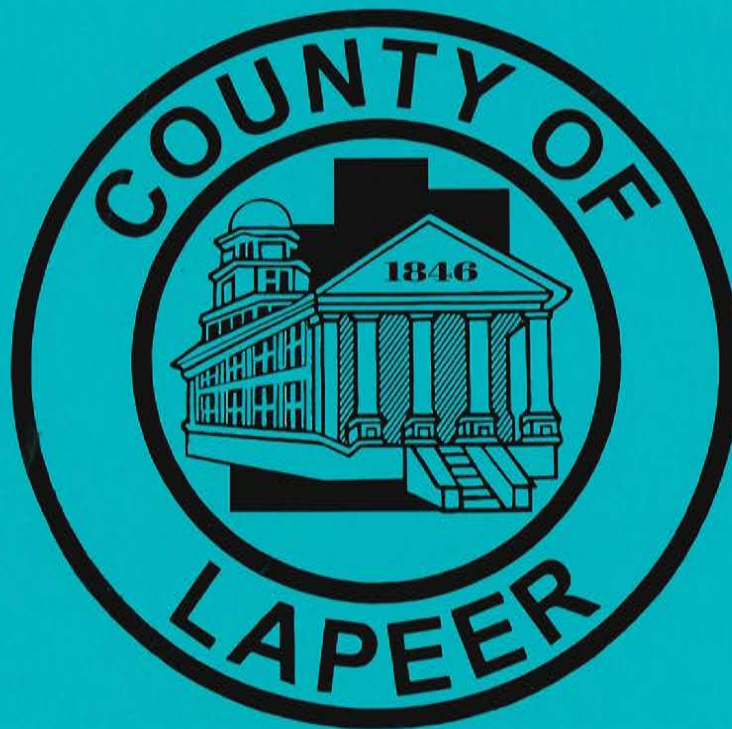


# Lapeer County

Michigan



## Comprehensive Annual Financial Report

Year Ended December 31, 2019

John Biscoe  
*Controller/Administrator*  
Craig D. Horton  
*Chief Financial Officer*

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**LAPEER COUNTY, MICHIGAN**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**BOARD OF COMMISSIONERS**

**Gary Roy, Chairperson  
C. Ian Kempf, Vice Chairperson  
Dyle Henning  
Lenny Schneider  
Rick Warren  
Linda M. Jarvis  
Brenden Miller**

**ISSUED BY:  
COUNTY ADMINISTRATION OFFICE**

**Craig D. Horton, Interim County Controller/Administrator**

# LAPEER COUNTY, MICHIGAN

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MICHIGAN'S OLDEST COURTHOUSE

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

255 Clay Street, Suite 301  
Lapeer, Michigan 48446

phone 810 area code  
**667-0366**  
**667-0369 FAX**  
[www.lapeercountyweb.org](http://www.lapeercountyweb.org)

August 7, 2020

*To the Board of Commissioners and Citizens of Lapeer County:*

The Comprehensive Annual Financial Report (CAFR) of the County of Lapeer, Michigan (the "County"), for the year ended December 31, 2019, 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 CAFR 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 unqualified opinion that the County's financial statements for the year ended December 31, 2019, 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 Lapeer 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-21, 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, Chemical, 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 2019 was \$3,055,180,330 compared to \$2,934,519,181 in 2018, an increase of approximately 4.11%. During the same period, S.E.V. increased from \$3,760,720,691 to 3,993,832,556 up approximately 6.20%. The tax levy of 3.7275 in 2018 was rolled back to 3.7245 as a result of the Headlee rollback computations for general County operations. Only five Michigan Counties have a lower operational tax rate than the County.

Considered by the U.S. Census Bureau as part of the Detroit Metropolitan Statistical Area, the County population in 2010 was 88,319 compared to the 2000 Census total of 87,904. The Census Bureau estimated the 2019 population at 87,607.

The real estate market throughout the County continues to reflect the effects of the economic climate. The median residential selling price in 2019 was \$173,000, a decrease from \$175,000 in 2018, 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 2018, LDC assisted in the creation of 50 jobs, and \$4.2 million of new investment value. 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. 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 I-69 International Trade Corridor, Next Michigan Corporation, which is one of five designations permitted in the State. This 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 I-69 corridor that allows the use of tax incentives to attract new businesses. The partnership includes agencies, authorities, municipalities, and businesses.

McLaren-Lapeer Region, 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 Community Foundation continues to perform a vital role in supporting various projects and initiatives in the community. Since beginning as a fund of the Community Foundation of Flint in 1996, the Foundation's assets have grown to \$10.1 million with approximately \$362 awarded in scholarships and grants to non-profit groups, educational and government institutions in 2017 (most current data). The Foundation, which became independent in 2005, also manages 62 funds for various local organizations.

The 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 nineteenth year of operation in August. Located in the City of Lapeer, the 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 the 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 District. The 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 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 facility, 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 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 of Michigan and is governed by a seven-member Board of Commissioners. 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 Board annually elects a member to serve as Chairperson and a member to serve as Vice Chairperson. Primary functions of the 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 Board of Commissioners 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 Board of Commissioners appoints several County Officers including the County 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 Statute and/or policy of the Board of Commissioners.

The Board of Commissioners 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 reversal, and State Revenue Sharing payments reached \$1,722,992 in FY 2019, increasing from \$1,707,392 in FY 2018, still less than the peak of \$1,774,671 received in 2001. As two of the major general fund revenue sources, these changes have allowed a renewed stability in 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 CAFR, 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 2018, \$10,499,241 was received in property taxes in the General Fund, and in FY 2019 \$11,050,459 was posted. As a point of reference, the County recorded \$11,016,896 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 \$593,507 that was "captured" by local government TIFA's and DDA's in 2018.

While progress is being made in the overall stability of the State budget, Michigan 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 Board of Commissioners 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 Board of Commissioners 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 Board of Commissioners 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 Board of Commissioners continued into 2018. 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 of Michigan 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.

County Parks, in collaboration with Community Mental Health 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 County Parks 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 limited 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 of Commissioners. 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 fund level. These are the legally enacted levels under the State of Michigan 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 of Michigan. Budgetary transfers are permitted in accordance with Board adopted budget policies. In the present economic environment, frequent fiscal review and planning sessions occur throughout the year with the Board of Commissioners.

## **MAJOR INITIATIVES**

The implementation of the Information Systems Plan to upgrade technology throughout all Departments continued into 2019. The integration of systems, additional security applications, and backup capacity have added efficiencies to our communication capacities. The collaborative effort with the 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 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 I-69 International Trade Corridor Next Michigan Development Corporation. This initiative, in cooperation with the State was created to benefit from the commercial link I-69 provides from Canada to the Mid-West and provides the manufacturing/industrial community access to additional tools to begin or enhance operations.

The capital planning process had identified and budgeted for the replacement of two elevators in the Complex Building (which are ADA compliant), boilers in the Rich Building (Health Department), and a new furnace in the Animal Control facility. Each of these projects were completed and within budget.

## **AWARDS AND ACKNOWLEDGMENTS:**

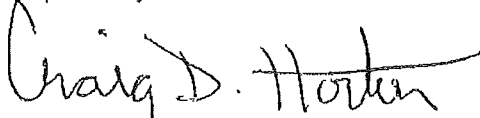
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lapeer County for its CAFR for the fiscal year ending December 31, 2018. The Certificate of Achievement is a prestigious national award that 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 comprehensive annual 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 2019.

**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 Board of Commissioners for their commitment and support in the planning and management of the financial operations of the County in a responsible and progressive manner.

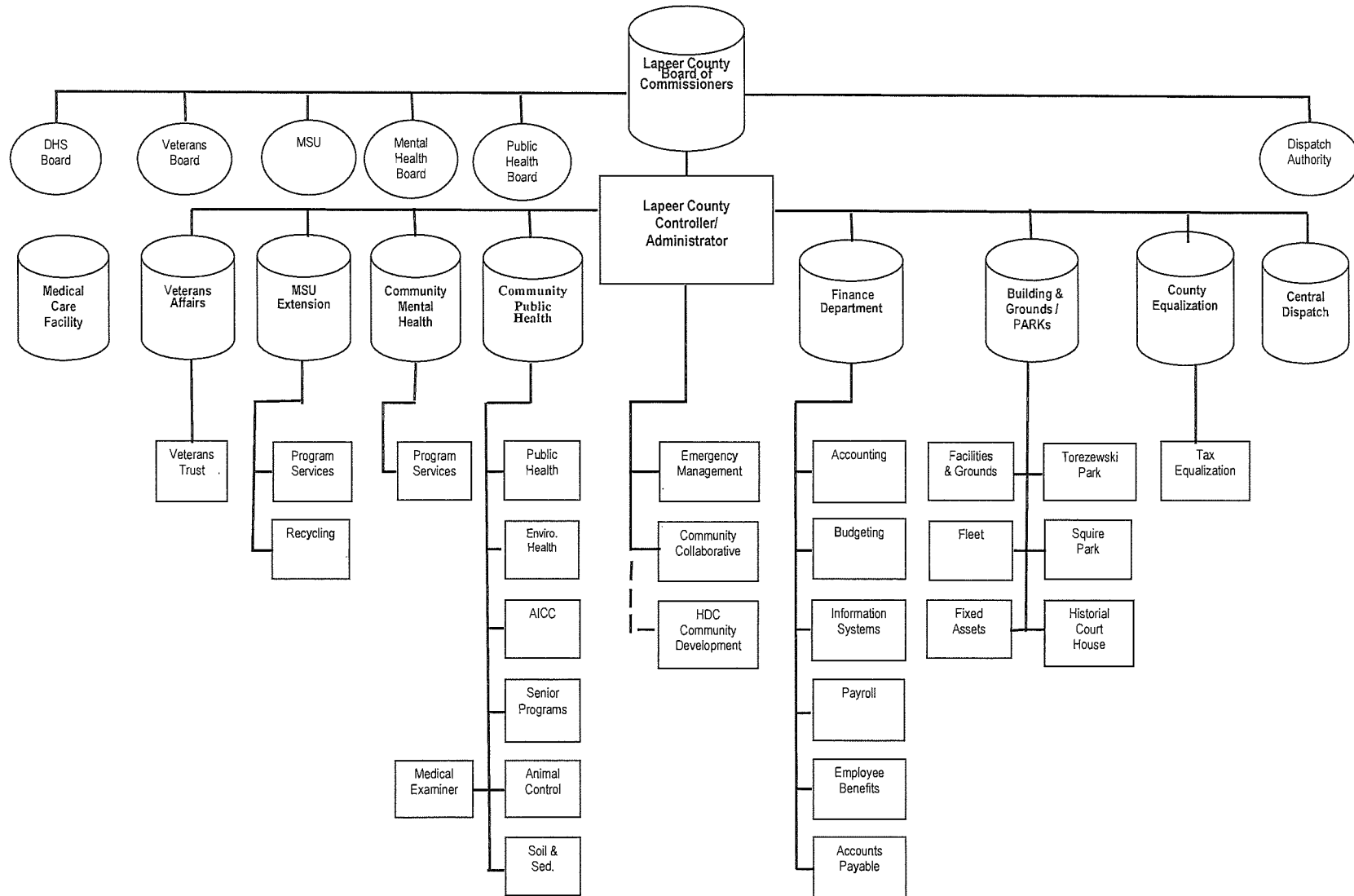
Respectfully submitted,

A handwritten signature in black ink that reads "Craig D. Horton". The signature is written in a cursive style with a large initial "C" and a long horizontal stroke at the end.

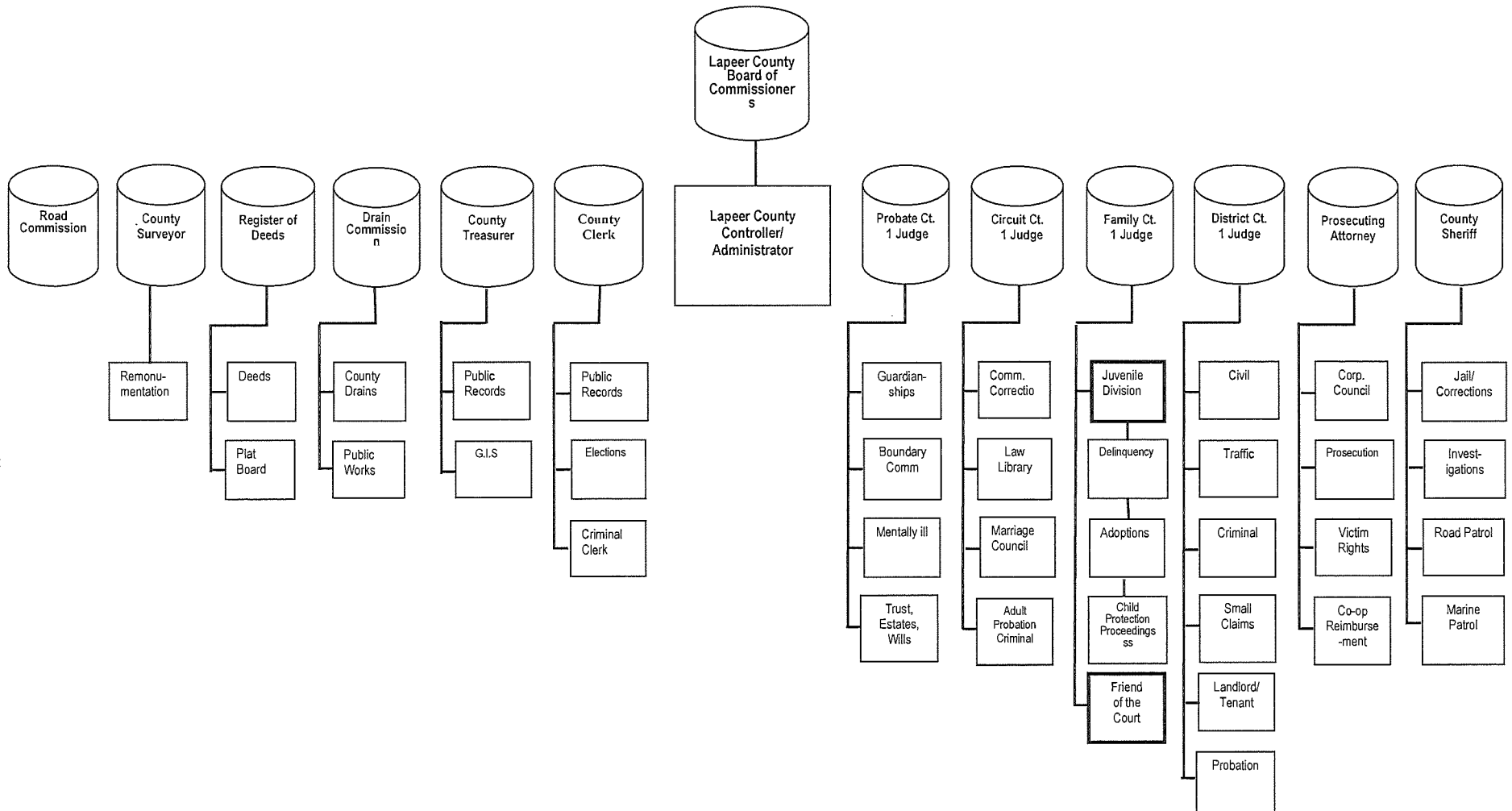
Craig D. Horton

Interim County Controller/Administrator

# LAPEER COUNTY APPOINTED ORGANIZATIONAL CHART



# LAPEER COUNTY ELECTORATE ORGANIZATIONAL CHART







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Lapeer County  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

# **LAPEER COUNTY, MICHIGAN**

## **BOARD OF COMMISSIONERS**

### **Chairperson**

Gary Roy

### **Vice Chairperson**

C. Ian Kempf

### **Members**

Dyle Henning  
Lenny Schneider

Linda M. Jarvis

Brenden Miller  
Rick Warren

## **COURT JUDGES**

Nick O. Holowka  
Family Court

Justus Scott  
Family Court

Bryon Kenschuh  
Family/District Court

Laura Chegar Barnard  
District Court

## **COUNTY ELECTED OFFICIALS**

Dana M. Miller  
Treasurer

Scott McKenna  
Sheriff

Joseph Suma  
Drain Commissioner

Theresa Spencer  
Clerk

Michael Sharkey  
Prosecuting Attorney

Richard A. Duthler  
Surveyor

Lori Gebhardt  
Register of Deeds

## **COUNTY APPOINTED**

John Biscoe  
Controller/Administrator

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
of Lapeer County  
Lapeer, Michigan

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lapeer County, Michigan (the "County"), as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lapeer County, Michigan, as of December 31, 2019 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.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lapeer County, Michigan's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2020 on our consideration of Lapeer County, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

The image shows a handwritten signature in dark ink. The letters 'UHY' are written in a large, stylized, cursive font, and 'LLP' is written in a smaller, more standard cursive font to the right of 'UHY'.

Port Huron, Michigan  
August 7, 2020

# 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, 2019. 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 \$63,373,898 (net position) at December 31, 2019. Of this amount, \$10,791,846 represents unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors. Also included is \$13,465,581 of restricted net position restricted for specific purposes (specific millage funds, E-911, etc.) and \$39,116,471 representing investment in capital assets, net of related liabilities.
- Capital assets of the primary government (carrying value net of accumulated depreciation) decreased by \$2,566,069 from the previous year due to depreciation exceeding capital additions. Non-current liabilities of the primary government decreased by \$9,303,249, due primarily to current-year activity associated with the County's net pension liability.
- At December 31, 2019, the County's governmental funds reported a combined ending fund balance of \$20,447,830, an increase of \$673,434 compared to the prior year. Approximately 21% of this amount, \$4,307,691, 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, recreation and culture, and debt service. 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 38 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, and E-911 Debt, 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 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 Agency fund. The County also has a Retiree Health Care Trust fund within the fiduciary fund category. 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 two 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, 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 \$63,373,898 at December 31, 2019.

Approximately 17% or \$10,791,846 of the County's net position is unrestricted and available for future obligations. Approximately 21% or \$13,465,581 of the County's net position is restricted for specific purposes by external parties, constitutional provisions, or enabling legislation. Approximately 62% or \$39,116,471 of net position represents our investment in capital assets (e.g., land, buildings, machinery and equipment net of any related debt used to acquire those assets). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following analysis focuses on the net position of the County's governmental and business-type activities.



## Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets -						
Current and Other Assets	\$ 34,483,347	\$ 32,187,279	\$ 21,480,086	\$ 20,139,731	\$ 55,963,433	\$ 52,327,010
Capital Assets, net	<u>21,585,830</u>	<u>23,287,263</u>	<u>18,855,231</u>	<u>19,719,867</u>	<u>40,441,061</u>	<u>43,007,130</u>
Total Assets	<u>56,069,177</u>	<u>55,474,542</u>	<u>40,335,317</u>	<u>39,859,598</u>	<u>96,404,494</u>	<u>95,334,140</u>
Deferred Outflows of Resources	<u>930,441</u>	<u>5,561,990</u>	<u>1,392,331</u>	<u>4,650,892</u>	<u>2,322,772</u>	<u>10,212,882</u>
Liabilities -						
Non-current Liabilities	9,801,302	17,499,978	10,640,176	12,244,749	20,441,478	29,744,727
Other Liabilities	<u>6,310,665</u>	<u>4,878,891</u>	<u>3,659,430</u>	<u>2,488,581</u>	<u>9,970,095</u>	<u>7,367,472</u>
Total Liabilities	<u>16,111,967</u>	<u>22,378,869</u>	<u>14,299,606</u>	<u>14,733,330</u>	<u>30,411,573</u>	<u>37,112,199</u>
Deferred Inflows of Resources	<u>3,965,589</u>	<u>4,179,928</u>	<u>976,206</u>	<u>849,237</u>	<u>4,941,795</u>	<u>5,029,165</u>
Net Position -						
Net investment in capital assets	20,261,240	20,585,510	18,855,231	19,719,867	39,116,471	40,305,377
Restricted	10,108,527	9,395,277	3,357,054	3,302,507	13,465,581	12,697,784
Unrestricted	<u>6,552,295</u>	<u>4,496,948</u>	<u>4,239,551</u>	<u>5,905,549</u>	<u>10,791,846</u>	<u>10,402,497</u>
Total Net Position	<u>\$ 36,922,062</u>	<u>\$ 34,477,735</u>	<u>\$ 26,451,836</u>	<u>\$ 28,927,923</u>	<u>\$ 63,373,898</u>	<u>\$ 63,405,658</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 \$63,405,658 to \$63,373,898 for a net change of governmental and business-type activities of \$(31,760) from the prior year.

## 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 2019 and 2018.

### Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Revenue:</b>						
Program Revenue -						
Charges for services	\$ 11,808,355	\$ 12,467,135	\$ 29,663,559	\$ 28,047,271	\$ 41,471,914	\$ 40,514,406
Operating grants and Contributions	26,570,815	25,583,984	-	-	26,570,815	25,583,984
Capital grants and contributions	-	14,000	-	-	-	14,000
General Revenue -						
Property taxes	14,255,291	13,656,642	965,004	924,711	15,220,295	14,581,353
Grants and contributions not restricted to specific programs	1,722,992	1,736,456	43,536	25,701	1,766,528	1,762,157
Other	<u>420,826</u>	<u>209,000</u>	<u>98,399</u>	<u>102,340</u>	<u>519,225</u>	<u>311,340</u>
<b>Total Revenue</b>	<u>54,778,279</u>	<u>53,667,217</u>	<u>30,770,498</u>	<u>29,100,023</u>	<u>85,548,777</u>	<u>82,767,240</u>
<b>Expenses:</b>						
Legislative	339,939	333,204	-	-	339,939	333,204
Judicial	5,436,832	5,215,996	-	-	5,436,832	5,215,996
General Government	6,134,825	8,236,433	-	-	6,134,825	8,236,433
Public Safety	12,474,263	13,218,623	-	-	12,474,263	13,218,623
Public Works	417,537	654,770	-	-	417,537	654,770
Health and Welfare	28,447,547	28,720,901	-	-	28,447,547	28,720,901
Recreation and Culture	413,834	483,143	-	-	413,834	483,143
Interest on Long-term Debt	72,175	132,174	-	-	72,175	132,174
Medical Care Facility	-	-	31,500,215	28,054,218	31,500,215	28,054,218
Delinquent Tax	<u>-</u>	<u>-</u>	<u>343,370</u>	<u>356,704</u>	<u>343,370</u>	<u>356,704</u>
<b>Total Expenses</b>	<u>53,736,952</u>	<u>56,545,244</u>	<u>31,843,585</u>	<u>28,410,922</u>	<u>85,580,537</u>	<u>84,956,166</u>
Change in net position before transfers	1,041,327 (	2,878,027)(	1,073,087)	689,101 (	31,760)(	2,188,926)
Transfers	<u>1,403,000</u>	<u>1,898,822</u> (	<u>1,403,000</u> )(	<u>1,898,822</u> )	<u>-</u>	<u>-</u>
Change in net position	2,444,327 (	979,205)(	2,476,087)(	1,209,721)(	31,760) (	2,188,926)
Net position at beginning of year	<u>34,477,735</u>	<u>35,456,940</u>	<u>28,927,923</u>	<u>30,137,644</u>	<u>63,405,658</u>	<u>65,594,584</u>
Net position at end of year	<u>\$ 36,922,062</u>	<u>\$ 34,477,735</u>	<u>\$ 26,451,836</u>	<u>\$ 28,927,923</u>	<u>\$ 63,373,898</u>	<u>\$ 63,405,658</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 3.7245 mills in 2019 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 \$2,934,519,181 in 2018 to \$3,055,180,330 in 2019, 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 \$630,000 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 \$1,722,992 and \$1,707,392 in 2019 and 2018, respectively.

In total, fiscal year 2019 governmental activity revenue increased by \$1,191,588 or approximately 2% over the prior year. None of the changes to revenue source categories were considered significant. Expenses for the governmental activities decreased by \$2,808,292 or approximately 5% over the prior year, due largely to the change in the County's net pension liability.

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

In total, fiscal year 2019 business-type activity revenue increased by \$1,670,475 or approximately 6% over the prior year. None of the changes to revenue source categories were considered significant. Expenses for the business-type activities increased by \$3,432,663 or approximately 12% over the prior year. The increase was primarily related to changes in the County's net pension liability and increased nursing expenses 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, 2019, the County's governmental funds reported combined ending fund balances of \$20,447,830, an increase of \$673,434 in comparison to the prior year. Nonspendable fund balance is \$526,021, consisting of advances, prepaids, and deposits. Restricted fund balance is \$9,996,244. Committed fund balance is \$5,117,874. Assigned fund balance is \$500,000 and unassigned fund balance is \$4,307,691.

The General Fund is the primary operating fund of the County. At December 31, 2019, the General Fund reported an ending fund balance of \$9,469,202 with \$4,307,691 of that amount unassigned. As a measure of the General Fund's liquidity, the unassigned fund balance represents approximately 21% of the total General Fund expenditures and transfers out, while total fund balance represents 47% of total General Fund expenditures and transfers out.

During the fiscal year 2019, there were no significant budget amendments approved for the General Fund.

The 2019 amended budget of the General Fund had projected revenues of \$18,567,198 and transfers in of \$2,200,000 with expenditures of \$18,698,645 and transfers out of \$2,451,989. The final budget anticipated expenditures and other financing uses over revenues and other financing sources of \$383,436.

The second major governmental fund is the Community Mental Health. At year-end, Community Mental Health reported a fund balance of \$2,414,595. Fund balance increased \$84,213 or approximately 4% from the prior year.

The third major governmental fund is the E-911 Debt. At December 31, 2019, the E-911 Debt reported a fund balance of \$3,427,627. Fund balance increased by \$593,516 over the prior fiscal year. The increase was due to revenues, primarily property taxes levied to service the debt, exceeding the principal and interest payments.

**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, 2019.

The Medical Care Facility reported a net position decrease from \$11,377,735 to \$9,254,912 or approximately 19%. This decrease was primarily due to changes in the net pension liability. The Delinquent Tax Fund reported a decrease in net position from \$17,550,188 to \$17,177,544 or approximately 2%.

### **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, 2019 amounted to \$40,441,061. The balance is \$2,566,069 less than the balance at December 31, 2018 due to depreciation expense exceeding capital additions in 2019. This investment in capital assets includes land, land improvements, building and building improvements, machinery and equipment, and vehicles. During the year, the County added \$732,217 in its governmental activities mainly related to the County complex parking lot redevelopment, the completion of the Courthouse roof project, and several new vehicles, and \$180,887 in the business-type activities mainly related to patient monitoring and bladder scanning equipment for the Medical Care Facility.

As of December 31, 2019, the County has \$161,475 outstanding in construction commitments.

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

**Long-term Liabilities:** At December 31, 2019, the County had bonds and unamortized premiums outstanding of \$1,997,075, decreasing from the 2018 balance of \$3,519,150 due to regularly scheduled payments. The remaining balance of the long-term liabilities of the primary government consisted of accrued self-insurance claims and compensated absences at December 31, 2019 of \$1,382,310, increasing from the 2018 balance of \$1,138,382. See Note 9 to the financial statements for additional information regarding long-term liabilities.

### **Economic Outlook**

The County continues to have concerns regarding the potential impact on the General Fund resulting from unfunded or underfunded State mandates. The State continues to require more of the locals with even less funding.

The County's allocation of revenue sharing is not constitutional as it is with cities, townships, and villages. The State can decrease or even eliminate the County's revenue sharing to fund schools, roads, or other programs. To make things even worse, the State has postponed the deadline that the State budget is due. The impact on the County is that our budget still needs to be adopted even though revenue sharing is a major unknown. The uncertainty of sustained State funding will continue to add complexity to overall funding and budgetary projections.

In addition to any inflationary effects on the overall budget, 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 of 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.

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.

In addition to the County's concerns with revenue sharing, the District Court is projecting a significant shortfall in revenues in the current year. This is due to these primary factors: 1) a mandatory State-wide shutdown by Governor Whitmer due to the COVID-19, resulting in less traffic and less traffic tickets issued; 2) the shutdown of the Court system by the Michigan Supreme Court, reducing the number of cases processed; and 3) the number of warrants being issued has decreased, and therefore, less proceeding to court.

### **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, 2019

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
<b>Assets:</b>				
Cash and cash equivalents	\$ 19,098,397	\$ 13,488,058	\$ 32,586,455	\$ 10,320,945
Investments	7,956,983	17	7,957,000	1,263,706
Receivables (net of allowance)	6,910,495	7,158,710	14,069,205	7,183,542
Prepays	67,975	305,886	373,861	346,402
Internal balances	( 308,147)	300,919	( 7,228)	-
Due from component units	-	108,790	108,790	-
Inventory	-	116,554	116,554	930,612
Advance to component units	90,000	-	90,000	-
Other assets	537,116	-	537,116	-
Restricted assets -				
Cash and cash equivalents	130,528	1,152	131,680	7,446
Accounts receivable	-	-	-	118,984
Contracts receivable	-	-	-	1,717,562
Capital assets (net of accumulated depreciation) -				
Assets not being depreciated	1,040,890	-	1,040,890	35,331,391
Assets being depreciated	20,544,940	18,855,231	39,400,171	70,118,951
Total Assets	<u>56,069,177</u>	<u>40,335,317</u>	<u>96,404,494</u>	<u>127,339,541</u>
<b>Deferred Outflows of Resources:</b>				
Related to OPEB plan	-	-	-	1,308,836
Related to pensions	930,441	1,392,331	2,322,772	2,190,502
Total Deferred Outflows of Resources	<u>930,441</u>	<u>1,392,331</u>	<u>2,322,772</u>	<u>3,499,338</u>
<b>Liabilities:</b>				
Payables and accrued liabilities	5,949,884	3,658,278	9,608,162	2,451,317
Due to primary government	-	-	-	108,790
Advances and deposits	-	-	-	802,053
Advances from primary government	-	-	-	90,000
Unearned revenue	360,781	-	360,781	-
Liabilities payable from restricted assets	-	1,152	1,152	17,640
Non-current liabilities -				
Due within one year	2,678,204	412,707	3,090,911	617,579
Due in more than one year				
Other liabilities	288,474	-	288,474	5,219,050
Net pension liability	6,834,624	10,227,469	17,062,093	7,163,056
Net OPEB liability	-	-	-	12,476,205
Total Liabilities	<u>16,111,967</u>	<u>14,299,606</u>	<u>30,411,573</u>	<u>28,945,690</u>
<b>Deferred Inflows of Resources:</b>				
Taxes levied for a subsequent period	3,313,227	-	3,313,227	-
Related to OPEB plan	-	-	-	4,821,892
Related to pensions	652,362	976,206	1,628,568	84,047
Total Deferred Inflows of Resources	<u>3,965,589</u>	<u>976,206</u>	<u>4,941,795</u>	<u>4,905,939</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	\$ 20,261,240	\$ 18,855,231	\$ 39,116,471	\$ 101,881,816
Restricted - Expendable -				
Acquisition/construction of capital assets	132,020	-	132,020	1,629,942
Foreclosure sales	-	3,160,700	3,160,700	-
Treasurer's office administration	-	196,354	196,354	-
Debt Service	3,427,627	-	3,427,627	5,334,612
Health and Welfare	1,674,904	-	1,674,904	-
Public Safety	1,166,308	-	1,166,308	-
General Government	3,490,854	-	3,490,854	-
Other Purposes	216,814	-	216,814	-
Unrestricted (deficit)	6,552,295	4,239,551	10,791,846	( 11,859,120)
Total Net Position	<u>\$ 36,922,062</u>	<u>\$ 26,451,836</u>	<u>\$ 63,373,898</u>	<u>\$ 96,987,250</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, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
Legislative	\$ 339,939	\$ -	\$ -	\$ -
Judicial	5,436,832	1,162,286	1,539,695	-
General Government	6,134,825	4,657,869	757,224	-
Public Safety	12,474,263	3,859,187	473,739	-
Public Works	417,537	-	-	-
Health and Welfare	28,447,547	2,015,877	23,790,301	-
Recreation and Culture	413,834	113,136	9,856	-
Interest on Long Term Debt	72,175	-	-	-
Total governmental activities	<u>53,736,952</u>	<u>11,808,355</u>	<u>26,570,815</u>	<u>-</u>
Business-type activities:				
Medical Care Facility	31,500,215	28,368,272	-	-
Delinquent Tax	343,370	1,275,907	-	-
Tele-Comm	-	19,380	-	-
Total business-type activities	<u>31,843,585</u>	<u>29,663,559</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 85,580,537</u>	<u>\$ 41,471,914</u>	<u>\$ 26,570,815</u>	<u>\$ -</u>
<b>Component Units</b>				
Road Commission	\$ 13,109,494	\$ 2,420,562	\$ 17,315,954	\$ 354,550
Board of Public Works	50,538	50,538	-	-
Drainage Districts	2,191,349	1,253,689	-	-
Land Bank Authority	<u>115,767</u>	<u>35,099</u>	<u>77,398</u>	<u>-</u>
Total Component Units	<u>\$ 15,467,148</u>	<u>\$ 3,759,888</u>	<u>\$ 17,393,352</u>	<u>\$ 354,550</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	
\$( 339,939)	\$ -	\$( 339,939)	\$ -
( 2,734,851)	-	( 2,734,851)	-
( 719,732)	-	( 719,732)	-
( 8,141,337)	-	( 8,141,337)	-
( 417,537)	-	( 417,537)	-
( 2,641,369)	-	( 2,641,369)	-
( 290,842)	-	( 290,842)	-
( 72,175)	-	( 72,175)	-
( 15,357,782)	-	( 15,357,782)	-
-	( 3,131,943)	( 3,131,943)	-
-	932,537	932,537	-
-	19,380	19,380	-
-	( 2,180,026)	( 2,180,026)	-
( 15,357,782)	( 2,180,026)	( 17,537,808)	-
-	-	-	6,981,572
-	-	-	-
-	-	-	( 937,660)
-	-	-	( 3,270)
-	-	-	6,040,642
14,255,291	965,004	15,220,295	-
1,722,992	43,536	1,766,528	-
401,706	98,399	500,105	64,965
19,120	-	19,120	3,446
1,403,000	( 1,403,000)	-	-
17,802,109	( 296,061)	17,506,048	68,411
2,444,327	( 2,476,087)	( 31,760)	6,109,053
34,477,735	28,927,923	63,405,658	90,878,197
<u>\$ 36,922,062</u>	<u>\$ 26,451,836</u>	<u>\$ 63,373,898</u>	<u>\$ 96,987,250</u>

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

# LAPEER COUNTY, MICHIGAN

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2019

	General	Community Mental Health	E-911 Debt	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 986,596	\$ 5,013,535	\$ 3,632,059	\$ 4,755,550	\$ 14,387,740
Investments	7,956,983	-	-	-	7,956,983
Receivables (net of allowance) -					
Property taxes	1,046,347	-	2,036,576	964,671	4,047,594
Accounts and interest	20,496	282,429	-	1,191,203	1,494,128
Due from other governmental units	160,813	84,948	7,273	1,115,739	1,368,773
Due from other funds	309	-	-	7,459	7,768
Deposits with agent	371,474	-	-	147,294	518,768
Advances to other funds	25,000	7,500	-	-	32,500
Advances to component units	90,000	-	-	-	90,000
Prepays	-	36,889	-	2,658	39,547
Restricted assets - Cash	-	130,528	-	-	130,528
<b>Total Assets</b>	<b>\$ 10,658,018</b>	<b>\$ 5,555,829</b>	<b>\$ 5,675,908</b>	<b>\$ 8,184,574</b>	<b>\$ 30,074,329</b>
<b>Liabilities:</b>					
Accounts payable	\$ 192,597	\$ 1,538,507	\$ -	\$ 186,016	\$ 1,917,120
Accrued liabilities	364,201	113,739	-	256,672	734,612
Due to other governmental units	574,429	1,483,596	-	2,927	2,060,952
Due to other funds	57,589	-	-	41,864	99,453
Interfund payables	-	-	-	301,205	301,205
Advances from other funds	-	-	-	32,500	32,500
Unearned revenue	-	5,392	-	355,389	360,781
<b>Total Liabilities</b>	<b>1,188,816</b>	<b>3,141,234</b>	<b>-</b>	<b>1,176,573</b>	<b>5,506,623</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues -					
Revolving loans	-	-	-	784,768	784,768
Grants/fees	-	-	-	21,881	21,881
Taxes levied for a subsequent period	-	-	2,248,281	1,064,946	3,313,227
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>2,248,281</b>	<b>1,871,595</b>	<b>4,119,876</b>
<b>Fund Balances:</b>					
Nonspendable	486,474	36,889	-	2,658	526,021
Restricted	2,715,027	130,528	3,427,627	3,723,062	9,996,244
Committed	1,460,010	2,247,178	-	1,410,686	5,117,874
Assigned - 2020 operations	500,000	-	-	-	500,000
Unassigned	4,307,691	-	-	-	4,307,691
<b>Total Fund Balances</b>	<b>9,469,202</b>	<b>2,414,595</b>	<b>3,427,627</b>	<b>5,136,406</b>	<b>20,447,830</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 10,658,018</b>	<b>\$ 5,555,829</b>	<b>\$ 5,675,908</b>	<b>\$ 8,184,574</b>	<b>\$ 30,074,329</b>

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

# LAPEER COUNTY, MICHIGAN

## RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2019

Fund Balances - total governmental funds	\$ 20,447,830
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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	50,147,493
Accumulated depreciation	( 31,525,546)

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	930,441
Deferred inflows of resources	( 652,362)

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	784,768
Grants/fees	21,881

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).	( 22,075)
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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.

6,505,549

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	( 573,069)
Bonds payable	( 1,975,000)
Net pension liability	( 6,834,624)
Accrued claims liability	( 313,474)
Accrued interest on bonds payable	( 19,750)

Net Position of governmental activities	<u>\$ 36,922,062</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, 2019

	General	Community Mental Health	E-911 Debt	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 11,050,459	\$ -	\$ 2,183,080	\$ 1,021,752	\$ 14,255,291
Licenses and permits	2,567	-	-	626,384	628,951
Intergovernmental	2,817,926	20,901,658	16,924	4,495,521	28,232,029
Charges for services	2,178,638	431,312	-	4,936,569	7,546,519
Fines and forfeits	151,579	-	-	77,617	229,196
Rents	232,295	-	-	17,424	249,719
Interest	385,684	3,554	2,762	9,706	401,706
Other	3,093,411	242,813	-	357,175	3,693,399
Total Revenues	<u>19,912,559</u>	<u>21,579,337</u>	<u>2,202,766</u>	<u>11,542,148</u>	<u>55,236,810</u>
<b>Expenditures:</b>					
Current -					
Legislative	334,970	-	-	-	334,970
Judicial	3,641,338	-	-	1,718,300	5,359,638
General Government	5,760,483	-	-	172,196	5,932,679
Public Safety	6,850,534	-	-	4,691,866	11,542,400
Public Works	409,088	-	-	-	409,088
Health and Welfare	140,441	21,756,854	-	6,388,731	28,286,026
Recreation and Cultural	219,600	-	-	151,609	371,209
Other Activities	555,686	-	-	-	555,686
Capital Outlay	-	-	-	410,430	410,430
Debt Service -					
Principal	-	-	1,500,000	-	1,500,000
Interest	-	-	109,250	-	109,250
Total Expenditures	<u>17,912,140</u>	<u>21,756,854</u>	<u>1,609,250</u>	<u>13,533,132</u>	<u>54,811,376</u>
Revenues over (under) expenditures	<u>2,000,419</u>	<u>( 177,517)</u>	<u>593,516</u>	<u>( 1,990,984)</u>	<u>425,434</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	400,000	261,730	-	2,750,443	3,412,173
Transfers out	( 2,364,173)	-	-	( 800,000)	( 3,164,173)
Total Other Financing Sources (Uses)	<u>( 1,964,173)</u>	<u>261,730</u>	<u>-</u>	<u>1,950,443</u>	<u>248,000</u>
Net Change in Fund Balances	36,246	84,213	593,516	( 40,541)	673,434
Fund Balances at beginning of year	<u>9,432,956</u>	<u>2,330,382</u>	<u>2,834,111</u>	<u>5,176,947</u>	<u>19,774,396</u>
Fund Balances at end of year	<u>\$ 9,469,202</u>	<u>\$ 2,414,595</u>	<u>\$ 3,427,627</u>	<u>\$ 5,136,406</u>	<u>\$ 20,447,830</u>

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

## 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, 2019

Net change in fund balances - total governmental funds	\$ 673,434
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	344,111
Depreciation expense	( 1,744,821)
Net book value of disposed assets	( 7,670)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	( 651,410)
<p>The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>	
Principal payments on long-term liabilities	1,500,000
<p>Accrued interest expense on bonds and the amortization of bond discounts, premiums, and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for the purpose of net position:</p>	
Decrease in accrued interest payable	15,000
Amortization of bond premium	22,075
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.	386,197
Changes in deferred outflows/inflows of resources related to pension plan	( 4,275,248)
<p>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.</p>	
Increase in compensated absences	( 19,926)
Decrease in net pension liability	6,351,088
Increase in accrued claims liability	( 148,503)
Change in net position of governmental activities	<u>\$ 2,444,327</u>

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

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2019

	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	\$ 1,505,379	\$ 11,963,299	\$ 19,380	\$ 13,488,058	\$ 4,710,657
Investments	-	17	-	17	-
Receivables (net of allowance)-					
Current and delinquent taxes	818,896	2,769,493	-	3,588,389	-
Accounts	2,966,087	-	-	2,966,087	-
Accrued interest	-	489,620	-	489,620	-
Due from other governmental units	114,614	-	-	114,614	-
Interfund receivables	-	301,205	-	301,205	-
Due from other funds	-	805,858	-	805,858	84,743
Deposit with agent	-	-	-	-	18,348
Inventories	116,554	-	-	116,554	-
Prepays	305,886	-	-	305,886	28,428
Due from component unit	-	108,790	-	108,790	-
Restricted assets - Cash	1,152	-	-	1,152	-
Total Current Assets	<u>5,828,568</u>	<u>16,438,282</u>	<u>19,380</u>	<u>22,286,230</u>	<u>4,842,176</u>
Noncurrent Assets -					
Capital assets, net	18,817,779	37,452	-	18,855,231	2,963,883
Advances to other funds	-	926,460	-	926,460	-
Total Noncurrent Assets	<u>18,817,779</u>	<u>963,912</u>	<u>-</u>	<u>19,781,691</u>	<u>2,963,883</u>
Total Assets	<u>24,646,347</u>	<u>17,402,194</u>	<u>19,380</u>	<u>42,067,921</u>	<u>7,806,059</u>
<b>Deferred Outflows of Resources:</b>					
Related to pensions	<u>1,392,331</u>	<u>-</u>	<u>-</u>	<u>1,392,331</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, 2019

	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	\$ 2,724,882	\$ -	\$ -	\$ 2,724,882	\$ 1,217,450
Accrued liabilities	567,727	2,010	-	569,737	-
Accrued interest	20,715	-	-	20,715	-
Due to other governmental units	120,590	222,354	-	342,944	-
Due to other funds	805,858	286	-	806,144	-
Current portion of:					
Accrued vacation and sick	404,376	-	-	404,376	-
Accrued claims	8,331	-	-	8,331	83,060
Liabilities payable from restricted assets-					
Patient deposits	1,152	-	-	1,152	-
Total Current Liabilities	<u>4,653,631</u>	<u>224,650</u>	<u>-</u>	<u>4,878,281</u>	<u>1,300,510</u>
Long-term Liabilities (less current portions):					
Advances from other funds	926,460	-	-	926,460	-
Net pension liability	10,227,469	-	-	10,227,469	-
Total Long-term Liabilities	<u>11,153,929</u>	<u>-</u>	<u>-</u>	<u>11,153,929</u>	<u>-</u>
Total Liabilities	<u>15,807,560</u>	<u>224,650</u>	<u>-</u>	<u>16,032,210</u>	<u>1,300,510</u>
<b>Deferred Inflows of Resources:</b>					
Related to pensions	<u>976,206</u>	<u>-</u>	<u>-</u>	<u>976,206</u>	<u>-</u>
<b>Net Position:</b>					
Net investment in capital assets	18,817,779	37,452	-	18,855,231	2,963,883
Restricted -					
Foreclosure sales	-	3,160,700	-	3,160,700	-
Treasurer's office administration	-	196,354	-	196,354	-
Unrestricted (deficit) -					
Designated -					
Estimated 2020 tax settlement	-	5,000,000	-	5,000,000	-
Undesignated	( 9,562,867)	8,783,038	19,380	( 760,449)	3,541,666
Total Net Position	<u>\$ 9,254,912</u>	<u>\$ 17,177,544</u>	<u>\$ 19,380</u>	<u>\$ 26,451,836</u>	<u>\$ 6,505,549</u>

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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Nonmajor Tele- Comm	Total	Internal Service Funds
<b>Operating Revenues:</b>					
Charges for services	\$ 28,331,657	\$ 296,290	\$ 19,380	\$ 28,647,327	\$ 9,974,509
Interest on taxes	-	760,199	-	760,199	-
Fees and penalties on delinquent taxes	-	219,418	-	219,418	-
Other	36,615	-	-	36,615	-
Total Operating Revenues	<u>28,368,272</u>	<u>1,275,907</u>	<u>19,380</u>	<u>29,663,559</u>	<u>9,974,509</u>
<b>Operating Expenses:</b>					
Administrative and general	3,412,682	120,491	-	3,533,173	690,224
Maintenance	1,613,747	-	-	1,613,747	-
Nursing	12,204,358	-	-	12,204,358	-
Daycare	375,129	-	-	375,129	-
Professional services	8,699,567	-	-	8,699,567	-
Other services	-	211,667	-	211,667	-
Insurance and claims	-	-	-	-	4,894,896
Pension and health care savings costs	3,531,445	-	-	3,531,445	4,506,270
Depreciation	1,034,311	11,212	-	1,045,523	671,042
Total Operating Expenses	<u>30,871,239</u>	<u>343,370</u>	<u>-</u>	<u>31,214,609</u>	<u>10,762,432</u>
Operating Income (Loss)	<u>( 2,502,967)</u>	<u>932,537</u>	<u>19,380</u>	<u>( 1,551,050)</u>	<u>( 787,923)</u>
<b>Non-Operating Revenues (Expenses):</b>					
Donations	43,536	-	-	43,536	-
Property taxes	965,004	-	-	965,004	-
Interest	580	97,819	-	98,399	-
Maintenance of effort	( 566,901)	-	-	( 566,901)	-
Interest expense	( 62,075)	-	-	( 62,075)	-
Gain on disposal of assets	-	-	-	-	19,120
Total Non-Operating Revenues (Expenses)	<u>380,144</u>	<u>97,819</u>	<u>-</u>	<u>477,963</u>	<u>19,120</u>
Net Income (Loss) Before Transfers	<u>( 2,122,823)</u>	<u>1,030,356</u>	<u>19,380</u>	<u>( 1,073,087)</u>	<u>( 768,803)</u>
<b>Transfers:</b>					
Transfers in	-	-	-	-	1,245,000
Transfers out	-	( 1,403,000)	-	( 1,403,000)	( 90,000)
Total Transfers	<u>-</u>	<u>( 1,403,000)</u>	<u>-</u>	<u>( 1,403,000)</u>	<u>1,155,000</u>
Change in Net Position	<u>( 2,122,823)</u>	<u>( 372,644)</u>	<u>19,380</u>	<u>( 2,476,087)</u>	<u>386,197</u>
Net Position at beginning of year	<u>11,377,735</u>	<u>17,550,188</u>	<u>-</u>	<u>28,927,923</u>	<u>6,119,352</u>
Net Position end of year	<u>\$ 9,254,912</u>	<u>\$ 17,177,544</u>	<u>\$ 19,380</u>	<u>\$ 26,451,836</u>	<u>\$ 6,505,549</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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Non-major Tele- Comm	Total	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>					
Cash receipts from customers and governmental units	\$27,360,384	\$ 6,112,992	\$ 19,380	\$33,492,756	\$ -
Cash receipts from interfund services	-	( 132,262)	-	( 132,262)	9,958,892
Cash payments to employees	( 16,303,413)	( 41,895)	-	( 16,345,308)	-
Cash payments to suppliers and governmental units	( 10,619,518)	( 5,422,202)	-	( 16,041,720)	( 9,878,566)
Other cash receipts	36,615	-	-	36,615	-
Net Cash Provided by Operating Activities	474,068	516,633	19,380	1,010,081	80,326
<b>Cash Flows From Noncapital Financing Activities:</b>					
Net cash receipts from other funds	-	1,199,437	-	1,199,437	-
Property taxes and donations	1,090,146	-	-	1,090,146	-
Interfund transfers	-	( 1,403,000)	-	( 1,403,000)	1,035,000
Net Cash Provided by (Used in) Noncapital Financing Activities	1,090,146	( 203,563)	-	886,583	1,035,000
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Interfund transfers	-	-	-	-	120,000
Acquisition of capital assets	( 168,555)	( 12,332)	-	( 180,887)	( 377,989)
Proceeds from sale of capital assets	-	-	-	-	19,120
Payments on advance	( 782,386)	-	-	( 782,386)	-
Interest paid on long term debt	( 75,441)	-	-	( 75,441)	-
Net Cash Used in Capital and Related Financing Activities	( 1,026,382)	( 12,332)	-	( 1,038,714)	( 238,869)
<b>Cash Flows From Investing Activities:</b>					
Promissory note payments received	-	805,855	-	805,855	-
Interest received	580	97,822	-	98,402	-
Net Cash Provided by Investing Activities	580	903,677	-	904,257	-
Net Increase in cash and cash equivalents	538,412	1,204,415	19,380	1,762,207	876,457
Cash and cash equivalents at beginning of year	968,119	10,758,884	-	11,727,003	3,834,200
Cash and cash equivalents at end of year	<u>\$ 1,506,531</u>	<u>\$11,963,299</u>	<u>\$ 19,380</u>	<u>\$13,489,210</u>	<u>\$ 4,710,657</u>
<b>Statement of Net Position:</b>					
Cash and Cash Equivalents -					
Cash and cash equivalents	\$ 1,505,379	\$11,963,299	\$ 19,380	\$13,488,058	\$ 4,710,657
Restricted assets - cash	1,152	-	-	1,152	-
Cash and cash equivalents at end of year	<u>\$ 1,506,531</u>	<u>\$11,963,299</u>	<u>\$ 19,380</u>	<u>\$13,489,210</u>	<u>\$ 4,710,657</u>

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

	Business-type Activities - Enterprise Funds				Governmental
	Medical	Delinquent	Non-major	Total	Internal
	Care Facility	Tax	Tele-Comm		Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>					
Operating income (loss) for the year	\$( 2,502,967)	\$ 932,537	\$ 19,380	\$( 1,551,050)	\$( 787,923)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities -					
Depreciation	1,034,311	11,212	-	1,045,523	671,042
Maintenance of effort	( 566,901)	-	-	( 566,901)	-
Change in assets and liabilities:					
(Increase) decrease in -					
Receivables	( 289,758)	( 307,357)	-	( 597,115)	-
Due from other governmental units	( 114,614)	-	-	( 114,614)	-
Due from other funds	-	( 23,472)	-	( 23,472)	( 15,617)
Due from component unit	-	( 108,790)	-	( 108,790)	-
Prepaid items	( 40,788)	-	-	( 40,788)	( 14,132)
Inventories	2,052	-	-	2,052	-
Deferred outflows related to pensions	3,258,561	-	-	3,258,561	-
Increase (decrease) in -					
Patient trust deposits	( 17,113)	-	-	( 17,113)	-
Accounts payable	1,065,474	( 9,907)	-	1,055,567	220,898
Accrued liabilities	178,423	205	-	178,628	6,058
Due to other funds	-	64	-	64	-
Net pension liability	( 1,674,014)	-	-	( 1,674,014)	-
Deferred inflows related to pensions	126,969	-	-	126,969	-
Due to other governmental units	14,433	22,141	-	36,574	-
Net Cash Provided by Operating Activities	<u>\$ 474,068</u>	<u>\$ 516,633</u>	<u>\$ 19,380</u>	<u>\$ 1,010,081</u>	<u>\$ 80,326</u>

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2019

	Retiree Health Care	Agency Funds
<b>Assets:</b>		
Cash and cash equivalents	\$ -	\$ 1,233,321
Interest in pooled investment	646,422	-
Due from other governmental units	-	885
Total Assets	<u>646,422</u>	<u>\$ 1,234,206</u>
<b>Liabilities:</b>		
Due to individuals and agencies	-	\$ 435,579
Due to other governmental units	-	798,627
Total Liabilities	<u>-</u>	<u>\$ 1,234,206</u>
<b>Net Position:</b>		
Restricted for retiree health care benefits	<u>\$ 646,422</u>	

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION RETIREE HEALTH CARE FUND FOR THE YEAR ENDED DECEMBER 31, 2019

<b>Additions:</b>	
Forfeitures	\$ 214,481
Investment return	72,444
Total Additions	<u>286,925</u>
<b>Deductions:</b>	
Contributions to participant accounts	299,279
Administration	944
Total Deductions	<u>300,223</u>
Net decrease	( 13,298)
Net Position -	
Beginning of year	<u>659,720</u>
End of year	<u>\$ 646,422</u>

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, 2019

	Road Commission	Board of Public Works	Drainage Districts	Land Bank Authority	Totals
<b>Assets:</b>					
Cash and cash equivalents	\$ 7,265,674	\$ -	\$ 2,898,753	\$ 156,518	\$ 10,320,945
Investments	-	-	1,263,706	-	1,263,706
Receivables	2,433,560	-	4,555,553	-	6,989,113
Due from other governmental units	-	-	166,039	28,390	194,429
Inventory	927,254	-	-	3,358	930,612
Prepaid items/deposits	175,784	-	170,618	-	346,402
Restricted assets -					
Cash	-	7,446	-	-	7,446
Accounts receivable	-	118,984	-	-	118,984
Contracts receivable	-	1,717,562	-	-	1,717,562
Capital Assets (net of accumulated depreciation) -					
Assets not being depreciated	32,063,332	-	3,268,059	-	35,331,391
Assets being depreciated	58,376,517	-	11,742,434	-	70,118,951
Total Assets	<u>101,242,121</u>	<u>1,843,992</u>	<u>24,065,162</u>	<u>188,266</u>	<u>127,339,541</u>
<b>Deferred Outflows of Resources:</b>					
Related to OPEB plan	1,308,836	-	-	-	1,308,836
Related to pension	2,190,502	-	-	-	2,190,502
Total Deferred Outflows of Resources	<u>3,499,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,499,338</u>
<b>Liabilities:</b>					
Payables and accrued liabilities	2,249,947	-	163,055	28,673	2,441,675
Accrued interest	-	-	9,452	-	9,452
Advances and deposits	451,053	-	351,000	-	802,053
Due to other governmental units	190	-	-	-	190
Due to primary government	-	108,790	-	-	108,790
Advance from primary government	-	-	90,000	-	90,000
Liabilities payable from restricted assets -					
Accrued liabilities	-	10,133	-	-	10,133
Due to other governmental units	-	7,507	-	-	7,507
Non-current liabilities -					
Due within one year	-	255,000	362,579	-	617,579
Due in more than one year	550,541	1,462,562	3,205,947	-	5,219,050
Net pension liability	7,163,056	-	-	-	7,163,056
Net OPEB liability	12,476,205	-	-	-	12,476,205
Total Liabilities	<u>22,890,992</u>	<u>1,843,992</u>	<u>4,182,033</u>	<u>28,673</u>	<u>28,945,690</u>
<b>Deferred Inflows of Resources:</b>					
Related to OPEB plan	4,821,892	-	-	-	4,821,892
Related to pension	84,047	-	-	-	84,047
Total Deferred Inflows of Resources	<u>4,905,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,905,939</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	\$ 90,439,849	\$ -	\$ 11,441,967	\$ -	\$ 101,881,816
Restricted -					
Debt Service	-	-	5,334,612	-	5,334,612
Acquisition/construction of capital assets	-	-	1,629,942	-	1,629,942
Unrestricted (deficit)	( 13,495,321)	-	1,476,608	159,593	( 11,859,120)
Total Net Position	<u>\$ 76,944,528</u>	<u>\$ -</u>	<u>\$ 19,883,129</u>	<u>\$ 159,593</u>	<u>\$ 96,987,250</u>

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

Concluded



# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF ACTIVITIES DISCRETELY PRESENTED COMPONENT UNITS FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Road Commission</u>	<u>Board of Public Works</u>	<u>Drainage Districts</u>	<u>Land Bank Authority</u>	<u>Total</u>
<b>Expenses:</b>					
Community and Economic Development	\$ -	\$ -	\$ -	\$ 115,767	\$ 115,767
Public Works	-	-	2,191,349	-	2,191,349
Highways and Streets	13,109,494	-	-	-	13,109,494
Interest on Long-term Debt	-	50,538	-	-	50,538
Total Expenses	<u>13,109,494</u>	<u>50,538</u>	<u>2,191,349</u>	<u>115,767</u>	<u>15,467,148</u>
<b>Program Revenues:</b>					
Charges for services	2,420,562	50,538	1,253,689	35,099	3,759,888
Operating grants and contributions	17,315,954	-	-	77,398	17,393,352
Capital grants and contributions	354,550	-	-	-	354,550
Total Program Revenues	<u>20,091,066</u>	<u>50,538</u>	<u>1,253,689</u>	<u>112,497</u>	<u>21,507,790</u>
Net program revenue (expense)	<u>6,981,572</u>	<u>-</u>	<u>( 937,660)</u>	<u>( 3,270)</u>	<u>6,040,642</u>
<b>General Revenues:</b>					
Unrestricted investment income	20,785	-	44,180	-	64,965
Gain on sale of capital assets	3,446	-	-	-	3,446
Total General Revenues	<u>24,231</u>	<u>-</u>	<u>44,180</u>	<u>-</u>	<u>68,411</u>
Change in Net Position	7,005,803	-	( 893,480)	( 3,270)	6,109,053
Net Position at the beginning of year	<u>69,938,725</u>	<u>-</u>	<u>20,776,609</u>	<u>162,863</u>	<u>90,878,197</u>
Net Position at the end of year	<u><u>\$76,944,528</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 19,883,129</u></u>	<u><u>\$ 159,593</u></u>	<u><u>\$96,987,250</u></u>

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

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019**

### **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 Board of Commissioners (7 members) 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 of Commissioners. 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 Lapeer 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 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 Board of County Road Commissioners.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019**

### **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 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 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 Lapeer 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 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. Maintenance and construction of individual drains are assessed to the benefited property owner.

**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 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 Lapeer County Board of Commissioners. The Lapeer County Land Bank Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The Lapeer County Land Bank Authority is primarily funded through contributions from the County, and the Director of the Lapeer County Land Bank Authority is an employee of the County. The County Board of Commissioners can significantly influence the operations of the Lapeer County Land Bank Authority.

**COMPONENT UNIT FINANCIAL STATEMENTS** - Complete financial statements of the Road Commission and Lapeer County Land Bank Authority, which are audited separately, may be obtained from the entities' administration offices at the following locations:

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

Lapeer County Land Bank Authority  
255 Clay Street 3<sup>rd</sup> Floor Room 302  
Lapeer, Michigan 48446

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

The component units associated with the activities of the public works projects administered by the BPW and the Drainage Districts administered by the Lapeer County Drain Commissioner are included within the scope of the audit of the basic financial statements. Separate audited financial statements for these component units were not issued.

**FISCAL YEAR-ENDS** - All of the County Funds and Component Units operate and are reported on a December 31 year-end, with the exception of the Road Commission component unit, Community Mental Health, Health Department, Personal Care Aide Program, Community Grants, Law Enforcement, Thumb Narcotics Unit, Department of Human Services, Multi-Purpose Collaborative Body, Child Care, Mental Health Court, 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. (Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Agency funds do not have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables). 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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.

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.

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

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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

#### **Proprietary Fund Type -**

**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 Types -**

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

**Retiree Health Care Fund** - is used to account for the activity of the Section 115 Governmental Integral Part Trust held with MERS. Assets held in trust are legally protected from creditors and are only used for providing benefits to retirees.

**Agency Funds** - are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds, including tax collections, payroll liabilities, and library collections of penal fines.

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

Proprietary funds distinguish operating revenue and expenses from 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.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019**

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

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

##### **Deposits and Investments -**

The County maintains a common checking account for its funds 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.

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, as reported in the fund financial statements, have fund balance in the amount of the outstanding advance 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.

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019**

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

##### **Inventories and Prepaid Items -**

Inventories of governmental funds are recorded as expenditures when purchased. The inventory of the Medical Care Facility consists of supplies reported at cost. 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).

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 2019 year, the County levied 3.7245 mills for the General Fund operations and extra voted levies of 0.3284 mills for the Medical Care Facility, 0.7372 mills for E-911 debt, 0.2498 mills for senior citizens programs, 0.0995 mills for veterans' programs, and 0.9888 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.



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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:

	Years		
	Primary Government	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

#### 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.

## LAPEER COUNTY, MICHIGAN

### NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

##### **Deferred Outflows/Inflows of Resources -**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/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.

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 position or fund balance 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, and pension and OPEB related items. 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.

##### **Fund Balance -**

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

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

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

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

*Assigned fund balance* – the portion of fund balance that reflects the County's intended use of resources. Currently the Controller/Administrator has authority to set aside funds pursuant to 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.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019**

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

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.

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

The Budget Stabilization Fund was established in accordance with Michigan Compiled Laws 141.442, which required the County Board of Commissioners to adopt a resolution passed by 2/3 vote of the Board members. Subsequent additions to the fund are subject to the same 2/3 voting approval by the 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 of Commissioners 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, 2019, the accumulation within the Budget Stabilization Fund was \$2,715,027 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 specific Special Revenue Funds or as part of the various fund types to which the programs pertain. The County has not integrated its Single Audit Reports and Schedule of Expenditures of Federal Awards as part of the Annual Financial Report. The Single Audit Financial Report will be issued prior to September 30, 2020 under a separate cover as supplementary information to the Annual Financial Report.

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019**

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

##### **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.

GASB Statement No. 84, *Fiduciary Activities*, was issued in January 2017 and will become effective for the County's December 31, 2020 fiscal year. The statement re-establishes criteria for reporting fiduciary activities in the governmental financial statements where certain activities previously reported as agency funds may be reclassified.

GASB Statement No. 87, *Leases*, was issued in June 2017 and will become effective for the County's December 31, 2021 fiscal year. The objective of the statement is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use of an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities.

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

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

The 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 of Commissioners. The Board holds a public hearing and may add to, subtract from, or change appropriations. The budget is then legally enacted through passage of a Board of County Commissioners' 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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 of Commissioners. The Controller/Administrator is given authorization by the Board of Commissioners 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.

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

Similar procedures are followed in the case of the Component Units included in the Reporting Entity of 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 are available in the Road Commission's separately issued component unit financial statements.

Michigan Public Act 621 of 1978 Section 18, as amended, provides that local governmental units shall not incur expenditures in excess of the amount appropriated at the legally enacted level. The Michigan Department of Treasury requires the reporting of any significant overages at the legal level of budgetary control level (any overages at the legal level of budgetary control greater than 10% of the total expenditure and the overage itself is larger than 10%). During the year ended December 31, 2019, the County had the following overage that exceeded this threshold:

#### Excess of Expenditures Over Appropriations -

##### Primary Government

<u>Fund Type/Account/Function</u>	<u>Appropriation</u>	<u>Expended</u>	<u>Variance</u>
General Fund -			
Transfer Out - Animal Control	\$ 50,000	\$ 90,911	\$ 40,911

### 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 Lapeer 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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.

#### Carrying Amount -

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

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Cash on Hand	\$ 16,465	\$ 350	\$ 300	\$ 17,115
Deposits with Financial Institutions	<u>31,267,889</u>	<u>10,328,041</u>	<u>1,233,021</u>	<u>42,828,951</u>
Investments -				
Cash with Broker	1,101,978	272,711	-	1,374,689
Municipal Bonds	626,705	150,396	-	777,101
U.S. Government Securities	6,090,285	840,599	-	6,930,884
Marketable CD's	138,032	-	-	138,032
Investment Trust Funds	1,433,781	-	-	1,433,781
Interest in Pooled Investments	-	-	<u>646,422</u>	<u>646,422</u>
Total Investments	<u>9,390,781</u>	<u>1,263,706</u>	<u>646,422</u>	<u>11,300,909</u>
Grand Total	<u>\$ 40,675,135</u>	<u>\$ 11,592,097</u>	<u>\$ 1,879,743</u>	<u>\$ 54,146,975</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

#### Reconciliation to Statements of Net Position -

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Reported as Cash and Cash Equivalents -				
Cash on Hand	\$ 16,465	\$ 350	\$ 300	\$ 17,115
Cash in Checking/Savings	31,267,889	10,328,041	1,233,021	42,828,951
Investment Trust Funds	<u>1,433,781</u>	<u>-</u>	<u>-</u>	<u>1,433,781</u>
Total Cash and Cash Equivalents Reported on Statements of Net Position	<u>32,718,135</u>	<u>10,328,391</u>	<u>1,233,321</u>	<u>44,279,847</u>
Reported as Investments -				
Cash with Broker	1,101,978	272,711	-	1,374,689
Municipal Bonds	626,705	150,396	-	777,101
U.S. Government Securities	6,090,285	840,599	-	6,930,884
Marketable CD's	138,032	-	-	138,032
Interest in Pooled Investments	<u>-</u>	<u>-</u>	<u>646,422</u>	<u>646,422</u>
Total Investments Reported on Statements of Net Position	<u>7,957,000</u>	<u>1,263,706</u>	<u>646,422</u>	<u>9,867,128</u>
Grand Total - Statements of Net Position	<u>\$ 40,675,135</u>	<u>\$ 11,592,097</u>	<u>\$ 1,879,743</u>	<u>\$ 54,146,975</u>

#### Deposits with Financial Institutions -

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

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

**Custodial Credit Risk - Deposits** - Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned. As of December 31, 2019, the County has \$43,388,809 of bank deposits, of which \$1,471,960 is insured with the remaining \$41,916,849 uninsured and uncollateralized.

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

The common account is utilized by most of the funds of the primary government and component units within the reporting entity. The common account consists of checking and savings accounts. Segregation of the bank balance of the common account between the primary government and component units for the determination of deposit insurance was not practical. The bank balance of the common checking account 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

#### Investments (excluding Retiree Health Care) -

As of December 31, 2019, the County had the following investment types:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage</u>
Cash with Broker	\$ 1,374,689	12.90 %
Municipal Bonds	777,101	7.29
U.S. Government Securities	6,930,884	65.05
Marketable CD's	138,032	1.30
Investment Trust Funds	<u>1,433,781</u>	<u>13.46</u>
Total	<u>\$ 10,654,487</u>	<u>100.00 %</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	\$ 1,433,781	AAAm	Standard & Poors	61

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.

As of December 31, 2019, 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>
\$ 539,031	AA	Standard & Poors
<u>238,070</u>	A	Standard & Poors
<u>\$ 777,101</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 Treasurer and the Investment Committee will weigh information gained from rating services, asset size, and historical information gained such as profitability, past ratings, asset growth, etc.



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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, 2019, \$7,846,017 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:

Investment Type	Fair Value	Maturity (Years)			
		<1	1-5	6-10	>10
Municipal Bonds	\$ 777,101	\$ 150,396	\$ 626,705	\$ -	\$ -
U.S. Government Securities	6,930,884	3,131,481	3,799,403	-	-
Marketable CD's	138,032	-	138,032	-	-
	<u>\$ 7,846,017</u>	<u>\$ 3,281,877</u>	<u>\$ 4,564,140</u>	<u>\$ -</u>	<u>\$ -</u>

**Investments of Retiree Health Care Plan** - The Retiree Health Care Fund is authorized by Michigan Public Act 314 of 1965, as amended, to invest in stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain reverse repurchase agreements, certain state and local government obligations, and certain other specified investment vehicles. The County has authorized investments in a retiree healthcare funding plan provided by the Municipal Employees' Retirement System of Michigan (MERS), the Lapeer County Retiree Health Care Plan. The funds the County has invested are part of the MERS Retiree Health Funding Vehicle, a diversified fund designed to provide reasonable growth and income while minimizing volatility for all MERS clients.

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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Municipal Bonds	\$ -	\$ 777,101	\$ -	\$ 777,101
U.S. Governmental Securities	<u>-</u>	<u>6,930,884</u>	<u>-</u>	<u>6,930,884</u>
	<u>\$ -</u>	<u>\$ 7,707,985</u>	<u>\$ -</u>	<u>7,707,985</u>
Cash Held with Broker				1,374,689
Marketable CD's				138,032
Investment Trust Funds				1,433,781
Interest in Pooled Investments				<u>646,422</u>
				<u>\$ 11,300,909</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, 2019.

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.

The County holds \$646,422 in shares or interest in the MERS total market fund (interest in pooled investments) where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient. MERS invests assets in a manner which will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

### NOTE 4 - RECEIVABLES:

Receivables as of December 31, 2019 in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 4,047,594	\$ 3,588,389
Interest and accounts	2,096,124	3,490,986
Intergovernmental	<u>1,368,773</u>	<u>114,614</u>
	7,512,491	7,193,989
Less: Allowance for uncollectible	( <u>601,996</u> )	( <u>35,279</u> )
	<u>\$ 6,910,495</u>	<u>\$ 7,158,710</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 5 - CAPITAL ASSETS:

#### Primary Government

Capital asset activity of the primary government for the year ended December 31, 2019 was as follows:

	Balance January 1, 2019	Additions	Adjustments/ Disposals	Balance December 31, 2019
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated -				
Land	\$ 1,040,890	\$ -	\$ -	\$ 1,040,890
Construction in Progress	13,000	106,650	119,650	-
Total Capital Assets, not being depreciated	<u>1,053,890</u>	<u>106,650</u>	<u>119,650</u>	<u>1,040,890</u>
Capital Assets, being depreciated -				
Buildings	28,974,502	183,370	-	29,157,872
Improvements other than Buildings	2,454,266	261,864	44,960	2,671,170
Machinery and Equipment	23,378,728	46,296	-	23,425,024
Vehicles	<u>2,686,621</u>	<u>253,687</u>	<u>179,814</u>	<u>2,760,494</u>
Total Capital Assets being depreciated	<u>57,494,117</u>	<u>745,217</u>	<u>224,774</u>	<u>58,014,560</u>
Less: Accumulated Depreciation for -				
Buildings	17,713,078	768,555	-	18,481,633
Improvements other than Buildings	1,699,557	85,197	37,289	1,747,465
Machinery and Equipment	13,842,582	1,212,126	-	15,054,708
Vehicles	<u>2,005,527</u>	<u>349,985</u>	<u>169,698</u>	<u>2,185,814</u>
Total Accumulated Depreciation	<u>35,260,744</u>	<u>2,415,863</u>	<u>206,987</u>	<u>37,469,620</u>
Total Capital Assets Being Depreciated, net	<u>22,233,373</u>	( <u>1,670,646</u> )	<u>17,787</u>	<u>20,544,940</u>
Governmental Activities Capital Assets, net	<u>23,287,263</u>	( <u>1,563,996</u> )	<u>137,437</u>	<u>21,585,830</u>
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated -				
Construction in Progress	<u>17,918</u>	<u>12,332</u>	<u>30,250</u>	<u>-</u>
Capital Assets, being depreciated -				
Buildings	31,911,884	27,049	-	31,938,933
Improvements other than Buildings	6,750	-	-	6,750
Machinery and Equipment	<u>4,265,998</u>	<u>171,756</u>	<u>15,600</u>	<u>4,422,154</u>
Total Capital Assets, being depreciated	<u>36,184,632</u>	<u>198,805</u>	<u>15,600</u>	<u>36,367,837</u>
Less: Accumulated Depreciation for -				
Buildings	12,945,106	905,413	-	13,850,519
Improvements other than Buildings	6,750	-	-	6,750
Machinery and Equipment	<u>3,530,827</u>	<u>140,110</u>	<u>15,600</u>	<u>3,655,337</u>
Total Accumulated Depreciation	<u>16,482,683</u>	<u>1,045,523</u>	<u>15,600</u>	<u>17,512,606</u>
Total Capital Assets, being depreciated, net	<u>19,701,949</u>	( <u>846,718</u> )	<u>-</u>	<u>18,855,231</u>
Business-type Activities Capital Assets, net	<u>19,719,867</u>	( <u>834,386</u> )	<u>30,250</u>	<u>18,855,231</u>
Total Primary Government Capital Assets, net	<u>\$ 43,007,130</u>	<u>\$ ( 2,398,382 )</u>	<u>\$ 167,687</u>	<u>\$ 40,441,061</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

Depreciation expense for 2019 was charged to functions/programs of the primary government as follows:

Governmental Activities -	
General Government	\$ 326,683
Public Safety	1,252,817
Public Works	600
Health and Welfare	99,351
Recreation and Cultural	<u>65,370</u>
Depreciation Expense - Governmental Activities	1,744,821
Depreciation Expense in the Internal Service Funds	<u>671,042</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,415,863</u>
Business-type Activities -	
Medical Care Facility	\$ 1,034,311
Delinquent Tax Revolving	<u>11,212</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 1,045,523</u>

### Purchase Commitment -

The County has committed to updating and upgrading the uninterruptible power supply and emergency power systems of the 911 dispatch center in the amount of \$161,475. No amounts have been expended, leaving \$161,475 remaining at December 31, 2019.

### Component Units

**Drainage Districts:** Capital asset activity for the Drainage Districts for the year ended December 31, 2019 was as follows:

	Balance January 1, 2019	Additions	Adjustments/ Disposals	Balance December 31, 2019
Capital Assets, not being depreciated:				
Land Improvements	\$ 3,262,882	\$ 5,177	\$ -	\$ 3,268,059
Capital Assets, being depreciated:				
Equipment	446,447	-	-	446,447
Infrastructure	29,125,797	46,590	-	29,172,387
Total Capital Assets, being depreciated	<u>29,572,244</u>	<u>46,590</u>	<u>-</u>	<u>29,618,834</u>
Less: Accumulated Depreciation for:				
Equipment	221,159	-	18,717	202,442
Infrastructure	17,152,290	521,668	-	17,673,958
Total Accumulated Depreciation	<u>17,373,449</u>	<u>521,668</u>	<u>18,717</u>	<u>17,876,400</u>
Total Capital Assets, being depreciated, net	<u>12,198,795</u>	<u>( 475,078)</u>	<u>( 18,717)</u>	<u>11,742,434</u>
Drainage Districts Capital Assets, net	<u>\$ 15,461,677</u>	<u>\$( 469,901)</u>	<u>\$( 18,717)</u>	<u>\$ 15,010,493</u>

Depreciation expense was \$521,668 for 2019.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

**Road Commission:** Capital asset activity for the Road Commission for the year ended September 30, 2019 was as follows:

	Balance October 1, 2018	Additions	Deletions/ Adjustments	Balance September 30, 2019
Capital Assets, not being depreciated -				
Land	\$ 159,507	\$ -	\$ -	\$ 159,507
Land Improvements	31,723,779	-	-	31,723,779
Right of Ways	180,046	-	-	180,046
Total Capital Assets, not being depreciated	<u>32,063,332</u>	<u>-</u>	<u>-</u>	<u>32,063,332</u>
Capital Assets, being depreciated -				
Building and Improvements	2,185,153	133,294	-	2,318,447
Road Equipment	8,294,057	1,428,546	216,658	9,505,945
Shop Equipment	119,665	-	-	119,665
Infrastructure -				
Roads	73,804,052	11,201,371	2,747,577	82,257,846
Bridges	17,521,846	313,866	-	17,835,712
Traffic Signals	83,723	-	-	83,723
Depletable Assets	205,130	-	-	205,130
	<u>102,213,626</u>	<u>13,077,077</u>	<u>2,964,235</u>	<u>112,326,468</u>
Less: Accumulated depreciation for -				
Buildings and Improvements	1,876,165	70,486	-	1,946,651
Road Equipment	7,319,794	506,461	214,140	7,612,115
Shop Equipment	25,964	11,966	-	37,930
Infrastructure -				
Roads	34,417,082	4,987,317	2,747,577	36,656,822
Bridges	7,122,579	355,848	-	7,478,427
Traffic Signals	83,723	-	-	83,723
Depletable Assets	134,283	-	-	134,283
	<u>50,979,590</u>	<u>5,932,078</u>	<u>2,961,717</u>	<u>53,949,951</u>
Total Capital Assets, being depreciated, net	<u>51,234,036</u>	<u>7,144,999</u>	<u>2,518</u>	<u>58,376,517</u>
Capital Assets, net	<u>\$ 83,297,368</u>	<u>\$ 7,144,999</u>	<u>\$ 2,518</u>	<u>\$ 90,439,849</u>

Depreciation expense was \$5,932,078 for 2019.

### NOTE 6 - PAYABLES:

Payables as of December 31, 2019 in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 3,134,570	\$ 2,724,882
Accrued liabilities	734,612	569,737
Accrued interest	19,750	20,715
Intergovernmental	<u>2,060,952</u>	<u>342,944</u>
	<u>\$ 5,949,884</u>	<u>\$ 3,658,278</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

The composition of interfund balances as of December 31, 2019 is as follows:

#### Due To/From Other Funds

	<u>Receivable</u>	<u>Payable</u>
<b>Governmental Funds -</b>		
General Fund	\$ 309	\$ 57,589
Nonmajor Special Revenue Funds -		
E-911	-	6,751
Multi-purpose Collaborative Body	-	3
Friend of the Court	-	5,639
Family Marriage Counseling	30	-
Health Department	7,085	5,175
Personal Care Aid Program	-	1,174
Animal Control	-	932
Emergency Management	-	359
Community Grants	30	7,707
Police Service Contracts	-	11,668
Law Enforcement Grants	-	235
Child Care	-	687
Soldiers' Relief	-	1,179
Soil and Sedimentation	-	295
Mental Health Court	-	14
Concealed Pistol Licensing	314	32
Lapeer Family Continuation Coordinator	-	14
	<u>7,459</u>	<u>41,864</u>
<b>Internal Service Funds -</b>		
Retirement	73,656	-
Workers' Compensation	10,838	-
Unemployment Insurance	249	-
	<u>84,743</u>	<u>-</u>
<b>Proprietary Funds -</b>		
Medical Care Facility	-	805,858
Delinquent Tax	805,858	286
	<u>805,858</u>	<u>806,144</u>
Reconciling item for September 30 year-end funds	7,228	-
Total	<u>\$ 905,597</u>	<u>\$ 905,597</u>

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.

Total due to primary government funds, as shown on the accompanying financial statements, reported more than due from primary government funds by \$7,228 due to transactions with funds reported on a September 30 year-end.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

	<u>Receivable</u>	<u>Payable</u>
Primary Government - Delinquent Tax	\$ 108,790	\$ -
Component Units - Board of Public Works	<u>-</u>	<u>108,790</u>
	<u>\$ 108,790</u>	<u>\$ 108,790</u>

The outstanding balances represent short-term borrowing to cover negative cash balances in the common checking account in accordance with County Board of Commissioner's policy.

#### Advances From/To Other Funds

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds -		
General Fund	\$ 25,000	\$ - (1)
Community Mental Health	7,500	- (1)
Lapeer Family Continuation Coordinator	-	7,500 (1)
Parks Department	<u>-</u>	<u>25,000</u> (1)
	<u>32,500</u>	<u>32,500</u>
Proprietary Funds -		
Delinquent Tax	926,460	- (2)
Medical Care Facility	<u>-</u>	<u>926,460</u> (2)
	<u>926,460</u>	<u>926,460</u>
Total	<u>\$ 958,960</u>	<u>\$ 958,960</u>

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

(2) The Delinquent Tax Fund has loaned resources to the Medical Care Facility to provide resources for the Medical Care Facility's building renovation project. Payments are due in annual installments ranging from \$299,738 to \$317,992 through 2023, with interest of 3.0% due on September 30 of each year.

#### 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

#### Interfund Receivable/Payable

	<u>Receivable</u>	<u>Payable</u>
<b>Proprietary Fund -</b>		
Delinquent Tax	\$ 301,205	\$ -
<b>Governmental Funds -</b>		
Mental Health Court	-	30,062
Polly Ann Trail	-	3,546
Friend of the Court	-	85,289
Personal Care Aid Program	-	13,138
County Surveyor	-	25,051
Community Grants	-	6,684
Police Service Contracts	-	136,731
Multi-Purpose Collaborative Body	-	704
	<u>-</u>	<u>704</u>
Total	<u>\$ 301,205</u>	<u>\$ 301,205</u>

The interfund receivable/payable balances at December 31, 2019 represent short-term borrowing between funds to cover negative cash balances in the common checking account in accordance with County Board of Commissioner's policy.

#### Transfers In and Out -

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
Parks Department	General Fund	\$ 23,000 (5)
Friend of the Court		414,590 (1)
Health Department		260,185 (1)
Community Mental Health		261,730 (1)
Animal Control		90,911 (1)
Emergency Management		49,000 (1)
Indigent Defense		107,480 (1)
Community Grants		49,843 (1)
Police Service Contracts		432,673 (1)
Law Enforcement Programs		3,496 (1)
Law Enforcement		21,265 (1)
Law Library		4,500 (1)
Child Care		497,058 (1)
Multi-Purpose Collaborative Body		28,442 (1)
Equipment Acquisition and Replacement		<u>120,000 (3)</u>
		<u>2,364,173</u>



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

Transfers In	Transfers Out	Amount
Retirement	Delinquent Tax	\$ 1,000,000 (4)
Friend of the Court		3,000 (6)
General Fund		<u>400,000 (5)</u>
		<u>1,403,000</u>
Retirement	E-911	<u>125,000 (4)</u>
Personal Care Aide Program	Senior Millage	<u>675,000 (2)</u>
Old Courthouse	Equipment Acquisition and Replacement	<u>90,000 (3)</u>
Total Transfers		<u>\$ 4,657,173</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 funds to provide supplemental retirement contributions
- (5) The transfer of funds to provide an operating subsidy.
- (6) The transfer of resources

### NOTE 8 - LEASES:

#### Component Unit - Lapeer County Board of Public Works

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

On this basis on the BPW statement of net position, the aggregate future lease payments necessary for retirement of outstanding bond principal has been recorded as a receivable and deferred inflow of resources.

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

	Principal	Interest
2020	\$ 255,000	\$ 42,099
2021	265,000	34,430
2022	280,000	27,237
2023	155,000	19,498
2024	155,000	16,204
2025-2028	<u>607,562</u>	<u>31,140</u>
	<u>\$ 1,717,562</u>	<u>\$ 170,608</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 9 - 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, 2019:

	Balance January 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2019</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Governmental Funds -					
General Obligation Bonds:					
2011 Capital Improvement					
Bonds	\$ 3,475,000	\$ -	\$ 1,500,000	\$ 1,975,000	\$ 1,975,000
Amounts For -					
Issuance Premium	44,150	-	22,075	22,075	22,075
Other Liabilities:					
Accrued Claims Liability	164,971	259,409	110,906	313,474	25,000
Accrued Vacation	<u>553,143</u>	<u>573,069</u>	<u>553,143</u>	<u>573,069</u>	<u>573,069</u>
Total Governmental Funds	4,237,264	832,478	2,186,124	2,883,618	2,595,144
Internal Service Funds -					
Other Liabilities:					
Workers' Compensation					
Claims Liabilities	<u>77,002</u>	<u>50,320</u>	<u>44,262</u>	<u>83,060</u>	<u>83,060</u>
Total Governmental Activities	<u>4,314,266</u>	<u>882,798</u>	<u>2,230,386</u>	<u>2,966,678</u>	<u>2,678,204</u>
<b>Business-type Activities:</b>					
Other Liabilities -					
Medical Care Facility:					
Workers' Compensation					
Claims Liabilities	8,776	33,470	33,915	8,331	8,331
Accrued Vacation and Sick	<u>334,490</u>	<u>404,376</u>	<u>334,490</u>	<u>404,376</u>	<u>404,376</u>
Total Business-type Activities	<u>343,266</u>	<u>437,846</u>	<u>368,405</u>	<u>412,707</u>	<u>412,707</u>
Total Primary Government	<u>\$ 4,657,532</u>	<u>\$ 1,320,644</u>	<u>\$ 2,598,791</u>	<u>\$ 3,379,385</u>	<u>\$ 3,090,911</u>

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

#### 2011 Capital Improvement Bonds -

The County issued \$14,475,000 of General Obligation Limited Tax Bonds, pursuant to the provisions of Act 34, Public Acts of Michigan of 2001. The bonds were issued for the cost of acquiring and updating E-911 facilities and equipment. The bonds, dated April 26, 2011 are due in a final installment of \$1,975,000 on April 1, 2020 with interest of 4.0%, payable semi-annually.

\$ 1,975,000

#### 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 \$313,474 at December 31, 2019.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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 \$83,060 and \$8,331, respectively, at December 31, 2019.

**Accrued Vacation and Sick** - Accrued vacation and sick of \$404,376 has been recorded as a long-term liability in the Medical Care Facility (enterprise) Fund. The governmental funds' portion of \$573,069 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.

Annual debt service requirement to maturity for the 2011 Capital Improvement Bonds of the Primary Government (Governmental Activities) is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ <u>1,975,000</u>	\$ <u>39,500</u>

### 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, 2019 and Board of Public Works and Drainage Districts for the year ended December 31, 2019:

	<u>Balance October 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2019</u>	<u>Due Within One Year</u>
<b>Road Commission -</b>					
Accrued Vacation	\$ 501,548	\$ 48,993	\$ -	\$ 550,541	\$ -
	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2019</u>	<u>Due Within One Year</u>
<b>Board of Public Works -</b>					
General Obligation Bonds	485,000	-	110,000	375,000	120,000
Other Direct Borrowings:					
State of Michigan Revolving					
Loans	<u>1,539,069</u>	<u>-</u>	<u>196,507</u>	<u>1,342,562</u>	<u>135,000</u>
Total Board of Public Works	<u>2,024,069</u>	<u>-</u>	<u>306,507</u>	<u>1,717,562</u>	<u>255,000</u>
<b>Drainage Districts -</b>					
General Obligation Bonds:					
Drainage Bonds	3,320,000	545,000	330,000	3,535,000	360,000
Amount for - Bond Premium	<u>36,105</u>	<u>-</u>	<u>2,579</u>	<u>33,526</u>	<u>2,579</u>
Total Drainage District	<u>3,356,105</u>	<u>545,000</u>	<u>332,579</u>	<u>3,568,526</u>	<u>362,579</u>
Total Component Units	<u>\$ 5,881,722</u>	<u>\$ 593,993</u>	<u>\$ 639,086</u>	<u>\$ 5,836,629</u>	<u>\$ 617,579</u>

**LAPEER COUNTY, MICHIGAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 9 - 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 \$550,541 at September 30, 2019.

**Board of Public Works**

**General Obligation Bonds -**

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

The principal and interest on the bonds are to be paid out of money received from the various municipalities by the Board of Public Works of the County pursuant to the lease agreements. Upon final payment of the bond issues, ownership of the systems reverts to the municipalities.

On October 5, 2011, the County, through its Board of Public Works, issued 2011 (tax exempt) refunding bonds in the amount of \$1,180,000. The bond proceeds and other accumulated resources were used to redeem the remaining principal of \$1,490,000 of the 2002 Sewage Disposal System Improvement Bonds – Limited Tax General Obligation (Village of Almont). Principal payments are due in annual installments through December 1, 2022 in amounts ranging from \$120,000 to \$130,000, with interest due semi-annually on December 1 and June 1 with rates ranging from 3.50 to 4.00%. The remaining balance at December 31, 2019 is \$375,000.

**State of Michigan Revolving Loans -**

State of Michigan Revolving Loans have been obtained to construct Drinking Water Systems for villages in the County. The County in turn is leasing the systems to the villages that operate, maintain, and manage the systems. The loans are backed by the full faith and credit of the villages and County pursuant to Act 185, Public Act of Michigan 1957, as amended.

The principal and interest are to be paid out of money received from the villages by the Board of Public Works pursuant to the lease agreements. Upon final payment of the loans, ownership of the system reverts to the villages. State of Michigan Revolving Loans currently outstanding are as follows:

**2007 Village of Almont Drinking Water Revolving Loan Project #7192-01 -**

On September 20, 2007, the loan was authorized to be drawn in amount of \$2,090,000. The Lapeer County Board of Public Works has drawn \$2,017,030 from the authorized amount. Principal payments are due in annual installments through October 1, 2028 in amounts ranging from \$100,000 to \$125,000 with interest of 2.125% payable semi-annually on April 1 and October 1.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

#### 2007 Village of Dryden Drinking Water Revolving Loan Project #7191-01 -

On September 27, 2007, the loan was authorized to be drawn in an amount of \$695,000. The Lapeer County Board of Public Works has drawn \$664,868 from the authorized amount. Principal payments are due in annual installments through October 1, 2027 in amounts ranging from \$35,000 to \$40,000 with interest of 2.125% payable semi-annually on April 1 and October 1.

The State of Michigan Drinking Water Revolving Loans outstanding at December 31, 2019 are as follows:

	<u>Interest Rate</u>	
2007 Water System (Village of Almont)	2.125 %	\$ 1,032,694
2007 Water System (Village of Dryden)	2.125	<u>309,868</u>
		<u>\$ 1,342,562</u>

Annual debt service requirements to maturity for the general obligation bonds and State of Michigan revolving loans are as follows:

<u>Year Ending December 31,</u>	<u>General Obligation Bonds</u>		<u>State of Michigan Revolving Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 120,000	\$ 13,569	\$ 135,000	\$ 28,530
2021	125,000	8,769	140,000	25,661
2022	130,000	4,551	150,000	22,686
2023	-	-	155,000	19,498
2024	-	-	155,000	16,204
2025-2028	<u>-</u>	<u>-</u>	<u>607,562</u>	<u>31,140</u>
	<u>\$ 375,000</u>	<u>\$ 26,889</u>	<u>\$ 1,342,562</u>	<u>\$ 143,719</u>

#### 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 its Board of Commissioners, 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 November 1, 2001, the County issued \$525,000 in bonds in connection with the Winn Lake Drainage District. Principal payments are due in annual installments of \$30,000 through May 1, 2021, with interest due semi-annually on May 1 and November 1 with rates ranging from 5.50-5.60%

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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 amounts ranging from \$125,000 to \$150,000, with interest due semi-annually on June 1 and December 1 with rates ranging from 4.35-4.70%

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 \$35,000 to \$50,000, with interest of 2.13% due semi-annually on June 1 and December 1.

The balances of outstanding drainage bonds at December 31, 2019 are as follows:

	<u>Interest Rate</u>	
Winn Lake Drainage District	5.50 - 5.60 %	\$ 60,000
Imlay-Bigelow and Branches Drainage District	4.35 - 4.70	750,000
Indian Creek Intercounty Drainage District	2.00 - 3.25	2,180,000
Marshall Creek Drainage District	2.13	<u>545,000</u>
		<u>\$ 3,535,000</u>

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 360,000	\$ 93,189
2021	370,000	82,585
2022	340,000	72,751
2023	340,000	62,845
2024	340,000	52,026
2025-2029	1,190,000	166,604
2030-2032	<u>595,000</u>	<u>26,056</u>
	<u>\$ 3,535,000</u>	<u>\$ 556,055</u>

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019**

#### **NOTE 10 - 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 of Michigan'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, 2018 was comprised of 712 active participants, 398 retirees and beneficiaries, and 142 other vested inactive participants.

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

##### **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 Board of Commissioners.

##### **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, 2019 was 8.00-18.00% of covered payroll. The County had \$194,373 payable to the Plan related to December 2019 contributions. The County also contributed an additional \$2,080,160, of which \$1,000,000 was payable to the Plan for the year ended December 31, 2019.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 10 - PENSION PLANS - (cont'd):

#### Net Pension Liability -

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

	<u>Total Pension Liability</u>	<u>Plan's Net Position</u>	<u>Net Pension Liability</u>
Beginning balance	\$ 123,982,094	\$ 98,894,899	\$ 25,087,195
Service cost	2,537,563	-	2,537,563
Interest on total pension liability	9,770,323	-	9,770,323
Net investment income	-	13,398,428	( 13,398,428)
Difference between expected and actual experience	( 431,728)	-	( 431,728)
Contributions from employer	-	5,962,671	( 5,962,671)
Contributions from employees	-	248,848	( 248,848)
Benefit payments	( 6,243,668)	( 6,243,668)	-
Administrative costs	-	( 230,899)	230,899
Other changes	( 522,212)	-	( 522,212)
Ending balance	<u>\$ 129,092,372</u>	<u>\$ 112,030,279</u>	<u>\$ 17,062,093</u>

Plan fiduciary net position as a percentage of the total pension liability 86.78%

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

For the year ended December 31, 2019, the County recognized pension expense of \$5,598,347 in the government-wide and proprietary fund financial statements of the primary government. At December 31, 2019, 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	\$ 504,751	\$ -
Difference between expected and actual experience	317,413	1,628,568
Change in assumptions	<u>1,500,608</u>	<u>-</u>
	<u>\$ 2,322,772</u>	<u>\$ 1,628,568</u>



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 10 - PENSION PLANS - (cont'd):

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

2020	\$ 84,271
2021	645,481
2022	1,056,324
2023	( 1,091,872)
	<u>\$ 694,204</u>

#### Actuarial Assumptions -

The total pension liability was determined by an actuarial valuation as of December 31, 2018 that used updated procedures to roll forward the liability to December 31, 2019. The valuation used the following actuarial assumptions based on the most recent study of Plan experience covering the period from December 31, 2009 through December 31, 2013.

**Salary Increases** - 3.50%

**Inflation** - 2.50%

**Investment Rate of Return** - 7.75%

**Mortality Rates** - 50% Male and 50% Female blend of the following tables: 1) the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, 2) the RP-2014 Employee Mortality Tables, and 3) the RP-2014 Juvenile Mortality Tables. For disabled retirees, the RP-2014 Disabled Retiree Mortality Tables using a 50% Male and 50% Female blend were used.

**Discount Rate** - The discount rate used to measure the total pension liability was 8.00 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.

#### 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 10 - PENSION PLANS - (cont'd):

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, 2019 for each major asset class included in the Plan's target asset allocation are summarized in the following table.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	55.50 %	3.41 %
Global Fixed Income	18.50	0.23
Real Assets	13.50	0.97
Diversifying Strategies	12.50	0.63

### 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 8.00 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 (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net pension liability of the Primary Government	\$ 32,084,277	\$ 17,062,093	\$ 4,370,679

### 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, 2018 was comprised of 48 active participants, 56 retirees and beneficiaries, and 5 other vested inactive participants.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 10 - 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 Board of County Road Commissioners and ratification by the collective bargaining units.

#### Contributions -

The following tables depict the actuarially determined contribution rates as a percentage of covered payroll for each division:

*October - December 2018:*

Division	Employer Rate	Employee Rate
01 - Local 1071	*	7.10 %
10 - Administrative Staff	*	-
11 - Clerk, Supervisor	*	4.80
12 - Engineers	*	3.00-5.00
13 - Commissioners	*	-
HA - Administrative Staff after 4/1/2014	5.64 %	-
HB - Supervisors/Clerical/Engineers		
after 7/1/2015	5.81	-
HC - Local 1071 after 7/1/2015	5.44	-
HD - Commissioners after 4/1/2016	7.23	-

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 10 - PENSION PLANS - (cont'd):

*January - September 2019:*

Division	Employer Rate	Employee Rate
01 - Local 1071	*	7.10 %
10 - Administrative Staff	*	-
11 - Clerk, Supervisor	*	4.80
12 - Engineers	*	3.00-5.00
13 - Commissioners	*	-
HA - Administrative Staff after 4/1/2014	*	-
HB - Supervisors/Clerical/Engineers after 7/1/2015	*	-
HC - Local 1071 after 7/1/2015	*	-
HD - Commissioners after 4/1/2016	*	-

\* Employer rates were a flat dollar amount due to the Plan being closed.

During the year ended September 30, 2019, contributions totaling \$1,801,370 were made in accordance with contribution requirements determined by an actuarial valuation for the Plan. At September 30, 2019, \$157,716 was payable to the Plan relating to September 2019 contributions.

### Net Pension Liability -

The net pension liability of the Road Commission has been measured as of December 31, 2018 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 Net Position	Net Pension Liability
Beginning balance	\$ 18,108,824	\$ 11,454,537	\$ 6,654,287
Service cost	217,523	-	217,523
Interest on total pension liability	1,366,966	-	1,366,966
Net investment income	-	( 467,210)	467,210
Difference between expected and actual experience	( 25,789)	-	( 25,789)
Contributions from employer	-	1,476,498	( 1,476,498)
Contributions from members	-	107,309	( 107,309)
Benefit payments	( 1,158,617)	( 1,158,617)	-
Administrative costs	-	( 22,570)	22,570
Other	44,096	-	44,096
Ending balance	<u>\$ 18,553,003</u>	<u>\$ 11,389,947</u>	<u>\$ 7,163,056</u>

Plan fiduciary net position as a percentage of the total pension liability 61.39%

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 10 - PENSION PLANS - (cont'd):

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

For the year ended September 30, 2019, the Road Commission recognized pension expense of \$1,175,314. At September 30, 2019, 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	\$ 839,693	\$ -
Contributions made subsequent to the measurement date	1,350,809	-
Difference between expected and actual experience	<u>-</u>	<u>84,047</u>
	<u>\$ 2,190,502</u>	<u>\$ 84,047</u>

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:

2020	\$ 222,671
2021	97,214
2022	161,654
2023	<u>274,107</u>
	<u>\$ 755,646</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 8.00 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 (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net pension liability	<u>\$ 9,200,221</u>	<u>\$ 7,163,056</u>	<u>\$ 5,432,991</u>

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019**

#### **NOTE 10 - PENSION PLANS - (cont'd):**

The Road Commission issued a separate annual financial statement as of September 30, 2019. 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, 2019 were \$46,605.

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, 2019 were \$16,840.

#### **NOTE 11 - 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 of Commissioners has the authority to amend the Retiree Health Care Plan. Employer contributions to participant accounts of \$419,189 were made for the year ended December 31, 2019. The Medical Care Facility made a separate contribution to the Retiree Health Care Plan of \$99,510 for the year ended December 31, 2019. 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 Board of County Road Commissioners, 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 11 - OTHER POST EMPLOYMENT BENEFITS - (cont'd):

#### 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, 2019, OPEB plan membership consisted of 34 active members and 47 inactive members or beneficiaries receiving benefits.

#### Contributions -

During the year ended September 30, 2019, the actuarial determined contributions were \$2,125,057 and actual contributions of \$817,149 were made.

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 \$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, 2019 are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return Before Inflation</u>
Capital Appreciation Portfolio	100.00 %	2.90 %

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019**

#### **NOTE 11 - OTHER POST EMPLOYMENT BENEFITS - (cont'd):**

##### **Methods and Assumptions -**

The total OPEB liability was determined by an actuarial valuation at September 30, 2019. 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, 2018 improvement.

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 8.50% for 2020, graded down to 4.50% by 0.25% per year. Medicare rates were estimated at 7.00% for 2020, 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 3.50% was based on historical trends.

Discount Rate - A discount rate of 3.72% was used based on the long-term return on assets and 20-year Aa municipal bond rate.

Assumption changes since the prior valuation are as follows:

- The mortality table changed from the 2017 IRS 1.430(h) Annuitant and Non-annuitant (sex-distinct) tables to the Public General 2010 Employee and Healthy Retiree, headcount weighted, 2018 improvement.
- Non-Medicare trend rates changed from 8.00% graded down to 5.00% over six years to rates prescribed under PA 202. Medicare trend rates changed from 5.00% to rates prescribed under PA 202.
- The salary scale changed from 2.00% to 3.50%
- The discount rate changed from 3.68% to 3.72%.



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 11 - OTHER POST EMPLOYMENT BENEFITS - (cont'd):

#### Net OPEB Liability of the Road Commission -

The net OPEB liability of the Road Commission has been measured as of September 30, 2019. 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 Net Position	Net OPEB Liability
Beginning Balance	\$ 19,231,206	\$ 1,302,162	\$ 17,929,044
Service cost	109,606	-	109,606
Interest on net OPEB liability	701,306	-	701,306
Change in assumptions	1,312,686	-	1,312,686
Net investment income	-	8,528	( 8,528)
Difference between expected and actual experience	( 6,753,493)	-	( 6,753,493)
Contributions from employer	-	817,149	( 817,149)
Benefit payments	( 567,149)	( 567,149)	-
Administrative expenses	-	( 2,733)	2,733
Ending Balance	<u>\$ 14,034,162</u>	<u>\$ 1,557,957</u>	<u>\$ 12,476,205</u>

OPEB Plan fiduciary net position as a percentage of total OPEB liability 11.10%

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

For the year ended September 30, 2019, the Road Commission recognized OPEB expenses (credit) of \$(709,437) for the OPEB Plan. At September 30, 2019, 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	\$ 30,653	\$ -
Difference between expected and actual experience	-	4,821,892
Changes in assumptions	1,278,183	-
	<u>\$ 1,308,836</u>	<u>\$ 4,821,892</u>

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

2020	\$( 1,470,612)
2021	( 1,470,612)
2022	( 657,620)
2023	<u>85,788</u>
	<u>\$( 3,513,056)</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 11 - OTHER POST EMPLOYMENT BENEFITS - (cont'd):

#### 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 3.72% as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.72%) or one-percentage-point higher (4.72%) than the current rate.

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
Net OPEB Liability	\$ 14,606,304	\$ 12,476,205	\$ 10,770,030

#### 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% by 0.25% per year, 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	\$ 10,682,730	\$ 12,476,205	\$ 14,720,185

### NOTE 12 - CONTINGENT LIABILITIES:

#### Primary Government

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

The County and its Treasurer are part of 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. The court stayed the proceedings pending the outcome of a similar case pending before the Michigan Supreme Court. On July 17, 2020, the Michigan Supreme Court ruled that counties cannot sell tax-foreclosed property at a profit without compensating the individual from whom the property was taken. Should the plaintiffs prevail and award retroactive relief, the County could be requested to refund any excess proceeds on the tax sale. Because of the inconclusive state of the actions, the ultimate effect, if any, although possibly material, could not be determined.

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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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

#### 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.

### NOTE 13 - 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 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 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, has designated a representative to the Authority 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, 2019

### NOTE 13 - 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 2019, 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	
	2019	2018	2019	2018	2019	2018
Unpaid claims, beginning of year	\$ 164,971	\$ 110,278	\$ 77,002	\$ 183,020	\$ 8,776	\$ 159,981
Incurred claims (including IBNR's)	259,409	174,632	50,320	4,150	33,470	6,807
Claims Paid	( 110,906)	( 119,939)	( 44,262)	( 110,168)	( 33,915)	( 158,012)
Unpaid claims, end of year	313,474	164,971	83,060	77,002	8,331	8,776
Less - current portion	( 25,000)	( 25,000)	( 83,060)	( 77,002)	( 8,331)	( 8,776)
Long-term Liabilities	\$ 288,474	\$ 139,971	\$ -	\$ -	\$ -	\$ -

### 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, 2019 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, 2019

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

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

	2019	2018
Unpaid claims, beginning of year	\$ -	\$ -
Incurring claims (including IBNR's)	46,704	48,372
Claims paid	(46,704)	(48,372)
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 14 - 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 15 - NET POSITION/FUND BALANCE:

#### Net Investment in Capital Assets -

#### Governmental Activities:

Capital Assets		\$ 21,585,830
Less related debt -		
2011 G.O. Bonds	\$( 1,975,000)	
Unspent portion of 2011 G.O. Bonds	<u>672,485</u>	( 1,302,515)
Bond premium		<u>( 22,075)</u>
		<u>\$ 20,261,240</u>

#### Business-type Activities:

Capital Assets		<u>\$ 18,855,231</u>
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# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 15 - 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, 2019:

	<u>Enabling Legislation</u>	<u>Other</u>	<u>Total</u>
<b>Governmental Activities -</b>			
Acquisition/construction of capital assets:			
E-911 Construction	\$ -	\$ 672,485	\$ 672,485
Old Courthouse	-	132,020	<u>132,020</u>
			<u>804,505</u>
Debt Service:			
E-911	3,427,627	-	<u>3,427,627</u>
Health and Welfare:			
Community Mental Health	-	130,528	130,528
Community Development	-	207,600	207,600
Veterans' Trust	-	192	192
Soldiers' Relief	-	62,176	62,176
Senior Millage	-	411,038	411,038
Soil and Sedimentation	-	57,694	57,694
Lapeer Family Continuation Coordinator	-	20,908	<u>20,908</u>
			<u>890,136</u>
Public Safety:			
E-911	573,122	-	573,122
Thumb Narcotics Unit	-	362,725	362,725
Law Enforcement - Other	-	230,461	<u>230,461</u>
			<u>1,166,308</u>
General Government:			
Budget Stabilization	2,715,027	-	2,715,027
Register of Deeds Automation	693,512	-	693,512
Concealed Pistol Licensing	82,315	-	<u>82,315</u>
			<u>3,490,854</u>
Other:			
Friend of Court	-	111,585	111,585
Family Marriage Counseling	91,898	-	91,898
County Surveyor	-	13,331	<u>13,331</u>
			<u>216,814</u>
Total Restricted Fund Balance - Governmental Funds			9,996,244
Unspent Bond Proceeds			( 672,485)
Unavailable Revenues - Health and Welfare - Community Development			<u>784,768</u>
Total Restricted Net Position - Governmental Activities			<u>\$ 10,108,527</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### NOTE 15 - NET POSITION/FUND BALANCE - (cont'd):

	<u>Enabling Legislation</u>	<u>Other</u>	<u>Total</u>
<b>Business-type Activities -</b>			
Foreclosure sales	\$ 3,160,700	\$ -	\$ 3,160,700
Treasurer's office administration	196,354	-	<u>196,354</u>
Total Restricted Net Position - Business-type Activities			<u>\$ 3,357,054</u>

### Committed Fund Balances -

At December 31, 2019, the County Controller/Administrator had committed the following fund balances:

#### Major Funds -

##### General Fund -

##### General Government -

Local Reserve	\$ 1,410,558
Emergency Disaster	34,100
Rental Property	<u>15,352</u>
	<u>1,460,010</u>

##### Community Mental Health -

Health and Welfare	<u>2,247,178</u>
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#### Nonmajor Funds -

##### Judicial -

Law Library	14,942
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##### Public Safety -

Animal Control	29,403
Emergency Management	36,559
Police Service Contracts	109,198
Law Enforcement Programs	106,956
Law Enforcement	186,217

##### Health and Welfare -

Health Department	536,289
Personal Care Aide Program	11,343
Environment/Recycling	388
Department of Human Services	30,692
Child Care	336,835

##### Recreation and Cultural -

Parks Department	4,635
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##### Acquisition/Construction of Capital Assets -

Capital Construction/Improvement	<u>7,229</u>
	<u>1,410,686</u>

Total Committed Fund Balance	<u>\$ 5,117,874</u>
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**LAPEER COUNTY, MICHIGAN**

**NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 16 - SUBSEQUENT EVENT:**

Towards the end of December 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. During the first part of 2020, there have been mandates from federal, State, and local authorities requiring forced closures of large events, stay-at-home orders, required social distancing, etc. As a result, most of the non-essential County services have been shut down for part of March, all of April and May, and a portion of June. Because most businesses have been closed during the same period and many employees furloughed or laid off, the amount collected by the State in sales and income taxes have decreased significantly, which may have a negative impact on the County grants and State-shared revenues. In addition, other revenues collected by the County may be negatively impacted. The County has applied for approximately \$1.6 million from the Public Safety and Public Health Payroll Reimbursement Program, though no funds have been formally awarded to the County at this time.



## **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, 2019

	Budget			Variance with Amended Budget Positive (Negative)
	Original	Amended	Actual	
<b>Revenues:</b>				
Taxes	\$ 10,292,000	\$ 10,311,631	\$ 11,050,459	\$ 738,828
Licenses and permits	2,030	2,030	2,567	537
Intergovernmental	2,713,935	2,726,130	2,817,926	91,796
Charges for services	2,173,401	2,072,355	2,178,638	106,283
Fines and forfeits	143,200	143,200	151,579	8,379
Interest and rent	260,712	260,712	445,663	184,951
Other	3,156,000	3,051,140	3,093,411	42,271
Total Revenues	18,741,278	18,567,198	19,740,243	1,173,045
<b>Expenditures:</b>				
Legislative -				
Board of Commissioners	353,939	353,939	334,970	18,969
Judicial -				
Circuit Court	1,798,552	1,798,552	1,676,984	121,568
District Court	1,707,505	1,729,506	1,699,727	29,779
Jury Board	5,582	5,582	4,640	942
Indigent Counsel	319,364	319,364	227,455	91,909
Adult Probation	35,729	35,729	32,532	3,197
	3,866,732	3,888,733	3,641,338	247,395
General Government -				
Administrative	280,755	316,962	283,778	33,184
Elections	35,868	51,178	51,178	-
Professional Services	397,337	397,337	173,827	223,510
County Clerk	706,311	714,193	714,193	-
Tax Equalization	261,420	262,604	262,166	438
Prosecuting Attorney	1,420,830	1,433,425	1,328,643	104,782
Register of Deeds	326,499	326,499	306,390	20,109
County Treasurer	447,488	447,488	432,259	15,229
Computer Operations	324,006	324,006	303,454	20,552
Accounting	504,358	504,358	474,382	29,976
Building Operations	418,668	418,668	417,210	1,458
Building and Grounds	738,568	768,487	768,487	-
Drain Commissioner	239,872	239,872	230,002	9,870
Boundary Commission	400	400	-	400
	6,102,380	6,205,477	5,745,969	459,508

Continued

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budget			Variance with Amended Budget Positive (Negative)
	Original	Amended	Actual	
<b>Expenditures (cont'd):</b>				
Public Safety -				
Sheriff	\$ 3,335,406	\$ 3,336,155	\$ 3,336,154	\$ 1
Criminal Justice Training	9,500	9,500	8,261	1,239
Jail/Feeding Prisoners	3,454,914	3,506,030	3,506,029	1
Livestock Claims	1,000	1,000	-	1,000
Planning Commission	10,091	10,091	90	10,001
PLAT Board	597	597	-	597
	<u>6,811,508</u>	<u>6,863,373</u>	<u>6,850,534</u>	<u>12,839</u>
Public Works -				
Road Commission	250,000	269,631	269,631	-
Drains - County at Large	160,000	160,000	139,457	20,543
	<u>410,000</u>	<u>429,631</u>	<u>409,088</u>	<u>20,543</u>
Health and Welfare -				
Medical Examiner	69,884	130,063	130,055	8
Lapeer Development Corporation	10,000	10,000	10,000	-
	<u>79,884</u>	<u>140,063</u>	<u>140,055</u>	<u>8</u>
Recreation and Cultural -				
Conservation Activities	2,500	2,500	-	2,500
Cooperative Extension	238,590	238,590	219,600	18,990
	<u>241,090</u>	<u>241,090</u>	<u>219,600</u>	<u>21,490</u>
Other -				
Bonds and Insurance	509,220	540,995	540,989	6
Memberships and Dues	14,800	14,800	14,267	533
Contingency	500,000	20,544	-	20,544
	<u>1,024,020</u>	<u>576,339</u>	<u>555,256</u>	<u>21,083</u>
Total Expenditures	<u>18,889,553</u>	<u>18,698,645</u>	<u>17,896,810</u>	<u>801,835</u>
Revenues over (under) expenditures	<u>( 148,275)</u>	<u>( 131,447)</u>	<u>1,843,433</u>	<u>1,974,880</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, 2019

	Budget		Actual	Variance with Amended Budget Positive (Negative)
	Original	Amended		
<b>Other Financing Sources (Uses):</b>				
Transfer In	\$ 2,200,000	\$ 2,200,000	\$ 400,000	\$( 1,800,000)
Transfers Out:				
Special Revenue Funds -				
Parks Department	-	( 23,000)	( 23,000)	-
Friend of the Court	( 414,590)	( 414,590)	( 414,590)	-
Health Department	( 430,500)	( 430,500)	( 260,185)	170,315
Community Mental Health	( 202,900)	( 202,900)	( 202,900)	-
Animal Control	( 50,000)	( 50,000)	( 90,911)	( 40,911)
Environment/Recycling	( 10,000)	( 10,000)	-	10,000
Emergency Management	( 49,000)	( 49,000)	( 49,000)	-
Indigent Defense	( 107,480)	( 107,480)	( 107,480)	-
Community Grants	( 35,903)	( 49,843)	( 49,843)	-
Police Service Contracts	( 431,538)	( 434,426)	( 432,673)	1,753
Law Enforcement Programs	( 3,496)	( 3,496)	( 3,496)	-
Law Enforcement	( 26,754)	( 26,754)	( 21,265)	5,489
Law Library	( 4,500)	( 4,500)	( 4,500)	-
Child Care	( 497,058)	( 497,058)	( 497,058)	-
Multi Purpose Collaborative Body	( 28,442)	( 28,442)	( 28,442)	-
	( 2,292,161)	( 2,331,989)	( 2,185,343)	146,646
Internal Service Funds -				
Equipment Acquisition & Replacement	( 120,000)	( 120,000)	( 120,000)	-
Total Transfers Out	( 2,412,161)	( 2,451,989)	( 2,305,343)	146,646
Total Other Financing Sources (Uses)	( 212,161)	( 251,989)	( 1,905,343)	( 1,653,354)
Net Change in Fund Balance	( 360,436)	( 383,436)	( 61,910)	321,526
Fund Balance at beginning of year	5,356,075	5,356,075	5,356,075	-
Fund Balance at end of year	\$ 4,995,639	\$ 4,972,639	\$ 5,294,165	\$ 321,526

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

Net Change in General Fund Fund Balance - Budgetary Basis \$( 61,910)

#### Perspective Difference -

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

Local Reserve	16,775
Budget Stabilization	86,190
Rental Property	( 4,809)

Net Change in General Fund Fund Balance - GAAP-Basis \$ 36,246

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - COMMUNITY MENTAL HEALTH  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budget			Variance with Amended Budget Positive (Negative)
	Original	Amended	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ 21,734,553	\$ 21,821,355	\$ 20,901,658	\$( 919,697)
Charges for services	320,995	323,495	431,312	107,817
Interest	500	1,500	3,554	2,054
Other	255,683	253,683	242,813	( 10,870)
Total Revenues	22,311,731	22,400,033	21,579,337	( 820,696)
<b>Expenditures:</b>				
Health and Welfare	22,582,261	22,661,763	21,756,854	904,909
Revenues under expenditures	( 270,530)	( 261,730)	( 177,517)	84,213
<b>Other Financing Sources:</b>				
Transfers in	270,530	261,730	261,730	-
Net Change in Fund Balance	-	-	84,213	84,213
Fund Balance at beginning of year	2,330,382	2,330,382	2,330,382	-
Fund Balance at end of year	<u>\$ 2,330,382</u>	<u>\$ 2,330,382</u>	<u>\$ 2,414,595</u>	<u>\$ 84,213</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

1. The General Fund budgetary comparison schedule (non-GAAP budgetary basis) on pages 77-80 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 No. 54.
2. The budget for the Community Mental Health Fund (major special revenue fund) shown above 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

	2019	2018	2017	2016
<b>Total Pension Liability</b>				
Service Cost	\$ 2,537,563	\$ 2,474,800	\$ 2,343,842	\$ 2,366,432
Interest	9,770,323	9,438,989	9,085,570	8,239,642
Differences between expected and actual experience	( 431,728)	( 1,532,225)	( 1,053,532)	952,237
Changes in assumptions	-	-	-	4,501,823
Benefit payments, including refunds	( 6,243,668)	( 5,827,825)	( 5,499,092)	( 5,149,683)
Other	( 522,212)	( 235,517)	( 360,167)	( 150,347)
	<u>5,110,278</u>	<u>4,318,222</u>	<u>4,516,621</u>	<u>10,760,104</u>
Change in total pension liability				
Total pension liability, beginning of year	<u>123,982,094</u>	<u>119,663,872</u>	<u>115,147,251</u>	<u>104,387,147</u>
Total pension liability, end of year	<u>\$ 129,092,372</u>	<u>\$ 123,982,094</u>	<u>\$ 119,663,872</u>	<u>\$ 115,147,251</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 5,962,671	\$ 5,317,378	\$ 4,101,123	\$ 5,606,378
Contributions - Member	248,848	236,838	299,588	222,971
Net investment income (loss)	13,398,428	( 4,056,159)	12,177,411	9,434,600
Benefit payments, including refunds	( 6,243,668)	( 5,827,825)	( 5,499,092)	( 5,149,683)
Administrative expenses	( 230,899)	( 200,366)	( 192,484)	( 185,747)
	<u>13,135,380</u>	<u>( 4,530,134)</u>	<u>10,886,546</u>	<u>9,928,519</u>
Net change in plan fiduciary net position				
Plan fiduciary net position, beginning of year	<u>98,894,899</u>	<u>103,425,033</u>	<u>92,538,487</u>	<u>82,609,968</u>
Plan fiduciary net position, end of year	<u>\$ 112,030,279</u>	<u>\$ 98,894,899</u>	<u>\$ 103,425,033</u>	<u>\$ 92,538,487</u>
<b>Lapeer County Net Pension Liability - Ending</b>	<u>\$ 17,062,093</u>	<u>\$ 25,087,195</u>	<u>\$ 16,238,839</u>	<u>\$ 22,608,764</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	86.78%	79.77%	86.43%	80.37%
<b>Covered Payroll</b>	\$ 31,377,727	\$ 29,624,749	\$ 29,081,885	\$ 26,625,465
<b>Lapeer County's Net Pension Liability as a Percentage of Covered Payroll</b>	54.4%	84.7%	55.84%	84.91%

\* 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.

2015\*

\$ 2,222,044  
8,069,877  
-  
-  
( 4,718,473)  
( 251,209)

5,322,239

99,064,908

\$ 104,387,147

\$ 3,567,407  
224,328  
( 1,271,123)  
( 4,718,473)  
( 185,343)

( 2,383,204)

84,993,172

\$ 82,609,968

\$ 21,777,179

79.14%

\$ 26,625,465

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 excess	Covered payroll	Contributions as a percentage of covered payroll
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	20 years
Asset valuation method	10-year smoothed market value
Salary increases	4.5%; 3% for 2017, 2% for 2016 and prior
Investment rate of return	7.75%; For prior to 2017 - 8%
Retirement age	Replacement Index up to age 70, then 100%
Mortality	For 2016 and prior - 1994 Group Annuity Mortality Table with 50% Male and 50% Female Blend  For 2019 through 2017 - 50% Male / 50% Female blend of the following tables: 1) the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%; 2) the RP-2014 Employee Mortality Tables; and 3) the RP-2014 Juvenile Mortality Tables.

GASB Statement No. 68 was implemented for fiscal year ended December 31, 2015. This schedule is being built prospectively.



## **SUPPLEMENTARY INFORMATION**

**LAPEER COUNTY, MICHIGAN**  
**COMBINING BALANCE SHEET SCHEDULE**  
**GENERAL FUND**  
**DECEMBER 31, 2019**

	General Fund (Budgetary Basis)	Local Reserve	Budget Stabilization	Emergency Disaster
<b>Assets:</b>				
Cash and cash equivalents	\$( 764,138)	\$ 864,122	\$ 836,777	\$ 34,100
Investments	5,539,830	544,701	1,872,452	-
Receivables -				
Property taxes	1,046,347	-	-	-
Accounts and interest	12,963	1,735	5,798	-
Due from other governmental units	160,813	-	-	-
Due from other funds	309	-	-	-
Deposits with agent	371,474	-	-	-
Advances to other funds	25,000	-	-	-
Advances to component units	90,000	-	-	-
Total Assets	<u>\$ 6,482,598</u>	<u>\$ 1,410,558</u>	<u>\$ 2,715,027</u>	<u>\$ 34,100</u>
<b>Liabilities:</b>				
Accounts payable	\$ 192,214	\$ -	\$ -	\$ -
Accrued liabilities	364,201	-	-	-
Due to other governmental units	574,429	-	-	-
Due to other funds	57,589	-	-	-
Total Liabilities	<u>1,188,433</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>				
Nonspendable - advances/prepays	486,474	-	-	-
Restricted	-	-	2,715,027	-
Committed	-	1,410,558	-	34,100
Assigned	500,000	-	-	-
Unassigned	4,307,691	-	-	-
Total Fund Balance	<u>5,294,165</u>	<u>1,410,558</u>	<u>2,715,027</u>	<u>34,100</u>
Total Liabilities and Fund Balances	<u>\$ 6,482,598</u>	<u>\$ 1,410,558</u>	<u>\$ 2,715,027</u>	<u>\$ 34,100</u>

<u>Rental Property</u>	<u>General Fund (GAAP-Basis)</u>
\$ 15,735	\$ 986,596
-	7,956,983
-	1,046,347
-	20,496
-	160,813
-	309
-	371,474
-	25,000
-	90,000
<u>\$ 15,735</u>	<u>\$ 10,658,018</u>
\$ 383	\$ 192,597
-	364,201
-	574,429
-	57,589
<u>383</u>	<u>1,188,816</u>
-	486,474
-	2,715,027
15,352	1,460,010
-	500,000
-	4,307,691
<u>15,352</u>	<u>9,469,202</u>
<u>\$ 15,735</u>	<u>\$ 10,658,018</u>

# LAPEER COUNTY, MICHIGAN

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund (Budgetary Basis)	Local Reserve	Budget Stabilization	Emergency Disaster
<b>Revenues:</b>				
Taxes	\$ 11,050,459	\$ -	\$ -	\$ -
Licenses and permits	2,567	-	-	-
Intergovernmental	2,817,926	-	-	-
Charges for services	2,178,638	-	-	-
Fines and forfeits	151,579	-	-	-
Rents	163,760	-	-	-
Interest	281,903	17,161	86,620	-
Other	3,093,411	-	-	-
Total Revenues	<u>19,740,243</u>	<u>17,161</u>	<u>86,620</u>	<u>-</u>
<b>Expenditures:</b>				
Current -				
Legislative	334,970	-	-	-
Judicial	3,641,338	-	-	-
General Government	5,745,969	-	-	-
Public Safety	6,850,534	-	-	-
Public Works	409,088	-	-	-
Health and Welfare	140,055	386	-	-
Recreation and Cultural	219,600	-	-	-
Other	555,256	-	430	-
Total Expenditures	<u>17,896,810</u>	<u>386</u>	<u>430</u>	<u>-</u>
Revenues over expenditures	<u>1,843,433</u>	<u>16,775</u>	<u>86,190</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	400,000	-	-	-
Transfers out	( 2,305,343)	-	-	-
Total Other Financing Sources (Uses)	<u>( 1,905,343)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	( 61,910)	16,775	86,190	-
Fund Balances at beginning of year	<u>5,356,075</u>	<u>1,393,783</u>	<u>2,628,837</u>	<u>34,100</u>
Fund Balances at end of year	<u><u>\$ 5,294,165</u></u>	<u><u>\$ 1,410,558</u></u>	<u><u>\$ 2,715,027</u></u>	<u><u>\$ 34,100</u></u>

<u>Rental Property</u>	<u>General Fund (GAAP-Basis)</u>
\$ -	\$ 11,050,459
-	2,567
-	2,817,926
-	2,178,638
-	151,579
68,535	232,295
-	385,684
-	3,093,411
<u>68,535</u>	<u>19,912,559</u>

-	334,970
-	3,641,338
14,514	5,760,483
-	6,850,534
-	409,088
-	140,441
-	219,600
-	555,686
<u>14,514</u>	<u>17,912,140</u>

<u>54,021</u>	<u>2,000,419</u>
---------------	------------------

-	400,000
<u>( 58,830)</u>	<u>( 2,364,173)</u>
<u>( 58,830)</u>	<u>( 1,964,173)</u>

( 4,809)	36,246
----------	--------

<u>20,161</u>	<u>9,432,956</u>
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<u>\$ 15,352</u>	<u>\$ 9,469,202</u>
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# 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, 2019

	Amended Budget	Actual	Variance Positive (Negative)
<b>LOCAL RESERVE</b>			
<b>Revenues:</b>			
Interest	\$ 5,000	\$ 17,161	\$ 12,161
<b>Expenditures:</b>			
Health and welfare	<u>386</u>	<u>386</u>	<u>-</u>
Revenues over expenditures	4,614	16,775	12,161
<b>Other Financing Uses:</b>			
Transfers out	<u>( 9,614)</u>	<u>-</u>	<u>9,614</u>
Net Change in Fund Balance	( 5,000)	16,775	21,775
Fund Balance at beginning of year	<u>1,393,783</u>	<u>1,393,783</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,388,783</u></u>	<u><u>\$ 1,410,558</u></u>	<u><u>\$ 21,775</u></u>

### BUDGET STABILIZATION

<b>Revenues:</b>			
Interest	\$ 20,000	\$ 86,620	\$ 66,620
<b>Expenditures:</b>			
Other activities	<u>20,000</u>	<u>430</u>	<u>19,570</u>
Revenues over expenditures	-	86,190	86,190
<b>Other Financing Uses:</b>			
Transfers Out	<u>( 100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balance	\$( 100,000)	\$ 86,190	\$ 186,190
Fund Balance at beginning of year	<u>2,628,837</u>	<u>2,628,837</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 2,528,837</u></u>	<u><u>\$ 2,715,027</u></u>	<u><u>\$ 186,190</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, 2019**

	Amended Budget	Actual	Variance Positive (Negative)
<b>RENTAL PROPERTY</b>			
<b>Revenues:</b>			
Rent	\$ 73,830	\$ 68,535	\$( 5,295)
<b>Expenditures:</b>			
General Government	<u>15,000</u>	<u>14,514</u>	<u>486</u>
Revenues over expenditures	58,830	54,021	( 4,809)
<b>Other Financing Uses:</b>			
Transfers out	<u>( 58,830)</u>	<u>( 58,830)</u>	<u>-</u>
Net Change in Fund Balance	-	( 4,809)	( 4,809)
Fund Balance at beginning of year	<u>20,161</u>	<u>20,161</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 20,161</u></u>	<u><u>\$ 15,352</u></u>	<u><u>\$( 4,809)</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 Department** - 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.

**E - 911** - is used to report the operations of the County-wide E-911 system. The operations are financed primarily with telephone surcharges.

**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.

**Personal Care Aide Program** - 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.

**Environment/Recycling** - 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.

**County Surveyor** - 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.

**Law Enforcement - Other** - 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.

**Department of Human Services** - 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.

**Soldiers' 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 and Sedimentation** - 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.

**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 Grants, Thumb Narcotics Unit, Police Service Contracts, Law Enforcement Programs, Law Enforcement, Multi Purpose Collaborative Body, Lapeer Family Continuation Coordinator, Mental Health Court, and Prosecuting Attorney. 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:

**E-911 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 E-911 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.

**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2019**

	Special Revenue Funds				
	Parks Department	Polly Ann Trail	E-911	Friend of the Court	Family Marriage Counseling
<b>Assets:</b>					
Cash and cash equivalents	\$ 29,869	\$ -	\$ 275,209	\$ -	\$ 91,876
Receivables (net of allowance) -					
Property taxes	-	-	-	-	-
Accounts and interest	-	-	353,545	-	-
Due from other governmental units -	-	3,546	82,127	243,769	-
Due from other funds	-	-	-	-	30
Deposits with agent	-	-	-	-	-
Prepays	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 29,869</u>	<u>\$ 3,546</u>	<u>\$ 710,881</u>	<u>\$ 243,769</u>	<u>\$ 91,906</u>
<b>Liabilities:</b>					
Accounts payable	\$ 234	\$ -	\$ 75,172	\$ 134	\$ -
Accrued liabilities	-	-	55,836	41,122	8
Due to other governmental units	-	-	-	-	-
Due to other funds	-	-	6,751	5,639	-
Interfund payables	-	3,546	-	85,289	-
Advances from other funds	25,000	-	-	-	-
Unearned revenues	-	-	-	-	-
Total Liabilities	<u>25,234</u>	<u>3,546</u>	<u>137,759</u>	<u>132,184</u>	<u>8</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
Taxes levied for subsequent period	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>					
Nonspendable - prepaids	-	-	-	-	-
Restricted	-	-	573,122	111,585	91,898
Committed	4,635	-	-	-	-
Total Fund Balance	<u>4,635</u>	<u>-</u>	<u>573,122</u>	<u>111,585</u>	<u>91,898</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 29,869</u>	<u>\$ 3,546</u>	<u>\$ 710,881</u>	<u>\$ 243,769</u>	<u>\$ 91,906</u>

Special Revenue Funds

Health Department	Personal Care Aide Program	Animal Control	Environment/ Recycling	County Surveyor	Register of Deeds Automation	Emergency Management
\$ 457,067	\$ -	\$ 38,190	\$ 388	\$ -	\$ 695,868	\$ 31,951
-	-	-	-	-	-	-
52,890	-	-	-	-	-	-
113,607	67,139	-	-	38,772	-	7,582
7,085	-	-	-	-	-	-
-	-	-	-	-	-	-
2,658	-	-	-	-	-	-
<u>\$ 633,307</u>	<u>\$ 67,139</u>	<u>\$ 38,190</u>	<u>\$ 388</u>	<u>\$ 38,772</u>	<u>\$ 695,868</u>	<u>\$ 39,533</u>
\$ 19,666	\$ 26,553	\$ -	\$ -	\$ 390	\$ 2,356	\$ 100
47,638	14,931	7,855	-	-	-	2,515
-	-	-	-	-	-	-
5,175	1,174	932	-	-	-	359
-	13,138	-	-	25,051	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>72,479</u>	<u>55,796</u>	<u>8,787</u>	<u>-</u>	<u>25,441</u>	<u>2,356</u>	<u>2,974</u>
21,881	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>21,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,658	-	-	-	-	-	-
-	-	-	-	13,331	693,512	-
536,289	11,343	29,403	388	-	-	36,559
<u>538,947</u>	<u>11,343</u>	<u>29,403</u>	<u>388</u>	<u>13,331</u>	<u>693,512</u>	<u>36,559</u>
<u>\$ 633,307</u>	<u>\$ 67,139</u>	<u>\$ 38,190</u>	<u>\$ 388</u>	<u>\$ 38,772</u>	<u>\$ 695,868</u>	<u>\$ 39,533</u>

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	Special Revenue Funds				
	Community Grants	Thumb Narcotics Unit	Police Service Contracts	Law Enforcement Programs	Law Enforcement
<b>Assets:</b>					
Cash and cash equivalents	\$ -	\$ 354,587	\$ -	\$ 98,398	\$ 189,235
Receivables (net of allowance) -					
Property taxes	-	-	-	-	-
Accounts and interest	-	-	-	-	-
Due from other governmental units -	24,824	11,568	321,758	9,100	5,040
Due from other funds	30	-	-	-	-
Deposits with agent	-	-	-	-	-
Prepays	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 24,854</u>	<u>\$ 366,155</u>	<u>\$ 321,758</u>	<u>\$ 107,498</u>	<u>\$ 194,275</u>
<b>Liabilities:</b>					
Accounts payable	\$ 8,431	\$ 3,430	\$ -	\$ 542	\$ 6,510
Accrued liabilities	2,032	-	64,161	-	1,313
Due to other governmental units	-	-	-	-	-
Due to other funds	7,707	-	11,668	-	235
Interfund payables	6,684	-	136,731	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>24,854</u>	<u>3,430</u>	<u>212,560</u>	<u>542</u>	<u>8,058</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
Taxes levied for subsequent period	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>					
Nonspendable - prepaids	-	-	-	-	-
Restricted	-	362,725	-	-	-
Committed	-	-	109,198	106,956	186,217
Total Fund Balance	<u>-</u>	<u>362,725</u>	<u>109,198</u>	<u>106,956</u>	<u>186,217</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 24,854</u>	<u>\$ 366,155</u>	<u>\$ 321,758</u>	<u>\$ 107,498</u>	<u>\$ 194,275</u>

Special Revenue Funds							
Law Enforcement - Other	Law Library	Community Development	Department of Human Services	Child Care	Veterans' Trust	Soldiers' Relief	Multi-Purpose Collaborative Body
\$ 230,511	\$ 16,023	\$ 140,832	\$ 30,692	\$ 210,137	\$ 192	\$ 99,815	\$ -
-	-	-	-	-	-	274,707	-
-	-	784,768	-	-	-	-	-
-	-	-	-	137,086	-	982	1,929
-	-	-	-	-	-	-	-
-	-	147,294	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 230,511</u>	<u>\$ 16,023</u>	<u>\$ 1,072,894</u>	<u>\$ 30,692</u>	<u>\$ 347,223</u>	<u>\$ 192</u>	<u>\$ 375,504</u>	<u>\$ 1,929</u>
\$ 50	\$ 1,081	\$ -	\$ -	\$ 1,180	\$ -	\$ 232	\$ 1,195
-	-	-	-	5,594	-	8,656	27
-	-	-	-	2,927	-	-	-
-	-	-	-	687	-	1,179	3
-	-	-	-	-	-	-	704
-	-	-	-	-	-	-	-
-	-	80,526	-	-	-	-	-
<u>50</u>	<u>1,081</u>	<u>80,526</u>	<u>-</u>	<u>10,388</u>	<u>-</u>	<u>10,067</u>	<u>1,929</u>
-	-	784,768	-	-	-	-	-
-	-	-	-	-	-	303,261	-
-	-	784,768	-	-	-	303,261	-
-	-	-	-	-	-	-	-
230,461	-	207,600	-	-	192	62,176	-
-	14,942	-	30,692	336,835	-	-	-
<u>230,461</u>	<u>14,942</u>	<u>207,600</u>	<u>30,692</u>	<u>336,835</u>	<u>192</u>	<u>62,176</u>	<u>-</u>
<u>\$ 230,511</u>	<u>\$ 16,023</u>	<u>\$ 1,072,894</u>	<u>\$ 30,692</u>	<u>\$ 347,223</u>	<u>\$ 192</u>	<u>\$ 375,504</u>	<u>\$ 1,929</u>

Continued

# LAPEER COUNTY, MICHIGAN

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2019

	Special Revenue Funds				
	Senior Millage	Soil and Sedimentation	Lapeer Family Continuation Coordinator	Mental Health Court	Concealed Pistol Licensing
<b>Assets:</b>					
Cash and cash equivalents	\$ 480,476	\$ 60,348	\$ 29,415	\$ -	\$ 83,296
Receivables (net of allowance) -					
Property taxes	689,964	-	-	-	-
Accounts and interest	-	-	-	-	-
Due from other governmental units -	2,423	-	-	44,487	-
Due from other funds	-	-	-	-	314
Deposits with agent	-	-	-	-	-
Prepays	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 1,172,863</u>	<u>\$ 60,348</u>	<u>\$ 29,415</u>	<u>\$ 44,487</u>	<u>\$ 83,610</u>
<b>Liabilities:</b>					
Accounts payable	\$ 140	\$ -	\$ 320	\$ 13,722	\$ -
Accrued liabilities	-	2,359	673	689	1,263
Due to other governmental units	-	-	-	-	-
Due to other funds	-	295	14	14	32
Interfund payables	-	-	-	30,062	-
Advances from other funds	-	-	7,500	-	-
Unearned revenues	-	-	-	-	-
Total Liabilities	<u>140</u>	<u>2,654</u>	<u>8,507</u>	<u>44,487</u>	<u>1,295</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
Taxes levied for subsequent period	761,685	-	-	-	-
Total Deferred Inflows of Resources	<u>761,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>					
Nonspendable - prepaids	-	-	-	-	-
Restricted	411,038	57,694	20,908	-	82,315
Committed	-	-	-	-	-
Total Fund Balance	<u>411,038</u>	<u>57,694</u>	<u>20,908</u>	<u>-</u>	<u>82,315</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,172,863</u>	<u>\$ 60,348</u>	<u>\$ 29,415</u>	<u>\$ 44,487</u>	<u>\$ 83,610</u>

Special Revenue Fund	Capital Project Funds					
Indigent Defense	E-911 Construction	Jail	Capital Construction/Improvement	Old Courthouse	Total	
\$ 299,441	\$ 672,485	\$ -	\$ 7,229	\$ 132,020	\$ 4,755,550	
-	-	-	-	-	964,671	
-	-	-	-	-	1,191,203	
-	-	-	-	-	1,115,739	
-	-	-	-	-	7,459	
-	-	-	-	-	147,294	
-	-	-	-	-	2,658	
<u>\$ 299,441</u>	<u>\$ 672,485</u>	<u>\$ -</u>	<u>\$ 7,229</u>	<u>\$ 132,020</u>	<u>\$ 8,184,574</u>	
\$ 24,578	\$ -	\$ -	\$ -	\$ -	\$ 186,016	
-	-	-	-	-	256,672	
-	-	-	-	-	2,927	
-	-	-	-	-	41,864	
-	-	-	-	-	301,205	
-	-	-	-	-	32,500	
274,863	-	-	-	-	355,389	
<u>299,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,176,573</u>	
-	-	-	-	-	806,649	
-	-	-	-	-	1,064,946	
-	-	-	-	-	1,871,595	
-	-	-	-	-	2,658	
-	672,485	-	-	132,020	3,723,062	
-	-	-	7,229	-	1,410,686	
-	<u>672,485</u>	<u>-</u>	<u>7,229</u>	<u>132,020</u>	<u>5,136,406</u>	
<u>\$ 299,441</u>	<u>\$ 672,485</u>	<u>\$ -</u>	<u>\$ 7,229</u>	<u>\$ 132,020</u>	<u>\$ 8,184,574</u>	

Concluded

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds				
	Parks Department	Polly Ann Trail	E-911	Friend of the Court	Family Marriage Counseling
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	7,477
Intergovernmental	-	9,856	-	1,040,317	-
Charges for services	112,936	-	1,739,053	104,511	-
Fines and forfeits	-	-	-	-	-
Rents	-	-	17,424	-	-
Interest	6,078	-	481	-	-
Other	200	-	-	19	-
Total Revenues	<u>119,214</u>	<u>9,856</u>	<u>1,756,958</u>	<u>1,144,847</u>	<u>7,477</u>
<b>Expenditures:</b>					
Current -					
Judicial	-	-	-	1,490,999	4,605
General Government	-	-	-	-	-
Public Safety	-	-	1,770,123	-	-
Health and Welfare	-	-	-	-	-
Recreation and Cultural	141,566	10,043	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>141,566</u>	<u>10,043</u>	<u>1,770,123</u>	<u>1,490,999</u>	<u>4,605</u>
Revenues over (under) expenditures	<u>( 22,352)</u>	<u>( 187)</u>	<u>( 13,165)</u>	<u>( 346,152)</u>	<u>2,872</u>
<b>Other Financing Sources (Uses):</b>					
Transfer In	23,000	-	-	417,590	-
Transfer Out	-	-	( 125,000)	-	-
Total Other Financing Sources (Uses)	<u>23,000</u>	<u>-</u>	<u>( 125,000)</u>	<u>417,590</u>	<u>-</u>
Net Change in Fund Balances	648	( 187)	( 138,165)	71,438	2,872
Fund Balances at beginning of year	<u>3,987</u>	<u>187</u>	<u>711,287</u>	<u>40,147</u>	<u>89,026</u>
Fund Balances at end of year	<u>\$ 4,635</u>	<u>\$ -</u>	<u>\$ 573,122</u>	<u>\$ 111,585</u>	<u>\$ 91,898</u>



Special Revenue Funds

Health Department	Personal Care Aide Program	Animal Control	Environment/ Recycling	County Surveyor	Register of Deeds Automation	Emergency Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
318,244	-	160,780	-	-	-	-
1,484,576	626,773	10,000	14,932	64,776	-	44,913
1,091,280	-	28,973	-	-	80,170	770
500	-	24,607	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	811	-
119,641	23,509	23,736	-	-	-	12,650
<u>3,014,241</u>	<u>650,282</u>	<u>248,096</u>	<u>14,932</u>	<u>64,776</u>	<u>80,981</u>	<u>58,333</u>
-	-	-	-	-	-	-
-	-	-	-	64,776	42,949	-
-	-	339,007	-	-	-	107,259
3,072,658	1,317,865	-	14,544	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,072,658</u>	<u>1,317,865</u>	<u>339,007</u>	<u>14,544</u>	<u>64,776</u>	<u>42,949</u>	<u>107,259</u>
( 58,417)	( 667,583)	( 90,911)	388	-	38,032	( 48,926)
260,185	675,000	90,911	-	-	-	49,000
-	-	-	-	-	-	-
<u>260,185</u>	<u>675,000</u>	<u>90,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,000</u>
201,768	7,417	-	388	-	38,032	74
337,179	3,926	29,403	-	13,331	655,480	36,485
<u>\$ 538,947</u>	<u>\$ 11,343</u>	<u>\$ 29,403</u>	<u>\$ 388</u>	<u>\$ 13,331</u>	<u>\$ 693,512</u>	<u>\$ 36,559</u>

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Special Revenue Funds				
	Community Grants	Thumb Narcotics Unit	Police Service Contracts	Law Enforcement Programs	Law Enforcement
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	8,655	-	-	-	-
Intergovernmental	238,881	58,896	-	14,256	80,497
Charges for services	50,935	-	1,419,033	3,821	82,215
Fines and forfeits	-	9,708	-	-	-
Rents	-	-	-	-	-
Interest	-	628	-	-	-
Other	-	10,100	-	33,662	-
Total Revenues	<u>298,471</u>	<u>79,332</u>	<u>1,419,033</u>	<u>51,739</u>	<u>162,712</u>
<b>Expenditures:</b>					
Current -					
Judicial	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	348,314	72,157	1,848,964	46,641	137,084
Health and Welfare	-	-	-	-	-
Recreation and Cultural	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>348,314</u>	<u>72,157</u>	<u>1,848,964</u>	<u>46,641</u>	<u>137,084</u>
Revenues over (under) expenditures	<u>( 49,843)</u>	<u>7,175</u>	<u>( 429,931)</u>	<u>5,098</u>	<u>25,628</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In	49,843	-	432,673	3,496	21,265
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>49,843</u>	<u>-</u>	<u>432,673</u>	<u>3,496</u>	<u>21,265</u>
Net Change in Fund Balances	-	7,175	2,742	8,594	46,893
Fund Balances at beginning of year	<u>-</u>	<u>355,550</u>	<u>106,456</u>	<u>98,362</u>	<u>139,324</u>
Fund Balances at end of year	<u>\$ -</u>	<u>\$ 362,725</u>	<u>\$ 109,198</u>	<u>\$ 106,956</u>	<u>\$ 186,217</u>

Special Revenue Funds							
Law Enforcement - Other	Law Library	Community Development	Department of Human Services	Child Care	Veterans' Trust	Soldiers' Relief	Multi-Purpose Collaborative Body
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,566	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	542,615	52,000	2,268	-
977	-	109,795	-	112,100	-	-	-
19,553	6,500	-	-	16,149	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	842	-
-	-	-	-	66,135	-	-	26,268
<u>20,530</u>	<u>6,500</u>	<u>109,795</u>	<u>-</u>	<u>736,999</u>	<u>52,000</u>	<u>297,676</u>	<u>26,268</u>
-	13,776	-	-	-	-	-	-
-	-	-	-	-	-	-	-
22,317	-	-	-	-	-	-	-
-	-	29,653	-	1,266,429	51,808	333,372	54,710
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>22,317</u>	<u>13,776</u>	<u>29,653</u>	<u>-</u>	<u>1,266,429</u>	<u>51,808</u>	<u>333,372</u>	<u>54,710</u>
( 1,787)	( 7,276)	80,142	-	( 529,430)	192	( 35,696)	( 28,442)
-	4,500	-	-	497,058	-	-	28,442
-	-	-	-	-	-	-	-
-	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>497,058</u>	<u>-</u>	<u>-</u>	<u>28,442</u>
( 1,787)	( 2,776)	80,142	-	( 32,372)	192	( 35,696)	-
<u>232,248</u>	<u>17,718</u>	<u>127,458</u>	<u>30,692</u>	<u>369,207</u>	<u>-</u>	<u>97,872</u>	<u>-</u>
<u>\$ 230,461</u>	<u>\$ 14,942</u>	<u>\$ 207,600</u>	<u>\$ 30,692</u>	<u>\$ 336,835</u>	<u>\$ 192</u>	<u>\$ 62,176</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, 2019

	Special Revenue Funds				
	Senior Millage	Soil and Sedimentation	Lapeer Family Continuation Coordinator	Mental Health Court	Concealed Pistol Licensing
<b>Revenues:</b>					
Taxes	\$ 727,186	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	65,940	-	-	65,288
Intergovernmental	4,824	-	-	103,701	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	600	-	-	-
Rents	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	27,660	-	-
Total Revenues	<u>732,010</u>	<u>66,540</u>	<u>27,660</u>	<u>103,701</u>	<u>65,288</u>
<b>Expenditures:</b>					
Current -					
Judicial	-	-	-	-	-
General Government	-	-	-	-	64,471
Public Safety	-	-	-	-	-
Health and Welfare	18,940	83,851	38,117	106,784	-
Recreation and Cultural	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>18,940</u>	<u>83,851</u>	<u>38,117</u>	<u>106,784</u>	<u>64,471</u>
Revenues over (under) expenditures	<u>713,070</u>	<u>( 17,311)</u>	<u>( 10,457)</u>	<u>( 3,083)</u>	<u>817</u>
<b>Other Financing Sources (Uses):</b>					
Transfer In	-	-	-	-	-
Transfer Out	<u>( 675,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>( 675,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	38,070	( 17,311)	( 10,457)	( 3,083)	817
Fund Balances at beginning of year	<u>372,968</u>	<u>75,005</u>	<u>31,365</u>	<u>3,083</u>	<u>81,498</u>
Fund Balances at end of year	<u>\$ 411,038</u>	<u>\$ 57,694</u>	<u>\$ 20,908</u>	<u>\$ -</u>	<u>\$ 82,315</u>

Special Revenue Fund	Capital Projects Funds			
		Capital		
Indigent Defense	E-911 Construction	Construction/Improvement	Old Courthouse	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,021,752
-	-	-	-	626,384
101,440	-	-	-	4,495,521
-	-	-	-	4,936,569
-	-	-	-	77,617
-	-	-	-	17,424
-	866	-	-	9,706
-	-	-	13,595	357,175
<u>101,440</u>	<u>866</u>	<u>-</u>	<u>13,595</u>	<u>11,542,148</u>
208,920	-	-	-	1,718,300
-	-	-	-	172,196
-	-	-	-	4,691,866
-	-	-	-	6,388,731
-	-	-	-	151,609
-	145,778	254,205	10,447	410,430
<u>208,920</u>	<u>145,778</u>	<u>254,205</u>	<u>10,447</u>	<u>13,533,132</u>
( 107,480)	( 144,912)	( 254,205)	3,148	( 1,990,984)
107,480	-	-	90,000	2,750,443
-	-	-	-	( 800,000)
<u>107,480</u>	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>1,950,443</u>
-	( 144,912)	( 254,205)	93,148	( 40,541)
-	817,397	261,434	38,872	5,176,947
<u>\$ -</u>	<u>\$ 672,485</u>	<u>\$ 7,229</u>	<u>\$ 132,020</u>	<u>\$ 5,136,406</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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>PARKS DEPARTMENT</b>			
<b>Revenues:</b>			
Charges for services	\$ 182,652	\$ 112,936	\$( 69,716)
Interest	-	6,078	6,078
Other	-	200	200
Total Revenues	<u>182,652</u>	<u>119,214</u>	<u>( 63,438)</u>
<b>Expenditures:</b>			
Recreation and Cultural	<u>182,652</u>	<u>141,566</u>	<u>41,086</u>
Revenues under expenditures	-	( 22,352)	( 22,352)
<b>Other Financing Sources:</b>			
Transfers in	<u>23,000</u>	<u>23,000</u>	<u>-</u>
Net Change in Fund Balance	23,000	648	( 22,352)
Fund Balance at beginning of year	<u>3,987</u>	<u>3,987</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 26,987</u></u>	<u><u>\$ 4,635</u></u>	<u><u>\$( 22,352)</u></u>
<b>POLLY ANN TRAIL</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 10,000	\$ 9,856	\$( 144)
<b>Expenditures:</b>			
Recreation and Cultural	<u>10,044</u>	<u>10,043</u>	<u>1</u>
Net Change in Fund Balance	( 44)	( 187)	( 143)
Fund Balance at beginning of year	<u>187</u>	<u>187</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 143</u></u>	<u><u>\$ -</u></u>	<u><u>\$( 143)</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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>E - 911</b>			
<b>Revenues:</b>			
Charges for services	\$ 1,745,300	\$ 1,739,053	\$( 6,247)
Interest	400	481	81
Rent	16,000	17,424	1,424
Total Revenues	<u>1,761,700</u>	<u>1,756,958</u>	<u>( 4,742)</u>
<b>Expenditures:</b>			
Public Safety	<u>1,771,700</u>	<u>1,770,123</u>	<u>1,577</u>
Revenues under expenditures	( 10,000)	( 13,165)	( 3,165)
<b>Other Financing Uses:</b>			
Transfers out	<u>( 125,000)</u>	<u>( 125,000)</u>	<u>-</u>
Net Change in Fund Balance	( 135,000)	( 138,165)	( 3,165)
Fund Balance at beginning of year	<u>711,287</u>	<u>711,287</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 576,287</u></u>	<u><u>\$ 573,122</u></u>	<u><u>\$( 3,165)</u></u>

**FRIEND OF THE COURT**

<b>Revenues:</b>			
Intergovernmental	\$ 1,000,641	\$ 1,040,317	\$ 39,676
Charges for services	105,800	104,511	( 1,289)
Other	100	19	( 81)
Total Revenues	<u>1,106,541</u>	<u>1,144,847</u>	<u>38,306</u>
<b>Expenditures:</b>			
Judicial	<u>1,552,753</u>	<u>1,490,999</u>	<u>61,754</u>
Revenues under expenditures	( 446,212)	( 346,152)	100,060
<b>Other Financing Sources:</b>			
Transfers in	<u>446,212</u>	<u>417,590</u>	<u>( 28,622)</u>
Net Change in Fund Balance	-	71,438	71,438
Fund Balance at beginning of year	<u>40,147</u>	<u>40,147</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 40,147</u></u>	<u><u>\$ 111,585</u></u>	<u><u>\$ 71,438</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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>FAMILY MARRIAGE COUNSELING</b>			
<b>Revenues:</b>			
Licenses and permits	\$ 7,500	\$ 7,477	\$( 23)
<b>Expenditures:</b>			
Judicial	<u>7,500</u>	<u>4,605</u>	<u>2,895</u>
Net Change in Fund Balance	-	2,872	2,872
Fund Balance at beginning of year	<u>89,026</u>	<u>89,026</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 89,026</u></u>	<u><u>\$ 91,898</u></u>	<u><u>\$ 2,872</u></u>

**HEALTH DEPARTMENT**

<b>Revenues:</b>			
Licenses and permits	\$ 301,850	\$ 318,244	\$ 16,394
Intergovernmental	1,402,054	1,484,576	82,522
Charges for services	468,750	1,091,280	622,530
Fines and forfeits	-	500	500
Other	<u>135,300</u>	<u>119,641</u>	<u>( 15,659)</u>
Total Revenues	2,307,954	3,014,241	706,287
<b>Expenditures:</b>			
Health and Welfare	<u>3,004,294</u>	<u>3,072,658</u>	<u>( 68,364)</u>
Revenues under expenditures	( 696,340)	( 58,417)	637,923
<b>Other Financing Sources:</b>			
Transfers in	<u>430,500</u>	<u>260,185</u>	<u>( 170,315)</u>
Net Change in Fund Balance	( 265,840)	201,768	467,608
Fund Balance at beginning of year	<u>337,179</u>	<u>337,179</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 71,339</u></u>	<u><u>\$ 538,947</u></u>	<u><u>\$ 467,608</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, 2019

	Amended Budget	Actual	Variance Positive (Negative)
<b>PERSONAL CARE AIDE PROGRAM</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 674,018	\$ 626,773	\$( 47,245)
Other	77,850	23,509	( 54,341)
Total Revenues	<u>751,868</u>	<u>650,282</u>	<u>( 101,586)</u>
<b>Expenditures:</b>			
Health and Welfare	<u>1,426,868</u>	<u>1,317,865</u>	<u>109,003</u>
Revenues under expenditures	( 675,000)	( 667,583)	7,417
<b>Other Financing Sources:</b>			
Transfers in	<u>675,000</u>	<u>675,000</u>	<u>-</u>
Net Change in Fund Balance	-	7,417	7,417
Fund Balance at beginning of year	<u>3,926</u>	<u>3,926</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 3,926</u></u>	<u><u>\$ 11,343</u></u>	<u><u>\$ 7,417</u></u>

### ANIMAL CONTROL

<b>Revenues:</b>			
Licenses and permits	\$ 229,914	\$ 160,780	\$( 69,134)
Intergovernmental	-	10,000	10,000
Charges for services	48,316	28,973	( 19,343)
Fines and forfeits	20,000	24,607	4,607
Other	2,473	23,736	21,263
Total Revenues	<u>300,703</u>	<u>248,096</u>	<u>( 52,607)</u>
<b>Expenditures:</b>			
Public Safety	<u>373,652</u>	<u>339,007</u>	<u>34,645</u>
Revenues under expenditures	( 72,949)	( 90,911)	( 17,962)
<b>Other Financing Sources:</b>			
Transfers in	<u>50,000</u>	<u>90,911</u>	<u>40,911</u>
Net Change in Fund Balance	( 22,949)	-	22,949
Fund Balance at beginning of year	<u>29,403</u>	<u>29,403</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 6,454</u></u>	<u><u>\$ 29,403</u></u>	<u><u>\$ 22,949</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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>ENVIRONMENT/RECYCLING</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 6,000	\$ 14,932	\$ 8,932
<b>Expenditures:</b>			
Health and Welfare	<u>16,000</u>	<u>14,544</u>	<u>1,456</u>
Revenues under expenditures	( 10,000)	388	10,388
<b>Other Financing Sources:</b>			
Transfers in	<u>10,000</u>	<u>-</u>	<u>( 10,000)</u>
Net Change in Fund Balance	-	388	388
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 388</u></u>	<u><u>\$ 388</u></u>

**COUNTY SURVEYOR**

<b>Revenues:</b>			
Intergovernmental	\$ 65,009	\$ 64,776	\$( 233)
<b>Expenditures:</b>			
General Government	<u>65,009</u>	<u>64,776</u>	<u>233</u>
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	<u>13,331</u>	<u>13,331</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 13,331</u></u>	<u><u>\$ 13,331</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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REGISTER OF DEEDS AUTOMATION</b>			
<b>Revenues:</b>			
Charges for services	\$ 99,275	\$ 80,170	\$( 19,105)
Interest	1,000	811	( 189)
Total Revenues	<u>100,275</u>	<u>80,981</u>	<u>( 19,294)</u>
<b>Expenditures:</b>			
General Government	<u>100,275</u>	<u>42,949</u>	<u>57,326</u>
Net Change in Fund Balance	-	38,032	38,032
Fund Balance at beginning of year	<u>655,480</u>	<u>655,480</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 655,480</u></u>	<u><u>\$ 693,512</u></u>	<u><u>\$ 38,032</u></u>

**EMERGENCY MANAGEMENT**

<b>Revenues:</b>			
Intergovernmental	\$ 224,500	\$ 44,913	\$( 179,587)
Charges for services	195	770	575
Other	100	12,650	12,550
Total Revenues	<u>224,795</u>	<u>58,333</u>	<u>( 166,462)</u>
<b>Expenditures:</b>			
Public Safety	<u>299,125</u>	<u>107,259</u>	<u>191,866</u>
Revenues under expenditures	( 74,330)	( 48,926)	25,404
<b>Other Financing Sources:</b>			
Transfers in	<u>49,000</u>	<u>49,000</u>	<u>-</u>
Net Change in Fund Balance	( 25,330)	74	25,404
Fund Balance at beginning of year	<u>36,485</u>	<u>36,485</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 11,155</u></u>	<u><u>\$ 36,559</u></u>	<u><u>\$ 25,404</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, 2019

	Amended Budget	Actual	Variance Positive (Negative)
<b>COMMUNITY GRANTS</b>			
<b>Revenues:</b>			
Licenses and permits	\$ 15,000	\$ 8,655	\$( 6,345)
Intergovernmental	284,740	238,881	( 45,859)
Charges for services	53,200	50,935	( 2,265)
Total Revenues	<u>352,940</u>	<u>298,471</u>	<u>( 54,469)</u>
<b>Expenditures:</b>			
Public Safety	<u>388,843</u>	<u>348,314</u>	<u>40,529</u>
Revenues under expenditures	( 35,903)	( 49,843)	( 13,940)
<b>Other Financing Sources:</b>			
Transfers in	<u>35,903</u>	<u>49,843</u>	<u>13,940</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>
<b>THUMB NARCOTICS UNIT</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 35,000	\$ 58,896	\$ 23,896
Fines and forfeits	90,000	9,708	( 80,292)
Interest	-	628	628
Other	10,000	10,100	100
Total Revenues	<u>135,000</u>	<u>79,332</u>	<u>( 55,668)</u>
<b>Expenditures:</b>			
Public Safety	<u>135,000</u>	<u>72,157</u>	<u>62,843</u>
Net Change in Fund Balance	-	7,175	7,175
Fund Balance at beginning of year	<u>355,550</u>	<u>355,550</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 355,550</u></u>	<u><u>\$ 362,725</u></u>	<u><u>\$ 7,175</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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>POLICE SERVICE CONTRACTS</b>			
<b>Revenues:</b>			
Charges for services	\$ 1,418,549	\$ 1,419,033	\$ 484
<b>Expenditures:</b>			
Public Safety	<u>1,851,917</u>	<u>1,848,964</u>	<u>2,953</u>
Revenues under expenditures	( 433,368)	( 429,931)	3,437
<b>Other Financing Sources:</b>			
Transfers in	<u>433,368</u>	<u>432,673</u>	<u>( 695)</u>
Net Change in Fund Balance	-	2,742	2,742
Fund Balance at beginning of year	<u>106,456</u>	<u>106,456</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 106,456</u></u>	<u><u>\$ 109,198</u></u>	<u><u>\$ 2,742</u></u>
<b>LAW ENFORCEMENT PROGRAMS</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 7,328	\$ 14,256	\$ 6,928
Charges for services	12,500	3,821	( 8,679)
Other	<u>14,646</u>	<u>33,662</u>	<u>19,016</u>
Total Revenues	34,474	51,739	17,265
<b>Expenditures:</b>			
Public Safety	<u>46,641</u>	<u>46,641</u>	<u>-</u>
Revenues over (under) expenditures	( 12,167)	5,098	17,265
<b>Other Financing Sources:</b>			
Transfers in	<u>3,496</u>	<u>3,496</u>	<u>-</u>
Net Change in Fund Balance	( 8,671)	8,594	17,265
Fund Balance at beginning of year	<u>98,362</u>	<u>98,362</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 89,691</u></u>	<u><u>\$ 106,956</u></u>	<u><u>\$ 17,265</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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>LAW ENFORCEMENT</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 69,375	\$ 80,497	\$ 11,122
Charges for services	72,000	82,215	10,215
Other	10,000	-	( 10,000)
Total Revenues	<u>151,375</u>	<u>162,712</u>	<u>11,337</u>
<b>Expenditures:</b>			
Public Safety	<u>212,927</u>	<u>137,084</u>	<u>75,843</u>
Revenues over (under) expenditures	( 61,552)	25,628	87,180
<b>Other Financing Sources:</b>			
Transfers in	<u>26,754</u>	<u>21,265</u>	<u>( 5,489)</u>
Net Change in Fund Balance	( 34,798)	46,893	81,691
Fund Balance at beginning of year	<u>139,324</u>	<u>139,324</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 104,526</u></u>	<u><u>\$ 186,217</u></u>	<u><u>\$ 81,691</u></u>

**LAW ENFORCEMENT - OTHER**

<b>Revenues:</b>			
Charges for services	\$ -	\$ 977	\$ 977
Fines and forfeits	37,400	19,553	( 17,847)
Total Revenues	<u>37,400</u>	<u>20,530</u>	<u>( 16,870)</u>
<b>Expenditures:</b>			
Public Safety	<u>38,538</u>	<u>22,317</u>	<u>16,221</u>
Net Change in Fund Balance	( 1,138)	( 1,787)	( 649)
Fund Balance at beginning of year	<u>232,248</u>	<u>232,248</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 231,110</u></u>	<u><u>\$ 230,461</u></u>	<u><u>\$( 649)</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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>LAW LIBRARY</b>			
<b>Revenues:</b>			
Fines and forfeits	\$ 6,500	\$ 6,500	\$ -
<b>Expenditures:</b>			
Judicial	<u>14,000</u>	<u>13,776</u>	<u>224</u>
Revenues under expenditures	( 7,500)	( 7,276)	224
<b>Other Financing Sources:</b>			
Transfers in	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Net Change in Fund Balance	( 3,000)	( 2,776)	224
Fund Balance at beginning of year	<u>17,718</u>	<u>17,718</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 14,718</u></u>	<u><u>\$ 14,942</u></u>	<u><u>\$ 224</u></u>

**COMMUNITY DEVELOPMENT**

<b>Revenues:</b>			
Intergovernmental	\$ 250,000	\$ -	\$ ( 250,000)
Charges for services	<u>50,000</u>	<u>109,795</u>	<u>59,795</u>
Total Revenues	300,000	109,795	( 190,205)
<b>Expenditures:</b>			
Health and Welfare	<u>300,000</u>	<u>29,653</u>	<u>270,347</u>
Net Change in Fund Balance	-	80,142	80,142
Fund Balance at beginning of year	<u>127,458</u>	<u>127,458</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 127,458</u></u>	<u><u>\$ 207,600</u></u>	<u><u>\$ 80,142</u></u>

**DEPARTMENT OF HUMAN SERVICES**

<b>Expenditures:</b>			
Health and Welfare	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>
Net Change in Fund Balance	( 20,000)	-	20,000
Fund Balance at beginning of year	<u>30,692</u>	<u>30,692</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 10,692</u></u>	<u><u>\$ 30,692</u></u>	<u><u>\$ 20,000</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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>CHILD CARE</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 699,618	\$ 542,615	\$( 157,003)
Charges for services	125,000	112,100	( 12,900)
Fines and forfeitures	8,604	16,149	7,545
Other	55,000	66,135	11,135
Total Revenues	<u>888,222</u>	<u>736,999</u>	<u>( 151,223)</u>
<b>Expenditures:</b>			
Health and Welfare	<u>1,640,699</u>	<u>1,266,429</u>	<u>374,270</u>
Revenues under expenditures	( 752,477)	( 529,430)	223,047
<b>Other Financing Sources:</b>			
Transfers in	<u>500,000</u>	<u>497,058</u>	<u>( 2,942)</u>
Net Change in Fund Balance	( 252,477)	( 32,372)	220,105
Fund Balance at beginning of year	<u>369,207</u>	<u>369,207</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 116,730</u></u>	<u><u>\$ 336,835</u></u>	<u><u>\$ 220,105</u></u>
<b>VETERANS' TRUST</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 82,000	\$ 52,000	\$( 30,000)
<b>Expenditures:</b>			
Health and Welfare	<u>82,000</u>	<u>51,808</u>	<u>30,192</u>
Net Change in Fund Balance	-	192	192
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 192</u></u>	<u><u>\$ 192</u></u>

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**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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>SOLDIERS' RELIEF FUND</b>			
<b>Revenues:</b>			
Taxes	\$ 263,855	\$ 294,566	\$ 30,711
Intergovernmental	-	2,268	2,268
Interest	-	842	842
Total Revenues	<u>263,855</u>	<u>297,676</u>	<u>33,821</u>
<b>Expenditures:</b>			
Health and Welfare	<u>341,908</u>	<u>333,372</u>	<u>8,536</u>
Net Change in Fund Balance	( 78,053)	( 35,696)	42,357
Fund Balance at beginning of year	<u>97,872</u>	<u>97,872</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 19,819</u></u>	<u><u>\$ 62,176</u></u>	<u><u>\$ 42,357</u></u>
<b>MULTI-PURPOSE COLLABORATIVE BODY</b>			
<b>Revenues:</b>			
Other	\$ 28,223	\$ 26,268	\$ ( 1,955)
<b>Expenditures:</b>			
Health and Welfare	<u>55,723</u>	<u>54,710</u>	<u>1,013</u>
Revenues under expenditures	( 27,500)	( 28,442)	( 942)
<b>Other Financing Sources:</b>			
Transfers in	<u>27,500</u>	<u>28,442</u>	<u>942</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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>SENIOR MILLAGE</b>			
<b>Revenues:</b>			
Taxes	\$ 672,700	\$ 727,186	\$ 54,486
Intergovernmental	-	4,824	4,824
Total Revenues	<u>672,700</u>	<u>732,010</u>	<u>59,310</u>
<b>Expenditures:</b>			
Health and Welfare	<u>24,845</u>	<u>18,940</u>	<u>5,905</u>
Revenues over expenditures	647,855	713,070	65,215
<b>Other Financing Uses:</b>			
Transfers out	<u>( 711,718)</u>	<u>( 675,000)</u>	<u>36,718</u>
Net Change in Fund Balance	( 63,863)	38,070	101,933
Fund Balance at beginning of year	<u>372,968</u>	<u>372,968</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 309,105</u></u>	<u><u>\$ 411,038</u></u>	<u><u>\$ 101,933</u></u>
<b>SOIL AND SEDIMENTATION</b>			
<b>Revenues:</b>			
Licenses and permits	\$ 82,000	\$ 65,940	\$( 16,060)
Fines and forfeits	<u>1,000</u>	<u>600</u>	<u>( 400)</u>
Total Revenues	83,000	66,540	( 16,460)
<b>Expenditures:</b>			
Health and Welfare	<u>83,900</u>	<u>83,851</u>	<u>49</u>
Net Change in Fund Balance	( 900)	( 17,311)	( 16,411)
Fund Balance at beginning of year	<u>75,005</u>	<u>75,005</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 74,105</u></u>	<u><u>\$ 57,694</u></u>	<u><u>\$( 16,411)</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, 2019**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>LAPEER FAMILY CONTINUATION COORDINATOR</b>			
<b>Revenues:</b>			
Charges for services	\$ 14,500	\$ -	\$( 14,500)
Other	<u>18,500</u>	<u>27,660</u>	<u>9,160</u>
Total Revenues	33,000	27,660	( 5,340)
<b>Expenditures:</b>			
Health and Welfare	<u>38,750</u>	<u>38,117</u>	<u>633</u>
Net Change in Fund Balance	( 5,750)	( 10,457)	( 4,707)
Fund Balance at beginning of year	<u>31,365</u>	<u>31,365</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 25,615</u></u>	<u><u>\$ 20,908</u></u>	<u><u>\$( 4,707)</u></u>

**MENTAL HEALTH COURT**

<b>Revenues:</b>			
Intergovernmental	\$ 200,000	\$ 103,701	\$( 96,299)
<b>Expenditures:</b>			
Health and Welfare	<u>200,000</u>	<u>106,784</u>	<u>93,216</u>
Net Change in Fund Balance	-	( 3,083)	( 3,083)
Fund Balance at beginning of year	<u>3,083</u>	<u>3,083</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 3,083</u></u>	<u><u>\$ -</u></u>	<u><u>\$( 3,083)</u></u>

**CONCEALED PISTOL LICENSING**

<b>Revenues:</b>			
Licenses and permits	\$ 70,000	\$ 65,288	\$( 4,712)
<b>Expenditures:</b>			
General Government	<u>88,556</u>	<u>64,471</u>	<u>24,085</u>
Net Change in Fund Balance	( 18,556)	817	19,373
Fund Balance at beginning of year	<u>81,498</u>	<u>81,498</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 62,942</u></u>	<u><u>\$ 82,315</u></u>	<u><u>\$ 19,373</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, 2019

	Amended Budget	Actual	Variance Positive (Negative)
<b>INDIGENT DEFENSE</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 376,303	\$ 101,440	\$ ( 274,863)
<b>Expenditures:</b>			
Judicial	483,783	208,920	274,863
Revenues under expenditures	( 107,480)	( 107,480)	274,863
<b>Other Financing Sources:</b>			
Transfers in	107,480	107,480	-
Net Change in Fund Balance	-	-	274,863
Fund Balance at beginning of year	-	-	-
Fund Balance at end of year	\$ -	\$ -	\$ 274,863

Concluded

**LAPEER COUNTY, MICHIGAN**

**COMBINING SCHEDULE OF NET POSITION  
DELINQUENT TAX FUND  
DECEMBER 31, 2019**

	<u>Delinquent Tax</u>	<u>Foreclosure</u>	<u>Treasurer's Office Administration</u>	<u>Elimination</u>	<u>Total</u>
<b>Assets:</b>					
Current Assets-					
Cash and cash equivalents	\$ 9,297,451	\$ 2,547,966	\$ 117,882	\$ -	\$ 11,963,299
Investments	17	-	-	-	17
Receivables (net of allowance) -					
Current and delq. taxes	2,680,950	88,543	-	-	2,769,493
Accrued interest	477,983	11,637	-	-	489,620
Interfund receivables	301,205	-	-	-	301,205
Due from other funds	805,858	-	78,472	( 78,472)	805,858
Due from component unit	108,790	-	-	-	108,790
Total Current Assets	<u>13,672,254</u>	<u>2,648,146</u>	<u>196,354</u>	<u>( 78,472)</u>	<u>16,438,282</u>
Noncurrent Assets-					
Capital assets, net	-	37,452	-	-	37,452
Advances to other funds	411,610	514,850	-	-	926,460
Total Noncurrent Assets	<u>411,610</u>	<u>552,302</u>	<u>-</u>	<u>-</u>	<u>963,912</u>
Total Assets	<u>14,083,864</u>	<u>3,200,448</u>	<u>196,354</u>	<u>( 78,472)</u>	<u>17,402,194</u>
<b>Liabilities:</b>					
Current Liabilities-					
Accrued liabilities	-	2,010	-	-	2,010
Due to other governmental units	222,354	-	-	-	222,354
Due to other funds	78,472	286	-	( 78,472)	286
Total Liabilities	<u>300,826</u>	<u>2,296</u>	<u>-</u>	<u>( 78,472)</u>	<u>224,650</u>
<b>Net Position:</b>					
Net investment in capital assets	-	37,452	-	-	37,452
Restricted	-	3,160,700	196,354	-	3,357,054
Unrestricted -					
Designated - Estimated 2020 tax settlement	5,000,000	-	-	-	5,000,000
Undesignated	<u>8,783,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,783,038</u>
Total Net Position	<u>\$13,783,038</u>	<u>\$ 3,198,152</u>	<u>\$ 196,354</u>	<u>\$ -</u>	<u>\$ 17,177,544</u>

# LAPEER COUNTY, MICHIGAN

## COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION DELINQUENT TAX FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	Delinquent Tax	Foreclosure	Treasurer's Office Administration	Total
<b>Operating Revenues:</b>				
Charges for services	\$ -	\$ 296,290	\$ -	\$ 296,290
Interest on taxes	760,199	-	-	760,199
Fees and penalties on delinquent taxes	205,099	14,319	-	219,418
Total Operating Revenues	<u>965,298</u>	<u>310,609</u>	<u>-</u>	<u>1,275,907</u>
<b>Operating Expenses:</b>				
Administrative and general	85,471	35,020	-	120,491
Other services	5,957	205,710	-	211,667
Depreciation	-	11,212	-	11,212
Total Operating Expenses	<u>91,428</u>	<u>251,942</u>	<u>-</u>	<u>343,370</u>
Operating Income	873,870	58,667	-	932,537
<b>Non-Operating Revenues:</b>				
Interest	<u>97,819</u>	<u>-</u>	<u>-</u>	<u>97,819</u>
Net Income Before Transfers	971,689	58,667	-	1,030,356
<b>Transfers:</b>				
Transfers out	<u>( 1,400,000)</u>	<u>( 3,000)</u>	<u>-</u>	<u>( 1,403,000)</u>
Change in Net Position	( 428,311)	55,667	-	( 372,644)
Net Position at beginning of year	<u>14,211,349</u>	<u>3,142,485</u>	<u>196,354</u>	<u>17,550,188</u>
Net Position end of year	<u>\$ 13,783,038</u>	<u>\$ 3,198,152</u>	<u>\$ 196,354</u>	<u>\$ 17,177,544</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, 2019**

	<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	\$ 1,036,057	\$ 39,501	\$ 464,372	\$ 336,658
Deposits with agent	3,348	-	15,000	-
Due from other funds	-	249	10,838	-
Prepaid items	28,428	-	-	-
Total Current Assets	<u>1,067,833</u>	<u>39,750</u>	<u>490,210</u>	<u>336,658</u>
 Property, Plant, and Equipment, Net	 -	 -	 -	 408,172
Total Assets	<u>1,067,833</u>	<u>39,750</u>	<u>490,210</u>	<u>744,830</u>
 <b>Liabilities:</b>				
Current Liabilities -				
Accounts payable	-	6,500	10,603	-
Accrued claims	-	-	83,060	-
Total Current Liabilities	<u>-</u>	<u>6,500</u>	<u>93,663</u>	<u>-</u>
 <b>Net Position:</b>				
Investment in capital assets	-	-	-	408,172
Unrestricted	<u>1,067,833</u>	<u>33,250</u>	<u>396,547</u>	<u>336,658</u>
 Total Net Position	<u>\$ 1,067,833</u>	<u>\$ 33,250</u>	<u>\$ 396,547</u>	<u>\$ 744,830</u>

<u>Equipment Acquisition &amp; Replacement</u>	<u>Retirement</u>	<u>Public Employee Health Care</u>	<u>Total</u>
\$ 1,148,730	\$ 1,669,780	\$ 15,559	\$ 4,710,657
-	-	-	18,348
-	73,656	-	84,743
-	-	-	28,428
<u>1,148,730</u>	<u>1,743,436</u>	<u>15,559</u>	<u>4,842,176</u>
2,555,711	-	-	2,963,883
<u>3,704,441</u>	<u>1,743,436</u>	<u>15,559</u>	<u>7,806,059</u>
5,974	1,194,373	-	1,217,450
-	-	-	83,060
<u>5,974</u>	<u>1,194,373</u>	<u>-</u>	<u>1,300,510</u>
2,555,711	-	-	2,963,883
<u>1,142,756</u>	<u>549,063</u>	<u>15,559</u>	<u>3,541,666</u>
<u>\$ 3,698,467</u>	<u>\$ 549,063</u>	<u>\$ 15,559</u>	<u>\$ 6,505,549</u>

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Health Insurance	Unemployment Insurance	Workers' Compensation	CMH Equipment Acquisition & Replacement
<b>Operating Revenues:</b>				
Charges for services	\$ 4,978,978	\$ 8,750	\$ 401,646	\$ 115,266
<b>Operating Expenses:</b>				
Administrative and general	61,237	146	1,695	1,094
Retirement and health care savings contributions	-	-	-	-
Insurance and claims	4,795,655	6,500	92,741	-
Depreciation	-	-	-	98,638
Total Operating Expenses	<u>4,856,892</u>	<u>6,646</u>	<u>94,436</u>	<u>99,732</u>
Operating Income (Loss)	122,086	2,104	307,210	15,534
<b>Non-Operating Revenue:</b>				
Gain on sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) before Transfers	<u>122,086</u>	<u>2,104</u>	<u>307,210</u>	<u>15,534</u>
<b>Transfers:</b>				
Transfers In	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	122,086	2,104	307,210	15,534
Net Position at beginning of year	<u>945,747</u>	<u>31,146</u>	<u>89,337</u>	<u>729,296</u>
Net Position at end of year	<u><u>\$ 1,067,833</u></u>	<u><u>\$ 33,250</u></u>	<u><u>\$ 396,547</u></u>	<u><u>\$ 744,830</u></u>

<u>Equipment Acquisition &amp; Replacement</u>	<u>Retirement</u>	<u>Public Employee Health Care</u>	<u>Total</u>
\$ 1,046,821	\$ 3,301,278	\$ 121,770	\$ 9,974,509
586,936	32,074	7,042	690,224
-	4,386,360	119,910	4,506,270
-	-	-	4,894,896
572,404	-	-	671,042
<u>1,159,340</u>	<u>4,418,434</u>	<u>126,952</u>	<u>10,762,432</u>
( 112,519)	( 1,117,156)	( 5,182)	( 787,923)
19,120	-	-	19,120
<u>( 93,399)</u>	<u>( 1,117,156)</u>	<u>( 5,182)</u>	<u>( 768,803)</u>
120,000	1,125,000	-	1,245,000
<u>( 90,000)</u>	<u>-</u>	<u>-</u>	<u>( 90,000)</u>
<u>30,000</u>	<u>1,125,000</u>	<u>-</u>	<u>1,155,000</u>
( 63,399)	7,844	( 5,182)	386,197
<u>3,761,866</u>	<u>541,219</u>	<u>20,741</u>	<u>6,119,352</u>
<u>\$ 3,698,467</u>	<u>\$ 549,063</u>	<u>\$ 15,559</u>	<u>\$ 6,505,549</u>

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Health Insurance	Unemployment Insurance	Workers' Compensation	CMH Equipment Acquisition & Replacement
<b>Cash Flows From Operating Activities:</b>				
Cash receipts for interfund services	\$ 4,978,978	\$ 8,719	\$ 400,404	\$ 115,266
Cash payments to suppliers	( 4,872,024)	( 7,386)	( 76,775)	( 1,094)
Net Cash Provided by (Used in) Operating Activities	<u>106,954</u>	<u>1,333</u>	<u>323,629</u>	<u>114,172</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Transfers in	-	-	-	-
Acquisition of capital assets	-	-	-	( 36,730)
Proceeds from sale of assets	-	-	-	-
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 36,730)</u>
Increase (decrease) in cash and cash equivalents	106,954	1,333	323,629	77,442
Cash and cash equivalents at beginning of year	<u>929,103</u>	<u>38,168</u>	<u>140,743</u>	<u>259,216</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,036,057</u></u>	<u><u>\$ 39,501</u></u>	<u><u>\$ 464,372</u></u>	<u><u>\$ 336,658</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating Income (Loss)	\$ 122,086	\$ 2,104	\$ 307,210	\$ 15,534
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Depreciation	-	-	-	98,638
Change in assets and liabilities:				
Due to/from other funds	-	( 31)	( 1,242)	-
Prepaid items/Deposits with agent	( 15,132)	-	1,000	-
Accounts payable	-	( 740)	10,603	-
Accrued claims	-	-	6,058	-
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 106,954</u></u>	<u><u>\$ 1,333</u></u>	<u><u>\$ 323,629</u></u>	<u><u>\$ 114,172</u></u>

Equipment Acquisition & Replacement	Retirement	Public Employee Health Care	Total
\$ 1,046,821	\$ 3,286,934	\$ 121,770	\$ 9,958,892
( 620,274)	( 4,174,061)	( 126,952)	( 9,878,566)
<u>426,547</u>	<u>( 887,127)</u>	<u>( 5,182)</u>	<u>80,326</u>
-	1,125,000	-	1,125,000
( 90,000)	-	-	( 90,000)
<u>( 90,000)</u>	<u>1,125,000</u>	<u>-</u>	<u>1,035,000</u>
120,000	-	-	120,000
( 341,259)	-	-	( 377,989)
19,120	-	-	19,120
<u>( 202,139)</u>	<u>-</u>	<u>-</u>	<u>( 238,869)</u>
134,408	237,873	( 5,182)	876,457
<u>1,014,322</u>	<u>1,431,907</u>	<u>20,741</u>	<u>3,834,200</u>
<u>\$ 1,148,730</u>	<u>\$ 1,669,780</u>	<u>\$ 15,559</u>	<u>\$ 4,710,657</u>
\$( 112,519)	\$( 1,117,156)	\$( 5,182)	\$( 787,923)
572,404	-	-	671,042
-	( 14,344)	-	( 15,617)
-	-	-	( 14,132)
( 33,338)	244,373	-	220,898
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,058</u>
<u>\$ 426,547</u>	<u>\$( 887,127)</u>	<u>\$( 5,182)</u>	<u>\$ 80,326</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.

**Agency Funds** - are used to account for the assets held by the County as an agent for individuals, private organizations, or other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.



# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS DECEMBER 31, 2019

	General Agency	Library Penal Fines	District Court	Common Banking	Treasurer's Tax
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 431,106	\$ 12,339	\$ 67,602	\$ -	\$ 680,406
Due from other governmental units	<u>870</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 431,976</u></u>	<u><u>\$ 12,354</u></u>	<u><u>\$ 67,602</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 680,406</u></u>
<b>Liabilities:</b>					
Due to other governmental units	\$ 241,767	\$ -	\$ 19,059	\$ -	\$ 537,801
Due to individuals and agencies	<u>190,209</u>	<u>12,354</u>	<u>48,543</u>	<u>-</u>	<u>142,605</u>
Total Liabilities	<u><u>\$ 431,976</u></u>	<u><u>\$ 12,354</u></u>	<u><u>\$ 67,602</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 680,406</u></u>

<u>Inmate</u>	<u>Total</u>
\$ 41,868	\$ 1,233,321
-	885
<u>\$ 41,868</u>	<u>\$ 1,234,206</u>
<u><u>\$ 41,868</u></u>	<u><u>\$ 1,234,206</u></u>
\$ -	\$ 798,627
41,868	435,579
<u>41,868</u>	<u>435,579</u>
<u><u>\$ 41,868</u></u>	<u><u>\$ 1,234,206</u></u>

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,303,122	\$ 63,171,164	\$ 63,240,965	\$ 1,233,321
Due from other governmental units	1,672	50,358	51,145	885
Total Assets	<u>\$ 1,304,794</u>	<u>\$ 63,221,522</u>	<u>\$ 63,292,110</u>	<u>\$ 1,234,206</u>
<b>Liabilities:</b>				
Due to other governmental units	\$ 936,719	\$ 38,204,501	\$ 38,342,593	\$ 798,627
Due to individuals and agencies	368,075	1,135,457	1,067,953	435,579
Total Liabilities	<u>\$ 1,304,794</u>	<u>\$ 39,339,958</u>	<u>\$ 39,410,546</u>	<u>\$ 1,234,206</u>
<b>GENERAL AGENCY FUND</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 470,254	\$ 7,364,536	\$ 7,403,684	\$ 431,106
Due from other governmental units	1,652	45,346	46,128	870
Total Assets	<u>\$ 471,906</u>	<u>\$ 7,409,882</u>	<u>\$ 7,449,812</u>	<u>\$ 431,976</u>
<b>Liabilities:</b>				
Due to other governmental units	\$ 293,198	\$ 7,256,457	\$ 7,307,888	\$ 241,767
Due to individuals and agencies	178,708	319,275	307,774	190,209
Total Liabilities	<u>\$ 471,906</u>	<u>\$ 7,575,732</u>	<u>\$ 7,615,662</u>	<u>\$ 431,976</u>
<b>LIBRARY PENAL FINES</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 13,921	\$ 256,493	\$ 258,075	\$ 12,339
Due from other governmental units	20	5,012	5,017	15
	<u>13,941</u>	<u>261,505</u>	<u>263,092</u>	<u>12,354</u>
<b>Liabilities:</b>				
Due to individuals and agencies	<u>\$ 13,941</u>	<u>\$ 533,441</u>	<u>\$ 535,028</u>	<u>\$ 12,354</u>

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019
<b>DISTRICT COURT</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 49,764	\$ 1,909,493	\$ 1,891,655	\$ 67,602
<b>Liabilities:</b>				
Due to other governmental units	\$ 31,484	\$ 2,762,319	\$ 2,774,744	\$ 19,059
Due to individuals and agencies	18,280	250,981	220,718	48,543
Total Liabilities	\$ 49,764	\$ 3,013,300	\$ 2,995,462	\$ 67,602
<b>COMMON BANKING</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 69,555	\$ 32,909,671	\$ 32,979,226	\$ -
<b>Liabilities:</b>				
Due to other governmental units	\$ 69,555	\$ 7,479,130	\$ 7,548,685	\$ -
<b>TREASURER'S TAX</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 668,207	\$ 20,720,524	\$ 20,708,325	\$ 680,406
<b>Liabilities:</b>				
Due to other governmental units	\$ 542,482	\$ 20,706,595	\$ 20,711,276	\$ 537,801
Due to individuals and agencies	125,725	18,160	1,280	142,605
Total Liabilities	\$ 668,207	\$ 20,724,755	\$ 20,712,556	\$ 680,406
<b>INMATE</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 31,421	\$ 10,447	\$ -	\$ 41,868
<b>Liabilities:</b>				
Due to individuals and agencies	\$ 31,421	\$ 13,600	\$ 3,153	\$ 41,868

Concluded

**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, 2019

	Balance January 1, 2019	Additions	Disposals/ Adjustments	Balance December 31, 2019
<b>General County:</b>				
Land	\$ 850,890	\$ -	\$ -	\$ 850,890
Land improvements	1,618,274	261,864	44,960	1,835,178
Buildings	25,608,041	44,320	-	25,652,361
Equipment	21,310,739	19,680	-	21,330,419
Vehicles	460,398	18,247	-	478,645
	<u>49,848,342</u>	<u>344,111</u>	<u>44,960</u>	<u>50,147,493</u>
Less - accumulated depreciation	( 29,818,015)	( 1,744,821)	37,290	( 31,525,546)
Total Capital Assets, Net	<u>\$ 20,030,327</u>	<u>\$ ( 1,400,710)</u>	<u>\$ 7,670</u>	<u>\$ 18,621,947</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, 2019

	Total	Land and Improvements	Buildings	Equipment	Vehicles
<b>General Government:</b>					
Legislative	\$ 3,104,763	\$ 225,000	\$ 2,879,763	\$ -	\$ -
Judicial	3,398,372	85,861	3,193,214	83,885	35,412
General Services	6,366,857	429,033	5,738,469	193,808	5,547
	<u>12,869,992</u>	<u>739,894</u>	<u>11,811,446</u>	<u>277,693</u>	<u>40,959</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	310,056	25,302	221,800	48,242	14,712
Emergency Preparedness	217,325	-	-	217,325	-
Marine Safety	21,500	-	-	-	21,500
911 Communications Center	20,961,453	93,876	990,938	19,876,639	-
Community Corrections	5,535	-	-	5,535	-
Sheriff	7,047,708	498,389	6,182,903	159,616	206,800
	<u>28,563,577</u>	<u>617,567</u>	<u>7,395,641</u>	<u>20,307,357</u>	<u>243,012</u>
<b>Health and Welfare:</b>					
Health Department	723,912	37,221	238,782	447,909	-
Mental Health	3,153,794	180,894	2,761,706	211,194	-
D.O.S.A.	32,686	-	-	32,686	-
Family Independence Agency	1,913,734	143,480	1,758,724	11,530	-
	<u>5,824,126</u>	<u>361,595</u>	<u>4,759,212</u>	<u>703,319</u>	<u>-</u>
<b>Recreation and Cultural:</b>					
Parks and Recreation	2,525,327	925,415	1,557,862	42,050	-
Libraries	139,797	41,597	98,200	-	-
	<u>2,665,124</u>	<u>967,012</u>	<u>1,656,062</u>	<u>42,050</u>	<u>-</u>
Total Capital Assets	50,147,493	2,686,068	25,652,361	21,330,419	478,645
Less: accumulated depreciation	<u>( 31,525,546)</u>	<u>( 1,522,865)</u>	<u>( 16,075,958)</u>	<u>( 13,557,055)</u>	<u>( 369,668)</u>
Total Capital Assets - (Net of Accumulated Depreciation)	<u>\$ 18,621,947</u>	<u>\$ 1,163,203</u>	<u>\$ 9,576,403</u>	<u>\$ 7,773,364</u>	<u>\$ 108,977</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, 2019

	Balance January 1, 2019	Additions	Adjustments/ Disposals	Balance December 31, 2019
<b>General Government:</b>				
Legislative	\$ 3,104,763	\$ -	\$ -	\$ 3,104,763
Judicial	3,380,125	18,247	-	3,398,372
General Services	6,134,190	277,627	44,960	6,366,857
Total General Government	<u>12,619,078</u>	<u>295,874</u>	<u>44,960</u>	<u>12,869,992</u>
<b>Public Works:</b>				
Environmental/Recycling	30,000	-	-	30,000
Drain Commission	194,674	-	-	194,674
Total Public Works	<u>224,674</u>	<u>-</u>	<u>-</u>	<u>224,674</u>
<b>Public Safety:</b>				
Animal Shelter	310,056	-	-	310,056
Emergency Preparedness	209,225	8,100	-	217,325
Marine Safety	21,500	-	-	21,500
911 Communications Center	20,949,873	11,580	-	20,961,453
Community Corrections	5,535	-	-	5,535
Sheriff	7,047,708	-	-	7,047,708
Total Public Safety	<u>28,543,897</u>	<u>19,680</u>	<u>-</u>	<u>28,563,577</u>
<b>Health and Welfare:</b>				
Health Department	723,912	-	-	723,912
Mental Health	3,153,794	-	-	3,153,794
D.O.S.A.	32,686	-	-	32,686
Family Independence Agency	1,913,734	-	-	1,913,734
Total Health and Welfare	<u>5,824,126</u>	<u>-</u>	<u>-</u>	<u>5,824,126</u>
<b>Recreation and Cultural:</b>				
Parks and Recreation	2,496,770	28,557	-	2,525,327
Libraries	139,797	-	-	139,797
Total Recreation and Cultural	<u>2,622,567</u>	<u>28,557</u>	<u>-</u>	<u>2,665,124</u>
 Total Capital Assets	 <u>\$ 49,848,342</u>	 <u>\$ 344,111</u>	 <u>\$ 44,960</u>	 <u>\$ 50,147,493</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.



## **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 Board of Public Works 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, 2019**

	Debt Service Funds				
	Dryden Drinking Water	Almont WSS 2007	Almont Sewage Disposal 2002	Dryden WSS 2007	Total
<b>Assets:</b>					
Cash - restricted	\$ 879	\$ 5,925	\$ -	\$ 642	\$ 7,446
Due from other government units	-	-	118,984	-	118,984
Contracts receivable	-	1,032,694	375,000	309,868	1,717,562
	<u>879</u>	<u>1,032,694</u>	<u>375,000</u>	<u>309,868</u>	<u>1,717,562</u>
Total Assets	<u>\$ 879</u>	<u>\$ 1,038,619</u>	<u>\$ 493,984</u>	<u>\$ 310,510</u>	<u>\$ 1,843,992</u>
<b>Liabilities:</b>					
Due to primary government	\$ -	\$ -	\$ 108,790	\$ -	\$ 108,790
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue - lease contracts	-	1,032,694	375,000	309,868	1,717,562
<b>Fund Balances:</b>					
Restricted - Debt service	<u>879</u>	<u>5,925</u>	<u>10,194</u>	<u>642</u>	<u>17,640</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 879</u>	<u>\$ 1,038,619</u>	<u>\$ 493,984</u>	<u>\$ 310,510</u>	<u>\$ 1,843,992</u>

**LAPEER COUNTY, MICHIGAN**

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
BOARD OF PUBLIC WORKS  
DECEMBER 31, 2019**

Fund Balance - total board of public works funds	\$ 17,640
Amounts reported for governmental activities in the statement of net position are different because:	
Amounts available in the funds that reduce the contract receivable on the government wide statements	( 7,507)
Long-term liabilities that are not payable in the current period and are therefore not reported in the governmental fund statements	
Bonds/notes payable	( 1,717,562)
Accrued interest on bonds/notes payable	( 10,133)
Revenues that are deferred in the governmental fund statements because the amounts are not available	
Lease revenue	<u>1,717,562</u>
Net Position of the Board of Public Works	<u><u>\$ -</u></u>

# 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, 2019

	Debt Service Funds				
	Dryden Drinking Water	Almont WSSI 2007	Almont Sewage Disposal 2002	Dryden WSSI 2007	Total
<b>Revenues:</b>					
Intergovernmental	\$ 62,277	\$ 124,075	\$ 128,727	\$ 42,329	\$ 357,408
<b>Expenditures:</b>					
Debt Service -					
Principal retirement	61,507	100,000	110,000	35,000	306,507
Interest and fiscal charges	769	24,070	17,969	7,328	50,136
Total Expenditures	62,276	124,070	127,969	42,328	356,643
Net Change in Fund Balance	1	5	758	1	765
Fund Balance at beginning of year	878	5,920	9,436	641	16,875
Fund Balance at end of year	\$ 879	\$ 5,925	\$ 10,194	\$ 642	\$ 17,640

**LAPEER COUNTY, MICHIGAN**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

**BOARD OF PUBLIC WORKS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balance - total board of public works funds	\$ 765
Amounts reported for governmental activities in the statement of activities are different because:	
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 of governmental funds. Neither transaction, however, has any effect on net position.	
Principal payments on long-term liabilities	306,507
Accrued interest expense on bonds and the amortization of discounts, premiums, and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net position.	
Increase in accrued interest payable	( 402)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	( 306,870)
Change in Net Position of the Board of Public Works	<u><u>\$ -</u></u>

## **DRAINAGE DISTRICT FUNDS**

**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET  
DRAINAGE DISTRICTS - GOVERNMENTAL FUND TYPES  
DECEMBER 31, 2019**

	Debt Service Funds				
	Talmage Drain	Imlay Bigelow	Winn Lake	Marshall Creek	Indian Creek
<b>Assets:</b>					
Cash and cash equivalents	\$ 510	\$ 845,489	\$ 68,601	\$ 31,530	\$ 210,141
Investments	-	-	-	-	-
Receivables -					
Special assessments	-	854,262	41,750	522,292	2,769,739
Accounts	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Prepays	-	-	-	-	-
	<u>510</u>	<u>845,489</u>	<u>68,601</u>	<u>31,530</u>	<u>210,141</u>
Total Assets	<u>\$ 510</u>	<u>\$ 1,699,751</u>	<u>\$ 110,351</u>	<u>\$ 553,822</u>	<u>\$ 2,979,880</u>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 250	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Deposits payable	-	-	-	-	-
Advances from primary government	-	-	-	-	-
Advances from other funds	-	-	-	-	-
	<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue - special assessments	<u>-</u>	<u>702,139</u>	<u>31,442</u>	<u>499,584</u>	<u>2,620,299</u>
<b>Fund Balances:</b>					
Nonspendable - prepaids	-	-	-	-	-
Restricted -					
Debt service	510	997,362	78,909	54,238	359,581
Acquisition/construction of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>510</u>	<u>997,362</u>	<u>78,909</u>	<u>54,238</u>	<u>359,581</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 510</u>	<u>\$ 1,699,751</u>	<u>\$ 110,351</u>	<u>\$ 553,822</u>	<u>\$ 2,979,880</u>



Capital Projects Funds				
Special Assessment Drain	Drain Revolving	Marshall Creek	Indian Creek	Total
\$ 467,356	\$ 660	\$ 510,845	\$ 460,867	\$ 2,595,999
1,263,706	-	-	-	1,263,706
362,571	-	-	-	4,550,614
4,939	-	-	-	4,939
-	195,580	-	-	195,580
166,039	-	-	-	166,039
100,000	-	-	-	100,000
170,618	-	-	-	170,618
<u>\$ 2,535,229</u>	<u>\$ 196,240</u>	<u>\$ 510,845</u>	<u>\$ 460,867</u>	<u>\$ 9,047,495</u>
\$ 137,509	\$ -	\$ -	\$ 25,296	\$ 163,055
1,369,434	-	-	-	1,369,434
351,000	-	-	-	351,000
-	90,000	-	-	90,000
-	100,000	-	-	100,000
<u>1,857,943</u>	<u>190,000</u>	<u>-</u>	<u>25,296</u>	<u>2,073,489</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,853,464</u>
170,618	-	-	-	170,618
-	-	-	-	1,490,600
<u>506,668</u>	<u>6,240</u>	<u>510,845</u>	<u>435,571</u>	<u>1,459,324</u>
<u>677,286</u>	<u>6,240</u>	<u>510,845</u>	<u>435,571</u>	<u>3,120,542</u>
<u>\$ 2,535,229</u>	<u>\$ 196,240</u>	<u>\$ 510,845</u>	<u>\$ 460,867</u>	<u>\$ 9,047,495</u>

**LAPEER COUNTY, MICHIGAN**

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
DRAINAGE DISTRICTS  
DECEMBER 31, 2019**

Fund Balances - total drainage district funds	\$ 3,120,542
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	32,440,446
Accumulated depreciation	( 17,673,958)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Special assessments	3,853,464
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.	1,720,613
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	( 3,535,000)
Bond premium	( 33,526)
Accrued interest on bonds/notes payable	( 9,452)
Net Position of Drainage Districts	<u>\$ 19,883,129</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, 2019**

	Debt Service Funds				
	Talmage Drain	Imlay Bigelow	Winn Lake	Marshall Creek	Indian Creek
<b>Revenues:</b>					
Local contribution	\$ -	\$ -	\$ -	\$ -	\$ 42,050
Interest	-	591	78	-	150
Other - Special assessments	-	141,999	12,284	45,416	225,000
Total Revenues	-	142,590	12,362	45,416	267,200
<b>Expenditures:</b>					
Capital outlay	-	-	-	-	-
Public works	-	-	-	-	-
Debt service -					
Principal retirement	-	130,000	30,000	-	170,000
Interest and fiscal charges	344	37,327	4,670	3,079	63,325
Bond issuance costs	-	-	-	-	-
Total Expenditures	344	167,327	34,670	3,079	233,325
Revenues over (under) expenditures	( 344)	( 24,737)	( 22,308)	42,337	33,875
<b>Other Financing Sources (Uses):</b>					
Bond proceeds	-	-	-	-	-
Transfers in	-	-	-	11,901	-
Transfers out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	11,901	-
Net Change in Fund Balance	( 344)	( 24,737)	( 22,308)	54,238	33,875
Fund Balances at beginning of year	854	1,022,099	101,217	-	325,706
Fund Balances at end of year	\$ 510	\$ 997,362	\$ 78,909	\$ 54,238	\$ 359,581

(1) Fund balance at beginning of year

Reclassification to Internal Service Fund

Fund balance after reclassification

Capital Project Funds

Special Assessment Drain	Drain Revolving	Marshall Creek	Indian Creek	Total
\$ 60,906	\$ -	\$ -	\$ -	\$ 102,956
43,170	91	-	-	44,080
772,228	-	-	-	1,196,927
<u>876,304</u>	<u>91</u>	<u>-</u>	<u>-</u>	<u>1,343,963</u>
-	-	-	51,767	51,767
1,529,170	-	-	12,153	1,541,323
-	-	-	-	330,000
-	-	-	-	108,745
-	-	22,254	-	22,254
<u>1,529,170</u>	<u>-</u>	<u>22,254</u>	<u>63,920</u>	<u>2,054,089</u>
( 652,866)	91	( 22,254)	( 63,920)	( 710,126)
-	-	545,000	-	545,000
-	-	-	-	11,901
-	-	( 11,901)	-	( 11,901)
-	-	533,099	-	545,000
( 652,866)	91	510,845	( 63,920)	( 165,126)
1,330,152 (1)	6,149	-	499,491	3,285,668
<u>\$ 677,286</u>	<u>\$ 6,240</u>	<u>\$ 510,845</u>	<u>\$ 435,571</u>	<u>\$ 3,120,542</u>

\$ 2,773,872

( 1,443,720)

\$ 1,330,152

**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, 2019**

Net Change in Fund Balances - total drainage district funds	\$( 165,126)
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	51,767
Depreciation expense	( 521,668)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	
	( 65,337)
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	330,000
Bond proceeds	( 545,000)
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.	
	19,243
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
Decrease in accrued interest payable	<u>62</u>
Change in Net Position of Drainage Districts	<u><u>\$( 893,480)</u></u>

**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND - DRAINAGE DISTRICTS  
INTERNAL SERVICE FUND  
DECEMBER 31, 2019**

**Assets:**

Current Assets:

Cash and cash equivalents	\$ 302,754
Due from other funds	<u>1,173,854</u>
Total Current Assets	1,476,608

Property, Plant and Equipment, Net	<u>244,005</u>
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Total Assets	<u>1,720,613</u>
--------------	------------------

**Net Position:**

Investment in capital assets	244,005
Unrestricted	<u>1,476,608</u>

Total Net Position	<u>\$ 1,720,613</u>
--------------------	---------------------

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND - DRAINAGE DISTRICTS  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Operating Revenue:**

Charges for services	<u>\$ 19,143</u>
----------------------	------------------

**Non-Operating Revenue:**

Interest	<u>100</u>
----------	------------

Change in Net Position	19,243
------------------------	--------

Net Position at beginning of year	<u>1,701,370</u> (1)
-----------------------------------	----------------------

Net Position at end of year	<u>\$ 1,720,613</u>
-----------------------------	---------------------

(1) Net position at beginning of year	\$ 257,650
---------------------------------------	------------

Reclassification from Special Assessment Drain	<u>1,443,720</u>
--	------------------

Net position after reclassification	<u>\$ 1,701,370</u>
-------------------------------------	---------------------

**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - DRAINAGE DISTRICTS  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Cash Flows From Operating Activities:**

Cash receipts for services	\$ 19,143
----------------------------	-----------

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

Due from other funds	( 196,453)
----------------------	------------

**Cash Flows From Investing Activities:**

Interest received	100
-------------------	-----

Net decrease in cash and cash equivalents	( 177,210)
---	------------

Cash and cash equivalents at beginning of year	479,964
--	---------

Cash and cash equivalents at end of year	\$ 302,754
--	------------

**Reconciliation of Operating Income to Net Cash Provided  
by Operating Activities:**

Operating income	\$ 19,143
------------------	-----------

Adjustments to reconcile operating income to net cash used in operating activities	-
---	---

Net Cash Provided by Operating Activities	\$ 19,143
---	-----------

## 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-22
<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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$15,896,442	\$15,527,553	\$16,505,966	\$16,659,094	\$17,870,430	\$17,868,209	\$18,968,145	\$20,723,541	\$20,585,510	\$20,261,240
Restricted	5,574,262	13,556,947	9,284,737	7,325,294	6,839,225	7,723,876	7,966,468	8,708,054	9,395,277	10,108,527
Unrestricted	16,095,799	11,269,021	16,683,094	19,555,834	22,069,473	7,986,044	6,705,532	6,025,345	4,496,948	6,552,295
Total Governmental Activities Net Position	<u>\$37,566,503</u>	<u>\$40,353,521</u>	<u>\$42,473,797</u>	<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>
<b>Business-type Activities</b>										
Net investment in capital assets	\$14,796,843	\$16,327,713	\$15,466,114	\$14,769,275	\$14,127,443	\$15,713,813	\$18,611,320	\$20,669,746	\$19,719,867	\$18,855,231
Restricted	1,166,837	1,421,146	2,087,594	2,244,192	2,438,415	2,544,188	2,712,498	2,909,368	3,302,507	3,357,054
Unrestricted	18,587,939	17,180,730	20,291,236	23,539,977	22,145,385	15,190,721	11,076,780	6,558,530	5,905,549	4,239,551
Total Business-type Activities Net Position	<u>\$34,551,619</u>	<u>\$34,929,589</u>	<u>\$37,844,944</u>	<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>
<b>Primary Government</b>										
Net investment in capital assets	\$30,693,285	\$31,855,266	\$31,972,080	\$31,428,369	\$31,997,873	\$33,582,022	\$37,579,465	\$41,393,287	\$40,305,377	\$39,116,471
Restricted	6,741,099	14,978,093	11,372,331	9,569,486	9,277,640	10,268,064	10,678,966	11,617,422	12,697,784	13,465,581
Unrestricted	34,683,738	28,449,751	36,974,330	43,095,811	44,214,858	23,176,765	17,782,312	12,583,875	10,402,497	10,791,846
Total Primary Government Net Position	<u>\$72,118,122</u>	<u>\$75,283,110</u>	<u>\$80,318,741</u>	<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>

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental Activities:										
Legislative	\$ 290,948	\$ 261,095	\$ 267,547	\$ 272,414	\$ 281,705	\$ 289,048	\$ 327,800	\$ 311,288	\$ 333,204	\$ 339,939
Judicial	5,172,038	4,785,333	4,858,563	4,757,337	4,874,708	5,117,641	5,403,251	5,037,326	5,215,996	5,436,832
General Government	6,728,278	6,006,053	5,651,341	5,406,198	7,466,262	7,552,910	6,708,073	6,090,115	8,236,433	6,134,825
Public Safety	10,471,631	9,789,747	10,312,058	10,516,750	10,678,702	11,776,498	12,119,851	11,675,951	13,218,623	12,474,263
Public Works	810,776	398,268	292,231	370,012	341,165	340,331	360,066	940,969	654,770	417,537
Health and Welfare	21,070,057	21,046,547	22,340,301	22,094,300	22,681,428	25,702,025	26,845,525	26,537,972	28,270,901	28,447,547
Recreation and Culture	592,701	422,204	426,620	449,245	437,936	430,536	504,008	493,489	483,143	413,834
Interest on long term debt	43,334	380,024	391,699	405,496	351,578	299,517	249,830	192,174	132,174	72,175
Total Governmental Activities Expenses	45,179,763	43,089,271	44,540,360	44,271,752	47,113,484	51,508,506	52,518,404	51,279,284	56,545,244	53,736,952
Business-type Activities:										
Medical Care Facility	18,645,836	21,726,473	21,664,598	22,240,772	23,047,871	23,247,539	24,467,545	28,428,019	28,054,218	31,500,215
Delinquent Tax Revolving	222,351	230,860	490,112	267,737	291,793	251,000	309,789	274,679	356,704	343,370
Telecommunications	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Expenses	18,868,187	21,957,333	22,154,710	22,508,509	23,339,664	23,498,539	24,777,334	28,702,698	28,410,922	31,843,585
Total Primary Government Expenses	64,047,950	65,046,604	66,695,070	66,780,261	70,453,148	75,007,045	77,295,738	79,981,982	84,956,166	85,580,537
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services -										
Judicial	1,415,294	1,246,428	1,300,445	1,311,455	1,280,631	1,248,562	1,203,467	1,148,474	1,175,157	1,162,286
General Government	4,509,171	4,044,677	4,494,863	3,991,391	4,069,704	3,981,037	4,582,315	4,274,105	4,513,226	4,657,869
Public Safety	1,942,126	2,164,267	3,611,740	3,750,022	3,599,361	3,558,940	3,610,853	3,984,976	3,824,446	3,859,187
Public Works	-	-	-	-	-	-	-	-	-	-
Health and Welfare	14,159,046	15,068,511	15,848,697	14,939,287	16,538,510	19,527,759	1,874,704	2,050,660	2,787,015	2,015,877
Recreation and Culture	104,791	74,050	154,965	138,624	126,311	171,243	180,273	141,116	167,291	113,136
Interest on Long-term Debt	161,503	161,503	-	-	186,078	-	-	-	-	-
Operating Grants and Contributions	9,971,597	7,332,088	7,542,063	7,208,391	7,942,683	6,643,270	24,366,273	24,720,228	25,583,984	26,570,815
Capital Grants and Contributions	-	137,046	122,323	-	524,318	-	-	-	14,000	-
Total Governmental Activities Program Revenues	32,263,528	30,228,570	33,075,096	31,339,170	34,267,596	35,130,811	35,817,885	36,319,559	38,065,119	38,379,170
Business-type Activities:										
Charges for Services -										
Medical Care Facility	19,234,378	19,723,547	21,656,561	23,451,325	21,105,999	22,954,928	23,695,316	25,636,575	26,888,857	28,368,272
Delinquent Tax	1,317,845	1,643,288	2,520,600	1,166,265	1,397,803	1,257,148	1,127,464	1,280,532	1,158,414	1,275,907
Telecommunications	-	-	-	-	-	-	-	-	-	19,380
Operating Grants and Contributions	-	-	-	-	-	-	38,589	19,199	-	-
Total Business-type Activities Program Revenues	20,552,223	21,366,835	24,177,161	24,617,590	22,503,802	24,212,076	24,861,369	26,936,306	28,047,271	29,663,559
Total Primary Government Program Revenues	52,815,751	51,595,405	57,252,257	55,956,760	56,771,398	59,342,887	60,679,254	63,255,865	66,112,390	68,042,729
Net (expense)/revenue										
Governmental Activities	( 12,916,235)	( 12,860,701)	( 11,465,264)	( 12,932,582)	( 12,845,888)	( 16,377,695)	( 16,700,519)	( 14,959,725)	( 18,480,125)	( 15,357,782)
Business-type Activities	1,684,036	( 590,498)	2,022,451	2,109,081	( 835,862)	713,537	84,035	( 1,766,392)	( 363,651)	( 2,180,026)
Total Primary Government Net Expenses	( 11,232,199)	( 13,451,199)	( 9,442,813)	( 10,823,501)	( 13,681,750)	( 15,664,158)	( 16,616,484)	( 16,726,117)	( 18,843,776)	( 17,537,808)

Continued

# LAPEER COUNTY, MICHIGAN

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property taxes	\$ 12,766,862	\$ 13,680,318	\$ 12,086,201	\$ 12,256,788	\$ 12,797,132	\$ 12,599,779	\$ 12,821,205	\$ 13,072,876	\$ 13,656,642	\$ 14,255,291
Unrestricted grants and contributions	8,975	1,557,117	1,281,637	1,304,881	1,444,556	1,674,824	1,683,815	1,712,223	1,736,456	1,722,992
Investment earnings	392,381	404,060	213,681	51,699	173,195	125,415	164,921	170,069	185,742	401,706
Gain on sale of capital assets	-	-	-	-	-	-	32,594	11,855	23,258	19,120
Transfers	4,697	6,224	4,021	385,639	1,669,911	260,507	2,060,000	1,463,195	1,898,822	1,403,000
Total Governmental Activities	13,172,915	15,647,719	13,585,540	13,999,007	16,084,794	14,660,525	16,762,535	16,430,218	17,500,920	17,802,109
Business-type Activities:										
Property taxes	930,705	909,353	863,590	876,530	810,147	912,656	904,079	922,219	924,711	965,004
Unrestricted grants and contributions	24,765	30,973	9,274	19,434	7,830	19,022	11,141	21,184	25,701	43,536
Investment earnings	115,568	28,142	20,040	18,455	25,684	7,977	12,621	23,230	102,340	98,399
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)
Total Business-type Activities	1,071,038	968,468	892,904	599,419	( 1,006,339)	790,497	( 1,132,159)	( 496,562)	( 846,070)	( 296,061)
Total Primary Government	14,243,953	16,616,187	14,478,444	14,598,426	15,078,455	15,451,022	15,630,376	15,933,656	16,654,850	17,506,048
<b>Change in Net Position</b>										
Governmental Activities	256,680	2,787,018	2,120,276	1,066,425	3,238,906	( 1,717,170)	62,016	1,470,493	( 979,205)	2,444,327
Business-type Activities	2,755,074	377,970	2,915,355	2,708,500	( 1,842,201)	1,504,034	( 1,048,124)	( 2,262,954)	( 1,209,721)	( 2,476,087)
Total Primary Government	\$ 3,011,754	\$ 3,164,988	\$ 5,035,631	\$ 3,774,925	\$ 1,396,705	\$ ( 216,136)	\$ ( 986,108)	\$ 792,461	\$ ( 2,188,926)	\$ ( 31,760)

Source: Lapeer County Finance Department

Concluded

**LAPEER COUNTY, MICHIGAN**

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund -										
Nonspendable	\$ -	\$ 144,292	\$ 161,941	\$ 293,351	\$ 293,341	\$ 436,366	\$ 333,485	\$ 117,821	\$ 554,066	\$ 486,474
Restricted	-	2,504,748	2,533,796	2,547,799	2,560,317	2,560,317	2,585,133	2,603,951	2,628,837	2,715,027
Committed	-	3,784,958	3,800,594	3,813,324	3,821,027	3,817,940	1,704,478	1,441,719	1,448,044	1,460,010
Assigned	-	-	-	-	-	-	81,872	329,265	358,420	500,000
Unassigned	-	5,190,092	5,445,711	5,531,941	5,794,629	5,636,828	5,569,358	5,234,863	4,443,589	4,307,691
Reserved	110,110	-	-	-	-	-	-	-	-	-
Unreserved	<u>4,312,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>\$ 4,422,705</u>	<u>\$ 11,624,090</u>	<u>\$ 11,942,042</u>	<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>
All other Governmental Funds -										
Nonspendable	\$ -	\$ 67,637	\$ 111,655	\$ 90,311	\$ 238,903	\$ 82,975	\$ 65,590	\$ 44,703	\$ 102,566	\$ 39,547
Restricted	-	8,627,426	7,224,611	7,487,340	6,709,350	6,542,840	6,889,571	6,627,402	6,635,880	7,281,217
Committed	-	2,160,986	2,945,758	3,114,062	4,080,433	4,314,531	5,233,713	3,461,721	3,602,994	3,657,864
Reserved	497,271	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	10,404,991	-	-	-	-	-	-	-	-	-
Debt service funds	63,400	-	-	-	-	-	-	-	-	-
Capital project funds	<u>693,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other Governmental Funds	<u>\$ 11,658,882</u>	<u>\$ 10,856,049</u>	<u>\$ 10,282,024</u>	<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>

Source: Lapeer County Finance Department

Note: As of and for the year ended December 31, 2011, the County implemented GASB Statement No. 54, which modified fund balance classifications. The modifications are reflected above in the years after 2011.

# LAPEER COUNTY, MICHIGAN

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Property taxes	\$ 12,776,677	\$ 13,680,318	\$ 12,229,576	\$ 12,256,788	\$ 12,797,132	\$ 12,599,779	\$ 12,821,205	\$ 13,072,876	\$ 13,656,642	\$ 14,255,291
Licenses and permits	518,583	485,784	509,203	508,940	556,463	579,697	592,723	695,362	690,043	628,951
Intergovernmental	9,849,554	8,988,252	8,941,848	8,593,470	9,190,544	8,051,779	25,869,961	26,286,176	27,135,415	28,232,029
Charges for services	17,002,625	17,688,094	20,577,714	20,286,836	21,085,945	24,192,890	6,715,574	6,823,579	6,973,802	7,546,519
Fines and forfeits	419,357	351,642	403,012	370,531	359,655	343,552	466,477	314,399	259,853	229,196
Rents and royalties	382,454	211,516	376,174	360,241	391,233	208,558	243,885	246,001	243,878	249,719
Interest	392,381	564,776	213,681	51,699	173,195	125,415	164,889	170,069	185,742	401,706
Other	3,977,887	3,868,684	3,710,285	3,422,509	3,714,606	3,174,203	3,456,938	3,539,280	3,517,794	3,693,399
Total Revenues	<u>45,319,518</u>	<u>45,839,066</u>	<u>46,961,493</u>	<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>
<b>Expenditures:</b>										
Current -										
Legislative	290,948	261,095	267,547	272,414	281,705	289,048	312,344	308,445	324,444	334,970
Judicial	5,172,038	4,785,333	4,858,563	4,757,337	4,874,708	5,117,641	5,139,345	4,990,937	5,093,584	5,359,638
General Government	5,390,083	4,893,618	5,213,509	4,992,545	5,283,633	5,277,806	6,970,287	5,629,086	6,187,201	5,932,679
Public Safety	10,513,273	9,922,910	9,744,481	9,772,045	10,151,606	10,205,264	10,609,194	10,743,272	11,259,634	11,542,400
Public Works	897,993	397,668	291,631	369,412	340,565	339,731	341,928	934,524	632,482	409,088
Health and Welfare	21,549,585	21,642,974	22,173,092	22,083,897	23,130,639	24,937,959	25,376,846	26,411,591	27,146,199	28,286,026
Recreation and Culture	512,103	414,190	375,424	380,680	360,234	352,834	410,281	417,600	400,184	371,209
Other Activities	1,254,825	414,047	418,961	231,067	408,093	183,432	329,241	376,910	580,293	555,686
Capital Outlay	4,584	10,772,923	1,305,461	236,100	555,236	443,583	-	2,861,210	396,168	410,430
Debt Service -										
Principal	155,000	145,000	2,170,000	1,665,000	1,685,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Interest and Charges	37,125	256,313	508,500	437,625	383,875	333,312	284,562	229,250	169,250	109,250
Bond issuance costs	-	78,706	-	-	-	-	-	-	-	-
Total Expenditures	<u>45,777,557</u>	<u>53,984,777</u>	<u>47,327,169</u>	<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>
Revenues over (under) expenditures	<u>( 458,039)</u>	<u>( 8,145,711)</u>	<u>( 365,676)</u>	<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>
<b>Other Financing Sources (Uses):</b>										
Issuance of bonds	-	14,475,000	-	-	-	-	-	-	-	-
Premium of refunding bonds	-	220,756	-	-	-	-	-	-	-	-
Transfers in	5,158,443	2,748,041	2,811,347	2,575,900	4,630,932	2,301,718	4,971,400	3,905,199	3,893,297	3,412,173
Transfers out	( 5,159,713)	( 2,761,992)	( 2,839,286)	( 2,574,730)	( 4,824,539)	( 2,703,184)	( 5,303,923)	( 3,251,871)	( 2,954,076)	( 3,164,173)
Total other financing sources (uses)	<u>( 1,270)</u>	<u>14,681,805</u>	<u>( 27,939)</u>	<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>
<b>Net Change in Fund Balances</b>	<u><u>\$ ( 459,309)</u></u>	<u><u>\$ 6,536,094</u></u>	<u><u>\$ ( 393,615)</u></u>	<u><u>\$ 654,062</u></u>	<u><u>\$ 619,872</u></u>	<u><u>\$ ( 106,203)</u></u>	<u><u>\$ ( 1,274,899)</u></u>	<u><u>\$ ( 2,601,755)</u></u>	<u><u>\$ ( 87,049)</u></u>	<u><u>\$ 673,434</u></u>
Debt service as a percentage of noncapital expenditures	<u>0.4%</u>	<u>0.9%</u>	<u>5.8%</u>	<u>4.7%</u>	<u>4.4%</u>	<u>3.8%</u>	<u>3.5%</u>	<u>3.4%</u>	<u>3.1%</u>	<u>3.0%</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.

# LAPEER COUNTY, MICHIGAN

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Property taxes	\$ 10,185,744	\$ 9,729,526	\$ 9,488,760	\$ 9,359,926	\$ 9,905,240	\$ 9,679,668	\$ 9,835,298	\$ 10,091,658	\$ 10,589,210	\$ 11,050,459
Licenses and permits	32,051	26,990	25,075	40,608	60,335	57,911	2,733	2,725	2,700	2,567
Intergovernmental	1,849,879	2,795,363	2,658,672	2,642,041	2,881,812	2,518,196	2,687,438	2,730,787	2,767,259	2,817,926
Charges for services	2,255,845	2,133,293	2,360,289	2,350,542	2,127,751	2,235,273	2,256,000	2,206,697	2,254,193	2,178,638
Fines and forfeits	326,271	241,189	220,998	205,975	202,479	186,235	275,946	161,471	162,830	151,579
Rents and royalties	160,712	15,884	177,001	178,854	188,958	194,042	229,348	230,277	228,592	232,295
Interest on long term debt	266,795	549,646	200,432	40,359	170,165	123,632	161,615	164,452	177,769	385,684
Other	3,441,681	2,957,892	3,129,152	2,742,557	2,906,648	2,661,452	2,975,123	2,729,156	2,937,362	3,093,411
Total Revenues	<u>18,518,978</u>	<u>18,449,783</u>	<u>18,260,379</u>	<u>17,560,862</u>	<u>18,443,388</u>	<u>17,656,409</u>	<u>18,423,501</u>	<u>18,317,223</u>	<u>19,119,915</u>	<u>19,912,559</u>
<b>Expenditures:</b>										
Current -										
Legislative	290,948	261,095	267,547	272,414	281,705	289,048	312,344	308,445	324,444	334,970
Judicial	3,710,484	3,504,248	3,589,040	3,456,771	3,601,312	3,699,909	3,728,001	3,610,715	3,642,189	3,641,338
General Government	5,211,179	4,820,982	5,113,500	4,897,991	5,153,277	4,927,129	5,345,942	5,497,250	6,004,645	5,760,483
Public Safety	5,801,534	5,668,884	5,711,327	5,840,850	6,001,753	5,892,611	6,251,389	6,210,955	6,640,644	6,850,534
Public Works	297,441	278,040	291,631	369,412	340,565	339,731	341,928	934,524	632,482	409,088
Health and Welfare	198,156	183,878	179,862	98,335	86,455	90,022	99,640	104,171	108,471	140,441
Recreation and Culture	273,511	226,735	197,273	215,473	211,761	202,795	220,942	230,337	229,270	219,600
Other Activities	1,254,825	414,047	418,961	231,067	408,093	183,432	329,241	376,910	580,293	555,686
Total Expenditures	<u>17,038,078</u>	<u>15,357,909</u>	<u>15,769,141</u>	<u>15,382,313</u>	<u>16,084,921</u>	<u>15,624,677</u>	<u>16,629,427</u>	<u>17,273,307</u>	<u>18,162,438</u>	<u>17,912,140</u>
Revenues over expenditures	<u>1,480,900</u>	<u>3,091,874</u>	<u>2,491,238</u>	<u>2,178,549</u>	<u>2,358,467</u>	<u>2,031,732</u>	<u>1,794,074</u>	<u>1,043,916</u>	<u>957,477</u>	<u>2,000,419</u>
<b>Other Financing Sources (Uses):</b>										
Transfers in	1,625,587	9,518	-	-	1,850,000	-	67,813	960,195	901,831	400,000
Transfers out	( 2,791,721)	( 2,102,474)	( 2,173,286)	( 1,934,176)	( 3,925,568)	( 2,049,595)	( 4,256,569)	( 2,550,818)	( 2,153,971)	( 2,364,173)
Total Other Financing Uses	<u>( 1,166,134)</u>	<u>( 2,092,956)</u>	<u>( 2,173,286)</u>	<u>( 1,934,176)</u>	<u>( 2,075,568)</u>	<u>( 2,049,595)</u>	<u>( 4,188,756)</u>	<u>( 1,590,623)</u>	<u>( 1,252,140)</u>	<u>( 1,964,173)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 314,766</u>	<u>\$ 998,918</u>	<u>\$ 317,952</u>	<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>

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					
2010	2009	\$ 2,325,344,283	\$ 420,619,015	\$ 306,548,119	\$ 83,992,045	\$ 184,270,311	\$ 3,320,773,773	\$ 163,255,897	4.8686	\$ 6,641,547,546
2011	2010	\$ 2,169,025,047	\$ 390,896,551	\$ 283,417,294	\$ 68,605,895	\$ 184,651,990	\$ 3,096,596,777	\$ 161,625,970	5.1186	\$ 6,193,193,554
2012	2011	\$ 2,025,772,813	\$ 372,295,452	\$ 261,688,127	\$ 64,354,683	\$ 186,546,886	\$ 2,910,657,961	\$ 144,045,208	5.2186	\$ 5,821,315,922
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

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**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
County -										
Operating	3.7886	3.7886	3.7886	3.7886	3.7886	3.7886	3.7666	3.7421	3.7275	3.7245
Extra Voted	<u>1.0800</u>	<u>1.3300</u>	<u>1.4300</u>	<u>1.4300</u>	<u>1.4300</u>	<u>1.4300</u>	<u>2.4215</u>	<u>2.4055</u>	<u>2.4015</u>	<u>2.4037</u>
Total County	<u>4.8686</u>	<u>5.1186</u>	<u>5.2186</u>	<u>5.2186</u>	<u>5.2186</u>	<u>5.2186</u>	<u>6.1881</u>	<u>6.1476</u>	<u>6.1290</u>	<u>6.1282</u>
Townships -										
Almont	4.5616	4.5783	3.6312	3.6312	3.6126	3.6126	3.5849	3.5917	3.5427	3.5241
Arcadia	2.3096	2.3096	2.3096	2.3096	2.3072	2.3031	2.2901	2.2745	2.2585	2.2466
Attica	4.3695	4.3695	4.3695	4.3695	4.3695	4.3695	4.3313	4.3102	4.2767	4.3521
Burlington	2.4969	2.4969	2.4969	2.4969	2.4850	2.4850	2.4803	2.4706	2.4647	2.4647
Burnside	2.4514	2.4514	2.4514	2.4514	2.4514	2.4514	2.4467	2.4328	2.4304	2.4044
Deerfield	2.5122	2.5122	2.5267	2.5267	2.5130	2.4914	2.5121	2.4924	2.4799	2.4641
Dryden	4.6675	4.6675	4.6675	4.7149	4.7149	4.7029	4.6533	4.5968	4.9299	4.9085
Elba	4.0285	3.7785	3.7785	4.0285	4.0285	4.0285	4.0173	3.9553	3.9506	3.9460
Goodland	2.3217	2.3217	2.3217	2.3217	2.3217	2.3217	2.3121	2.2983	2.2729	2.2549
Hadley	2.8153	2.9942	2.9764	2.9461	2.9173	2.7623	2.7380	2.7070	2.6586	2.6147
Imlay	2.9702	2.9702	2.9724	2.9428	2.9413	2.9344	2.9323	2.9176	3.0235	3.1071
Lapeer	2.7572	2.7572	2.7572	2.7572	2.7572	2.7572	2.7381	2.7114	2.6809	2.6663
Marathon	2.2927	2.2927	2.2927	2.2927	2.2858	2.2737	2.2654	2.2497	2.2389	2.2306
Mayfield	2.7053	2.7053	2.7053	2.7053	2.7053	2.7053	2.6875	2.6657	2.6573	2.6518
Metamora	5.3955	5.3955	5.3955	5.3955	5.3955	5.3870	5.3702	5.3411	5.3327	5.3327
North Branch	3.8665	3.8965	4.0045	4.5045	4.5045	4.5045	3.9884	3.9727	3.9647	3.9383
Oregon	2.6238	2.6238	2.6238	2.6238	2.6238	2.6238	2.6022	2.5408	2.5660	2.5628
Rich	5.4572	5.4572	5.4572	5.4344	5.4344	5.4344	5.4110	5.3939	5.3111	5.2534
Cities -										
Imlay City	17.3500	17.2000	20.3500	20.3500	20.7213	20.7213	22.8378	20.9929	22.4921	24.3840
City of Lapeer	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9438	10.9350	10.9323	10.9323
Brown City	18.1233	18.1233	18.1233	18.1233	18.1233	18.1233	18.1123	18.1064	18.1051	17.9051

Continued



# LAPEER COUNTY, MICHIGAN

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Villages -										
Almont	16.6151	17.6151	17.8020	17.6670	17.3420	17.3420	15.6970	16.9417	16.5447	16.5383
Clifford	19.1700	19.1700	19.1700	18.8109	18.8095	20.2671	20.2671	20.1129	20.1129	20.9992
Columbiaville	13.1241	13.1241	13.1241	13.1241	14.1241	14.0915	14.0871	14.9758	14.9001	14.6917
Dryden	9.8110	11.8110	11.8100	11.8100	11.8110	11.8110	11.8110	12.8927	12.8692	12.7652
Metamora	10.4711	10.4711	10.4711	10.4711	10.4711	10.4711	10.4711	11.3598	11.3574	11.3574
North Branch	14.6483	14.6483	14.6483	14.6483	14.6483	14.6483	14.6483	14.6453	14.6453	14.5207
Otter Lake	12.7720	12.2772	12.7720	12.7720	12.7043	12.7043	12.7043	13.5930	13.5906	13.5499
Local School Districts -										
Almont	14.4500	14.4500	14.4500	14.4500	15.4500	14.9864	15.4391	14.6649	14.2581	15.4155
Brandon	14.2400	14.2400	14.2400	14.2400	15.6600	18.9460	18.1600	18.0306	18.0306	18.0306
Brown City	11.9980	11.9980	13.0000	13.0000	13.0000	13.0000	12.7500	12.1712	11.9711	12.0000
Capac	10.7000	10.7000	10.6000	10.6000	10.6000	10.3100	10.3100	10.1894	10.0374	9.7008
Davison	9.1316	9.1316	10.7000	10.1516	10.1416	10.1216	9.9633	9.7170	9.4646	9.3846
Dryden	9.1000	9.1000	9.2500	9.3500	9.3500	9.3500	9.8630	9.2451	9.0984	9.3641
Goodrich	10.5600	13.7500	10.6300	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500
Imlay	11.7500	11.7500	12.1000	12.1000	13.0000	13.0000	13.0000	12.8560	12.6060	12.5000
Kingston	12.1500	12.1500	11.9000	11.7500	11.6200	11.6200	11.6200	11.6200	11.6200	11.4500
Lakeville	9.6500	9.6500	10.7000	10.6000	10.3600	10.1400	10.7600	10.0000	8.5000	8.5000
Lapeer	8.8000	8.6000	9.0000	9.0000	9.0000	9.0000	8.7500	8.7500	8.7500	8.7500
Marlette	6.0000	6.0000	7.9500	7.3000	7.3000	7.3000	7.3400	7.3400	7.8000	7.5000
Mayville	11.1500	11.1500	11.7500	11.8000	11.4000	11.4000	11.4000	11.4000	11.4000	11.4000
North Branch	13.0000	13.0000	13.0000	13.0000	13.8300	14.4400	14.4400	14.4400	14.4400	14.4400
Oxford	13.0000	13.0000	13.0000	13.0000	13.9000	13.8442	13.9000	13.8153	14.3693	14.3657
Intermediate School Districts -										
Lapeer	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.7261	2.8915	2.8798	2.8782

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>	2019			2010		
	Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
DTE	\$ 102,526,519	1	2.57%	\$ 59,588,777	1	1.79%
Consumers Energy	28,141,220	2	0.70%	33,223,062	2	1.00%
ITC	26,696,556	3	0.67%	17,487,201	4	0.53%
Enbridge	12,833,036	4	0.32%	N/A		N/A
Meijer	5,103,875	5	0.13%	5,461,900	8	0.16%
Wal-Mart	5,060,143	6	0.13%	4,665,844	10	0.14%
Pinnacle	4,800,701	7	0.12%	14,091,770	5	0.42%
HC Holdings	4,133,993	8	0.10%	N/A		N/A
RH Investments	3,650,078	9	0.09%	N/A		N/A
Imlay Plaza	3,270,144	10	0.08%	N/A		N/A
Lemforder ZF Corporation	N/A		N/A	18,119,108	3	0.55%
Kamax LP	N/A		N/A	7,837,001	6	0.24%
Toyo	N/A		N/A	7,488,946	7	0.23%
Rubber Enterprises	N/A		N/A	5,114,840	9	0.15%
<b>Total</b>	<b>\$ 196,216,265</b>		<b>4.91%</b>	<b>\$ 173,078,449</b>		<b>5.21%</b>
Total Assessed Value	\$ 3,993,832,556			\$ 3,320,773,773		

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
2010	2009	\$ 87,682,390	( 492,741)	\$ 87,189,649	\$ 79,467,222	91.14	\$ 7,722,427	\$ 87,189,649	100%
2011	2010	\$ 83,226,932	( 298,510)	\$ 82,928,422	\$ 75,497,463	91.04	\$ 7,432,960	\$ 82,930,423	100%
2012	2011	\$ 81,865,272	( 906,941)	\$ 80,958,331	\$ 74,824,932	92.42	\$ 6,252,661	\$ 81,077,593	100%
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%

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
2010	2009	\$ 10,780,164	( 22,905)	\$ 10,757,259	\$ 10,174,532	94.58	\$ 583,326	\$ 10,757,858	100%
2011	2010	\$ 10,297,232	( 13,524)	\$ 10,283,708	\$ 9,812,091	95.41	\$ 471,617	\$ 10,283,708	100%
2012	2011	\$ 9,856,913	( 23,340)	\$ 9,833,573	\$ 9,394,302	95.53	\$ 439,274	\$ 9,833,576	100%
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%

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
2010	2009	\$ 556,900	\$ 556,900	100%
2011	2010	\$ 306,119	\$ 306,119	100%
2012	2011	\$ 497,802	\$ 497,802	100%
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%

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					
2010	2009	88,319	\$ 25,502	\$ 3,320,773,773	\$ 665,000	\$ ( 10,285)	\$ 654,715	\$ 63,400	\$ 591,315	0.03%	0.02%	6.70
2011	2010	88,082	\$ 30,386	\$ 3,096,596,777	\$ 14,995,000	\$ 190,967	\$ 15,185,967	\$ 1,879,983	\$ 13,305,984	0.50%	0.46%	151.06
2012	2011	88,173	\$ 31,825	\$ 2,910,657,961	\$ 12,850,000	\$ 171,463	\$ 13,021,463	\$ 1,423,495	\$ 11,597,968	0.41%	0.40%	131.54
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

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, 2019 - UNAUDITED

			Amount Outstanding
<b>Direct Debt:</b>			
General Obligation			\$ 1,975,000
Premiums, Discounts, and Adjustments			<u>22,075</u>
Total Direct Debt			<u><u>\$ 1,997,075</u></u>
	Gross Amounts Outstanding	Percentage Applicable to County	Share Applicable to County
<b>Overlapping Debt of County:</b>			
School Districts -			
Almont	\$ 23,236,483	74.07%	\$ 17,211,263
Brandon	88,300,917	3.22%	2,843,290
Brown City	7,225,000	38.81%	2,804,023
Capac	12,805,000	0.99%	126,770
Davison	14,150,000	0.66%	93,390
Dryden	5,630,000	100.00%	5,630,000
Goodrich	40,303,705	12.16%	4,900,931
Imlay City	9,075,000	100.00%	9,075,000
Kingston	6,655,000	0.24%	15,972
Lakeville	6,135,000	47.16%	2,893,266
Lapeer	40,345,000	100.00%	40,345,000
Marlette	4,785,000	15.30%	732,105
Mayville	9,250,000	12.98%	1,200,650
North Branch	47,798,203	100.00%	47,798,203
Oxford	148,679,380	5.78%	8,593,668
Total School Districts	<u>464,373,688</u>		<u>144,263,531</u>
Cities -			
Brown City	365,000	0.38%	1,387
Imlay City	3,851,810	100.00%	3,851,810
Lapeer	3,490,000	100.00%	3,490,000
Total Cities	<u>7,706,810</u>		<u>7,343,197</u>
Villages -			
Almont	2,567,694	100.00%	2,567,694
Columbiaville	150,000	100.00%	150,000
Dryden	309,868	100.00%	309,868
Otter Lake	1,863,000	74.22%	1,382,719
Total Villages	<u>4,890,562</u>		<u>4,410,281</u>
Community Colleges -			
Mott Community College	59,445,000	2.13%	1,266,179
St. Clair Community College	5,910,000	0.05%	2,955
Total Community Colleges	<u>65,355,000</u>		<u>1,269,134</u>

# LAPEER COUNTY, MICHIGAN

## COMPUTATION OF DIRECT AND OVERLAPPING LONG-TERM BONDED DEBT DECEMBER 31, 2019 - UNAUDITED

	Gross Amounts Outstanding	Percentage Applicable to County	Share Applicable to County
<b>Overlapping Debt of County continued:</b>			
Intermediate School Districts -			
Genesee ISD	\$ 7,070,000	2.13%	\$ 150,591
Lapeer ISD	1,770,000	96.59%	1,709,643
Oakland ISD	43,855,000	0.15%	65,783
Sanilac ISD	315,421	5.50%	17,348
Total Intermediate School Districts	<u>53,010,421</u>		<u>1,943,365</u>
Townships -			
Deerfield	59,238	100.00%	59,238
Elba	1,640,000	100.00%	1,640,000
Goodland	341,000	100.00%	341,000
Lapeer	165,325	100.00%	165,325
Marathon	110,000	100.00%	110,000
North Branch	345,000	100.00%	345,000
Total Townships	<u>2,660,563</u>		<u>2,660,563</u>
Total Overlapping Debt	<u>597,997,044</u>		<u>161,890,070</u>
Total County Net Direct and Overlapping Debt			<u><u>\$ 163,887,145</u></u>

### Legal Debt Margin Calculation for 2019

Assessed Value	<u><u>\$ 3,993,832,556</u></u>
Debt limit (10% of assessed value)	\$ 399,383,256
Less: Amount of outstanding debt	<u>1,997,075</u>
Legal debt margin	<u><u>\$ 397,386,181</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
2010	2009	\$3,320,773,773	\$ 332,077,377	\$ 654,715	\$ 331,422,662	0.20%
2011	2010	\$3,096,596,777	\$ 309,659,678	\$ 15,185,967	\$ 294,473,711	4.90%
2012	2011	\$2,910,657,961	\$ 291,065,796	\$ 13,021,463	\$ 278,044,333	4.47%
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%

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
2010	88,319	\$2,252,311,000	\$ 25,502	15,251	13.90%
2011	88,082	\$2,676,479,000	\$ 30,386	13,415	12.30%
2012	88,173	\$2,803,219,000	\$ 31,825	14,643	13.10%
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%

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 2019 AND NINE YEARS AGO - UNAUDITED**

**Current Year (2019)**

<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	900	1	2.65%
ConAgra Brands Vlastic	Manufacturing	710	2	2.09%
Lapeer Community Schools	Education	685	* 3	2.02%
Kamax	Manufacturing	500	4	1.47%
Lapeer County	Government	399	5	1.18%
ZF Manufacturing	Manufacturing	320	6	0.94%
Walmart	Retail	302	* 7	0.89%
Meijer	Retail	287	* 8	0.85%
Lapeer Plating and Plastics	Manufacturing	275	9	0.81%
Champion Bus	Manufacturing	240	10	0.71%

Source: Lapeer Economic Development Commission and Lapeer County Treasurer

\* 2018 data. 2019 data was not available.

**LAPEER COUNTY, MICHIGAN**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR 2019 AND NINE YEARS AGO - UNAUDITED**

**Historical Fiscal Year (2010)**

<u>Employers</u>	<u>Product/Service</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Lapeer Regional Medical Center	Health Care	756	1	2.56%
Lapeer Community Schools	Education	715	2	2.42%
Lapeer Industries	Manufacturing	500	3	1.69%
Lapeer County	Government	391	4	1.32%
Walmart	Retail	390	5	1.32%
Thumb Correctional Facility	State Prison	365	6	1.24%
Meijer	Retail	340	7	1.15%
Pinnacle Foods	Food Processing	300	8	1.02%
Champion Bus, Inc.	Manufacturing	300	9	1.02%
North Branch Area Schools	Education	288	10	0.98%

Concluded

**LAPEER COUNTY, MICHIGAN**

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEE POSITIONS BY FUNCTION  
LAST TEN YEARS - UNAUDITED**

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Legislative</b>										
Board of Commissioners	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Administrative	3.1	2.0	2.3	2.4	2.5	2.6	2.6	2.7	2.7	2.7
<b>Judicial</b>										
Circuit Court	15.1	14.4	14.3	13.5	16.7	17.4	16.5	15.6	15.5	15.7
District Court	21.8	21.9	21.5	19.6	20.8	20.7	20.1	19.0	19.9	19.4
Friend of the Court	18.2	17.9	17.7	18.2	17.9	17.9	17.5	17.0	17.8	17.5
Probate Court	3.7	3.7	3.7	3.7	0.1	0.0	0.0	0.0	0.0	0.0
Community Corrections	3.5	3.2	3.3	3.2	2.5	2.9	2.8	1.5	1.6	1.6
Child Care	3.3	3.0	2.6	2.5	2.7	3.3	2.1	4.3	4.9	5.3
<b>General Government</b>										
County Clerk	8.0	7.9	8.0	8.0	8.0	8.1	8.5	8.2	8.0	8.4
Equalization	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	1.0	1.0
Prosecuting Attorney	14.7	13.8	14.0	14.1	14.0	15.0	15.2	12.5	13.7	13.8
Register of Deeds	4.1	3.7	4.0	4.0	4.2	4.3	4.4	3.6	4.0	3.9
County Treasurer	6.3	6.3	6.2	6.4	6.3	6.3	6.1	4.7	4.9	6.0
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	1.0	1.0	1.0	0.8	0.0	0.0	0.0	0.0
Finance	4.0	4.0	4.0	3.9	3.9	4.0	4.4	4.7	5.0	5.0
Building and Grounds	5.9	5.9	4.5	4.8	5.0	5.2	0.0	4.8	5.1	4.9
Drain Office	6.0	5.1	4.9	5.0	4.6	4.7	3.5	2.9	2.7	2.7
MSU Extension	2.7	2.0	2.0	2.0	2.0	2.0	1.9	1.9	2.1	1.9
County Surveyor	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.0
<b>Public Safety</b>										
Sheriffs Department	49.8	47.8	47.0	48.1	48.5	48.7	50.5	51.6	51.0	50.2
County Jail	29.7	29.9	29.9	29.9	29.8	29.4	29.9	29.9	29.8	30.5
Central Dispatch	18.3	18.6	18.4	18.6	18.1	18.2	18.3	18.0	18.3	17.7
Animal Control	3.0	3.0	2.8	2.9	3.4	3.8	3.8	3.8	4.0	3.9
Emergency Operations	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9	1.0
<b>Health and Welfare</b>										
Parks Department	2.7	1.7	2.6	2.7	2.1	2.4	3.7	4.0	2.7	2.1
Community Health										
Public Health	50.0	47.5	34.1	33.4	34.6	35.6	35.9	35.2	36.9	37.5
Senior Services			12.8	14.4	14.0	15.1	15.7	16.4	17.3	17.5
Community Mental Health	69.4	68.1	67.4	68.6	72.4	77.7	76.9	75.2	73.8	84.9
Multi-Purpose	5.9	4.7	3.9	2.5	0.7	1.6	0.0	0.0	0.0	0.0
Veterans	1.0	1.3	1.4	2.0	2.9	3.8	3.9	3.8	4.0	3.9
Community Development	1.0	0.0	1.0	1.2	1.5	2.9	0.4	0.0	0.0	0.3
	362.2	348.4	345.3	346.6	350.2	364.4	354.3	351.1	355.6	367.3

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>LEGISLATIVE</b>										
<b><u>Board of Commissioners</u></b>										
Full Board Meetings	26	25	25	24	25	23	24	25	24	25
Committee of the Whole Meetings	23	24	23	22	20	20	23	24	23	23
Other Special Meeting/Hearings Held	-	4	6	4	6	5	4	5	4	5
Board Motions Acted Upon	426	398	421	418	433	412	399	420	533	429
<b>JUDICIAL</b>										
<b><u>40th Circuit Court</u></b>										
PPO's Issued	213	223	209	172	186	162	178	186	163	207
Appeals	59	47	50	63	50	38	40	37	25	19
Domestic Cases	659	583	583	671	644	579	603	583	544	538
Civil Cases	285	270	295	231	245	237	204	193	189	187
Adoption	33	33	37	22	22	29	30	26	33	19
Child Protection	19	21	26	35	20	33	31	19	19	25
Juvenile	313	290	259	204	220	171	156	174	161	116
Criminal	331	362	338	293	406	369	321	283	335	292
Misc. Family Filings	48	24	43	24	28	41	28	18	33	40
<b><u>71-A District Court</u></b>										
<b><u>Criminal</u></b>										
Felonies	633	655	623	658	687	661	563	500	561	487
Drunk Driving	469	453	485	465	464	352	388	346	291	306
Traffic Offenses	7,413	6,192	7,180	7,501	7,461	6,314	6,216	6,515	5,906	6,491
Misdemeanors	1,240	1,315	1,127	1,089	1,126	843	871	720	647	471
Non-Traffic Offenses	831	776	470	369	434	446	488	462	506	294
<b><u>Civil</u></b>										
General Civil	2,856	2,518	2,356	2,158	1,927	1,999	1,772	2,123	2,266	2,194
Landlord/Tenant	737	824	841	897	765	712	755	747	689	600
Small Claims	369	364	322	362	353	434	301	265	237	255
<b><u>Probate/Family Court</u></b>										
<b><u>Civil</u></b>										
Conservatorship/Protective Orders	35	31	19	28	27	25	24	20	34	35
Estates	166	167	148	171	173	184	196	173	181	189
Guardianships	78	60	98	88	94	75	87	70	85	101
Judicial Admin/Mental Commitments	42	167	41	36	45	59	44	41	48	49
Trusts	8	10	12	7	4	5	8	7	6	3
Wills for Safe Keeping	72	63	69	73	86	65	76	90	76	82
<b><u>Friend of the Court</u></b>										
Caseload	6,000	5,976	4,916	4,977	4,949	4,929	4,922	4,803	4,673	4,491
Children IV-D Cases	7,667	8,123	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bench Warrants Issued	466	235	590	488	502	561	559	607	617	563
Referee Hearings Conducted	3,797	6,055	1,931	941	1,587	1,692	1,578	1,358	1,320	1,520
Cases Mediated	22	18	19	54	41	57	61	86	94	107

Source: Lapeer County Finance Department

Continued

# LAPEER COUNTY, MICHIGAN

## OPERATING INDICATORS BY FUNCTION LAST TEN YEARS - UNAUDITED

FUNCTION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>PUBLIC SAFETY</b>										
<b><u>Community Corrections</u></b>										
Clients - Community Service	62	56	49	29	21	N/A	N/A	N/A	N/A	N/A
Clients - Jail Crew	64	49	56	57	37	49	67	N/A	N/A	N/A
Clients - Day Reporting	74	64	68	63	56	54	57	60	26	38
Drunk Driver Jail Reduction Program	66	39	19	17	21	22	12	27	22	24
Jail Beds Saved	6,406	5,146	4,707	6,625	5,061	5,143	7,167	5,665	2,912	3,785
<b><u>Prosecuting Attorney</u></b>										
Felony Cases Authorized	626	662	676	687	633	644	545	477	546	506
Domestic Violence - Felony	56	50	70	59	68	71	41	30	56	58
Misdemeanor Cases Filed	2,256	2,130	2,158	1,779	1,938	2,144	1,962	2,210	1,636	1,619
Misdemeanor Domestic Violence	203	181	139	116	99	105	67	69	90	99
Juvenile Petitions Filed	383	299	239	260	188	168	201	147	146	102
Juvenile Domestic Violence Authorized	15	14	13	18	17	10	9	17	13	16
Victims Rights - Eligible Victims	824	815	760	724	808	868	719	709	691	673
Victims Rights Domestic Fel/Misd/Juv	212	220	222	294	184	240	120	116	159	173
Drug - Misdemeanor/Felony Authorized	1,109	445	424	554	506	435	406	404	309	115
Drunk Driving Misd/Felony	463	404	468	486	496	388	420	387	306	271
Non-Support	105	258	207	241	276	201	197	250	220	238
Paternity	62	67	92	105	92	84	72	67	60	56
URESA	7	18	19	14	19	18	27	27	18	-
<b><u>Sheriff's Department</u></b>										
Jail Bookings	2,687	2,521	2,634	2,381	2,178	2,048	1,989	1,944	1,925	1,852
Calls Answered	21,644	21,906	23,451	23,451	21,211	27,211	29,964	25,304	29,384	25,830
Fatal Crashes	7	12	5	5	12	9	6	10	14	11
Personal Injury Crashes	401	435	415	407	391	425	219	208	403	416
Property Damage Crashes	2,401	2,316	2,311	2,304	2,378	2,476	1,179	1,137	2,487	2,574
Private Property Crashes	N/A	N/A	N/A	612	N/A	N/A	N/A	N/A	N/A	N/A
Detective Bureau Arrests	538	755	669	669	651	684	618	636	533	462
Secondary Road Patrol Tickets Issued	177	211	478	3,471	442	519	431	424	336	281
Purchase Permits Issued	2,465	1,049	3,471	2,542	568	683	746	576	562	547
Marine Division Patrol Hours	1,180	723	777	269	786	595	746	585	585	514
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	7,776	6,887	5,252	5,425	5,635	4,621	4,843	5,866	5,460	5,982
Wireless Calls	20,466	21,494	21,497	22,160	21,576	23,002	24,570	24,862	24,889	23,452
VOIP	318	311	213	348	315	276	337	373	N/A	N/A
Text to 911	N/A	N/A	N/A	N/A	74	69	106	113	55	49
Non-Emergency Calls	68,856	62,476	58,882	54,331	78,798	49,576	45,804	43,401	41,482	74,497
CAD Reports/Dispatch	70,344	68,222	70,154	72,969	72,462	N/A	75,587	77,634	80,733	78,608

# LAPEER COUNTY, MICHIGAN

## OPERATING INDICATORS BY FUNCTION LAST TEN YEARS - UNAUDITED

FUNCTION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>PUBLIC SAFETY - (cont'd)</b>										
<b><u>Emergency Management</u></b>										
EMAC Meetings Held	5	6	4	4	4	3	3	3	4	4
Local Meetings Attended	48	61	53	58	48	35	28	52	89	89
Regional Homeland Security Meetings	88	42	29	17	11	11	14	10	15	15
Disaster Exercise Planning Meetings	7	3	4	9	7	5	6	14	10	10
District Meetings Attended	4	4	5	4	3	3	3	2	3	3
EAG Plan Updates/Policies Written	13	11	2	6	3	10	4	2	-	-
Quarterly Reports Completed	6	4	4	4	4	4	4	4	4	4
Trainings Hosted	6	3	2	3	2	1	2	3	3	3
Tier II Plans Filed	42	78	67	3	3	15	-	-	-	-
Special Events Planned	3	5	6	2	3	1	2	1	4	4
Identification Badges Created	137	166	147	225	181	135	86	48	149	149
<b>HEALTH AND WELFARE</b>										
<b><u>Parks Department</u></b>										
Water Park Attendance	12,516	9,989	22,573	21,177	20,384	28,214	28,357	20,720	24,711	16,045
Reservation Attendance	6,350	5,750	7,125	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
<b><u>Health Department</u></b>										
<b><u>Medical Examiner</u></b>										
Medical Examiner Cases	76	71	71	85	88	70	84	101	114	132
Cremation Permits	237	234	262	351	382	411	430	424	480	560
Hospice	45	N/A	N/A	N/A	N/A	N/A	N/A	N/A	41	52
<b><u>Animal Control</u></b>										
Animal Control Complaints	2,034	1,952	1,629	1,755	1,054	897	799	677	1,088	665
Animals Held at Shelter	1,930	1,909	1,538	1,593	1,365	1,323	1,195	882	769	583
Animals Picked Up	323	373	196	N/A	N/A	N/A	N/A	182	N/A	N/A
Animal Bites - Cases	240	209	164	141	139	113	112	77	86	133
Animals Tested for Rabies	166	176	N/A	22	16	27	39	38	42	36
Animal Rabies Cases	7	-	1	-	-	1	-	1	-	-
<b><u>Environmental Health Division</u></b>										
EH - Sewage Applications	105	117	116	155	183	221	258	281	275	276
EH - Sewage Permits	97	110	62	143	172	211	245	264	262	289
EH - Well Permits	232	225	230	244	224	251	303	273	303	284
Food Service Inspections	554	413	627	451	672	669	571	507	535	599
<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	2,125	1,825	2,091	1,566	1,469	1,365	1,023	1,110	1,156	1,075

Source: Lapeer County Finance Department

Continued



**LAPEER COUNTY, MICHIGAN**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS - UNAUDITED**

<b>FUNCTION</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>HEALTH AND WELFARE - (cont'd)</b>										
<u><b>Immunizations</b></u>										
Childhood Immunizations Given	4,425	4,186	4,451	3,511	4,451	3,348	3,245	2,846	2,608	2,635
Adult Immunizations Given	1,005	667	575	538	460	444	518	718	1,709	1,429
Total Immunizations Given	5,430	4,853	5,026	4,049	4,911	3,792	3,763	3,564	4,317	4,065
<u><b>WIC Program</b></u>										
Individuals Participating in WIC	2,028	1,984	2,023	1,937	1,965	1,736	1,740	1,700	1,659	1,619
<u><b>Hearing &amp; Vision Screening</b></u>										
Hearing & Vision Screening Cases	9,965	10,831	8,896	9,494	10,869	8,462	9,167	9,124	8,574	8,812
<u><b>AICC Program</b></u>										
AICC Clients	497	480	427	411	416	356	408	392	381	307
<u><b>Senior Programs</b></u>										
Home-Delivered Meals	87,281	78,096	76,262	72,651	78,156	82,184	90,419	87,050	87,296	91,184
Congregate Meals	9,595	15,462	12,569	12,897	14,457	13,481	12,981	15,611	13,464	17,070
Medication Management Clients	11	7	9	6	6	4	4	5	4	5
Personal Care/Homemaker Clients	142	145	138	157	161	187	209	234	235	266
Case Coordination Clients	46	49	68	88	84	88	134	167	54	78
Care Management Clients	29	29	29	27	32	31	31	30	30	33
Health Screening Clients	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chore Maintenance Clients	215	223	223	243	252	144	234	234	65	71
Respite Care Clients	72	72	64	88	108	98	98	76	75	80
<u><b>Mental Health</b></u>										
Adults with Psychiatric Disorders	1,013	1,004	959	991	911	849	914	947	925	847
Persons with Developmental Disabilities	318	366	395	374	370	313	304	390	377	384
Children with Emotional Disturbances	272	262	281	257	275	275	295	300	386	325
<b>GENERAL GOVERNMENT</b>										
<u><b>County Clerk</b></u>										
<u><b>Circuit Court Division</b></u>										
Criminal Cases Filed	334	365	341	393	407	371	321	283	335	239
All Other Cases Filed	1,281	1,173	1,188	1,553	1,171	1,097	1,051	1,016	1,167	1,006
Adult Probation Receipts	2,038	2,110	1,949	1,817	2,340	2,529	2,948	2,717	2,649	2,704
<u><b>Vital Records Division</b></u>										
Marriage License Applications	519	545	532	540	599	562	534	544	515	488
Assumed Names	784	779	648	644	673	588	577	497	480	592
Notary Bonds	121	180	191	176	150	126	127	162	192	202
Death Certificates Filed	525	511	555	689	749	744	800	772	758	896
Birth Certificates Filed	598	592	565	436	360	251	315	301	241	264
Voter Registrations	5,653	5,561	6,627	5,145	3,207	2,486	2,399	2,530	3,060	3,025
Concealed Pistol Permits	1,107	910	1,035	1,899	1,551	1,725	2,309	2,488	1,920	1,362

Source: Lapeer County Finance Department

Continued

**LAPEER COUNTY, MICHIGAN**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS - UNAUDITED**

<b>FUNCTION</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>GENERAL GOVERNMENT - (cont'd)</b>										
<b><u>Payroll Dept.</u></b>										
Payroll Checks Processed	1,667	1,185	1,032	443	370	400	371	403	440	446
Payroll Direct Deposits Processed	9,114	8,972	9,667	9,793	9,865	10,226	10,330	10,830	10,217	10,486
W-2's Forms Prepared	436	420	431	440	437	455	460	498	504	484
<b><u>Accounts Payable Dept.</u></b>										
Accounts Payable Invoices Processed	13,982	12,938	13,555	13,540	13,585	13,180	12,798	13,078	12,727	14,390
Accounts Payable Checks Processed	10,040	9,674	9,771	9,604	9,769	9,880	9,146	9,279	8,745	8,791
1099 Forms Prepared	165	132	144	133	129	127	145	129	115	120
<b><u>Computer Dept.</u></b>										
General Ledger Reports Distributed	3,400	3,200	3,000	3,100	3,000	3,036	3,000	4,000	4,029	4,035
Journal Entries Entered	2,158	1,989	2,100	2,000	1,885	2,100	2,220		1,869	1,754
Budget Amendments Processed	74	95	70	59	65	54	70	66	107	92
Budgets Entered	148	145	140	140	140	140	140	140	140	140
Computers Countywide	451	440	420	420	420	420	420	420	420	415
<b><u>Accounting Dept.</u></b>										
Bank Accounts Reconciled	528	576	576	580	600	602	602	602	602	602
Grants Reviewed & Processed	58	93	93	94	95	95	96	96	96	96
General Ledger Funds Maintained	85	83	84	86	88	91	89	90	90	90
<b><u>Budget Dept.</u></b>										
Total Amount of Gen Fund Budget (orig.)	18,822,641	18,777,480	18,793,299	18,331,608	18,719,365	19,090,522	20,112,633	16,679,897	20,737,913	21,301,714
Total Amt of Spec Rev Funds Budgeted	30,054,446	30,769,120	30,787,599	30,162,567	30,823,613	32,402,928	33,883,587	34,293,975	34,929,992	35,560,213
Total Amt of Debt Svc. Funds Budgeted	1,548,947	3,641,486	3,641,486	2,847,365	2,972,065	2,974,515	2,545,438	2,434,290	3,644,290	3,644,290
<b><u>Register of Deeds</u></b>										
Warranty Deeds	951	941	1,171	1,556	1,705	1,833	2,041	2,255	2,169	2,127
Quit Claim Deeds	1,207	1,334	1,369	1,431	1,379	1,233	1,268	1,401	1,408	1,324
Death Certificates	210	280	305	360	353	366	381	514	537	503
Land Contracts	31	609	500	25	195	23	32	13	17	13
Memo Land Contracts	112	1,984	1,900	142	1,314	146	131	145	99	96
Misc. Recordings	4,842	2,124	2,502	3,985	2,147	3,361	1,730	1,847	1,993	1,859
Mortgages	2,144	2,242	3,448	3,549	2,537	2,955	3,314	3,368	3,078	3,390
Discharges	2,435	2,658	3,817	4,372	2,976	3,287	3,440	3,625	3,319	3,399
Assignment of Mortgages	1,632	1,297	1,113	984	621	590	512	798	526	658
Misc. Mortgage Recordings	2,324	2,019	2,948	2,297	2,588	1,970	1,835	1,496	1,314	1,332
UCC Financing Filings	243	-	N/A							
<b><u>Community Development</u></b>										
<b><u>Housing Division</u></b>										
CDBG Homes Improved	16	15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CDBG - Senior Clients	5	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CDBG - Handicapped Clients	5	2	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	345	228	206	218	145	141	143	134	133	117

# LAPEER COUNTY, MICHIGAN

## OPERATING INDICATORS BY FUNCTION LAST TEN YEARS - UNAUDITED

FUNCTION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>GENERAL GOVERNMENT - (cont'd)</b>										
<b><u>Drain Commissioner</u></b>										
Drains (&Other) Maintained	7	83	83	61	62	34	42	61	74	43
Drains Sprayed	15	-	10	14	-	-	1	16	7	12
Drains Assessed	45	29	37	48	52	43	45	52	66	42
Plan Reviews	-	3	4	3	9	5	3	3	12	3
Act 40 Permits Issued	8	12	3	8	1	1	2	1	3	3
Utility Permits (new in 2013)	N/A	N/A	N/A	9	3	7	28	7	8	6
Letter of Agreement - Building in ROW (new in 2013)	N/A	N/A	N/A	1	-	-	-	-	2	1
KWA crossing agreements (new in 2014)	N/A	N/A	N/A	N/A	16	10	-	-	-	-
<b><u>Treasurer</u></b>										
Total Number of Parcels	43,617	46,879	46,758	46,703	46,692	46,523	46,448	46,428	46,352	46,303
Number of Delinquent Parcels	5,455	5,125	4,788	4,495	4,501	4,356	4,117	4,126	4,034	3,897
Parcels Forfeited	1,008	879	751	708	639	734	640	556	533	592
Taxable Value	2,845,481,660	2,717,825,167	2,603,370,271	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
S.E.V.	3,320,773,773	3,096,596,777	2,910,657,961	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
<b><u>Collaborative Planning Commission</u></b>										
Rezoning/Text Amendment Reviews	15	5	5	5	-	28	-	-	-	-
PA 116s Approved by BOC	182	-	-	-	-	-	-	4	-	-
<b><u>Building &amp; Grounds</u></b>										
Work Orders Completed	1,199	1,009	863	748	835	936	1,051	1,029	853	1,016
<b><u>Veterans Affairs</u></b>										
# Scheduled Appointments	411	512	N/A	583	N/A	691	886	952	888	977
Walk-in Clients (Est)	1,500	1,000-1,500	N/A	837	N/A	1,391	911	1,050	737	1,149
<b><u>MSUE</u></b>										
Educational Workshops/Events	118	319	318	416	143	130	100	110	177	170
4-H Club Members	596	565	571	474	452	452	462	490	440	395
Non-Club Youth Involved (Short-Term)	876	810	271	310	989	1,629	1,350	2,556	2,509	3,047
Active Master Gardeners	167	180	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16
Food Safety Participants Trained	2,001	1,712	448	932	314	517	365	382	378	363
Number of Grants Administered	4	7	3	3	3	3	3	1	5	5
Leadership Training Participants	84	350	378	316	348	455	277	292	342	682
Food & Nutrition Participants Trained - Adults	N/A	N/A	619	604	618	168	93	124	155	141
Financial Management and Housing	N/A	N/A	89	130	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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Legislative</b>										
Computers	9	9	9	9	9	9	9	9	9	9
<b>Judicial</b>										
Court Rooms	6	6	6	6	6	6	6	9	9	9
Vehicles	10	10	10	10	9	7	9	9	9	9
Computers	98	101	105	107	107	82	82	88	89	87
Network Printers/Copiers	14	14	7	10	10	12	0	9	9	9
<b>General Government</b>										
All County Buildings	12	12	12	12	12	12	12	12	12	12
Vehicles not reported elsewhere	18	18	17	17	16	18	16	16	16	16
Computers	85	86	87	89	90	79	80	85	85	83
Network Printers/Copiers	20	20	15	16	16	11	0	14	14	14
<b>Public Safety</b>										
Jail Beds Available	123	123	123	123	123	123	123	123	123	123
Vehicles -										
Patrol	20	20	20	20	21	22	18	18	18	18
Other	25	27	27	27	27	30	22	23	23	23
Computers	60	61	62	62	65	62	62	63	64	64
Network Printers/Copiers	10	10	5	6	6	5	0	12	12	12
<b>Health and Welfare</b>										
Vehicles	21	21	21	21	25	27	24	28	28	28
Park Acreage -										
Torzewski	70	70	70	70	70	70	70	70	70	70
Squire	80	87	87	87	87	87	87	87	87	87
Other	8	8	8	8	8	8	8	8	8	8
Computers	201	199	197	201	203	202	202	205	205	199
Network Printers/Copiers	20	20	16	17	17	16	0	15	15	18

Source: Lapeer County Finance Department

## **LAPEER COUNTY, MICHIGAN**

### **DESCRIPTION OF INSURANCE COVERAGE IN FORCE DECEMBER 31, 2019 - UNAUDITED**

Lapeer County became a member of the Michigan Municipal Risk Management Authority in 1985. The Authority 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 2019 is approximately \$529,810 reported in the General Fund.

Lapeer 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 2019 is \$94,436. The County's ending net position for the Workers' Compensation Fund at December 31, 2019 is \$396,547.

The County is self insured for Unemployment Insurance. The County's total expenditures for claims reported in the Unemployment Insurance Fund for 2019 is \$6,646. The County's ending net position for the the Unemployment Insurance Fund at December 31, 2019 is \$33,250.

**LAPEER COUNTY, MICHIGAN**  
**OTHER STATISTICS**  
**DECEMBER 31, 2019 - 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.