<u>110,106</u>	<u>261</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>\$ -</u></u>	<u><u>\$ -</u></u>

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Amended Budget	Actual	Variance Positive (Negative)
<b>OPIOID SETTLEMENT</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 275,000	\$ 273,350	\$( 1,650)
<b>Expenditures:</b>			
Health and Welfare	<u>275,000</u>	<u>-</u>	<u>275,000</u>
Net Change in Fund Balance	-	273,350	273,350
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 273,350</u></u>	<u><u>\$ 273,350</u></u>
<b>JUVENILE GRANT</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 202,000	\$ 20,873	\$( 181,127)
<b>Expenditures:</b>			
Health and Welfare	<u>202,000</u>	<u>25,991</u>	<u>176,009</u>
Revenues under expenditures	-	( 5,118)	( 5,118)
<b>Other Financing Sources:</b>			
Transfers in	<u>-</u>	<u>5,118</u>	<u>5,118</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>\$ -</u></u>	<u><u>\$ -</u></u>

Concluded

**LAPEER COUNTY, MICHIGAN**

**COMBINING SCHEDULE OF NET POSITION  
DELINQUENT TAX FUND  
DECEMBER 31, 2022**

	Delinquent Tax	Foreclosure	Treasurer's Office Administration	Elimination	Total
<b>Assets:</b>					
Current assets -					
Cash and cash equivalents	\$ 3,009,423	\$ 3,828,700	\$ 117,044	\$ -	\$ 6,955,167
Investments	17	-	-	-	17
Receivables (net of allowance):					
Delinquent property taxes	2,014,184	70,799	-	-	2,084,983
Accrued interest	313,369	-	-	-	313,369
Interfund receivables	7,164,628	-	-	-	7,164,628
Due from other funds	-	-	78,473	( 78,473)	-
Total Current Assets	<u>12,501,621</u>	<u>3,899,499</u>	<u>195,517</u>	<u>( 78,473)</u>	<u>16,518,164</u>
Noncurrent assets -					
Capital assets, net	-	12,965	-	-	12,965
Total Noncurrent Assets	<u>-</u>	<u>12,965</u>	<u>-</u>	<u>-</u>	<u>12,965</u>
Total Assets	<u>12,501,621</u>	<u>3,912,464</u>	<u>195,517</u>	<u>( 78,473)</u>	<u>16,531,129</u>
<b>Liabilities:</b>					
Current liabilities -					
Accounts payable	5,407	-	-	-	5,407
Accrued liabilities	-	1,878	-	-	1,878
Due to other governmental units	57,668	-	-	-	57,668
Due to other funds	168,473	244	-	( 78,473)	90,244
Total Liabilities	<u>231,548</u>	<u>2,122</u>	<u>-</u>	<u>( 78,473)</u>	<u>155,197</u>
<b>Net Position:</b>					
Investment in capital assets	-	12,965	-	-	12,965
Restricted	-	3,897,377	195,517	-	4,092,894
Unrestricted	12,270,073	-	-	-	12,270,073
Total Net Position	<u>\$ 12,270,073</u>	<u>\$ 3,910,342</u>	<u>\$ 195,517</u>	<u>\$ -</u>	<u>\$ 16,375,932</u>

# LAPEER COUNTY, MICHIGAN

## COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION DELINQUENT TAX FUND FOR THE YEAR ENDED DECEMBER 31, 2022

	Delinquent Tax	Foreclosure	Treasurer's Office Administration	Total
<b>Operating Revenues:</b>				
Charges for services	\$ -	\$ 512,930	\$ -	\$ 512,930
Interest on taxes	475,286	-	-	475,286
Fees and penalties on delinquent taxes	236,843	-	-	236,843
Total Operating Revenues	<u>712,129</u>	<u>512,930</u>	<u>-</u>	<u>1,225,059</u>
<b>Operating Expenses:</b>				
Salaries and wages	-	70,765	-	70,765
Fringe benefits	-	40,405	-	40,405
Operating supplies and expenses	-	29,784	-	29,784
Professional services	-	72,121	-	72,121
Other	10,893	-	229	11,122
Depreciation	-	6,246	-	6,246
Total Operating Expenses	<u>10,893</u>	<u>219,321</u>	<u>229</u>	<u>230,443</u>
Operating Income (Loss)	701,236	293,609	( 229)	994,616
<b>Non-Operating Revenues:</b>				
Interest	<u>-</u>	<u>15,276</u>	<u>-</u>	<u>15,276</u>
Net Income (Loss) Before Transfers	701,236	308,885	( 229)	1,009,892
<b>Transfers:</b>				
Transfers out	<u>( 3,590,000)</u>	<u>( 3,000)</u>	<u>-</u>	<u>( 3,593,000)</u>
Change in Net Position	( 2,888,764)	305,885	( 229)	( 2,583,108)
Net Position at beginning of year	<u>15,158,837</u>	<u>3,604,457</u>	<u>195,746</u>	<u>18,959,040</u>
Net Position end of year	<u>\$ 12,270,073</u>	<u>\$ 3,910,342</u>	<u>\$ 195,517</u>	<u>\$ 16,375,932</u>

## **INTERNAL SERVICE FUNDS**

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the County for unemployment, workers' compensation, equipment acquisition and replacement, health care, health care savings and retirement, and to account for payment of related insurance claims, expenses, and contributions remitted to third-party administrators.



**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2022**

	<u>Health Insurance</u>	<u>Unemployment Insurance</u>	<u>Workers' Compensation</u>	<u>CMH Equipment Acquisition &amp; Replacement</u>
<b>Assets:</b>				
Current assets -				
Cash and cash equivalents	\$ 2,318,892	\$ 56,985	\$ 717,228	\$ 501,000
Deposits with agent	4,111	-	15,000	-
Due from other governmental units	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	3,606	-	-	-
Total Current Assets	<u>2,326,609</u>	<u>56,985</u>	<u>732,228</u>	<u>501,000</u>
Property, plant, and equipment, net	-	-	-	263,977
Total Assets	<u>2,326,609</u>	<u>56,985</u>	<u>732,228</u>	<u>764,977</u>
<b>Liabilities:</b>				
Current liabilities -				
Accounts payable	-	5,007	8,373	-
Accrued claims	-	-	149,653	-
Total Current Liabilities	<u>-</u>	<u>5,007</u>	<u>158,026</u>	<u>-</u>
<b>Net Position:</b>				
Investment in capital assets	-	-	-	263,977
Unrestricted	<u>2,326,609</u>	<u>51,978</u>	<u>574,202</u>	<u>501,000</u>
Total Net Position	<u>\$ 2,326,609</u>	<u>\$ 51,978</u>	<u>\$ 574,202</u>	<u>\$ 764,977</u>

<u>Building and Grounds</u>	<u>Retirement</u>	<u>Public Employee Health Care</u>	<u>Total</u>
\$ 1,904,502	\$ 1,081,433	\$ 202,361	\$ 6,782,401
-	-	-	19,111
10,000	-	-	10,000
-	45,062	-	45,062
-	-	-	3,606
<u>1,914,502</u>	<u>1,126,495</u>	<u>202,361</u>	<u>6,860,180</u>
2,119,457	-	-	2,383,434
<u>4,033,959</u>	<u>1,126,495</u>	<u>202,361</u>	<u>9,243,614</u>
33,800	383,214	-	430,394
-	-	-	149,653
<u>33,800</u>	<u>383,214</u>	<u>-</u>	<u>580,047</u>
2,119,457	-	-	2,383,434
<u>1,880,702</u>	<u>743,281</u>	<u>202,361</u>	<u>6,280,133</u>
<u>\$ 4,000,159</u>	<u>\$ 743,281</u>	<u>\$ 202,361</u>	<u>\$ 8,663,567</u>

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Health Insurance	Unemployment Insurance	Workers' Compensation	CMH Equipment Acquisition & Replacement
<b>Operating Revenues:</b>				
Charges for services	\$ 5,903,592	\$ 49,100	\$ 102,585	\$ 57,095
<b>Operating Expenses:</b>				
Fringe benefits	5,034,770	5,007	298,490	-
Other	51,166	16,026	16,651	723
Depreciation	-	-	-	63,553
Total Operating Expenses	<u>5,085,936</u>	<u>21,033</u>	<u>315,141</u>	<u>64,276</u>
Operating Income (Loss)	817,656	28,067	( 212,556)	( 7,181)
<b>Non-Operating Revenue:</b>				
Gain on sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) before Transfers	817,656	28,067	( 212,556)	( 7,181)
<b>Transfers:</b>				
Transfers In	-	-	-	-
Transfers Out	( 500,000)	-	-	-
Total Transfers	<u>( 500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	317,656	28,067	( 212,556)	( 7,181)
Net Position at beginning of year	<u>2,008,953</u>	<u>23,911</u>	<u>786,758</u>	<u>772,158</u>
Net Position at end of year	<u><u>\$ 2,326,609</u></u>	<u><u>\$ 51,978</u></u>	<u><u>\$ 574,202</u></u>	<u><u>\$ 764,977</u></u>

<u>Building and Grounds</u>	<u>Retirement</u>	<u>Public Employee Health Care</u>	<u>Total</u>
\$ 813,213	\$ 3,275,250	\$ 150,383	\$ 10,351,218
-	3,160,116	447,380	8,945,763
411,496	17,064	6,349	519,475
475,508	-	-	539,061
<u>887,004</u>	<u>3,177,180</u>	<u>453,729</u>	<u>10,004,299</u>
( 73,791)	98,070	( 303,346)	346,919
<u>95,744</u>	<u>-</u>	<u>-</u>	<u>95,744</u>
21,953	98,070	( 303,346)	442,663
138,243	-	500,000	638,243
-	-	-	( 500,000)
<u>138,243</u>	<u>-</u>	<u>500,000</u>	<u>138,243</u>
160,196	98,070	196,654	580,906
<u>3,839,963</u>	<u>645,211</u>	<u>5,707</u>	<u>8,082,661</u>
<u>\$ 4,000,159</u>	<u>\$ 743,281</u>	<u>\$ 202,361</u>	<u>\$ 8,663,567</u>

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Health Insurance	Unemployment Insurance	Workers' Compensation	CMH Equipment Acquisition & Replacement
<b>Cash Flows From Operating Activities:</b>				
Cash receipts for interfund services	\$ 5,903,592	\$ 49,100	\$ 102,585	\$ 57,095
Cash payments to suppliers	( 5,068,381)	( 37,582)	( 228,481)	( 28,305)
Net Cash Provided by (Used in) Operating Activities	<u>835,211</u>	<u>11,518</u>	<u>( 125,896)</u>	<u>28,790</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Transfers in	-	-	-	-
Transfers out	( 500,000)	-	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>( 500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Transfers in	-	-	-	-
Acquisition of capital assets	-	-	-	( 26,265)
Proceeds from sale of assets	-	-	-	-
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 26,265)</u>
Increase (decrease) in cash and cash equivalents	335,211	11,518	( 125,896)	2,525
Cash and cash equivalents at beginning of year	<u>1,983,681</u>	<u>45,467</u>	<u>843,124</u>	<u>498,475</u>
Cash and cash equivalents at end of year	<u><u>\$ 2,318,892</u></u>	<u><u>\$ 56,985</u></u>	<u><u>\$ 717,228</u></u>	<u><u>\$ 501,000</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ 817,656	\$ 28,067	\$( 212,556)	\$( 7,181)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Depreciation	-	-	-	63,553
Change in assets and liabilities:				
Due to/from other funds	-	-	-	-
Prepaid items/Deposits with agent	17,555	-	30,222	-
Accounts payable	-	( 16,549)	2,288	( 27,582)
Accrued claims	-	-	54,150	-
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 835,211</u></u>	<u><u>\$ 11,518</u></u>	<u><u>\$( 125,896)</u></u>	<u><u>\$ 28,790</u></u>

Building and Grounds	Retirement	Public Employee Health Care	Total
\$ 813,213	\$ 3,271,513	\$ 150,383	\$ 10,347,481
( 403,337)	( 3,114,694)	( 453,729)	( 9,334,509)
<u>409,876</u>	<u>156,819</u>	<u>( 303,346)</u>	<u>1,012,972</u>
-	-	500,000	500,000
-	-	-	( 500,000)
-	-	500,000	-
138,243	-	-	138,243
( 458,825)	-	-	( 485,090)
<u>95,504</u>	<u>-</u>	<u>-</u>	<u>95,504</u>
( 225,078)	-	-	( 251,343)
184,798	156,819	196,654	761,629
<u>1,729,704</u>	<u>924,614</u>	<u>5,707</u>	<u>6,030,772</u>
<u>\$ 1,914,502</u>	<u>\$ 1,081,433</u>	<u>\$ 202,361</u>	<u>\$ 6,792,401</u>
\$( 73,791)	\$ 98,070	\$( 303,346)	\$ 346,919
475,508	-	-	539,061
-	( 3,737)	-	( 3,737)
-	-	-	47,777
8,159	62,486	-	28,802
-	-	-	54,150
<u>\$ 409,876</u>	<u>\$ 156,819</u>	<u>\$( 303,346)</u>	<u>\$ 1,012,972</u>

## **FIDUCIARY FUNDS**

## **FIDUCIARY FUNDS**

Fiduciary Funds are used to account for assets held by the County for the other parties that cannot be used to finance the County's own operating programs.

**Custodial Funds** - are used to account for the assets held by the County as an agent for individuals, private organizations, or other governments.



# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS DECEMBER 31, 2022

	General Custodial	Library Penal Fines	Treasurer's Tax
<b>Assets:</b>			
Cash and cash equivalents	\$ 215,922	\$ 14,866	\$ 375,120
Due from other governmental units	-	-	30,907
Total Assets	215,922	14,866	406,027
<b>Liabilities:</b>			
Due to other governmental units	7,549	11,878	1,730
Due to individuals and agencies	208,373	2,988	95,141
Undistributed taxes	-	-	309,156
Total Liabilities	215,922	14,866	406,027
<b>Net Position:</b>			
Unrestricted	\$ -	\$ -	\$ -

<u>Inmate</u>	<u>Total</u>
\$ 20,463	\$ 626,371
-	30,907
<u>20,463</u>	<u>657,278</u>
-	21,157
20,463	326,965
-	<u>309,156</u>
<u>20,463</u>	<u>657,278</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	General Custodial	Library Penal Fines	Treasurer's Tax
<b>Additions:</b>			
Property taxes and PILT	\$ -	\$ -	\$ 22,789,824
Fees and assessments	116,301	-	-
Permits	88,131	-	-
Court fees	727,870	-	-
Transfer tax	3,979,598	-	-
Penal fines	-	239,363	-
Other collections	15,432	-	-
Inmate revenues	-	-	-
	<hr/>	<hr/>	<hr/>
Total Additions	4,927,332	239,363	22,789,824
	<hr/>	<hr/>	<hr/>
<b>Deductions:</b>			
Distribution of property taxes and PILT	-	-	22,789,824
Distribution of fees and assessments	116,301	-	-
Distribution of permit fees	88,131	-	-
Distribution of court fees	727,870	-	-
Distribution of transfer tax	3,979,598	-	-
Distribution of penal fines	-	239,363	-
Other distributions	15,432	-	-
Inmate expenses	-	-	-
	<hr/>	<hr/>	<hr/>
Total Deductions	4,927,332	239,363	22,789,824
	<hr/>	<hr/>	<hr/>
Change in net position	-	-	-
 Net Position -			
Beginning of year	<hr/>	<hr/>	<hr/>
End of year	<hr/>	<hr/>	<hr/>

Inmate	Total
\$ -	\$ 22,789,824
-	116,301
-	88,131
-	727,870
-	3,979,598
-	239,363
-	15,432
14,092	14,092
14,092	27,970,611
-	22,789,824
-	116,301
-	88,131
-	727,870
-	3,979,598
-	239,363
-	15,432
14,092	14,092
14,092	27,970,611
-	-
-	-
\$ -	\$ -

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

# LAPEER COUNTY, MICHIGAN

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES IN CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2022

	Balance January 1, 2022	Additions	Disposals/ Adjustments	Balance December 31, 2022
<b>General County:</b>				
Land	\$ 850,890	\$ -	\$ -	\$ 850,890
Land improvements	1,835,178	593,058	-	2,428,236
Buildings	26,105,739	583,247	-	26,688,986
Equipment	21,970,145	254,666	5,788,463	16,436,348
Vehicles	650,568	217,168	-	867,736
	<u>51,412,520</u>	<u>1,648,139</u>	<u>5,788,463</u>	<u>47,272,196</u>
Less - Accumulated depreciation	( 35,024,775)	( 1,837,759)	( 5,781,258)	( 31,081,276)
	16,387,745	( 189,620)	7,205	16,190,920
Construction in progress	<u>112,130</u>	<u>263,298</u>	<u>112,130</u>	<u>263,298</u>
Total Capital Assets, Net	<u>\$ 16,499,875</u>	<u>\$ 73,678</u>	<u>\$ 119,335</u>	<u>\$ 16,454,218</u>

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

# LAPEER COUNTY, MICHIGAN

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY DECEMBER 31, 2022

	Total	Land and Improvements	Buildings	Equipment	Vehicles
<b>General Government:</b>					
Legislative	\$ 3,104,763	\$ 225,000	\$ 2,879,763	\$ -	\$ -
Judicial	3,404,358	85,861	3,213,084	70,001	35,412
General Services	6,834,593	429,033	5,860,644	289,347	255,569
	<u>13,343,714</u>	<u>739,894</u>	<u>11,953,491</u>	<u>359,348</u>	<u>290,981</u>
<b>Public Works:</b>					
Environmental/Recycling	30,000	-	30,000	-	-
Drain Commission	194,674	-	-	-	194,674
	<u>224,674</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>194,674</u>
<b>Public Safety:</b>					
Animal Shelter	610,542	312,741	231,026	52,063	14,712
Emergency Preparedness	206,264	-	-	206,264	-
Marine Safety	21,500	-	-	-	21,500
911 Communications Center	16,200,542	93,876	1,032,122	15,074,544	-
Community Corrections	5,535	-	-	5,535	-
Sheriff	7,133,334	498,389	6,182,903	189,290	262,752
	<u>24,177,717</u>	<u>905,006</u>	<u>7,446,051</u>	<u>15,527,696</u>	<u>298,964</u>
<b>Health and Welfare:</b>					
Health Department	931,054	39,888	706,161	101,888	83,117
Mental Health	3,642,706	483,847	2,996,399	162,460	-
D.O.S.A.	17,695	-	-	17,695	-
Family Independence Agency	1,902,204	143,480	1,758,724	-	-
	<u>6,493,659</u>	<u>667,215</u>	<u>5,461,284</u>	<u>282,043</u>	<u>83,117</u>
<b>Recreation and Cultural:</b>					
Parks and Recreation	2,892,635	925,415	1,699,957	267,263	-
Libraries	139,797	41,597	98,200	-	-
	<u>3,032,432</u>	<u>967,012</u>	<u>1,798,157</u>	<u>267,263</u>	<u>-</u>
Total Capital Assets	47,272,196	3,279,127	26,688,983	16,436,350	867,736
Less: Accumulated depreciation	( 31,081,276)	( 1,638,222)	( 17,825,890)	( 11,050,717)	( 566,447)
	<u>16,190,920</u>	<u>1,640,905</u>	<u>8,863,093</u>	<u>5,385,633</u>	<u>301,289</u>
Construction in progress	<u>263,298</u>	<u>-</u>	<u>-</u>	<u>263,298</u>	<u>-</u>
Total Capital Assets - (Net of Accumulated Depreciation)	<u>\$ 16,454,218</u>	<u>\$ 1,640,905</u>	<u>\$ 8,863,093</u>	<u>\$ 5,648,931</u>	<u>\$ 301,289</u>

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

# LAPEER 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, 2022

	Balance January 1, 2022	Additions	Adjustments/ Disposals	Balance December 31, 2022
<b>General Government:</b>				
Legislative	\$ 3,104,763	\$ -	\$ -	\$ 3,104,763
Judicial	3,418,242	16,875	30,759	3,404,358
General Services	6,492,568	438,533	96,505	6,834,596
Total General Government	13,015,573	455,408	127,264	13,343,717
Construction in Progress	73,630	-	73,630	-
Total General Government	13,089,203	455,408	200,894	13,343,717
<b>Public Works:</b>				
Rubbish Collection	30,000	-	-	30,000
Drain Commission	194,674	-	-	194,674
Total Public Works	224,674	-	-	224,674
<b>Public Safety:</b>				
Animal Shelter	310,056	300,486	-	610,542
Disaster Contingency	214,364	-	8,100	206,264
Marine Safety	21,500	-	-	21,500
911 Communications Center	21,199,274	45,385	5,044,117	16,200,542
Community Corrections	5,535	-	-	5,535
Sheriff	7,097,542	73,147	37,355	7,133,334
Total Public Safety	28,848,271	419,018	5,089,572	24,177,717
<b>Health and Welfare:</b>				
Health Department	894,370	484,592	447,909	931,053
Mental Health	3,373,315	354,587	85,197	3,642,705
Senior Activates	121,492	-	103,797	17,695
Family Independence Agency	1,913,734	-	11,530	1,902,204
Total Health and Welfare	6,302,911	839,179	648,433	6,493,657
Construction in Progress	38,500	-	38,500	-
Total Health and Welfare	6,341,411	839,179	686,933	6,493,657
<b>Recreation and Cultural:</b>				
Parks and Recreation	2,881,294	23,340	12,000	2,892,634
Libraries	139,797	-	-	139,797
Total Recreation and Cultural	3,021,091	23,340	12,000	3,032,431
 Total Capital Assets	 \$ 51,524,650	 \$ 1,736,945	 \$ 5,950,899	 \$ 47,272,196

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



## **DISCRETELY PRESENTED COMPONENT UNITS**

## **DISCRETELY PRESENTED COMPONENT UNITS**

### **LAPEER COUNTY BOARD OF PUBLIC WORKS (BPW) -**

The BPW is administrated by the Drain Commissioner as appointed by the County Board of Commissioners. The BPW Board establishes policy and reviews operations of the BPW for the County Board of Commissioners. The BPW has the responsibility of administering the various public works' construction projects and the associated debt service funds under the provision of Act 185 P.A. 1957, as amended. The BPW is financially accountable to the County because all general obligation bond issuances require County authorization and are backed by the full faith and credit of the County.

### **LAPEER COUNTY DRAINAGE DISTRICTS -**

The Drainage Districts are established pursuant to Act 40, P.A. 1956, as amended, (the Michigan Drain Code) and are under the administration of the Lapeer County Drain Commissioner. The statutory Intercounty Drainage Board 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 Commissioner, 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 full faith and credit of the County may be given for the debt of the drainage district upon authorization 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.

## **BOARD OF PUBLIC WORKS FUNDS**

**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET**

**BOARD OF PUBLIC WORKS - GOVERNMENTAL FUND TYPES**

**DECEMBER 31, 2022**

	Debt Service Funds				Total
	Dryden Drinking Water	Almont WSS 2007	Almont Sewage Disposal 2002	Dryden WSS 2007	
<b>Assets:</b>					
Cash - Restricted	\$ 879	\$ 5,925	\$ 750	\$ 642	\$ 8,196
<b>Liabilities:</b>					
Due to other governmental units	\$ 879	\$ 5,925	\$ 750	\$ 642	\$ 8,196

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BOARD OF PUBLIC WORKS - GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2022

	Debt Service Funds				
	Dryden Drinking Water	Almont WSSI 2007	Almont Sewage Disposal 2002	Dryden WSSI 2007	Total
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ 121,663	\$ 125,106	\$ 44,455	\$ 291,224
<b>Expenditures:</b>					
Debt Service -					
Principal retirement	-	110,000	130,000	40,000	280,000
Interest and fiscal charges	-	17,588	4,550	5,097	27,235
Total Expenditures	-	127,588	134,550	45,097	307,235
Net Change in Fund Balance	-	( 5,925)	( 9,444)	( 642)	( 16,011)
Fund Balance at beginning of year	-	5,925	9,444	642	16,011
Fund Balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -

## **DRAINAGE DISTRICT FUNDS**

# LAPEER COUNTY, MICHIGAN

## COMBINING BALANCE SHEET DRAINAGE DISTRICTS - GOVERNMENTAL FUND TYPES DECEMBER 31, 2022

	Debt Service Funds				
	Talmage Drain	Imlay Bigelow	Winn Lake	Marshall Creek	Stroup Drain
<b>Assets:</b>					
Cash and cash equivalents	\$ 9,790	\$ 736,577	\$ 24,493	\$ 75,286	\$ 100,571
Investments	-	-	-	-	-
Receivables -					
Special assessments	-	363,094	-	393,394	1,248,646
Accounts	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Advances to other funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 9,790</u>	<u>\$ 1,099,671</u>	<u>\$ 24,493</u>	<u>\$ 468,680</u>	<u>\$ 1,349,217</u>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Deposits payable	-	-	-	-	-
Advances from primary government	-	-	-	-	-
Advances from other funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue - Special assessments	-	204,609	9	370,372	1,185,869
	<u>-</u>	<u>204,609</u>	<u>9</u>	<u>370,372</u>	<u>1,185,869</u>
<b>Fund Balances:</b>					
Restricted -					
Debt service	9,790	895,062	24,484	98,308	163,348
Acquisition/construction of capital assets	-	-	-	-	-
Total Fund Balance	<u>9,790</u>	<u>895,062</u>	<u>24,484</u>	<u>98,308</u>	<u>163,348</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 9,790</u>	<u>\$ 1,099,671</u>	<u>\$ 24,493</u>	<u>\$ 468,680</u>	<u>\$ 1,349,217</u>

Debt Service Funds					Capital Projects Funds	
Peasley Drain	Bottom Creek	Indian Creek	Belle River	Burke Drain	Special Assessment Drain	Drain Revolving
\$ 135,103	\$ 207,511	\$ 197,595	\$ 34,264	\$ 9,633	\$ 693,223	\$ 117,641
-	-	-	-	-	1,207,393	-
1,051,697	1,094,602	2,247,964	400,429	126,861	571,220	-
-	-	-	-	-	2,461	-
-	-	-	-	-	-	110,280
-	-	45,398	70,546	-	45,153	-
-	-	-	-	-	100,000	-
<u>\$ 1,186,800</u>	<u>\$ 1,302,113</u>	<u>\$ 2,490,957</u>	<u>\$ 505,239</u>	<u>\$ 136,494</u>	<u>\$ 2,619,450</u>	<u>\$ 227,921</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,433	\$ 31,619
-	-	-	-	-	928,270	-
-	-	-	-	-	480,109	-
-	-	-	-	-	-	90,000
-	-	-	-	-	-	100,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,641,812</u>	<u>221,619</u>
968,082	993,450	2,091,361	317,207	118,469	89,613	-
218,718	308,663	399,596	188,032	18,025	-	-
-	-	-	-	-	888,025	6,302
<u>218,718</u>	<u>308,663</u>	<u>399,596</u>	<u>188,032</u>	<u>18,025</u>	<u>888,025</u>	<u>6,302</u>
<u>\$ 1,186,800</u>	<u>\$ 1,302,113</u>	<u>\$ 2,490,957</u>	<u>\$ 505,239</u>	<u>\$ 136,494</u>	<u>\$ 2,619,450</u>	<u>\$ 227,921</u>

Continued



# LAPEER COUNTY, MICHIGAN

## COMBINING BALANCE SHEET DRAINAGE DISTRICTS - GOVERNMENTAL FUND TYPES DECEMBER 31, 2022

	Capital Project Funds			
	Marshall Creek	Stroup Drain	Peasley Drain	Bottom Creek
<b>Assets:</b>				
Cash and cash equivalents	\$ 69,421	\$ 23,019	\$ 35,989	\$ 7,666
Investments	-	-	-	-
Receivables -				
Special assessments	-	-	-	-
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Advances to other funds	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 69,421</u>	<u>\$ 23,019</u>	<u>\$ 35,989</u>	<u>\$ 7,666</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 1,527	\$ -	\$ -
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Advances from primary government	-	-	-	-
Advances from other funds	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>-</u>	<u>1,527</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - Special assessments	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Fund Balances:</b>				
Restricted -				
Debt service	-	-	-	-
Acquisition/construction of capital assets	69,421	21,492	35,989	7,666
Total Fund Balance	<u>69,421</u>	<u>21,492</u>	<u>35,989</u>	<u>7,666</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 69,421</u>	<u>\$ 23,019</u>	<u>\$ 35,989</u>	<u>\$ 7,666</u>

Capital Project Funds			
Indian Creek	Belle River	Burke Drain	Total
\$ 305,505	\$ 301,290	\$ 86,213	\$ 3,170,790
-	-	-	1,207,393
-	-	-	7,497,907
-	-	-	2,461
-	-	-	110,280
-	-	-	161,097
-	-	-	100,000
<u>\$ 305,505</u>	<u>\$ 301,290</u>	<u>\$ 86,213</u>	<u>\$ 12,249,928</u>
\$ 5,299	\$ 42,879	\$ -	\$ 314,757
-	-	-	928,270
-	-	-	480,109
-	-	-	90,000
-	-	-	100,000
<u>5,299</u>	<u>42,879</u>	<u>-</u>	<u>1,913,136</u>
-	-	-	6,339,041
-	-	-	2,324,026
300,206	258,411	86,213	1,673,725
<u>300,206</u>	<u>258,411</u>	<u>86,213</u>	<u>3,997,751</u>
<u>\$ 305,505</u>	<u>\$ 301,290</u>	<u>\$ 86,213</u>	<u>\$ 12,249,928</u>

Concluded

# LAPEER COUNTY, MICHIGAN

## RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION DRAINAGE DISTRICTS DECEMBER 31, 2022

Fund Balances - Drainage Districts	\$ 3,997,751
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 governmental funds.	
Capital assets	38,727,700
Accumulated depreciation	( 19,379,482)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Special assessments	6,339,041
An internal service fund is used by management to charge costs of maintenance. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position.	1,823,674
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.	
Bonds/notes payable	( 6,941,392)
Bond premium	( 25,789)
Accrued interest on bonds/notes payable	( 18,187)
Net Position of Drainage Districts	<u>\$ 24,523,316</u>

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES DRAINAGE DISTRICTS - GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2022

	Debt Service Funds				
	Talmage Drain	Imlay Bigelow	Winn Lake	Marshall Creek	Stroup Drain
<b>Revenues:</b>					
Local contribution	\$ -	\$ -	\$ -	\$ -	\$ 26,002
Interest	7,900	-	-	-	-
Other - Special assessments	-	158,485	-	56,377	86,853
Total Revenues	<u>7,900</u>	<u>158,485</u>	<u>-</u>	<u>56,377</u>	<u>112,855</u>
<b>Expenditures:</b>					
Capital outlay	-	-	-	-	-
Public works	-	-	-	-	-
Debt service -					
Principal retirement	-	125,000	-	45,000	85,000
Interest and fiscal charges	-	20,375	-	9,925	21,704
Bond issuance costs	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>145,375</u>	<u>-</u>	<u>54,925</u>	<u>106,704</u>
Revenues over (under) expenditures	<u>7,900</u>	<u>13,110</u>	<u>-</u>	<u>1,452</u>	<u>6,151</u>
<b>Other Financing Sources (Uses):</b>					
Bond proceeds	-	-	-	-	-
Note proceeds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	7,900	13,110	-	1,452	6,151
Fund Balances at beginning of year	<u>1,890</u>	<u>881,952</u>	<u>24,484</u>	<u>96,856</u>	<u>157,197</u>
Fund Balances at end of year	<u>\$ 9,790</u>	<u>\$ 895,062</u>	<u>\$ 24,484</u>	<u>\$ 98,308</u>	<u>\$ 163,348</u>

Debt Service Funds					Capital Project Funds	
Peasley Drain	Bottom Creek	Indian Creek	Belle River	Burke Drain	Special Assessment Drain	Drain Revolving
\$ 13,394	\$ 216,925	\$ 112,838	\$ 182,589	\$ -	\$ 155,703	\$ -
-	-	863	-	-	-	32
119,644	81,121	136,122	1,928	10,698	750,573	-
<u>133,038</u>	<u>298,046</u>	<u>249,823</u>	<u>184,517</u>	<u>10,698</u>	<u>906,276</u>	<u>32</u>
-	-	-	-	-	-	-
-	-	-	-	-	1,189,005	-
105,000	115,000	170,000	163,750	5,000	40,339	-
17,702	20,792	53,125	6,699	2,767	2,469	-
-	-	-	-	-	-	-
<u>122,702</u>	<u>135,792</u>	<u>223,125</u>	<u>170,449</u>	<u>7,767</u>	<u>1,231,813</u>	<u>-</u>
<u>10,336</u>	<u>162,254</u>	<u>26,698</u>	<u>14,068</u>	<u>2,931</u>	<u>( 325,537)</u>	<u>32</u>
-	-	-	-	-	-	-
-	-	-	-	-	342,029	-
-	-	-	-	-	248,069	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>590,098</u>	<u>-</u>
10,336	162,254	26,698	14,068	2,931	264,561	32
<u>208,382</u>	<u>146,409</u>	<u>372,898</u>	<u>173,964</u>	<u>15,094</u>	<u>623,464</u>	<u>6,270</u>
<u>\$ 218,718</u>	<u>\$ 308,663</u>	<u>\$ 399,596</u>	<u>\$ 188,032</u>	<u>\$ 18,025</u>	<u>\$ 888,025</u>	<u>\$ 6,302</u>

Continued

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES DRAINAGE DISTRICTS - GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2022

	Capital Project Funds			
	Marshall Creek	Stroup Drain	Peasley Drain	Bottom Creek
<b>Revenues:</b>				
Local contribution	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Other - Special assessments	-	-	-	-
Total Revenues	-	-	-	-
<b>Expenditures:</b>				
Capital outlay	-	15,268	79,945	73,865
Public works	344	24,867	31,601	17,569
Debt service -				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	344	40,135	111,546	91,434
Revenues over (under) expenditures	( 344)	( 40,135)	( 111,546)	( 91,434)
<b>Other Financing Sources (Uses):</b>				
Bond proceeds	-	-	-	-
Note proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	( 344)	( 40,135)	( 111,546)	( 91,434)
Fund Balances at beginning of year	69,765	61,627	147,535	99,100
Fund Balances at end of year	\$ 69,421	\$ 21,492	\$ 35,989	\$ 7,666

Capital Project Funds			
Indian Creek	Belle River	Burke Drain	Total
\$ -	\$ -	\$ -	\$ 707,451
1,623	-	-	10,418
-	-	-	1,401,801
<u>1,623</u>	<u>-</u>	<u>-</u>	<u>2,119,670</u>
-	-	-	169,078
128,671	44,116	3,899	1,440,072
-	-	-	854,089
-	-	-	155,558
-	-	-	-
<u>128,671</u>	<u>44,116</u>	<u>3,899</u>	<u>2,618,797</u>
( 127,048)	( 44,116)	( 3,899)	( 499,127)
-	-	-	-
-	-	-	342,029
-	-	-	248,069
-	( 155,506)	( 92,563)	( 248,069)
<u>-</u>	<u>( 155,506)</u>	<u>( 92,563)</u>	<u>342,029</u>
( 127,048)	( 199,622)	( 96,462)	( 157,098)
<u>427,254</u>	<u>458,033</u>	<u>182,675</u>	<u>4,154,849</u>
<u>\$ 300,206</u>	<u>\$ 258,411</u>	<u>\$ 86,213</u>	<u>\$ 3,997,751</u>

Concluded

## LAPEER COUNTY, MICHIGAN

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES DRAINAGE DISTRICTS FOR THE YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balances - Drainage Districts	\$( 157,098)
Governmental funds report capital outlay 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	371,969
Depreciation expense	( 604,396)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	
	( 984,669)
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	854,089
Bond/note proceeds	( 342,029)
An internal service fund is used by management to charge costs of maintenance. The net revenues (expenses) attributable to this fund are reported with governmental activities.	
	1,632
Accrued interest expense on bonds and the amortization of discounts, premiums, and bond issuance costs are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net position.	
Amortization of bond premium	2,579
Increase in accrued interest payable	( 969)
Change in Net Position of Drainage Districts	<u><u>\$( 858,892)</u></u>



**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND - DRAINAGE DISTRICTS  
INTERNAL SERVICE FUND  
DECEMBER 31, 2022**

**Assets:**

Current assets -	
Cash and cash equivalents	\$ 761,679
Due from other funds	<u>817,990</u>
Total Current Assets	1,579,669
Property, plant, and equipment, net	<u>244,005</u>
Total Assets	<u><u>\$ 1,823,674</u></u>

**Net Position:**

Investment in capital assets	\$ 244,005
Unrestricted	<u>1,579,669</u>
Total Net Position	<u><u>\$ 1,823,674</u></u>

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND - DRAINAGE DISTRICTS  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Operating Revenue:**

Charges for services	\$ -
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**Non-Operating Revenue:**

Interest	<u>1,632</u>
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Change in Net Position	1,632
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Net Position at beginning of year	<u>1,822,042</u>
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Net Position at end of year	<u><u>\$ 1,823,674</u></u>
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**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - DRAINAGE DISTRICTS  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Cash Flows From Non-Capital Related Financing Activities:**

Due from other funds	\$ 638,480
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**Cash Flows From Investing Activities:**

Interest received	<u>1,632</u>
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Net increase in cash and cash equivalents	640,112
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Cash and cash equivalents at beginning of year	<u>121,567</u>
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Cash and cash equivalents at end of year	<u><u>\$ 761,679</u></u>
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## SECTION THREE: STATISTICAL SECTION

This section of Lapeer County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required reports about the County's overall financial health.

<b>Contents</b>	<b><u>Page Number</u></b>
<u>Financial Trends</u>	S-1 to S-6
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
<u>Revenue Capacity</u>	S-7 to S-13
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property taxes.</i>	
<u>Debt Capacity</u>	S-14 to S-17
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the ability to issue additional debt in the future.</i>	
<u>Demographic and Economic Information</u>	S-18 to S-21
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
<u>Operating Information</u>	S-22 to S-29
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and activities it performs.</i>	
<u>Miscellaneous Statistics</u>	S-30
<i>These schedules contain miscellaneous information to help the reader assess the County Government.</i>	

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

**LAPEER COUNTY, MICHIGAN**

**NET POSITION BY COMPONENT  
LAST TEN YEARS - UNAUDITED  
(accrual basis of accounting)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 16,659,094	\$ 17,870,430	\$ 17,868,209	\$ 18,968,145	\$ 20,723,541	\$ 20,585,510	\$ 20,261,240	\$ 20,091,198	\$ 18,937,040	\$ 19,648,531
Restricted	7,325,294	6,839,225	7,723,876	7,966,468	8,708,054	9,395,277	10,108,527	10,857,502	11,229,704	16,485,368
Unrestricted	<u>19,555,834</u>	<u>22,069,473</u>	<u>7,986,044</u>	<u>6,705,532</u>	<u>6,025,345</u>	<u>4,496,948</u>	<u>6,552,295</u>	<u>8,690,697</u>	<u>9,427,809</u>	<u>9,044,288</u>
Total Governmental Activities Net Position	<u>\$ 43,540,222</u>	<u>\$ 46,779,128</u>	<u>\$ 33,578,129</u>	<u>\$ 33,640,145</u>	<u>\$ 35,456,940</u>	<u>\$ 34,477,735</u>	<u>\$ 36,922,062</u>	<u>\$ 39,639,397</u>	<u>\$ 39,594,553</u>	<u>\$ 45,178,187</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 14,769,275	\$ 14,127,443	\$ 15,713,813	\$ 18,611,320	\$ 20,669,746	\$ 19,719,867	\$ 18,855,231	\$ 17,700,097	\$ 17,004,001	\$ 16,747,217
Restricted	2,244,192	2,438,415	2,544,188	2,712,498	2,909,368	3,302,507	3,357,054	3,564,137	3,780,992	4,092,894
Unrestricted	<u>23,539,977</u>	<u>22,145,385</u>	<u>15,190,721</u>	<u>11,076,780</u>	<u>6,558,530</u>	<u>5,905,549</u>	<u>4,239,551</u>	<u>6,783,528</u>	<u>16,526,446</u>	<u>9,243,659</u>
Total Business-type Activities Net Position	<u>\$ 40,553,444</u>	<u>\$ 38,711,243</u>	<u>\$ 33,448,722</u>	<u>\$ 32,400,598</u>	<u>\$ 30,137,644</u>	<u>\$ 28,927,923</u>	<u>\$ 26,451,836</u>	<u>\$ 28,047,762</u>	<u>\$ 37,311,439</u>	<u>\$ 30,083,770</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 31,428,369	\$ 31,997,873	\$ 33,582,022	\$ 37,579,465	\$ 41,393,287	\$ 40,305,377	\$ 39,116,471	\$ 37,791,295	\$ 35,941,041	\$ 36,395,748
Restricted	9,569,486	9,277,640	10,268,064	10,678,966	11,617,422	12,697,784	13,465,581	14,421,639	15,010,696	20,578,262
Unrestricted	<u>43,095,811</u>	<u>44,214,858</u>	<u>23,176,765</u>	<u>17,782,312</u>	<u>12,583,875</u>	<u>10,402,497</u>	<u>10,791,846</u>	<u>15,474,225</u>	<u>25,954,255</u>	<u>18,287,947</u>
Total Primary Government Net Position	<u>\$ 84,093,666</u>	<u>\$ 85,490,371</u>	<u>\$ 67,026,851</u>	<u>\$ 66,040,743</u>	<u>\$ 65,594,584</u>	<u>\$ 63,405,658</u>	<u>\$ 63,373,898</u>	<u>\$ 67,687,159</u>	<u>\$ 76,905,992</u>	<u>\$ 75,261,957</u>

Source: Lapeer County Finance Department

Notes: GASB Statement Nos. 68 & 75 were implemented in 2015 and 2018, respectively, and previous years were not restated.

# LAPEER COUNTY, MICHIGAN

## CHANGES IN NET POSITION LAST TEN YEARS - UNAUDITED (accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental Activities:										
Legislative	\$ 272,414	\$ 281,705	\$ 289,048	\$ 327,800	\$ 311,288	\$ 333,204	\$ 339,939	\$ 340,525	\$ 353,813	\$ 368,096
Judicial	4,757,337	4,874,708	5,117,641	5,403,251	5,037,326	5,215,996	5,436,832	5,258,417	5,325,503	6,760,651
General government	5,406,198	7,466,262	7,552,910	6,708,073	6,090,115	8,236,433	6,134,825	6,306,583	7,138,394	6,782,698
Public safety	10,516,750	10,678,702	11,776,498	12,119,851	11,675,951	13,218,623	12,474,263	10,724,283	13,683,609	16,144,759
Public works	370,012	341,165	340,331	360,066	940,969	654,770	417,537	1,670,934	844,194	598,936
Health and welfare	22,094,300	22,681,428	25,702,025	26,845,525	26,537,972	28,270,901	28,447,547	29,601,242	29,852,869	36,503,544
Recreation and culture	449,245	437,936	430,536	504,008	493,489	483,143	413,834	277,906	451,882	848,855
Other activities	-	-	-	-	-	-	-	-	-	(47,405)
Interest on long-term debt	405,496	351,578	299,517	249,830	192,174	132,174	72,175	-	-	-
Total Governmental Activities Expenses	44,271,752	47,113,484	51,508,506	52,518,404	51,279,284	56,545,244	53,736,952	54,179,890	57,650,264	67,960,134
Business-type Activities:										
Medical Care Facility	22,240,772	23,047,871	23,247,539	24,467,545	28,428,019	28,054,218	31,500,215	30,540,895	28,006,714	31,129,047
Delinquent Tax Revolving	267,737	291,793	251,000	309,789	274,679	356,704	343,370	314,936	232,717	230,443
Telecommunications	-	-	-	-	-	-	-	-	-	9,667
Total Business-type Activities Expenses	22,508,509	23,339,664	23,498,539	24,777,334	28,702,698	28,410,922	31,843,585	30,855,831	28,239,431	31,369,157
Total Primary Government Expenses	66,780,261	70,453,148	75,007,045	77,295,738	79,981,982	84,956,166	85,580,537	85,035,721	85,889,695	99,329,291
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services -										
Judicial	1,311,455	1,280,631	1,248,562	1,203,467	1,148,474	1,175,157	1,162,286	1,025,306	1,134,263	1,162,154
General government	3,991,391	4,069,704	3,981,037	4,582,315	4,274,105	4,513,226	4,657,869	4,861,236	4,861,963	4,713,607
Public safety	3,750,022	3,599,361	3,558,940	3,610,853	3,984,976	3,824,446	3,859,187	3,842,221	4,337,494	5,157,160
Public works	-	-	-	-	-	-	-	-	-	-
Health and welfare	14,939,287	16,538,510	19,527,759	1,874,704	2,050,660	2,787,015	2,015,877	2,054,228	2,377,567	27,574,802
Recreation and culture	138,624	126,311	171,243	180,273	141,116	167,291	113,136	27,660	94,071	121,963
Interest on long-term debt	-	186,078	-	-	-	-	-	-	-	-
Operating grants and contributions	7,208,391	7,942,683	6,643,270	24,366,273	24,720,228	25,583,984	26,570,815	28,569,011	29,167,123	14,295,633
Capital grants and contributions	-	524,318	-	-	-	14,000	-	-	700,380	1,530,827
Total Governmental Activities Program Revenues	31,339,170	34,267,596	35,130,811	35,817,885	36,319,559	38,065,119	38,379,170	40,379,662	42,672,861	54,556,146
Business-type Activities:										
Charges for services -										
Medical Care Facility	23,451,325	21,105,999	22,954,928	23,695,316	25,636,575	26,888,857	28,368,272	27,779,826	23,272,844	23,484,740
Delinquent Tax	1,166,265	1,397,803	1,257,148	1,127,464	1,280,532	1,158,414	1,275,907	1,310,602	1,217,761	1,225,059
Telecommunications	-	-	-	-	-	-	19,380	9,820	20,800	29,360
Operating grants and contributions	-	-	-	38,589	19,199	-	-	-	-	-
Total Business-type Activities Program Revenues	24,617,590	22,503,802	24,212,076	24,861,369	26,936,306	28,047,271	29,663,559	29,100,248	24,511,405	24,739,159
Total Primary Government Program Revenues	55,956,760	56,771,398	59,342,887	60,679,254	63,255,865	66,112,390	68,042,729	69,479,910	67,184,266	79,295,305
Net (Expense)/Revenue										
Governmental Activities	( 12,932,582)	( 12,845,888)	( 16,377,695)	( 16,700,519)	( 14,959,725)	( 18,480,125)	( 15,357,782)	( 13,800,228)	( 14,977,403)	( 13,403,988)
Business-type Activities	2,109,081	( 835,862)	713,537	84,035	( 1,766,392)	( 363,651)	( 2,180,026)	( 1,755,583)	( 3,728,026)	( 6,629,998)
Total Primary Government Net Expenses	( 10,823,501)	( 13,681,750)	( 15,664,158)	( 16,616,484)	( 16,726,117)	( 18,843,776)	( 17,537,808)	( 15,555,811)	( 18,705,429)	( 20,033,986)

Continued

# LAPEER COUNTY, MICHIGAN

## CHANGES IN NET POSITION LAST TEN YEARS - UNAUDITED (accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property taxes	\$ 12,256,788	\$ 12,797,132	\$ 12,599,779	\$ 12,821,205	\$ 13,072,876	\$ 13,656,642	\$ 14,255,291	\$ 14,735,672	\$ 13,104,450	\$ 13,992,876
Unrestricted grants and contributions	1,304,881	1,444,556	1,674,824	1,683,815	1,712,223	1,736,456	1,722,992	1,338,710	1,758,221	1,814,642
Investment earnings	51,699	173,195	125,415	164,921	170,069	185,742	401,706	161,184	25,003	( 508,640)
Gain on sale of capital assets	-	-	-	32,594	11,855	23,258	19,120	18,997	44,885	95,744
Transfers	385,639	1,669,911	260,507	2,060,000	1,463,195	1,898,822	1,403,000	263,000	-	3,593,000
Total Governmental Activities	<u>13,999,007</u>	<u>16,084,794</u>	<u>14,660,525</u>	<u>16,762,535</u>	<u>16,430,218</u>	<u>17,500,920</u>	<u>17,802,109</u>	<u>16,517,563</u>	<u>14,932,559</u>	<u>18,987,622</u>
Business-type Activities:										
Property taxes	876,530	810,147	912,656	904,079	922,219	924,711	965,004	1,133,886	1,092,182	1,152,205
Unrestricted grants and contributions	19,434	7,830	19,022	11,141	21,184	25,701	43,536	2,404,795	11,890,793	1,826,318
Investment earnings	18,455	25,684	7,977	12,621	23,230	102,340	98,399	75,828	8,728	16,806
Gain on sale of capital assets	-	-	1,900	-	-	-	-	-	-	-
Transfers	( 315,000)	( 1,850,000)	( 151,058)	( 2,060,000)	( 1,463,195)	( 1,898,822)	( 1,403,000)	( 263,000)	-	( 3,593,000)
Total Business-type Activities	<u>599,419</u>	<u>( 1,006,339)</u>	<u>790,497</u>	<u>( 1,132,159)</u>	<u>( 496,562)</u>	<u>( 846,070)</u>	<u>( 296,061)</u>	<u>3,351,509</u>	<u>12,991,703</u>	<u>( 597,671)</u>
Total Primary Government	<u>14,598,426</u>	<u>15,078,455</u>	<u>15,451,022</u>	<u>15,630,376</u>	<u>15,933,656</u>	<u>16,654,850</u>	<u>17,506,048</u>	<u>19,869,072</u>	<u>27,924,262</u>	<u>18,389,951</u>
<b>Change in Net Position</b>										
Governmental Activities	1,066,425	3,238,906	( 1,717,170)	62,016	1,470,493	( 979,205)	2,444,327	2,717,335	( 44,844)	5,583,634
Business-type Activities	<u>2,708,500</u>	<u>( 1,842,201)</u>	<u>1,504,034</u>	<u>( 1,048,124)</u>	<u>( 2,262,954)</u>	<u>( 1,209,721)</u>	<u>( 2,476,087)</u>	<u>1,595,926</u>	<u>9,263,677</u>	<u>( 7,227,669)</u>
Total Primary Government	<u>\$ 3,774,925</u>	<u>\$ 1,396,705</u>	<u>\$ ( 213,136)</u>	<u>\$ ( 986,108)</u>	<u>\$ 792,461</u>	<u>\$ ( 2,188,926)</u>	<u>\$ ( 31,760)</u>	<u>\$ 4,313,261</u>	<u>\$ 9,218,833</u>	<u>\$ ( 1,644,035)</u>

**LAPEER COUNTY, MICHIGAN**

**FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN YEARS - UNAUDITED  
(modified accrual basis of accounting)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund -										
Nonspendable	\$ 293,351	\$ 293,341	\$ 436,366	\$ 333,485	\$ 117,821	\$ 554,066	\$ 486,474	\$ 496,281	\$ 438,520	\$ 400,643
Restricted	2,547,799	2,560,317	2,560,317	2,585,133	2,603,951	2,628,837	2,715,027	2,774,373	2,761,019	2,693,146
Committed	3,813,324	3,821,027	3,817,940	1,704,478	1,441,719	1,448,044	1,460,010	1,464,686	1,455,588	1,433,042
Assigned	-	-	-	81,872	329,265	358,420	500,000	500,000	500,000	500,000
Unassigned	<u>5,531,941</u>	<u>5,794,629</u>	<u>5,636,828</u>	<u>5,569,358</u>	<u>5,234,863</u>	<u>4,443,589</u>	<u>4,307,691</u>	<u>4,592,727</u>	<u>3,991,337</u>	<u>4,002,009</u>
Total General Fund	<u>\$ 12,186,415</u>	<u>\$ 12,469,314</u>	<u>\$ 12,451,451</u>	<u>\$ 10,274,326</u>	<u>\$ 9,727,619</u>	<u>\$ 9,432,956</u>	<u>\$ 9,469,202</u>	<u>\$ 9,828,067</u>	<u>\$ 9,146,464</u>	<u>\$ 9,028,840</u>
All other Governmental Funds -										
Nonspendable	\$ 90,311	\$ 238,903	\$ 82,975	\$ 65,590	\$ 44,703	\$ 102,566	\$ 39,547	\$ 69,452	\$ 94,579	\$ 85,029
Restricted	7,487,340	6,709,350	6,542,840	6,889,571	6,627,402	6,635,880	7,281,217	7,485,888	7,938,239	11,914,017
Committed	3,114,062	4,080,433	4,314,531	5,233,713	3,461,721	3,602,994	3,657,864	3,452,813	3,996,496	3,657,455
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 331,753)</u>	<u>-</u>	<u>-</u>
Total all other Governmental Funds	<u>\$ 10,691,713</u>	<u>\$ 11,028,686</u>	<u>\$ 10,940,346</u>	<u>\$ 12,188,874</u>	<u>\$ 10,133,826</u>	<u>\$ 10,341,440</u>	<u>\$ 10,978,628</u>	<u>\$ 10,676,400</u>	<u>\$ 12,029,314</u>	<u>\$ 15,656,501</u>

Source: Lapeer County Finance Department

# LAPEER COUNTY, MICHIGAN

## CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS LAST TEN YEARS - UNAUDITED (modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Property taxes	\$ 12,256,788	\$ 12,797,132	\$ 12,599,779	\$ 12,821,205	\$ 13,072,876	\$ 13,656,642	\$ 14,255,291	\$ 14,735,672	\$ 13,104,450	\$ 13,992,876
Licenses and permits	508,940	556,463	579,697	592,723	695,362	690,043	628,951	639,202	737,823	668,645
Intergovernmental	8,593,470	9,190,544	8,051,779	25,869,961	26,286,176	27,135,415	28,232,029	29,339,460	31,779,315	10,803,435
Charges for services	20,286,836	21,085,945	24,192,890	6,715,574	6,823,579	6,973,802	7,546,519	7,266,370	8,257,678	33,595,813
Fines and forfeits	370,531	359,655	343,552	466,477	314,399	259,853	229,196	258,796	269,030	414,938
Rents and royalties	360,241	391,233	208,558	243,885	246,001	243,878	249,719	244,049	253,323	248,371
Interest	51,699	173,195	125,415	164,889	170,069	185,742	401,706	161,184	25,003	(508,640)
Other	3,422,509	3,714,606	3,174,203	3,456,938	3,539,280	3,517,794	3,693,399	3,402,234	3,287,504	3,455,000
Total Revenues	<u>45,851,014</u>	<u>48,268,773</u>	<u>49,275,873</u>	<u>50,331,652</u>	<u>51,147,742</u>	<u>52,663,169</u>	<u>55,236,810</u>	<u>56,046,967</u>	<u>57,714,126</u>	<u>62,670,438</u>
<b>Expenditures:</b>										
Current -										
Legislative	272,414	281,705	289,048	312,344	308,445	324,444	334,970	343,180	356,000	368,096
Judicial	4,757,337	4,874,708	5,117,641	5,139,345	4,990,937	5,093,584	5,359,638	5,276,301	5,413,440	6,770,898
General government	4,992,545	5,283,633	5,277,806	6,970,287	5,629,086	6,187,201	5,932,679	5,862,320	6,090,927	6,654,184
Public safety	9,772,045	10,151,606	10,205,264	10,609,194	10,743,272	11,259,634	11,542,400	11,510,941	12,419,002	12,716,642
Public works	369,412	340,565	339,731	341,928	934,524	632,482	409,088	1,678,508	859,756	598,336
Health and welfare	22,083,897	23,130,639	24,937,959	25,376,846	26,411,591	27,146,199	28,286,026	28,222,325	30,314,761	34,977,158
Community and economic develop	-	-	-	-	-	-	-	-	-	492,988
Recreation and culture	380,680	360,234	352,834	410,281	417,600	400,184	371,209	234,229	726,034	317,511
Other activities	231,067	408,093	183,432	329,241	376,910	580,293	555,686	480,918	593,945	-
Capital outlay	236,100	555,236	443,583	-	2,861,210	396,168	410,430	375,815	128,232	174,140
Debt Service -										
Principal	1,665,000	1,685,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,975,000	-	-
Interest and charges	437,625	383,875	333,312	284,562	229,250	169,250	109,250	39,625	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>45,198,122</u>	<u>47,455,294</u>	<u>48,980,610</u>	<u>51,274,028</u>	<u>54,402,825</u>	<u>53,689,439</u>	<u>54,811,376</u>	<u>55,999,162</u>	<u>56,902,097</u>	<u>63,069,953</u>
Revenues over (under) expenditures	<u>652,892</u>	<u>813,479</u>	<u>295,263</u>	<u>(942,376)</u>	<u>(3,255,083)</u>	<u>(1,026,270)</u>	<u>425,434</u>	<u>47,805</u>	<u>812,029</u>	<u>(399,515)</u>
<b>Other Financing Sources (Uses):</b>										
Transfers in	2,575,900	4,630,932	2,301,718	4,971,400	3,905,199	3,893,297	3,412,173	3,281,328	7,223,433	7,204,732
Lease proceeds	-	-	-	-	-	-	-	-	-	454,321
Transfers out	( 2,574,730)	( 4,824,539)	( 2,703,184)	( 5,303,923)	( 3,251,871)	( 2,954,076)	( 3,164,173)	( 3,272,496)	( 7,364,151)	( 3,749,975)
Total other financing sources (uses)	<u>1,170</u>	<u>( 193,607)</u>	<u>( 401,466)</u>	<u>( 332,523)</u>	<u>653,328</u>	<u>939,221</u>	<u>248,000</u>	<u>8,832</u>	<u>( 140,718)</u>	<u>3,909,078</u>
<b>Net Change in Fund Balances</b>	<u>\$ 654,062</u>	<u>\$ 619,872</u>	<u>\$ ( 106,203)</u>	<u>\$ ( 1,274,899)</u>	<u>\$ ( 2,601,755)</u>	<u>\$ ( 87,049)</u>	<u>\$ 673,434</u>	<u>\$ 56,637</u>	<u>\$ 671,311</u>	<u>\$ 3,509,563</u>
Debt service as a percentage of noncapital expenditures	<u>4.7%</u>	<u>4.4%</u>	<u>3.8%</u>	<u>3.5%</u>	<u>3.2%</u>	<u>3.1%</u>	<u>3.0%</u>	<u>3.6%</u>	<u>0.0%</u>	<u>0.0%</u>

Source: Lapeer County Finance Department

Note: The 2016 information includes a reclassification specific to the Lapeer County Community Mental Health Board to change revenue previously reported as charges for services to the intergovernmental revenue source classification.  
The years presented prior to 2016 have not been restated.  
The 2022 information includes a reclassification specific to the Lapeer County Community Mental Health Board to change revenue reported as intergovernmental to charges for services revenue source classification.



# LAPEER COUNTY, MICHIGAN

## GENERAL FUND CHANGES IN FUND BALANCES LAST TEN YEARS - UNAUDITED (modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Property taxes	\$ 9,359,926	\$ 9,905,240	\$ 9,679,668	\$ 9,835,298	\$ 10,091,658	\$ 10,589,210	\$ 11,050,459	\$ 11,395,146	\$ 11,703,386	\$ 12,528,708
Licenses and permits	40,608	60,335	57,911	2,733	2,725	2,700	2,567	15	2,567	2,948
Intergovernmental	2,642,041	2,881,812	2,518,196	2,687,438	2,730,787	2,767,259	2,817,926	2,212,426	2,773,144	2,841,669
Charges for services	2,350,542	2,127,751	2,235,273	2,256,000	2,206,697	2,254,193	2,178,638	2,302,198	2,402,204	2,437,539
Fines and forfeits	205,975	202,479	186,235	275,946	161,471	162,830	151,579	148,974	149,897	150,931
Rents and royalties	178,854	188,958	194,042	229,348	230,277	228,592	232,295	226,347	238,455	230,451
Investment income	40,359	170,165	123,632	161,615	164,452	177,769	385,684	148,041	21,932	(541,333)
Other	2,742,557	2,906,648	2,661,452	2,975,123	2,729,156	2,937,362	3,093,411	2,998,555	2,923,773	2,936,839
Total Revenues	17,560,862	18,443,388	17,656,409	18,423,501	18,317,223	19,119,915	19,912,559	19,431,702	20,215,358	20,587,752
<b>Expenditures:</b>										
Current -										
Legislative	272,414	281,705	289,048	312,344	308,445	324,444	334,970	343,180	356,000	368,096
Judicial	3,456,771	3,601,312	3,699,909	3,728,001	3,610,715	3,642,189	3,641,338	3,404,176	3,470,361	4,791,007
General government	4,897,991	5,153,277	4,927,129	5,345,942	5,497,250	6,004,645	5,760,483	5,684,364	5,657,547	4,960,683
Public safety	5,840,850	6,001,753	5,892,611	6,251,389	6,210,955	6,640,644	6,850,534	4,995,129	6,922,486	7,150,453
Public works	369,412	340,565	339,731	341,928	934,524	632,482	409,088	1,678,508	859,756	598,336
Health and welfare	98,335	86,455	90,022	99,640	104,171	108,471	140,441	128,326	90,129	117,570
Community and economic development	-	-	-	-	-	-	-	-	-	492,988
Recreation and culture	215,473	211,761	202,795	220,942	230,337	229,270	219,600	171,740	177,278	-
Other activities	231,067	408,093	183,432	329,241	376,910	580,293	555,686	480,918	593,945	-
Total Expenditures	15,382,313	16,084,921	15,624,677	16,629,427	17,273,307	18,162,438	17,912,140	16,886,341	18,127,502	18,479,133
Revenues over expenditures	2,178,549	2,358,467	2,031,732	1,794,074	1,043,916	957,477	2,000,419	2,545,361	2,087,856	2,108,619
<b>Other Financing Sources (Uses):</b>										
Transfers in	-	1,850,000	-	67,813	960,195	901,831	400,000	260,000	-	500,000
Transfers out	( 1,934,176)	( 3,925,568)	( 2,049,595)	( 4,256,569)	( 2,550,818)	( 2,153,971)	( 2,364,173)	( 2,446,496)	( 2,769,459)	( 2,726,243)
Total Other Financing Uses	( 1,934,176)	( 2,075,568)	( 2,049,595)	( 4,188,756)	( 1,590,623)	( 1,252,140)	( 1,964,173)	( 2,186,496)	( 2,769,459)	( 2,226,243)
<b>Net Change in Fund Balances</b>	<u>\$ 244,373</u>	<u>\$ 282,899</u>	<u>\$( 17,863)</u>	<u>\$( 2,394,682)</u>	<u>\$( 546,707)</u>	<u>\$( 294,663)</u>	<u>\$ 36,246</u>	<u>\$ 358,865</u>	<u>\$( 681,603)</u>	<u>\$( 117,624)</u>

Source: Lapeer County Finance Department

# LAPEER COUNTY, MICHIGAN

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS - UNAUDITED

Fiscal Year Ended December 31,	Tax Year	Assessed Value of Real Property				Assessed Value of Personal Property	Total Assessed Value	Total Assessed Value Captured	Total Direct Tax Rate	Total Estimated Actual Value
		Residential Property	Agricultural Property	Commercial Property	Other Property					
2013	2012	\$ 2,045,548,843	\$ 357,950,077	\$ 246,235,902	\$ 57,677,692	\$ 197,764,038	\$ 2,905,176,552	\$ 149,578,826	5.2186	\$ 5,810,353,104
2014	2013	\$ 2,162,320,660	\$ 380,850,934	\$ 231,788,886	\$ 59,371,428	\$ 194,317,290	\$ 3,028,649,198	\$ 139,511,142	5.2186	\$ 6,057,298,396
2015	2014	\$ 2,369,409,688	\$ 397,260,237	\$ 240,483,939	\$ 65,428,597	\$ 200,841,723	\$ 3,273,424,184	\$ 146,949,205	5.2186	\$ 6,546,848,368
2016	2015	\$ 2,539,653,169	\$ 426,388,763	\$ 253,336,374	\$ 65,793,511	\$ 169,494,672	\$ 3,454,666,489	\$ 131,546,212	6.1881	\$ 6,909,332,978
2017	2016	\$ 2,679,948,772	\$ 449,754,817	\$ 256,738,900	\$ 71,915,379	\$ 200,226,876	\$ 3,658,584,744	\$ 138,614,458	6.1476	\$ 7,317,169,488
2018	2017	\$ 2,758,586,965	\$ 448,253,998	\$ 254,529,004	\$ 72,061,413	\$ 227,289,314	\$ 3,760,720,694	\$ 159,053,800	6.1290	\$ 7,521,441,388
2019	2018	\$ 2,976,584,993	\$ 444,374,880	\$ 263,905,392	\$ 75,879,900	\$ 233,087,391	\$ 3,993,832,556	\$ 165,982,014	6.1282	\$ 7,987,665,112
2020	2019	\$ 3,206,048,199	\$ 463,956,491	\$ 289,322,430	\$ 81,130,500	\$ 232,887,745	\$ 4,273,345,365	\$ 170,041,659	6.3567	\$ 8,546,690,730
2021	2020	\$ 3,406,744,743	\$ 447,355,100	\$ 288,795,255	\$ 88,736,300	\$ 242,896,674	\$ 4,474,528,072	\$ 177,659,588	5.3086	\$ 8,949,056,144
2022	2021	\$ 3,680,095,896	\$ 490,418,577	\$ 306,995,500	\$ 105,871,400	\$ 241,717,628	\$ 4,825,099,001	\$ 187,186,427	5.2511	\$ 9,650,198,002

Source: Lapeer County Equalization Department's Report of Assessment Roll Changes (Form L-4022)

Notes: In 1994 the electors of the State of Michigan approved an amendment to the Michigan Constitution permitting the legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implemented this constitutional amendment, added a new measure of property value known as "Taxable Value". Beginning in 1995, taxable property has two valuations State Equalized Value ("S.E.V.") and Taxable Value. The S.E.V. is 50% of the total estimated value of the property, and property taxes are levied on the taxable value.

The Captured amount refers to the total taxable assessed value captured by the local Tax Increment Financing Authorities (TIFA's) and Downtown Development Authorities (DDA's)

# LAPEER COUNTY, MICHIGAN

## DIRECT AND OVERLAPPING PROPERTY TAXES RATES LAST TEN FISCAL YEARS - UNAUDITED

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
County -										
Operating	3.7886	3.7886	3.7886	3.7666	3.7421	3.7275	3.7245	3.6984	3.6654	3.6258
Extra Voted	1.4300	1.4300	1.4300	2.4215	2.4055	2.4015	2.4037	1.6583	1.6432	3.0753
Total County	5.2186	5.2186	5.2186	6.1881	6.1476	6.1290	6.1282	5.3567	5.3086	6.7011
Townships -										
Almont	3.6312	3.6126	3.6126	3.5849	3.5917	3.5427	3.5241	3.4768	3.4721	3.4431
Arcadia	2.3096	2.3072	2.3031	2.2901	2.2745	2.2585	2.2466	2.2347	2.2198	2.1905
Attica	4.3695	4.3695	4.3695	4.3313	4.3102	4.2767	4.3521	4.4585	4.4143	5.3616
Burlington	2.4969	2.4850	2.4850	2.4803	2.4706	2.4647	2.4647	2.4442	2.4215	2.4038
Burnside	2.4514	2.4514	2.4514	2.4467	2.4328	2.4304	2.4044	2.3926	2.3856	2.3449
Deerfield	2.5267	2.5130	2.4914	2.5121	2.4924	2.4799	2.4641	2.4354	2.3866	2.3361
Dryden	4.7149	4.7149	4.7029	4.6533	4.5968	4.9299	4.9085	4.8444	5.1202	5.0709
Elba	4.0285	4.0285	4.0285	4.0173	3.9553	3.9506	3.9460	3.9319	3.8909	3.8345
Goodland	2.3217	2.3217	2.3217	2.3121	2.2983	2.2729	2.2549	3.2074	2.3532	3.2329
Hadley	2.9461	2.9173	2.7623	2.7380	2.7070	2.6586	2.6147	2.5748	3.1652	3.1403
Imlay	2.9428	2.9413	2.9344	2.9323	2.9176	3.0235	3.1071	3.0625	3.0110	2.9607
Lapeer	2.7572	2.7572	2.7572	2.7381	2.7114	2.6809	2.6663	2.6414	2.6117	2.5833
Marathon	2.2927	2.2858	2.2737	2.2654	2.2497	2.2389	2.2306	2.2121	2.1811	2.1518
Mayfield	2.7053	2.7053	2.7053	2.6875	2.6657	2.6573	2.6518	2.6300	2.6088	2.5954
Metamora	5.3955	5.3955	5.3870	5.3702	5.3411	5.3327	5.3327	5.2912	5.2571	5.1835
North Branch	4.5045	4.5045	4.5045	3.9884	3.9727	3.9647	3.9383	3.9522	3.9015	3.8712
Oregon	2.6238	2.6238	2.6238	2.6022	2.5408	2.5660	2.5628	2.5481	2.5209	2.4913
Rich	5.4344	5.4344	5.4344	5.4110	5.3939	5.3111	5.2534	5.3887	5.0860	5.0013
Cities -										
Imlay City	20.3500	20.7213	20.7213	22.8378	20.9929	22.4921	24.3840	22.4977	20.9139	20.6290
City of Lapeer	10.9500	10.9500	10.9500	10.9438	10.9350	10.9323	10.9323	10.9268	10.9190	10.9071
Brown City	18.1233	18.1233	18.1233	18.1123	18.1064	18.1051	17.9051	19.1032	19.1032	19.1032

Continued

# LAPEER COUNTY, MICHIGAN

## PROPERTY RATES-ALL DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS - UNAUDITED

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Villages -										
Almont	17.6670	17.3420	17.3420	15.6970	16.9417	16.5447	16.5383	16.5219	14.7579	14.7179
Clifford	18.8109	18.8095	20.2671	20.2671	20.1129	20.1129	20.9992	20.0936	20.0866	19.9501
Columbiaville	13.1241	14.1241	14.0915	14.0871	14.9758	14.9001	14.6917	14.2591	14.0111	13.6967
Dryden	11.8100	11.8110	11.8110	11.8110	12.8927	12.8692	12.7652	12.6688	12.5156	12.3172
Metamora	10.4711	10.4711	10.4711	10.4711	11.3598	11.3574	11.3574	11.2049	11.0936	10.7438
North Branch	14.6483	14.6483	14.6483	14.6483	14.6453	14.6453	14.5207	14.3217	14.2944	14.2129
Otter Lake	12.7720	12.7043	12.7043	12.7043	13.5930	13.5906	13.5499	13.0084	12.9625	12.9530
Local School Districts -										
Almont	14.4500	15.4500	14.9864	15.4391	14.6649	14.2581	15.4155	15.4021	15.3904	15.3803
Brandon	14.2400	15.6600	18.9460	18.1600	18.0306	18.0306	18.0306	18.0306	18.0306	18.0306
Brown City	13.0000	13.0000	13.0000	12.7500	12.1712	11.9711	12.0000	12.0000	12.0000	11.7500
Capac	10.6000	10.6000	10.3100	10.3100	10.1894	10.0374	9.7008	9.0264	9.3449	9.1865
Davison	10.1516	10.1416	10.1216	9.9633	9.7170	9.4646	9.3846	12.2774	12.2679	12.2590
Dryden	9.3500	9.3500	9.3500	9.8630	9.2451	9.0984	9.3641	9.2650	8.8041	8.2966
Goodrich	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	18.7500	13.7500
Imlay	12.1000	13.0000	13.0000	13.0000	12.8560	12.6060	12.5000	12.2768	12.1185	11.9634
Kingston	11.7500	11.6200	11.6200	11.6200	11.6200	11.6200	11.4500	11.3500	11.1000	11.0000
Lakeville	10.6000	10.3600	10.1400	10.7600	10.0000	8.5000	8.5000	8.5000	8.5000	8.5000
Lapeer	9.0000	9.0000	9.0000	8.7500	8.7500	8.7500	8.7500	8.7500	8.7500	8.6500
Marlette	7.3000	7.3000	7.3000	7.3400	7.3400	7.8000	7.5000	7.5000	7.4000	7.4000
Mayville	11.8000	11.4000	11.4000	11.4000	11.4000	11.4000	11.4000	11.4000	10.4765	8.6888
North Branch	13.0000	13.8300	14.4400	14.4400	14.4400	14.4400	14.4400	14.4400	14.4400	14.4400
Oxford	13.0000	13.9000	13.8442	13.9000	13.8153	14.3693	14.3657	14.2941	14.1769	14.0509
Intermediate School Districts -										
Lapeer	2.9295	2.9295	2.9295	2.7261	2.8915	2.8798	2.8782	2.8573	2.8320	2.8010

Source: County Treasurer's Office/County Equalization Department

Notes: Rates are stated in dollars per one thousand of state-equalized valuation.

Rates are levied in December of the year preceding the County's fiscal year end.

Concluded

# LAPEER COUNTY, MICHIGAN

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO - UNAUDITED

<u>Taxpayer</u>	2022			2013		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
DTE	\$ 115,710,540	1	2.59%	\$ 51,996,489	1	1.68%
Consumers Energy	32,206,611	2	0.72%	13,411,217	4	0.43%
ITC	27,951,378	3	0.62%	19,995,893	2	0.65%
Enbridge	13,966,687	4	0.31%	9,288,423	5	N/A
Meijer	5,096,096	5	0.11%	4,623,400	10	0.15%
Wal-Mart	4,682,874	6	0.10%	4,530,800	9	0.15%
HC Holdings	3,942,635	7	0.09%	-		0.00%
RH Investments	3,751,500	8	0.08%	N/A		N/A
Fox Hollow Holdings	3,547,751	9		N/A		N/a
Imlay Plaza	3,490,431	10	0.08%	5,050,765	8	0.16%
Conagra (was Pennacle)			0.00%	14,332,513	3	0.46%
Lapeer Industries	N/A		N/A	N/A		N/A
Rolling Hills Apartments	N/A		N/A	N/A		N/A
Mold Masters	N/A		N/A	N/A		N/A
Toyo	N/A		N/A	-		0.00%
Great Lakes Gas Transmission	N/A			6,981,700	6	0.23%
ZF Chassis	N/A			5,254,500	7	0.17%
Rubber Enterprises	N/A		N/A	-		N/A
<b>Total</b>	<b>\$ 214,346,503</b>		<b>4.71%</b>	<b>\$ 135,465,700</b>		<b>4.07%</b>
Total Assessed Value	\$ 4,474,528,072			\$ 3,096,596,777		

Source: Lapeer County Treasurer's Office

# LAPEER COUNTY, MICHIGAN

## PROPERTY TAX LEVIES AND COLLECTIONS ALL TAXING UNITS WITHIN THE COUNTY LAST TEN YEARS - UNAUDITED

Fiscal Year	Levy Year	Original Levy for Year	Adjustments to Original Levy	Total Adjusted Levy	Total Collections Current Year		Collections in Subsequent Years	Total Collections to Date	
					Current Amt. of Collections Thru March 1	Percentage of Adjusted Levy Collected		Total Amt. of Collections to Date	Percentage of Adjusted Levy Collected
2013	2012	\$ 79,963,989	\$ ( 603,476)	\$ 76,360,513	\$ 71,118,512	93.14	\$ 5,242,001	\$ 76,360,513	100%
2014	2013	\$ 78,374,046	\$ ( 747,323)	\$ 77,626,723	\$ 72,685,639	93.63	\$ 4,941,084	\$ 77,626,723	100%
2015	2014	\$ 79,664,762	\$ ( 484,460)	\$ 79,180,302	\$ 74,517,201	94.11	\$ 4,663,101	\$ 79,180,302	100%
2016	2015	\$ 82,836,697	\$ ( 663,290)	\$ 82,173,407	\$ 77,458,226	94.26	\$ 4,715,181	\$ 82,173,407	100%
2017	2016	\$ 85,342,066	\$ ( 631,667)	\$ 84,710,399	\$ 80,004,803	94.45	\$ 4,705,595	\$ 84,710,398	100%
2018	2017	\$ 87,793,417	\$ ( 640,766)	\$ 87,152,651	\$ 82,182,551	94.30	\$ 4,970,100	\$ 87,152,651	100%
2019	2018	\$ 94,970,833	\$ ( 499,998)	\$ 94,470,835	\$ 89,218,634	94.44	\$ 5,012,806	\$ 94,470,835	100%
2020	2019	\$ 95,510,917	\$ ( 614,449)	\$ 95,896,468	\$ 90,989,535	94.88	\$ 4,785,848	\$ 95,775,383	100%
2021	2020	\$ 100,007,737	\$ ( 579,028)	\$ 99,428,709	\$ 94,605,778	95.15	\$ 4,803,421	\$ 99,409,199	100%
2022	2021	\$ 110,759,124	\$ ( 874,072)	\$ 109,885,052	\$ 104,667,191	95.25	\$ 5,193,243	\$ 109,860,434	100%

Source: County Treasurer's Office

Notes: Current property tax collections are made by the individual taxing units of Lapeer County. On approximately March 1, of each year, the County Treasurer "settles" with the treasurer of each taxing unit, accounting for all current property taxes collected, as well as purchasing (in normal case) all delinquent real property taxes from the units via the County's Delinquent Tax Fund.

The levies and collections shown above represent all taxes levied and collected by the individual taxing units on a current basis.

# LAPEER COUNTY, MICHIGAN

## PROPERTY TAX LEVIES AND COLLECTIONS COUNTY OPERATING LEVY ONLY LAST TEN YEARS - UNAUDITED

Fiscal Year	Levy Year	Original Levy for Year	Adjustments to Original Levy	Total Adjusted Levy	Total Collections Current Year		Collections in Subsequent Years	Total Collections to Date	
					Current Amt. of Collections Thru March 1	Percentage of Adjusted Levy Collected		Total Amt. of Collections to Date	Percentage of Adjusted Levy Collected
2013	2012	\$ 9,860,571	\$( 37,503)	\$ 9,823,068	\$ 9,395,141	95.64	\$ 428,330	\$ 9,823,471	100%
2014	2013	\$ 9,952,836	\$( 38,492)	\$ 9,914,344	\$ 9,499,354	95.81	\$ 414,990	\$ 9,914,344	100%
2015	2014	\$ 9,953,002	\$( 37,414)	\$ 9,915,588	\$ 9,499,516	95.80	\$ 416,072	\$ 9,915,588	100%
2016	2015	\$ 10,183,070	\$( 38,016)	\$ 10,145,054	\$ 9,773,489	96.34	\$ 371,565	\$ 10,145,054	100%
2017	2016	\$ 10,503,417	\$( 33,301)	\$ 10,470,116	\$ 10,099,746	96.46	\$ 370,370	\$ 10,470,116	100%
2018	2017	\$ 10,938,896	\$( 22,828)	\$ 10,916,068	\$ 10,546,530	96.61	\$ 369,538	\$ 10,916,068	100%
2019	2018	\$ 11,379,368	\$( 27,101)	\$ 11,352,267	\$ 10,943,321	96.40	\$ 390,512	\$ 11,352,267	100%
2020	2019	\$ 11,756,742	\$( 31,179)	\$ 11,725,563	\$ 11,361,785	96.90	\$ 354,879	\$ 11,725,563	100%
2021	2020	\$ 12,103,600	\$( 30,454)	\$ 12,073,146	\$ 11,711,477	97.00	\$ 351,417	\$ 12,073,146	100%
2022	2021	\$ 12,704,682	\$( 39,048)	\$ 12,665,634	\$ 12,293,727	97.06	\$ 370,635	\$ 12,665,634	100%

Source: County Treasurer's Office

Notes: Property taxes are levied each July 1; property taxes are budgeted and recognized as revenue in the year of the levy year in the General Fund for County general operations.

The County operates a Delinquent Tax Fund whereby (in the normal case) all outstanding delinquent real taxes receivable are purchased from the taxing units. All units, the including General Fund, receive full payment for all real taxes levied under this arrangement.

# LAPEER COUNTY, MICHIGAN

## DRAIN SPECIAL ASSESSMENT LEVIES AND COLLECTIONS LAST TEN YEARS - UNAUDITED

Fiscal Year	Levy Year	Total Adjusted Levy	Total Collections Current Year	
			Current Amt. of Collections Thru March 1	Percentage of Adjusted Levy Collected
2013	2012	\$ 724,662	\$ 724,662	100%
2014	2013	\$ 620,581	\$ 620,581	100%
2015	2014	\$ 620,540	\$ 620,540	100%
2016	2015	\$ 573,008	\$ 573,008	100%
2017	2016	\$ 721,213	\$ 721,213	100%
2018	2017	\$ 840,316	\$ 840,316	100%
2019	2018	\$ 708,155	\$ 708,155	100%
2020	2019	\$ 1,087,736	\$ 1,087,736	100%
2021	2020	\$ 1,176,946	\$ 1,176,946	100%
2022	2021	\$ 1,798,916	\$ 1,798,916	100%

Source: County Treasurer's Office

Notes: Special Assessments are levied each December 1; assessments are recognized as revenue in the year following the levy year.

The County operates a Delinquent Tax Fund whereby (in the normal case) all outstanding assessment receivables are purchased from the taxing units. All units receive full payment for all assessments levied under this arrangement.

Drain special assessments are levied annually (with one year payback periods) against the benefited properties.



# LAPEER COUNTY, MICHIGAN

## RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN YEARS - UNAUDITED

Fiscal Year	Levy Year	County Population	Average Per Capita Income	Assessed Value of Taxable Property	Governmental Activities			Less: amounts available in debt service funds	Net General Bonded Debt	Percentage of Personal Income	Percentage of Assessed Value of Taxable Property	Per Capita
					General Obligation Bonds	Premium, Discount, and Adjustments	Total					
2013	2012	88,257	\$ 33,720	\$ 2,905,176,552	\$ 11,160,000	\$ 151,959	\$ 11,311,959	\$ 1,465,672	\$ 9,846,287	0.33%	0.33%	111.56
2014	2013	88,153	\$ 34,813	\$ 3,028,649,198	\$ 9,475,000	\$ 132,454	\$ 9,607,454	\$ 1,548,959	\$ 8,058,495	0.26%	0.25%	91.41
2015	2014	88,373	\$ 36,251	\$ 3,273,424,184	\$ 7,975,000	\$ 110,378	\$ 8,085,378	\$ 1,708,200	\$ 6,377,178	0.20%	0.18%	72.16
2016	2015	88,340	\$ 38,417	\$ 3,454,666,489	\$ 6,475,000	\$ 88,302	\$ 6,563,302	\$ 2,046,266	\$ 4,517,036	0.19%	0.12%	51.13
2017	2016	88,174	\$ 39,449	\$ 3,658,584,744	\$ 4,975,000	\$ 66,226	\$ 5,041,226	\$ 2,400,814	\$ 2,640,412	0.14%	0.14%	29.95
2018	2017	88,201	\$ 40,960	\$ 3,760,720,691	\$ 3,475,000	\$ 44,150	\$ 3,519,150	\$ 2,834,111	\$ 685,039	0.10%	0.02%	7.77
2019	2018	87,607	\$ 43,679	\$ 3,993,832,556	\$ 1,975,000	\$ 22,075	\$ 1,997,075	\$ 3,427,627	\$( 1,430,552)	0.06%	-0.04%	-16.33
2020	2019	88,319	\$ 44,706	\$ 4,273,345,365	\$ -	\$ -	\$ -	\$ 3,707,101	\$( 3,707,101)	0.00%	-0.09%	-41.97
2021	2020	87,635	\$ 49,441	\$ 4,474,528,072	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00
2022	2021	88,780	\$ 52,034	\$ 4,825,099,001	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00

Source: County Treasurer's Office

Notes: Property Value data can be found in Schedule S-7

County Population and Per Capita Income can be found in Schedule S-18

The percentages of personal income and assessed value of taxable property and per income ratios are determined using total debt.

# LAPEER COUNTY, MICHIGAN

## COMPUTATION OF DIRECT AND OVERLAPPING LONG-TERM BONDED DEBT DECEMBER 31, 2022 - UNAUDITED

	Gross Amounts Outstanding	Percentage Applicable to County	Share Applicable to County
<b>Overlapping Debt of County:</b>			
School Districts -			
Almont	\$ 19,342,112	74.32%	\$ 14,375,058
Brandon	106,503,880	3.13%	3,333,571
Brown City	5,495,000	40.54%	2,227,673
Capac	23,260,000	1.00%	232,600
Davison	70,315,000	0.62%	435,953
Dryden	4,473,000	100.00%	4,473,000
Goodrich	49,598,098	12.04%	5,971,611
Imlay City	33,275,000	100.00%	33,275,000
Kingston	5,775,000	0.22%	12,705
Lakeville	8,055,000	46.90%	3,777,795
Lapeer	35,235,000	100.00%	35,235,000
Marlette	4,060,000	15.12%	613,872
Mayville	7,860,000	12.83%	1,008,438
North Branch	41,300,762	100.00%	41,300,762
Oxford	130,817,095	5.65%	7,391,166
Total School Districts	<u>545,364,947</u>		<u>153,664,204</u>
Cities -			
Brown City	245,000	0.34%	833
Imlay City	2,953,405	100.00%	2,953,405
Lapeer	2,190,000	100.00%	2,190,000
Total Cities	<u>5,388,405</u>		<u>5,144,238</u>
Villages -			
Almont	1,427,694	100.00%	1,427,694
Columbiaville	3,192,750	100.00%	3,192,750
Dryden	199,868	100.00%	199,868
Otter Lake	1,658,000	74.23%	1,230,733
Total Villages	<u>6,478,312</u>		<u>6,051,045</u>
Community Colleges -			
Mott Community College	58,785,000	2.15%	1,263,878
St. Clair Community College	3,310,000	0.05%	1,655
Total Community Colleges	<u>62,095,000</u>		<u>1,265,533</u>
Intermediate School Districts -			
Genesee ISD	7,470,000	2.15%	160,605
Lapeer ISD	3,860,000	96.57%	3,727,602
Oakland ISD	41,070,000	0.14%	57,498
Sanilac ISD	126,168	5.69%	7,179
Total Intermediate School Districts	<u>52,526,168</u>		<u>3,952,884</u>

# LAPEER COUNTY, MICHIGAN

## COMPUTATION OF DIRECT AND OVERLAPPING LONG-TERM BONDED DEBT DECEMBER 31, 2022 - UNAUDITED

	Gross Amounts Outstanding	Percentage Applicable to County	Share Applicable to County
<b>Overlapping Debt of County continued:</b>			
Townships -			
Deerfield	\$ -	100.00%	\$ -
Elba	1,020,000	100.00%	1,020,000
Goodland	272,000	100.00%	272,000
Lapeer	569,335	100.00%	569,335
Marathon	-	100.00%	-
North Branch	145,000	100.00%	145,000
Total Townships	<u>2,006,335</u>		<u>2,006,335</u>
Total Overlapping Debt	<u>673,859,167</u>		<u>172,084,239</u>
Total County Net Direct and Overlapping Debt			<u><u>\$ 172,084,239</u></u>
<b>Legal Debt Margin Calculation for 2022</b>			
Assessed Value	<u>\$ 4,825,099,001</u>		
Debt limit (10% of assessed value)	\$ 482,509,900		
Less: Amount of outstanding debt	<u>-</u>		
Legal debt margin	<u><u>\$ 482,509,900</u></u>		

Source: Michigan Advisory Council of Michigan via Stauder Barch & Associates

Note: Percentage of overlap based on assessed property values.

# LAPEER COUNTY, MICHIGAN

## LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS - UNAUDITED

Fiscal Year	Levy Year	State Equalized Value of Property	10% Legal Debt Limit	Bonded Debt	Legal Debt Margin	Bonded Debt as a Percentage of Debt Limit
2013	2012	\$ 2,905,176,552	\$ 290,517,655	\$ 11,311,959	\$ 279,205,696	3.89%
2014	2013	\$ 3,028,649,198	\$ 302,864,920	\$ 9,607,454	\$ 293,257,466	3.17%
2015	2014	\$ 3,273,424,184	\$ 327,342,418	\$ 8,085,378	\$ 319,257,040	2.47%
2016	2015	\$ 3,454,666,989	\$ 345,466,699	\$ 6,563,302	\$ 338,903,397	1.90%
2017	2016	\$ 3,658,584,744	\$ 365,858,474	\$ 5,041,226	\$ 360,817,248	1.38%
2018	2017	\$ 3,760,720,691	\$ 376,072,069	\$ 1,997,075	\$ 374,074,994	0.53%
2019	2018	\$ 3,993,832,556	\$ 399,383,255	\$ 1,997,075	\$ 397,386,181	0.50%
2020	2019	\$ 4,273,345,365	\$ 427,345,365	\$ -	\$ 427,334,537	0.00%
2021	2020	\$ 4,474,528,072	\$ 447,452,807	\$ -	\$ 447,452,807	0.00%
2022	2021	\$ 4,825,099,001	\$ 482,509,900	\$ -	\$ 482,509,900	0.00%

Source: County Treasurer's Office

Notes: 1. State Finance Law limits the County's outstanding general obligation long-term debt to no more than 10 percent of the assessed value of property. The legal margin is the difference between the debt limit and the County's debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

2. The long-term debt does not include accrued vacation and insurance claims liabilities.

# LAPEER COUNTY, MICHIGAN

## DEMOGRAPHICS AND ECONOMIC STATISTICS LAST TEN YEARS - UNAUDITED

Fiscal Year	Population I	Personal Income II	Per Capita Personal Income III	K -12 School Enrollment IV	Unemployment Rate V
2013	88,257	\$ 2,976,053,000	\$ 33,720	12,799	10.80%
2014	88,153	\$ 3,068,860,000	\$ 34,813	12,512	12.00%
2015	88,373	\$ 3,203,633,000	\$ 36,251	12,170	9.90%
2016	88,340	\$ 3,393,758,000	\$ 38,417	12,091	8.40%
2017	88,174	\$ 3,484,920,000	\$ 39,523	11,916	6.70%
2018	88,028	\$ 3,611,578,000	\$ 41,028	11,839	4.60%
2019	87,607	\$ 3,844,970,000	\$ 43,889	11,752	5.40%
2020	88,319	\$ 3,916,519,000	\$ 44,706	11,074	10.50%
2021	87,635	\$ 4,332,761,000	\$ 49,441	11,171	4.60%
2022	88,780	\$ 4,605,655,000	\$ 52,034	11,012	4.38%

Sources: I Population - Bureau of Economic Analysis  
II Personal Income - Bureau of Economic Analysis  
III Per Capita Income - Bureau of Economic Analysis  
IV School Enrollment - Lapeer County ISD (Intermediate School District)  
V Unemployment Rate - Michigan Department of Labor and Economic Growth

**LAPEER COUNTY, MICHIGAN**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR 2020 AND TEN YEARS AGO - UNAUDITED**

**Current Year (2022)**

<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
McLaren Lapeer Region	Health Care	789	1	2.32%
Lapeer Community Schools	Education	670	2	1.97%
Lapeer County	Government	435	3	1.28%
ZF Chassis	Manufacturing	325	4	0.96%
Thumb Correctional	Prison	315	5	0.93%
Walmart	Retail	300	6	0.88%
Albar Industries	Manufacturing	220	7	0.65%
Lapeer Plating & Plastics	Plastics	218	8	0.64%
Delta Faucet	Manufacturing	137	9	0.40%
H & H Tool	Manufacturing	118	10	0.35%

Source: Lapeer Economic Development Commission and Lapeer County Treasurer

\* 2020 data - 2021 not available

**LAPEER COUNTY, MICHIGAN**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR 2020 AND TEN YEARS AGO - UNAUDITED**

**Historical Fiscal Year (2013)**

<b><u>Employers</u></b>	<b><u>Product/Service</u></b>	<b><u>Employees</u></b>	<b><u>Rank</u></b>	<b><u>Percentage of Total County Employment</u></b>
McLaren-Lapeer Regional Hospital	Health Care	850	1	2.88%
Lapeer Community Schools	Education	687	2	2.33%
Lapeer Industries	Manufacturing	450	3	1.52%
Mold Masters	Plastics	400	4	1.36%
Lapeer County	Governmental	371	5	1.26%
Lapeer Plating & Plastics	Plastics	345	6	1.17%
Walmart	Retail	335	7	1.14%
Thumb Correctional Facility	Prison	327	8	1.11%
Meijer	Retail	325	9	1.10%
Pinnacle Foods (Vlassic Foods)	Food Processing	324	10	1.10%

Concluded

**LAPEER COUNTY, MICHIGAN**

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEE POSITIONS BY FUNCTION  
LAST TEN YEARS - UNAUDITED**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Legislative</b>										
Board of Commissioners	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.2	7.0	7.0
Administrative	2.4	2.5	2.6	2.6	2.7	2.7	2.7	2.7	3.0	2.7
<b>Judicial</b>										
Circuit Court	13.5	16.7	17.4	16.5	15.6	15.5	15.7	14.5	14.0	13.8
District Court	19.6	20.8	20.7	20.1	19.0	19.9	19.4	19.8	18.9	18.6
Friend of the Court	18.2	17.9	17.9	17.5	17.0	17.8	17.5	18.2	17.3	16.9
Probate Court	3.7	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community Corrections	3.2	2.5	2.9	2.8	1.5	1.6	1.6	1.9	1.8	0.9
Child Care	2.5	2.7	3.3	2.1	4.3	4.9	5.3	4.4	4.6	4.9
<b>General Government</b>										
County Clerk	8.0	8.0	8.1	8.5	8.2	8.0	8.4	9.5	7.8	9.0
Equalization	1.0	1.0	1.0	0.9	0.9	1.0	1.0	1.0	1.0	1.0
Prosecuting Attorney	14.1	14.0	15.0	15.2	12.5	13.7	13.8	14.8	13.0	13.0
Register of Deeds	4.0	4.2	4.3	4.4	3.6	4.0	3.9	4.2	3.7	2.1
County Treasurer	6.4	6.3	6.3	6.1	4.7	4.9	6.0	6.0	5.7	5.2
G.I.S.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Data Systems	1.0	1.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance	3.9	3.9	4.0	4.4	4.7	5.0	5.0	4.6	4.8	4.8
Building and Grounds	4.8	5.0	5.2	0.0	4.8	5.1	4.9	5.7	6.1	6.1
Drain Office	5.0	4.6	4.7	3.5	2.9	2.7	2.7	2.9	2.9	3.0
MSU Extension	2.0	2.0	2.0	1.9	1.9	2.1	1.9	1.0	0.0	0.0
County Surveyor	1.0	1.0	1.0	0.9	1.0	1.0	1.0	1.0	0.6	0.4
<b>Public Safety</b>										
Sheriff's Department	48.1	48.5	48.7	50.5	51.6	51.0	50.2	50.6	48.4	38.7
County Jail	29.9	29.8	29.4	29.9	29.9	29.8	30.5	30.0	29.2	29.4
Central Dispatch	18.6	18.1	18.2	18.3	18.0	18.3	17.7	19.2	18.5	19.2
Animal Control	2.9	3.4	3.8	3.8	3.8	4.0	3.9	3.8	3.8	3.8
Emergency Operations	1.0	1.0	1.0	0.9	0.9	0.9	1.0	1.0	1.3	1.0
<b>Health and Welfare</b>										
Parks Department	2.7	2.1	2.4	3.7	4.0	2.7	2.1	0.0	1.6	2.5
Community Health										
Public Health	33.4	34.6	35.6	35.9	35.2	36.9	37.5	40.9	39.5	38.5
Senior Services	14.4	14.0	15.1	15.7	16.4	17.3	17.5	14.4	13.7	13.4
Community Mental Health	68.6	72.4	77.7	76.9	75.2	73.8	84.9	91.0	101.1	121.5
Multi-Purpose	2.5	0.7	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Veterans	2.0	2.9	3.8	3.9	3.8	4.0	3.9	4.0	3.9	4.0
Community Development	1.2	1.5	2.9	0.4	0.0	0.0	0.3	0.5	0.3	0.5
	346.6	350.2	364.4	354.3	351.1	355.6	367.3	374.8	373.5	381.9

Source: Lapeer County Finance Department

Note: A full-time employee receives pay for 2,080 hours per year; therefore, a full-time equivalent is calculated by dividing total labor hours for each department by 2,080.



# LAPEER COUNTY, MICHIGAN

## OPERATING INDICATORS BY FUNCTION LAST TEN YEARS - UNAUDITED

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>LEGISLATIVE</b>										
<b><u>Board of Commissioners</u></b>										
Full Board Meetings	24	25	23	24	25	24	25	24	25	25
Committee of the Whole Meetings	22	20	20	23	24	23	23	18	23	18
Other Special Meeting/Hearings Held	4	6	5	4	5	4	5	5	3	5
Board Motions Acted Upon	418	433	412	399	420	533	429	427	472	452
<b>JUDICIAL</b>										
<b><u>40th Circuit Court</u></b>										
PPO's Issued	172	186	162	178	186	163	207	148	180	249
Appeals	63	50	38	40	37	25	19	35	45	33
Domestic Cases	671	644	579	603	583	544	538	410	478	451
Civil Cases	231	245	237	204	193	189	187	169	155	160
Adoption	22	22	29	30	26	33	19	20	23	24
Child Protection	35	20	33	31	19	19	25	14	24	29
Juvenile	204	220	171	156	174	161	116	77	99	109
Criminal	293	406	369	321	283	335	292	215	274	248
Misc. Family Filings	24	28	41	28	18	33	40	39	43	27
<b><u>71-A District Court</u></b>										
<b><u>Criminal</u></b>										
Felonies	658	687	661	563	500	561	487	384	498	395
Drunk Driving	465	464	352	388	346	291	306	281	291	250
Traffic Offenses	7,501	7,461	6,314	6,216	6,515	5,906	6,491	4,474	4,283	4,807
Misdemeanors	1,089	1,126	843	871	720	647	471	348	440	346
Non-Traffic Offenses	369	434	446	488	462	506	294	287	387	446
<b><u>Civil</u></b>									-	
General Civil	2,158	1,927	1,999	1,772	2,123	2,266	2,194	1,636	1,607	1,300
Landlord/Tenant	897	765	712	755	747	689	600	310	369	529
Small Claims	362	353	434	301	265	237	255	128	127	161
<b><u>Probate/Family Court</u></b>										
<b><u>Civil</u></b>										
Conservatorship/Protective Orders	28	27	25	24	20	34	35	37	27	31
Estates	171	173	184	196	173	181	189	188	267	296
Guardianships	88	94	75	87	70	85	101	65	70	77
Judicial Admin/Mental Commitments	36	45	59	44	41	48	49	41	40	46
Trusts	7	4	5	8	7	6	3	11	11	6
Wills for Safe Keeping	73	86	65	76	90	76	82	66	80	70
<b><u>Friend of the Court</u></b>										
Caseload	4,977	4,949	4,929	4,922	4,803	4,673	4,491	4,369	4,302	4,208
Children IV-D Cases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bench Warrants Issued	488	502	561	559	607	617	563	198	350	419
Referee Hearings Conducted	941	1,587	1,692	1,578	1,358	1,320	1,520	500	503	598
Cases Mediated	54	41	57	61	86	94	107	156	120	121

Source: Lapeer County Finance Department

Continued

# LAPEER COUNTY, MICHIGAN

## OPERATING INDICATORS BY FUNCTION LAST TEN YEARS - UNAUDITED

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>PUBLIC SAFETY</b>										
<b><u>Community Corrections</u></b>										
Clients - Community Service	29	21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Clients - Jail Crew	57	37	49	67	N/A	N/A	N/A	N/A	N/A	N/A
Clients - Day Reporting	63	56	54	57	60	26	38	30	10	5
Drunk Driver Jail Reduction Program	17	21	22	12	27	22	24	23	15	28
Jail Beds Saved	6,625	5,061	5,143	7,167	5,665	2,912	3,785	2,563	675	870
<b><u>Prosecuting Attorney</u></b>										
Felony Cases Authorized	687	633	644	545	477	546	506	752	494	575
Domestic Violence - Felony	59	68	71	41	30	56	58	41	88	120
Misdemeanor Cases Filed	1,779	1,938	2,144	1,962	2,210	1,636	1,619	1,103	1,321	1,065
Misdemeanor Domestic Violence	116	99	105	67	69	90	99	101	130	157
Juvenile Petitions Filed	260	188	168	201	147	146	102	62	95	95
Juvenile Domestic Violence Authorized	18	17	10	9	17	13	16	13	14	20
Victims Rights - Eligible Victims	724	808	868	719	709	691	673	531	746	796
Victims Rights Domestic Fel/Misd/Juv	294	184	240	120	116	159	173	155	232	246
Drug - Misdemeanor/Felony Authorized	554	506	435	406	404	309	115	120	122	106
Drunk Driving Misd/Felony	486	496	388	420	387	306	271	295	286	322
Non-Support	241	276	201	197	250	220	238	176	136	160
Paternity	105	92	84	72	67	60	56	63	57	44
URES A	14	19	18	27	27	18	-	12	16	27
<b><u>Sheriff's Department</u></b>										
Jail Bookings	2,381	2,178	2,048	1,989	1,944	1,925	1,852	775	1,017	1,166
Calls Answered	23,451	21,211	27,211	29,964	25,304	29,384	25,830	24,713	21,852	21,046
Fatal Crashes	5	12	9	6	10	14	11	7	5	3
Personal Injury Crashes	407	391	425	219	208	403	416	331	234	201
Property Damage Crashes	2,304	2,378	2,476	1,179	1,137	2,487	2,574	2,218	1,791	1,838
Private Property Crashes	612	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Detective Bureau Arrests	669	651	684	618	636	533	462	215	216	100
Secondary Road Patrol Tickets Issued	3,471	442	519	431	424	336	281	276	166	121
Purchase Permits Issued	2,542	568	683	746	576	562	547	2,564	515	505
Marine Division Patrol Hours	269	786	595	746	585	585	514	585	580	587
Township Complaints Responded To	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b><u>E-911 Central Dispatch</u></b>										
Hardware/Landline Calls	5,425	5,635	4,621	4,843	5,866	5,460	5,982	5,614	5,165	4,498
Wireless Calls	22,160	21,576	23,002	24,570	24,889	24,862	23,452	24,713	27,761	25,099
VOIP	348	315	276	337	373	N/A	N/A	N/A	N/A	N/A
Text to 911	N/A	74	69	106	113	55	49	54	95	92
Non-Emergency Calls	54,331	78,798	49,576	45,804	43,401	41,482	74,497	37,436	38,427	35,762
CAD Reports/Dispatch	72,969	72,462	N/A	75,587	77,634	80,733	78,608	69,524	105,586	122,461

**LAPEER COUNTY, MICHIGAN**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS - UNAUDITED**

<b>FUNCTION</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>PUBLIC SAFETY - (cont'd)</b>										
<b><u>Emergency Management</u></b>										
EMAC Meetings Held	4	4	3	3	3	4	4	2	4	4
Local Meetings Attended	58	48	35	28	52	89	89	33	38	10
Regional Homeland Security Meetings	17	11	11	14	10	15	15	9	7	9
Disaster Exercise Planning Meetings	9	7	5	6	14	10	10	4	6	-
District Meetings Attended	4	3	3	3	2	3	3	13	20	-
EAG Plan Updates/Policies Written	6	3	10	4	2	-	-	4	11	-
Quarterly Reports Completed	4	4	4	4	4	4	4	4	4	4
Trainings Hosted	3	2	1	2	3	3	3	1	-	-
Tier II Plans Filed	3	3	15	-	-	-	-	-	-	-
Special Events Planned	2	3	1	2	1	4	4	8	10	-
Identification Badges Created	225	181	135	86	48	149	149	110	119	-
<b>HEALTH AND WELFARE</b>										
<b><u>Parks Department</u></b>										
Water Park Attendance	21,177	20,384	28,214	28,357	20,720	24,711	16,045	-	11,310	15,974
Reservation Attendance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Winter Park Attendance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Special Events Attendance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b><u>Health Department</u></b>										
<b><u>Medical Examiner</u></b>										
Medical Examiner Cases	85	88	70	84	101	114	132	42	260	179
Cremation Permits	351	382	411	430	424	480	560	87	656	
Hospice	N/A	N/A	N/A	N/A	N/A	41	52	16	-	79
<b><u>Animal Control</u></b>										
Animal Control Complaints	1,755	1,054	897	799	677	1,088	665	445	471	489
Animals Held at Shelter	1,593	1,365	1,323	1,195	882	769	583	349	403	539
Animals Picked Up	N/A	N/A	N/A	N/A	182	N/A	N/A	N/A	N/A	N/A
Animal Bites - Cases	141	139	113	112	77	86	133	111	107	89
Animals Tested for Rabies	22	16	27	39	38	42	36	2	26	29
Animal Rabies Cases	-	-	1	-	1	-	-	-	1	-
<b><u>Environmental Health Division</u></b>										
EH - Sewage Applications	155	183	221	258	281	275	276	303	362	337
EH - Sewage Permits	143	172	211	245	264	262	289	394	385	330
EH - Well Permits	244	224	251	303	273	303	284	332	389	328
Food Service Inspections	451	672	669	571	507	535	599	418	522	447
<b><u>Home Health Division</u></b>										
Home Health Clients	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b><u>Public Health Nursing</u></b>										
Maternal Infant Health Visits	1,566	1,469	1,365	1,023	1,110	1,156	1,075	946	504	N/A

Source: Lapeer County Finance Department

Continued

**LAPEER COUNTY, MICHIGAN**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS - UNAUDITED**

<b>FUNCTION</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>HEALTH AND WELFARE - (cont'd)</b>										
<b><u>Immunizations</u></b>										
Childhood Immunizations Given	3,511	4,451	3,348	3,245	2,846	2,608	2,635	1,527	2,411	1,627
Adult Immunizations Given	538	460	444	518	718	1,709	1,429	714	23,049	3,438
Total Immunizations Given	4,049	4,911	3,792	3,763	3,564	4,317	4,065	2,241	25,460	5,065
<b><u>WIC Program</u></b>										
Individuals Participating in WIC	1,937	1,965	1,736	1,740	1,700	1,659	1,619	1,562	1,370	1,275
<b><u>Hearing &amp; Vision Screening</u></b>										
Hearing & Vision Screening Cases	9,494	10,869	8,462	9,167	9,124	8,574	8,812	4,198	5,719	9,951
<b><u>AICC Program</u></b>										
AICC Clients	411	416	356	408	392	381	307	219	163	257
<b><u>Senior Programs</u></b>										
Home-Delivered Meals	72,651	78,156	82,184	90,419	87,050	87,296	91,184	102,156	105,320	87,546
Congregate Meals	12,897	14,457	13,481	12,981	15,611	13,464	17,070	17,581	22,010	15,687
Medication Management Clients	6	6	4	4	5	4	5	4	7	2
Personal Care/Homemaker Clients	157	161	187	209	234	235	266	307	174	139
Case Coordination Clients	88	84	88	134	167	54	78	N/A	N/A	N/A
Care Management Clients	27	32	31	31	30	30	33	18	26	18
Health Screening Clients	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chore Maintenance Clients	243	252	144	234	234	65	71	70	21	39
Respite Care Clients	88	108	98	98	76	75	80	40	16	14
<b><u>Mental Health</u></b>										
Adults with Psychiatric Disorders	991	911	849	914	947	925	847	886	995	1,057
Persons with Developmental Disabilities	374	370	313	304	390	377	384	401	426	429
Children with Emotional Disturbances	257	275	275	295	300	386	325	339	380	426
<b>GENERAL GOVERNMENT</b>										
<b><u>County Clerk</u></b>										
<b><u>Circuit Court Division</u></b>										
Criminal Cases Filed	393	407	371	321	283	335	239	215	274	217
All Other Cases Filed	1,553	1,171	1,097	1,051	1,016	1,167	1,006	912	1,047	928
Adult Probation Receipts	1,817	2,340	2,529	2,948	2,717	2,649	2,704	3,008	2,032	2,043
<b><u>Vital Records Division</u></b>										
Marriage License Applications	540	599	562	534	544	515	488	425	482	538
Assumed Names	644	673	588	577	497	480	592	352	404	395
Notary Bonds	176	150	126	127	162	192	202	161	174	163
Death Certificates Filed	689	749	744	800	772	758	896	925	1,060	919
Birth Certificates Filed	436	360	251	315	301	241	264	228	403	216
Voter Registrations	5,145	3,207	2,486	2,399	2,530	3,060	3,025	2,105	2,005	46
Concealed Pistol Permits	1,899	1,551	1,725	2,309	2,488	1,920	1,362	1,406	1,427	1,163

Source: Lapeer County Finance Department

Continued

**LAPEER COUNTY, MICHIGAN**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS - UNAUDITED**

<b>FUNCTION</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>GENERAL GOVERNMENT - (cont'd)</b>										
<b><u>Payroll Dept.</u></b>										
Payroll Checks Processed	443	370	400	371	403	440	446	273	224	236
Payroll Direct Deposits Processed	9,793	9,865	10,226	10,330	10,830	10,217	10,486	12,477	10,332	11,738
W-2's Forms Prepared	440	437	455	460	498	504	484	445	503	522
<b><u>Accounts Payable Dept.</u></b>										
Accounts Payable Invoices Processed	13,540	13,585	13,180	12,798	13,078	12,727	14,390	12,518	12,320	14,568
Accounts Payable Checks Processed	9,604	9,769	9,880	9,146	9,279	8,745	8,791	7,040	7,099	8,029
1099 Forms Prepared	133	129	127	145	129	115	120	99	102	99
<b><u>Computer Dept.</u></b>										
General Ledger Reports Distributed	3,100	3,000	3,036	3,000	4,000	4,029	4,035	4,030	3,925	3,950
Journal Entries Entered	2,000	1,885	2,100	2,220		1,869	1,754	1,844	1,757	1,887
Budget Amendments Processed	59	65	54	70	66	107	92	76	53	85
Budgets Entered	140	140	140	140	140	140	140	147	145	147
Computers Countywide	420	420	420	420	420	420	415	346	340	375
<b><u>Accounting Dept.</u></b>										
Bank Accounts Reconciled	580	600	602	602	602	602	602	604	888	756
Grants Reviewed & Processed	94	95	95	96	96	96	96	103	103	103
General Ledger Funds Maintained	86	88	91	89	90	90	90	99	99	99
<b><u>Budget Dept.</u></b>										
Total Amount of Gen Fund Budget (orig.)	18,331,608	18,719,365	19,090,522	20,112,633	16,679,897	20,737,913	21,301,714	21,141,830	21,545,748	21,804,248
Total Amt of Spec Rev Funds Budgeted	30,162,567	30,823,613	32,402,928	33,883,587	34,293,975	34,929,992	35,560,213	38,584,291	42,548,287	42,676,798
Total Amt of Debt Svc. Funds Budgeted	2,847,365	2,972,065	2,974,515	2,545,438	2,434,290	3,644,290	3,644,290	2,731,357	763,642	729,412
<b><u>Register of Deeds</u></b>										
Warranty Deeds	1,556	1,705	1,833	2,041	2,255	2,169	2,127	2,181	2,564	2,333
Quit Claim Deeds	1,431	1,379	1,233	1,268	1,401	1,408	1,324	1,230	1,555	1,389
Death Certificates	360	353	366	381	514	537	503	413	578	645
Land Contracts	25	195	23	32	13	17	13	14	13	9
Memo Land Contracts	142	1,314	146	131	145	99	96	104	120	91
Misc. Recordings	3,985	2,147	3,361	1,730	1,847	1,993	1,859	1,607	1,767	2,028
Mortgages	3,549	2,537	2,955	3,314	3,368	3,078	3,390	4,716	5,434	3,398
Discharges	4,372	2,976	3,287	3,440	3,625	3,319	3,399	4,998	6,057	3,448
Assignment of Mortgages	984	621	590	512	798	526	658	681	509	401
Misc. Mortgage Recordings	2,297	2,588	1,970	1,835	1,496	1,314	1,332	1,091	1,370	1,405
UCC Financing Filings										
<b><u>Community Development</u></b>										
<b><u>Housing Division</u></b>										
CDBG Homes Improved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CDBG - Senior Clients	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CDBG - Handicapped Clients	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b><u>Soil &amp; Sedimentation</u></b>										
SESC Permits Issued	218	145	141	143	134	133	117	108	113	76

Source: Lapeer County Finance Department

Continued

# LAPEER COUNTY, MICHIGAN

## OPERATING INDICATORS BY FUNCTION LAST TEN YEARS - UNAUDITED

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>GENERAL GOVERNMENT - (cont'd)</b>										
<b><u>Drain Commissioner</u></b>										
Drains (&Other) Maintained	61	62	34	42	61	74	43	-	55	43
Drains Sprayed	14	-	-	1	16	7	12	-	4	2
Drains Assessed	48	52	43	45	52	66	42	-	76	63
Plan Reviews	3	9	5	3	3	12	3	-	4	5
Act 40 Permits Issued	8	1	1	2	1	3	3	-	2	2
Utility Permits (new in 2013)	9	3	7	28	7	8	6	-	14	24
Letter of Agreement - Building in ROW (new in 2013)	1	-	-	-	-	2	1	-	-	-
KWA crossing agreements (new in 2014)	N/A	16	10	-	-	-	-	-	-	-
<b><u>Treasurer</u></b>										
Total Number of Parcels	46,703	46,692	46,523	46,448	46,428	46,352	46,303	45,999	46,210	49,269
Number of Delinquent Parcels	4,495	4,501	4,356	4,117	4,126	4,034	3,897	3,833	3,545	3,572
Parcels Forfeited	708	639	734	640	556	533	592	529	528	502
Taxable Value	2,604,828,481	2,628,945,178	2,689,687,494	2,704,797,460	2,806,879,122	2,934,519,181	3,055,180,330	3,178,925,407	3,302,175,434	3,504,017,287
S.E.V.	2,905,176,552	3,028,649,198	3,273,424,184	3,454,666,989	3,658,584,744	3,760,720,691	3,993,832,586	4,273,345,365	4,474,528,072	4,826,099,001
<b><u>Collaborative Planning Commission</u></b>										
Rezoning/Text Amendment Reviews	5	-	28	-	-	-	-	-	-	-
PA 116s Approved by BOC	-	-	-	-	4	-	-	1	-	-
<b><u>Building &amp; Grounds</u></b>										
Work Orders Completed	748	835	936	1,051	1,029	853	1,016	966	863	972
<b><u>Veterans Affairs</u></b>										
# Scheduled Appointments	583	N/A	691	886	952	888	977	842	1,326	1,179
Walk-in Clients (Est)	837	N/A	1,391	911	1,050	737	1,149	418	442	-
<b><u>MSUE</u></b>										
Educational Workshops/Events	416	143	130	100	110	177	170	155	254	143
4-H Club Members	474	452	452	462	490	440	395	316	223	339
Non-Club Youth Involved (Short-Term)	310	989	1,629	1,350	2,556	2,509	3,047	1,970	2,530	2,917
Active Master Gardeners	N/A	N/A	N/A	N/A	N/A	N/A	16	N/A	N/A	N/A
Food Safety Participants Trained	932	314	517	365	382	378	363	23	16	86
Number of Grants Administered	3	3	3	3	1	5	5	1	2	3
Leadership Training Participants	316	348	455	277	292	342	682	108	259	73
Food & Nutrition Participants Trained - Adults	604	618	168	93	124	155	141	152	168	207
Financial Management and Housing	130	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Lapeer County Finance Department

N/A - Information is Not Available at this Time

Concluded

# LAPEER COUNTY, MICHIGAN

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN YEARS (A) - UNAUDITED

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Legislative</b>										
Computers	9	9	9	9	9	9	9	9	9	9
<b>Judicial</b>										
Court Rooms	6	6	6	6	9	9	9	7	7	7
Vehicles	10	9	7	9	9	9	9	9	12	9
Computers	107	107	82	82	88	89	87	78	78	75
Network Printers/Copiers	10	10	12	0	9	9	9	7	9	9
<b>General Government</b>										
All County Buildings	12	12	12	12	12	12	12	12	12	12
Vehicles not reported elsewhere	17	16	18	16	16	16	16	16	13	
Computers	89	90	79	80	85	85	83	76	74	71
Network Printers/Copiers	16	16	11	0	14	14	14	13	12	11
<b>Public Safety</b>										
Jail Beds Available	123	123	123	123	123	123	123	123	123	123
Vehicles -										
Patrol	20	21	22	18	18	18	18	18	20	22
Other	27	27	30	22	23	23	23	21	23	20
Computers	62	65	62	62	63	64	64	58	84	75
Network Printers/Copiers	6	6	5	0	12	12	12	11	10	10
<b>Health and Welfare</b>										
Vehicles	21	25	27	24	28	28	28	28	25	25
Park Acreage -										
Torzewski	70	70	70	70	70	70	70	70	70	70
Squire	87	87	87	87	87	87	87	87	87	87
Other	8	8	8	8	8	8	8	8	8	8
Computers	201	203	202	202	205	205	199	172	170	165
Network Printers/Copiers	17	17	16	0	15	15	18	14	13	12

Source: Lapeer County Finance Department

## **LAPEER COUNTY, MICHIGAN**

### **DESCRIPTION OF INSURANCE COVERAGE IN FORCE DECEMBER 31, 2022 - UNAUDITED**

The County became a member of the Michigan Municipal Risk Management Authority (MMRMA) in 1985. MMRMA provides risk management, underwriting, reinsurance and claims services with member contributions allocated to meet these obligations. This program covers the Public Officials Surety Bond and Faithful Performance as well as General Liability, Law Enforcement Officers, Business Auto, Building and Contents, Boiler and Machinery, Errors and Omissions, and Umbrella Coverage. The total amount of liability coverage for the County amounts to \$15,000,000. The County's total contribution for 2022 is approximately \$544,800 reported in the General Fund.

The County is self-insured for Workers' Compensation for claims up to an annual aggregate amount of \$500,000 per claim. The County is insured for the amount of claims in excess of such limitation to a maximum of \$5,000,000. The County is then self-insured for annual aggregate claims in excess of insurance coverage. The County's total net expenditures for claims and insurance costs reported in the Workers' Compensation Fund for 2022 is \$315,141. The County's ending net position for the Workers' Compensation Fund at December 31, 2022 is \$574,201.

The County is self insured for Unemployment Insurance. The County's total expenditures for claims reported in the Unemployment Insurance Fund for 2022 is \$21,033. The County's ending net position for the the Unemployment Insurance Fund at December 31, 2022 is \$51,978.



## **LAPEER COUNTY, MICHIGAN**

### **OTHER STATISTICS DECEMBER 31, 2022 - UNAUDITED**

#### **Form of Government**

The County's legislative body is a seven-member Board of Commissioners elected by districts to two-year terms. The Board annually elects from within its ranks a Chairperson and Vice-Chairperson by majority vote.

The County operates under the Controller/Administrator form of government.

#### **Location**

Lapeer County covers an area of approximately 666 square miles in the thumb area of Michigan's lower peninsula and is located 56 miles north of Detroit and 48 miles west of the Canadian border on I-69, between Port Huron and Flint. The County is accessible by four major state highways, M-21, M-24, M-90, and M-53 and the Interstate I-69.