

COMPREHENSIVE ANNUAL FINANCIAL REPORT

LAPEER COUNTY, MICHIGAN

FOR THE YEAR ENDED DECEMBER 31, 2020

BOARD OF COMMISSIONERS

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

**ISSUED BY:
COUNTY ADMINISTRATION OFFICE**

**Quentin Bishop, County Controller/Administrator
Jackie Arnold, Chief Finance Officer**

LAPEER COUNTY, MICHIGAN

TABLE OF CONTENTS DECEMBER 31, 2020

Page Number

SECTION ONE: INTRODUCTORY SECTION

Letter of Transmittal	i
GFOA Certificate of Achievement	x
Appointed Organizational Chart	xi
Electorate Organizational Chart	xii
List of Elected and Appointed Officials	xiii

SECTION TWO: FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of the Balance Sheet for Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds to the Statement of Activities	19
Statement of Net Position - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	22
Statement of Cash Flows - Proprietary Funds	23
Statement of Fiduciary Net Position - Fiduciary Funds	25
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	26
Component Units:	
Combining Statement of Net Position - Discretely Presented Component Units	27
Combining Statement of Activities - Discretely Presented Component Units	29
Notes to the Basic Financial Statements	30
Required Supplementary Information:	
Budgetary Comparison Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	78
Community Mental Health	81

LAPEER COUNTY, MICHIGAN

TABLE OF CONTENTS DECEMBER 31, 2020

	<u>Page Number</u>
Required Supplementary Information: - (cont'd)	
Pension System Schedules:	
Schedule of Changes in Net Pension Liability and Related Ratios	82
Schedule of Contributions	84
Supplementary Information:	
General Fund:	
Combining Balance Sheet Schedule - General Fund	85
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund	87
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - GAAP Basis Components	89
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds -	
Combining Balance Sheet	91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	97
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	103
Proprietary Fund - Delinquent Tax -	
Combining Schedule of Net Position	118
Combining Schedule of Revenues, Expenses, and Changes in Net Position	119
Internal Service Funds -	
Combining Statement of Net Position	120
Combining Statement of Revenues, Expenses, and Changes in Net Position	122
Combining Statement of Cash Flows	124
Fiduciary Funds -	
Custodial Funds -	
Combining Statement of Fiduciary Net Position	126
Combining Statement of Changes in Fiduciary Net Position	128
Capital Assets Used in the Operation of Governmental Funds:	
Schedule of Changes in Capital Assets	130
Schedule of Capital Assets by Function and Activity	131
Schedule of Changes in Capital Assets by Function and Activity	132
Discretely Presented Component Units:	
Board of Public Works - Governmental Fund Types -	
Combining Balance Sheet	133
Reconciliation of the Balance Sheet to the Statement of Net Position	134
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	135
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	136

LAPEER COUNTY, MICHIGAN

TABLE OF CONTENTS DECEMBER 31, 2020

	<u>Page Number</u>
Supplementary Information: - (cont'd)	
Discretely Presented Component Units - (cont'd):	
Drainage Districts - Governmental Fund Types -	
Combining Balance Sheet	137
Reconciliation of the Balance Sheet to the Statement of Net Position	140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	141
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	144
Proprietary Fund -	
Statement of Net Position	145
Statement of Revenues, Expenses, and Changes in Net Position	145
Statement of Cash Flows	146
 SECTION THREE: STATISTICAL SECTION	
Financial Trends Information:	
Government-Wide Net Position by Component	S-1
Government-Wide Changes in Net Position	S-2
Fund Balances of Governmental Funds	S-4
Changes in Fund Balance of Governmental Funds	S-5
General Fund Changes in Fund Balances	S-6
 Revenue Capacity Information:	
Assessed Value and Estimated Actual Value of Taxable Property	S-7
Direct and Overlapping Property Tax Rates	S-8
Property Rates - All Direct and Overlapping Governments	S-9
Principal Property Taxpayers	S-10
Property Tax Levies and Collections - All Taxing Units	S-11
Property Tax Levies and Collections - County Operating Levy	S-12
Drain Special Assessment Levies and Collections	S-13
 Debt Capacity:	
Ratios of Net General Bonded Debt Outstanding	S-14
Computation of Direct and Overlapping Long-term Bonded Debt	S-15
Legal Debt Margin Information	S-17
 Demographic and Economic Information:	
Demographic and Economic Statistics	S-18
Principal Employers	S-19
 Operating Information:	
Full-Time Equivalent County Government Employee Positions by Function	S-21
Operating Indicators by Function	S-22
Capital Asset Statistics by Function	S-28
 Miscellaneous Statistics:	
Description of Insurance Coverage in Force	S-29
Other Statistics	S-30



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

July 27, 2021

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, 2020, 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 unmodified opinion that the County's financial statements for the year ended December 31, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF LAPEER COUNTY

Incorporated in 1835, the County covers an area of approximately 666 square miles. Located 56 miles north of the City of Detroit, and 48 miles west of the Canadian border on Interstate 69, the County has exceptional access to transportation systems. Four major state highways, M-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, TCF, First Citizen, PNC, Tri-County, Independent, Flagstar, Oxford, Citizens First, Choice One and six credit unions also offer financial services.

The taxable value of property in FY 2020 was \$3,178,742,982 compared to \$3,055,180,330 in 2019, an increase of approximately 3.89%. During the same period, S.E.V. increased from \$3,993,832,556 to \$4,273,345,365 up approximately 7.0%. The tax levy of 3.7245 in 2019 was rolled back to 3.6984 as a result of the Headlee rollback computations for general County operations. Only five counties in Michigan 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 U. S. Census Bureau estimated the 2020 population at 87,635.

The real estate market throughout the County continues to reflect the effects of the economic climate. The median residential selling price in 2020 was \$214,007, an increase from \$173,000 in 2019, 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 2020, LDC assisted in the facilitation of multiple 212 businesses, and \$1.5 million of financial aid. Since its inception in 1981, the LDC has brought a private sector investment of over \$831 million into the County and has assisted with the creation/retention of 8,540 jobs. In 2003 the LDC was designated as the County Brownfield Authority by the Board of Commissioners (the "County Board"). With the Brownfield capacity, another tool is available for the local economic development process.

A major economic initiative focused on jobs and investment continues with the I-69 International Trade Corridor, Next Michigan Corporation, which is one of five designations permitted in the State. Next Michigan Corporation is an independently established entity that works to establish a logistics hub around inter-modal access points to create a cooperative partnership involving 35 local communities in St. Clair, Lapeer, Genesee and Shiawassee counties located along the 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 (the "Hospital"), an acute care facility serves the County and is affiliated with McLaren Health Care Corporation. Located in the City of Lapeer, the Hospital has 222 beds with a staff of 350 doctors and more than 500 nurses, and provides a full range of advanced diagnostic technology including an imaging center. McLaren has developed a network of care sites throughout the County that provide a range of outpatient services, renovated the emergency room at the hospital, and completed construction of a 16,200 square foot state-of-the-art Great Lakes Cancer Institute in 2008. The Hospital has also been verified as a Level Two Trauma Center, the only facility in the Thumb with that prestigious designation.

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

The Lapeer County Community Foundation (the "Foundation") continues to perform a vital role in supporting various projects and initiatives in the community. From humble beginnings of a \$20,000 gift to establish the Lapeer County Community Fund with the Community Foundation of Greater Flint, the Foundation became wholly independent in 2005 and has grown to over \$12 million in assets spread over 67 managed funds. In that time, the Foundation has granted \$5 million back into our County communities. In 2020 alone, the Foundation granted over \$374,000 in grants and scholarships to local non-profit organizations, education and government institutions and County students. The Foundation provides expertise and guidance to help donors achieve their charitable goals through gifts large, and small – that will impact the quality of life in the County for future generations.

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

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

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

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

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

ORGANIZATION STRUCTURE

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

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

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

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

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

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

FINANCIAL PRACTICES

Factors Affecting Financial Condition

Focused budget management efforts over the past ten years have enabled the County to contend with the impact of dramatic revenue reductions that occurred during the "great recession" without significant limitations in services. With the improving Michigan economic environment, the contraction of the property tax base has seen a moderate change, and State Revenue Sharing payments reached \$1,338,710 in FY 2020, decreasing from \$1,722,992 in FY 2019, still less than the peak of \$1,774,671 received in 2001. As one of the major general fund revenue sources, these changes have enforced stringent stewardship of the budget process.

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

Growth in the tax base through 2008 had historically produced an incremental annual increase in property tax revenue. While not offsetting other lost or reduced revenue, the expansion of taxable value, even with the required rollback in the tax rate, had provided some restrained capacity to meet the growing demands on the General Fund budget. As originally noted in the 2008 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 2019, \$11,050,459 was received in property taxes in the General Fund, and in FY 2020 \$11,734,496 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 \$645,480 that was "captured" by local government TIFA's and DDA's in 2020.

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

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

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

Long-term Financial Planning/Budgeting

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

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

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

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

Capital Improvement/Acquisitions

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

The multi-year technology plan approved by the County Board continued into 2020. This Plan remains as a footprint for the development of a cost-effective informational technology platform that gives each department the capacity to meet internal needs, yet ensures that hardware and software are acquired to integrate into the county-wide system. A single point of access, at substantial cost benefit, provides connectivity to the internet for all departments.

Cooperative Purchasing

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

Privatization

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

Shared Services

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

The County Parks Department, in collaboration with Lapeer County Community Mental Health (CMH) and Team Work, Inc. (a local private non-profit agency), provide job training for CMH clients. The clients work maintenance and concessions at the two County waterparks. This provides real world experience and allows the County Parks Department to fully operate at a reduced cost.

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

Bond Rating

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

Budgeting Controls

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

MAJOR INITIATIVES

The implementation of the Information Systems Plan to upgrade technology throughout all departments continued into 2020. The integration of systems, additional security applications, and backup capacity have added efficiencies to our communication capacities. The collaborative effort with the Lapeer County Intermediate School District for internet service and fiber optic lines remains a cost effective and productive relationship. An expanded and enhanced capacity for digital record retention has been given increased importance as the system evolves.

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

The County remains a member of the 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.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ending December 31, 2019. 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 2020.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Quentin Bishop".

Quentin L. Bishop
County Controller/Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Lapeer
Michigan**

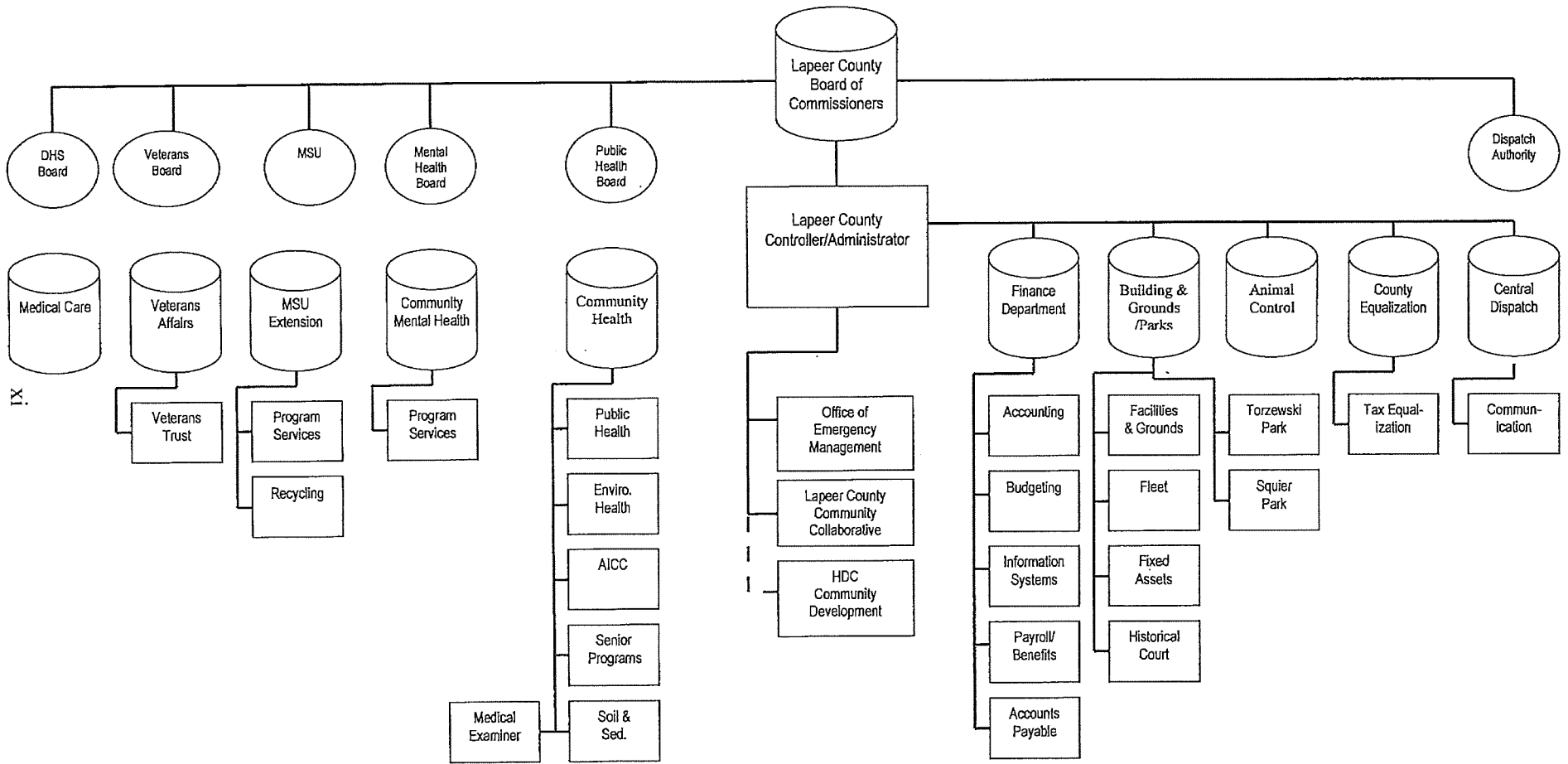
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

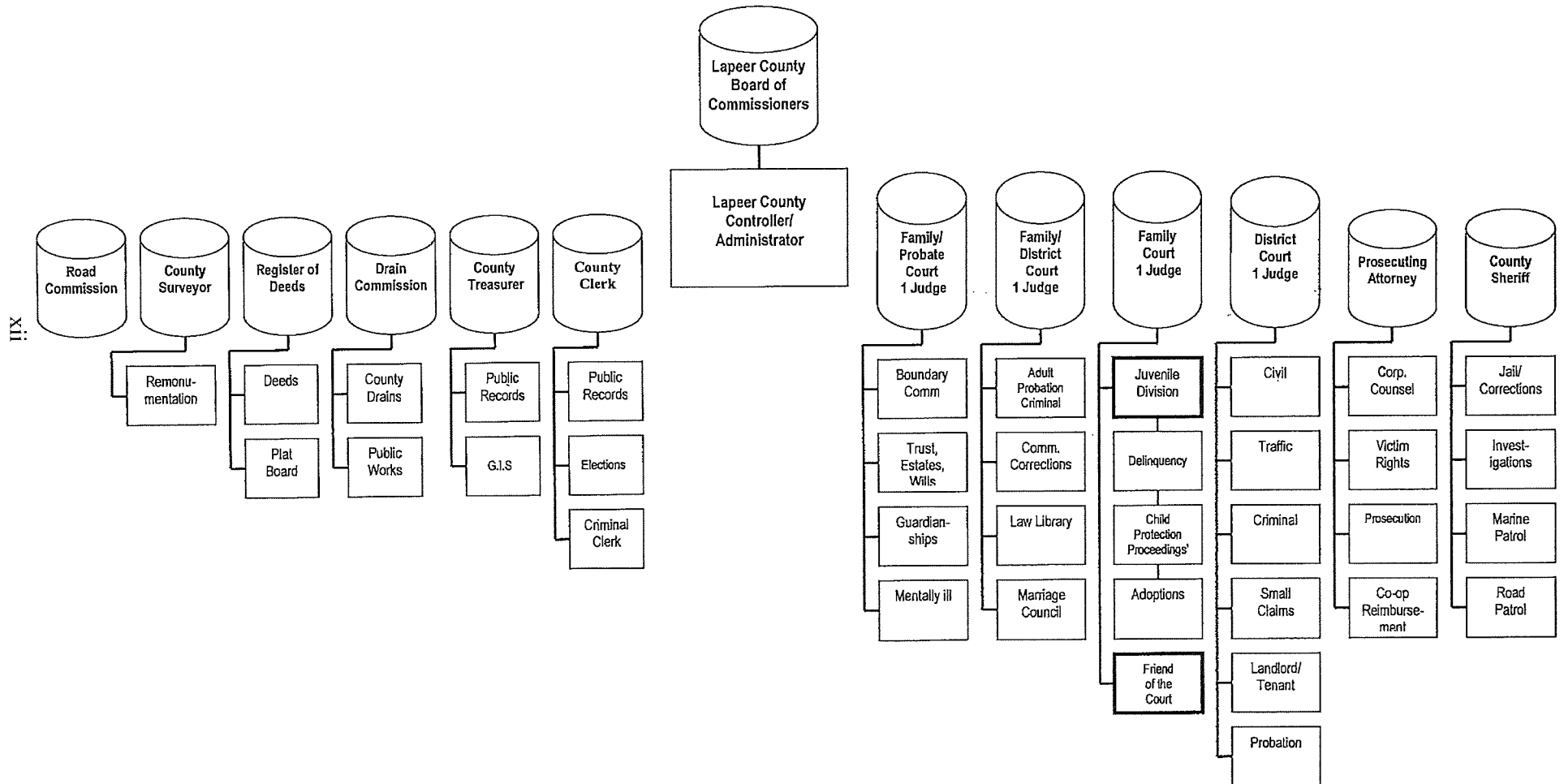
Christopher P. Morill

Executive Director/CEO

LAPEER COUNTY APPOINTED ORGANIZATIONAL CHART



LAPEER COUNTY ELECTORATE ORGANIZATIONAL CHART



LAPEER COUNTY, MICHIGAN

BOARD OF COMMISSIONERS

Chairperson

Gary Roy

Vice Chairperson

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

Michael Hodges
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

John Miller
Prosecuting Attorney

Richard A. Duthler
Surveyor

Lori Gebhardt
Register of Deeds

COUNTY APPOINTED

Quentin Bishop
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, 2020 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lapeer County Medical Care Facility, which represents 61%, 36%, and 96% of the total assets and deferred outflows of resources, net position, and revenues of the enterprise funds, respectively. These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, as it relates to amounts related to the Lapeer County Medical Care Facility, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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, based on our audit and the report of the other auditors, 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, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Implementation of GASB Statement No. 84

As discussed in Note 18 to the financial statements, the County implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, for 2020. This statement provided guidance regarding the identification of fiduciary activities for accounting and reporting purposes and how those activities should be reported. As a result, certain prior classifications of fiduciary activities have been reclassified and a fiduciary fund previously reported was determined to no longer meet the criteria of the standard and has been eliminated from presentation in these financial statements.

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 the County'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 July 27, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Port Huron, Michigan
July 27, 2021

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, 2020. 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 \$67,687,159 (net position) at December 31, 2020. Of this amount, \$15,474,225 represents unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors. Also included is \$14,099,260 of restricted net position restricted for specific purposes (specific millage funds, E-911, etc.) and \$38,113,674 representing investment in capital assets, net of related liabilities.
- Capital assets of the primary government (carrying value net of accumulated depreciation) decreased by \$2,649,766 from the previous year due to depreciation exceeding capital additions. Non-current liabilities of the primary government decreased by \$1,174,905, due primarily to current-year activity associated with the County's net pension liability and a new Paycheck Protection Program loan at the Medical Care Facility.
- At December 31, 2020, the County's governmental funds reported a combined ending fund balance of \$20,504,467, an increase of \$56,637 compared to the prior year. Approximately 21% of this amount, \$4,384,641, 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 in combination are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Fund column.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The largest of the fiduciary funds is the General Agency Fund. The accounting used for the fiduciary funds is much like that used for proprietary funds.

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

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on budgetary comparisons for 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 \$67,356,523 at December 31, 2020.

Approximately 23% or \$15,474,225 of the County's net position is unrestricted and available for future obligations. Approximately 21% or \$14,099,260 of the County's net position is restricted for specific purposes by external parties, constitutional provisions, or enabling legislation. Approximately 56% or \$38,113,674 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	
	2020	2019	2020	2019	2020	2019
Assets -						
Current and Other Assets	\$ 36,141,014	\$ 34,483,347	\$ 26,882,944	\$ 21,480,086	\$ 63,023,958	\$ 55,963,433
Capital Assets, net	<u>20,091,198</u>	<u>21,585,830</u>	<u>17,700,097</u>	<u>18,855,231</u>	<u>37,791,295</u>	<u>40,441,061</u>
Total Assets	<u>56,232,212</u>	<u>56,069,177</u>	<u>44,583,041</u>	<u>40,335,317</u>	<u>100,815,253</u>	<u>96,404,494</u>
Deferred Outflows of Resources	<u>3,065,101</u>	<u>930,441</u>	<u>1,324,040</u>	<u>1,392,331</u>	<u>4,389,141</u>	<u>2,322,772</u>
Liabilities -						
Non-current Liabilities	5,591,122	9,801,302	13,675,451	10,640,176	19,266,573	20,441,478
Other Liabilities	<u>8,360,929</u>	<u>6,310,665</u>	<u>2,414,804</u>	<u>3,659,430</u>	<u>10,775,733</u>	<u>9,970,095</u>
Total Liabilities	<u>13,952,051</u>	<u>16,111,967</u>	<u>16,090,255</u>	<u>14,299,606</u>	<u>30,042,306</u>	<u>30,411,573</u>
Deferred Inflows of Resources	<u>5,705,865</u>	<u>3,965,589</u>	<u>1,769,064</u>	<u>976,206</u>	<u>7,474,929</u>	<u>4,941,795</u>
Net Position -						
Net investment in capital assets	20,413,577	20,261,240	17,700,097	18,855,231	38,113,674	39,116,471
Restricted	10,535,123	10,108,527	3,564,137	3,357,054	14,099,260	13,465,581
Unrestricted	<u>8,690,697</u>	<u>6,552,295</u>	<u>6,783,528</u>	<u>4,239,551</u>	<u>15,474,225</u>	<u>10,791,846</u>
Total Net Position	<u>\$ 39,639,397</u>	<u>\$ 36,922,062</u>	<u>\$ 28,047,762</u>	<u>\$ 26,451,836</u>	<u>\$ 67,687,159</u>	<u>\$ 63,373,898</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 increased from \$63,373,898 to \$67,687,159 for a net change of governmental and business-type activities of \$4,313,261 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 2020 and 2019.

Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenue:						
Program Revenue -						
Charges for services	\$ 11,810,651	\$ 11,808,355	\$ 29,100,248	\$ 29,663,559	\$ 40,910,899	\$ 41,471,914
Operating grants and contributions	28,569,011	26,570,815	-	-	28,569,011	26,570,815
General Revenue -						
Property taxes	14,735,672	14,225,291	1,133,886	965,004	15,869,558	15,220,295
Grants and contributions not restricted to specific programs	1,338,710	1,722,992	2,404,795	43,536	3,743,505	1,766,528
Other	180,181	420,826	75,828	98,399	256,009	519,225
Total Revenue	<u>56,634,225</u>	<u>54,778,279</u>	<u>32,714,757</u>	<u>30,770,498</u>	<u>89,348,982</u>	<u>85,548,777</u>
Expenses:						
Legislative	340,525	339,939	-	-	340,525	339,939
Judicial	5,258,417	5,436,832	-	-	5,258,417	5,436,832
General government	6,306,583	6,134,825	-	-	6,306,583	6,134,825
Public safety	10,724,283	12,474,263	-	-	10,724,283	12,474,263
Public works	1,670,934	417,537	-	-	1,670,934	417,537
Health and welfare	29,601,242	28,447,547	-	-	29,601,242	28,447,547
Recreation and culture	277,906	413,834	-	-	277,906	413,834
Interest on long-term debt	-	72,175	-	-	-	72,175
Medical Care Facility	-	-	30,540,895	31,500,215	30,540,895	31,500,215
Delinquent tax	-	-	314,936	343,370	314,936	343,370
Total Expenses	<u>54,179,890</u>	<u>53,736,952</u>	<u>30,855,831</u>	<u>31,843,585</u>	<u>85,035,721</u>	<u>85,580,537</u>
Change in net position before transfers	2,454,335	1,041,327	1,858,926 (	1,073,087)	4,313,261 (	31,760)
Transfers	<u>263,000</u>	<u>1,403,000</u>	(<u>263,000</u>)	(<u>1,403,000</u>)	-	-
Change in net position	2,717,335	2,444,327	1,595,926 (	2,476,087)	4,313,261 (	31,760)
Net position at beginning 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>
Net position at end of year	<u>\$ 39,639,397</u>	<u>\$ 36,922,062</u>	<u>\$ 28,047,762</u>	<u>\$ 26,451,836</u>	<u>\$ 67,687,159</u>	<u>\$ 63,373,898</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 3.6984 mills in 2020 as a result of the Headlee Amendment and the application of the base tax rate reduction fraction.

Although the taxable value of the property assessments increased from \$3,055,180,330 in 2019 to \$3,178,742,982 in 2020, 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 \$1,338,710 and \$1,722,992 in 2020 and 2019, respectively.

In total, fiscal year 2020 governmental activities revenue increased by \$1,855,946 or approximately 3% over the prior year. None of the changes to revenue source categories were considered significant. Expenses for the governmental activities increased by \$442,938 over the prior year.

Business-type Activities:

In total, fiscal year 2020 business-type activities revenue increased by \$1,944,259 over the prior year, mainly due to new CARES Act funding in the Medical Care Facility Fund. Expenses for the business-type activities decreased by \$987,754 or approximately 3% over the prior year. The decrease was primarily related to changes in the County's net pension liability in the Medical Care Facility.

Financial Analysis of the County's Major Funds

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

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

At December 31, 2020, the County's governmental funds reported combined ending fund balances of \$20,504,467 an increase of \$56,637 in comparison to the prior year. Nonspendable fund balance is \$565,733, consisting of advances, prepaids, and deposits. Restricted fund balance is \$10,260,261. Committed fund balance is \$4,917,499. Assigned fund balance is \$500,000 and unassigned fund balance is \$4,260,974.

The General Fund is the primary operating fund of the County. At December 31, 2020, the General Fund reported an ending fund balance of \$9,828,067 with \$4,592,727 of that amount unassigned. As a measure of the General Fund's liquidity, the unassigned fund balance represents approximately 24% of the total General Fund expenditures and transfers out, while total fund balance represents 51% of total General Fund expenditures and transfers out.

During the fiscal year 2020, there were no significant budget amendments approved for the General Fund.

The 2020 amended budget of the General Fund had projected revenues of \$18,639,815 and transfers in of \$2,000,000 with expenditures of \$18,708,623 and transfers out of \$2,426,207. The final budget anticipated expenditures and other financing uses over revenues and other financing sources of \$495,015.

The second major governmental fund is the Community Mental Health. At year-end, Community Mental Health reported a fund balance of \$2,329,994. Fund balance decreased by \$84,601 from the prior year.

The third major governmental fund is the E-911 Debt. At December 31, 2020, the E-911 Debt reported a fund balance of \$3,707,101. Fund balance increased by \$279,474 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, 2020.

The Medical Care Facility reported a net position increase from \$9,254,912 to \$10,046,095 or approximately 9%. This increase was primarily due to changes in the net pension liability. The Delinquent Tax Fund reported an increase in net position from \$17,177,544 to \$17,972,467 or approximately 5%.

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, 2020 amounted to \$37,791,295. The balance is \$2,649,766 less than the balance at December 31, 2019 due to depreciation expense exceeding capital additions in 2020. This investment in capital assets includes land, land improvements, building and building improvements, machinery and equipment, and vehicles. During the year, the County added \$929,838 in its governmental activities mainly related to an upgraded generator and emergency system, Community Mental Health building improvements, the County Complex roof project, and several new vehicles. The County added \$209,325 in the business-type activities related to additions at the Medical Care Facility.

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

Long-term Liabilities: At December 31, 2020, the County had bonds and unamortized premiums outstanding of \$0, decreasing from the 2019 balance of \$1,997,075 due to regularly scheduled payments. The County added a Paycheck Protection Program loan of \$3,397,606 at the Medical Care Facility. The remaining balance of the long-term liabilities of the primary government consisted of accrued self-insurance claims and compensated absences at December 31, 2020 of \$1,826,762, increasing from the 2019 balance of \$1,382,310. See Note 9 to the financial statements for additional information regarding long-term liabilities.

Economic Outlook

The County has concerns regarding the possible impact on the General Fund resulting from potential unfunded or underfunded State mandates as a result of the COVID-19 pandemic and compounding compliance requirements related to funds received through the American Rescue Plan Act.

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. Additionally, with the exception of American Rescue Plan funds, certain projects may be funded, whereby budget impact can be minimized.

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

Conversely, the County's concerns with revenue sharing could be offset with the determination of eligible uses of American Rescue Plan funds, which are finite yet approved for usage through 2026. Broadly identified categories for spending, all with limitations, are, but not limited to: infrastructure, addressing negative economic impacts, and supporting public health and safety response.

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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Cash and cash equivalents	\$ 22,459,646	\$ 19,012,647	\$ 41,472,293	\$ 11,935,333
Investments	7,177,732	17	7,177,749	1,293,525
Receivables (net of allowance)	5,758,045	6,846,005	12,604,050	8,536,782
Prepays	492,861	327,107	819,968	173,735
Internal balances	(568,325)	560,551	(7,774)	-
Inventory	-	97,165	97,165	1,059,723
Advance to component units	90,000	-	90,000	-
Other assets	579,007	-	579,007	-
Restricted assets -				
Cash and cash equivalents	152,048	39,452	191,500	16,890
Contracts receivable	-	-	-	1,462,562
Capital assets (net of accumulated depreciation) -				
Assets not being depreciated	1,040,890	-	1,040,890	36,610,391
Assets being depreciated	19,050,308	17,700,097	36,750,405	75,699,138
Total Assets	<u>56,232,212</u>	<u>44,583,041</u>	<u>100,815,253</u>	<u>136,788,079</u>
Deferred Outflows of Resources:				
Related to OPEB plan	-	-	-	2,405,675
Related to pensions	3,065,101	1,324,040	4,389,141	2,015,811
Total Deferred Outflows of Resources	<u>3,065,101</u>	<u>1,324,040</u>	<u>4,389,141</u>	<u>4,421,486</u>
Liabilities:				
Payables and accrued liabilities	7,553,718	2,375,352	9,929,070	2,854,949
Advances and deposits	-	-	-	780,245
Advances from primary government	-	-	-	90,000
Unearned revenue	807,211	-	807,211	-
Liabilities payable from restricted assets	-	39,452	39,452	16,890
Non-current liabilities -				
Due within one year	729,521	624,409	1,353,930	772,127
Due in more than one year -				
Other liabilities	201,391	3,669,047	3,870,438	8,444,161
Net pension liability	4,660,210	9,381,995	14,042,205	5,965,104
Net OPEB liability	-	-	-	14,752,014
Total Liabilities	<u>13,952,051</u>	<u>16,090,255</u>	<u>30,042,306</u>	<u>33,675,490</u>
Deferred Inflows of Resources:				
Taxes levied for a subsequent period	1,373,895	-	1,373,895	-
Related to OPEB plan	-	-	-	2,946,217
Related to pensions	4,331,970	1,769,064	6,101,034	15,047
Total Deferred Inflows of Resources	<u>5,705,865</u>	<u>1,769,064</u>	<u>7,474,929</u>	<u>2,961,264</u>

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

Continued

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position:				
Net investment in capital assets	\$ 20,413,577	\$ 17,700,097	\$ 38,113,674	\$ 109,764,941
Restricted - Expendable -				
Acquisition/construction of capital assets	27,288	-	27,288	-
Foreclosure sales	-	3,368,391	3,368,391	-
Treasurer's office administration	-	195,746	195,746	-
Debt Service	3,707,101	-	3,707,101	6,115,800
Health and Welfare	1,678,649	-	1,678,649	-
Public Safety	1,242,258	-	1,242,258	-
General Government	3,618,191	-	3,618,191	-
Other Purposes	261,636	-	261,636	-
Unrestricted (deficit)	8,690,697	6,783,528	15,474,225	(11,307,930)
Total Net Position	<u>\$ 39,639,397</u>	<u>\$ 28,047,762</u>	<u>\$ 67,687,159</u>	<u>\$ 104,572,811</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, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Legislative	\$ 340,525	\$ -	\$ -	\$ -
Judicial	5,258,417	1,025,306	1,553,458	-
General Government	6,306,583	4,861,236	646,504	-
Public Safety	10,724,283	3,842,221	2,033,015	-
Public Works	1,670,934	-	-	-
Health and Welfare	29,601,242	2,054,228	24,335,494	-
Recreation and Culture	277,906	27,660	540	-
Total governmental activities	<u>54,179,890</u>	<u>11,810,651</u>	<u>28,569,011</u>	<u>-</u>
Business-type activities:				
Medical Care Facility	30,540,895	27,779,826	-	-
Delinquent Tax	314,936	1,310,602	-	-
Tele-Comm	-	9,820	-	-
Total business-type activities	<u>30,855,831</u>	<u>29,100,248</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 85,035,721</u>	<u>\$ 40,910,899</u>	<u>\$ 28,569,011</u>	<u>\$ -</u>
Component Units				
Road Commission	\$ 14,575,178	\$ 3,147,524	\$ 15,691,361	\$ 1,378,325
Board of Public Works	40,612	40,612	-	-
Drainage Districts	2,025,585	3,839,275	-	-
Land Bank Authority	<u>17,684</u>	<u>15,012</u>	<u>-</u>	<u>-</u>
Total Component Units	<u>\$ 16,659,059</u>	<u>\$ 7,042,423</u>	<u>\$ 15,691,361</u>	<u>\$ 1,378,325</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	
\$(340,525)	\$ -	\$(340,525)	\$ -
(2,679,653)	-	(2,679,653)	-
(798,843)	-	(798,843)	-
(4,849,047)	-	(4,849,047)	-
(1,670,934)	-	(1,670,934)	-
(3,211,520)	-	(3,211,520)	-
(249,706)	-	(249,706)	-
(13,800,228)	-	(13,800,228)	-
-	(2,761,069)	(2,761,069)	-
-	995,666	995,666	-
-	9,820	9,820	-
-	(1,755,583)	(1,755,583)	-
(13,800,228)	(1,755,583)	(15,555,811)	-
-	-	-	5,642,032
-	-	-	-
-	-	-	1,813,690
-	-	-	(2,672)
-	-	-	7,453,050
14,735,672	1,133,886	15,869,558	-
1,338,710	2,404,795	3,743,505	-
161,184	75,828	237,012	39,978
18,997	-	18,997	92,533
263,000	(263,000)	-	-
16,517,563	3,351,509	19,869,072	132,511
2,717,335	1,595,926	4,313,261	7,585,561
36,922,062	26,451,836	63,373,898	96,987,250
<u>\$ 39,639,397</u>	<u>\$ 28,047,762</u>	<u>\$ 67,687,159</u>	<u>\$ 104,572,811</u>

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

LAPEER COUNTY, MICHIGAN

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2020

	General	Community Mental Health	E-911 Debt	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 2,152,778	\$ 6,837,993	\$ 3,691,631	\$ 5,301,216	\$ 17,983,618
Investments	7,177,732	-	-	-	7,177,732
Receivables (net of allowance) -					
Property taxes	1,055,949	-	-	1,257,073	2,313,022
Accounts and interest	18,488	154,317	-	1,090,064	1,262,869
Due from other governmental units	342,975	296,141	15,470	1,527,568	2,182,154
Due from other funds	3,158	-	-	8,146	11,304
Deposits with agent	381,281	-	-	179,378	560,659
Advances to other funds	25,000	7,500	-	-	32,500
Advances to component units	90,000	-	-	-	90,000
Prepays	-	54,565	-	14,887	69,452
Restricted assets - Cash	-	152,048	-	-	152,048
Total Assets	\$ 11,247,361	\$ 7,502,564	\$ 3,707,101	\$ 9,378,332	\$ 31,835,358
Liabilities:					
Accounts payable	\$ 129,485	\$ 1,757,739	\$ -	\$ 258,778	\$ 2,146,002
Accrued liabilities	116,944	253,927	-	161,115	531,986
Due to other governmental units	821,842	3,156,796	-	269,899	4,248,537
Due to individuals and agencies	306,271	-	-	-	306,271
Due to other funds	18,969	-	-	28,324	47,293
Interfund payables	-	-	-	560,634	560,634
Advances from other funds	-	-	-	32,500	32,500
Unearned revenue	-	4,108	-	803,103	807,211
Total Liabilities	1,393,511	5,172,570	-	2,114,353	8,680,434
Deferred Inflows of Resources:					
Unavailable revenues -					
Revolving loans	-	-	-	720,908	720,908
Grants/fees	25,783	-	-	529,871	555,654
Taxes levied for a subsequent period	-	-	-	1,373,895	1,373,895
Total Deferred Inflows of Resources	25,783	-	-	2,624,674	2,650,457
Fund Balances:					
Nonspendable	496,281	54,565	-	14,887	565,733
Restricted	2,774,373	152,048	3,707,101	3,626,739	10,260,261
Committed	1,464,686	2,123,381	-	1,329,432	4,917,499
Assigned - 2021 operations	500,000	-	-	-	500,000
Unassigned	4,592,727	-	-	(331,753)	4,260,974
Total Fund Balances	9,828,067	2,329,994	3,707,101	4,639,305	20,504,467
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,247,361	\$ 7,502,564	\$ 3,707,101	\$ 9,378,332	\$ 31,835,358

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, 2020

Fund Balances - total governmental funds	\$ 20,504,467
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	50,669,942
Accumulated depreciation	(33,253,534)
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	3,065,101
Deferred inflows of resources	(4,331,970)
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	720,907
Grants/fees	555,655
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.	7,196,075
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	(600,645)
Net pension liability	(4,660,210)
Accrued claims liability	(226,391)
Net Position of governmental activities	<u>\$ 39,639,397</u>

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, 2020

	General	Community Mental Health	E-911 Debt	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 11,395,146	\$ -	\$ 2,266,805	\$ 1,073,721	\$ 14,735,672
Licenses and permits	15	-	-	639,187	639,202
Intergovernmental	2,212,426	20,879,180	25,698	6,222,156	29,339,460
Charges for services	2,302,198	306,111	-	4,658,061	7,266,370
Fines and forfeits	148,974	-	-	109,822	258,796
Rents	226,347	-	-	17,702	244,049
Interest	148,041	2,744	1,596	8,803	161,184
Other	2,998,555	137,567	-	266,112	3,402,234
Total Revenues	<u>19,431,702</u>	<u>21,325,602</u>	<u>2,294,099</u>	<u>12,995,564</u>	<u>56,046,967</u>
Expenditures:					
Current -					
Legislative	343,180	-	-	-	343,180
Judicial	3,404,176	-	-	1,895,068	5,299,244
General Government	5,684,364	-	-	185,836	5,870,200
Public Safety	4,995,129	-	-	4,706,504	9,701,633
Public Works	1,678,508	-	-	-	1,678,508
Health and Welfare	128,326	21,671,933	-	8,200,551	30,000,810
Recreation and Cultural	171,740	-	-	62,489	234,229
Other Activities	480,918	-	-	-	480,918
Capital Outlay	-	-	-	375,815	375,815
Debt Service -					
Principal	-	-	1,975,000	-	1,975,000
Interest	-	-	39,625	-	39,625
Total Expenditures	<u>16,886,341</u>	<u>21,671,933</u>	<u>2,014,625</u>	<u>15,426,263</u>	<u>55,999,162</u>
Revenues over (under) expenditures	<u>2,545,361</u>	<u>(346,331)</u>	<u>279,474</u>	<u>(2,430,699)</u>	<u>47,805</u>
Other Financing Sources (Uses):					
Transfers in	260,000	261,730	-	2,759,598	3,281,328
Transfers out	(2,446,496)	-	-	(826,000)	(3,272,496)
Total Other Financing Sources (Uses)	<u>(2,186,496)</u>	<u>261,730</u>	<u>-</u>	<u>1,933,598</u>	<u>8,832</u>
Net Change in Fund Balances	358,865	(84,601)	279,474	(497,101)	56,637
Fund Balances at beginning 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>
Fund Balances at end of year	<u>\$ 9,828,067</u>	<u>\$ 2,329,994</u>	<u>\$ 3,707,101</u>	<u>\$ 4,639,305</u>	<u>\$ 20,504,467</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, 2020

Net change in fund balances - total governmental funds	\$ 56,637
<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	546,949
Depreciation expense	(1,745,955)
Net book value of disposed assets	(6,533)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>	
	469,913
<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	1,975,000
<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	19,750
Amortization of bond premium	22,075
<p>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.</p>	
	690,526
Changes in deferred outflows/inflows of resources related to pension plan	(1,544,948)
<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	(27,576)
Decrease in net pension liability	2,174,414
Decrease in accrued claims liability	87,083
Change in net position of governmental activities	<u>\$ 2,717,335</u>

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

LAPEER COUNTY, MICHIGAN

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Nonmajor Tele- Comm	Total	Internal Service Fund
Assets:					
Current Assets -					
Cash and cash equivalents	\$ 5,197,326	\$ 13,786,121	\$ 29,200	\$ 19,012,647	\$ 4,476,028
Investments	-	17	-	17	-
Receivables (net of allowance)-					
Current and delinquent taxes	946,820	2,505,456	-	3,452,276	-
Accounts	2,513,150	-	-	2,513,150	-
Accrued interest	-	387,217	-	387,217	-
Due from other governmental units	493,362	-	-	493,362	-
Interfund receivables	-	560,634	-	560,634	-
Due from other funds	-	299,738	-	299,738	28,298
Deposit with agent	-	-	-	-	18,348
Inventories	97,165	-	-	97,165	-
Prepays	327,107	-	-	327,107	423,409
Restricted assets - Cash	39,452	-	-	39,452	-
Total Current Assets	<u>9,614,382</u>	<u>17,539,183</u>	<u>29,200</u>	<u>27,182,765</u>	<u>4,946,083</u>
Noncurrent Assets -					
Capital assets, net	17,673,140	26,957	-	17,700,097	2,674,790
Advances to other funds	-	626,722	-	626,722	-
Total Noncurrent Assets	<u>17,673,140</u>	<u>653,679</u>	<u>-</u>	<u>18,326,819</u>	<u>2,674,790</u>
Total Assets	<u>27,287,522</u>	<u>18,192,862</u>	<u>-</u>	<u>45,509,584</u>	<u>7,620,873</u>
Deferred Outflows of Resources:					
Related to pensions	<u>1,324,040</u>	<u>-</u>	<u>-</u>	<u>1,324,040</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, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Nonmajor Tele-Comm	Total	Internal Service Fund
Liabilities:					
Current Liabilities -					
Accounts payable	\$ 883,993	\$ 2,573	\$ -	\$ 886,566	\$ 320,922
Accrued liabilities	1,162,350	548	-	1,162,898	-
Due to other governmental units	108,697	217,191	-	325,888	-
Due to other funds	299,738	83	-	299,821	-
Current portion of:					
Accrued vacation and sick	545,822	-	-	545,822	-
Accrued claims	45,968	-	-	45,968	103,876
PPP Loan	32,619	-	-	32,619	-
Liabilities payable from restricted assets-					
Patient deposits	39,452	-	-	39,452	-
Total Current Liabilities	<u>3,118,639</u>	<u>220,395</u>	<u>-</u>	<u>3,339,034</u>	<u>424,798</u>
Long-term Liabilities (less current portions):					
Accrued liabilities	304,060	-	-	304,060	-
Advances from other funds	626,722	-	-	626,722	-
PPP Loan	3,364,987	-	-	3,364,987	-
Net pension liability	9,381,995	-	-	9,381,995	-
Total Long-term Liabilities	<u>13,677,764</u>	<u>-</u>	<u>-</u>	<u>13,677,764</u>	<u>-</u>
Total Liabilities	<u>16,796,403</u>	<u>220,395</u>	<u>-</u>	<u>17,016,798</u>	<u>424,798</u>
Deferred Inflows of Resources:					
Related to pensions	<u>1,769,064</u>	<u>-</u>	<u>-</u>	<u>1,769,064</u>	<u>-</u>
Net Position:					
Net investment in capital assets	17,673,140	26,957	-	17,700,097	2,674,790
Restricted -					
Foreclosure sales	-	3,368,391	-	3,368,391	-
Treasurer's office administration	-	195,746	-	195,746	-
Unrestricted (deficit) -					
Designated -					
Estimated 2021 tax settlement	-	5,000,000	-	5,000,000	-
Undesignated	(7,627,045)	9,381,373	29,200	1,783,528	4,521,285
Total Net Position	<u>\$ 10,046,095</u>	<u>\$ 17,972,467</u>	<u>\$ 29,200</u>	<u>\$ 28,047,762</u>	<u>\$ 7,196,075</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, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Nonmajor Tele-Comm	Total	Internal Service Funds
Operating Revenues:					
Charges for services	\$ 27,230,268	\$ 423,207	\$ 9,820	\$ 27,663,295	\$ 9,263,317
Interest on taxes	-	659,259	-	659,259	-
Fees and penalties on delinquent taxes	-	228,136	-	228,136	-
Other	549,558	-	-	549,558	-
Total Operating Revenues	<u>27,779,826</u>	<u>1,310,602</u>	<u>9,820</u>	<u>29,100,248</u>	<u>9,263,317</u>
Operating Expenses:					
Salaries and wages	15,812,994	33,266	-	15,846,260	-
Fringe benefits	5,137,682	19,109	-	5,156,791	7,601,469
Operating supplies and expenses	2,263,480	16,531	-	2,280,011	-
Professional services	2,358,052	122,178	-	2,480,230	-
Repairs and maintenance	353,619	-	-	353,619	-
Utilities	729,690	-	-	729,690	-
Maintenance of effort	543,733	-	-	543,733	-
Provider tax expense	1,303,995	-	-	1,303,995	-
Other	645,744	113,357	-	759,101	591,361
Depreciation	1,353,703	10,495	-	1,364,198	653,126
Total Operating Expenses	<u>30,502,692</u>	<u>314,936</u>	<u>-</u>	<u>30,817,628</u>	<u>8,845,956</u>
Operating Income (Loss)	<u>(2,722,866)</u>	<u>995,666</u>	<u>9,820</u>	<u>(1,717,380)</u>	<u>417,361</u>
Non-Operating Revenues (Expenses):					
CARES Act Funding	2,404,795	-	-	2,404,795	-
Property taxes	1,133,886	-	-	1,133,886	-
Interest	13,571	62,257	-	75,828	-
Interest expense	(38,203)	-	-	(38,203)	-
Gain on disposal of assets	-	-	-	-	18,997
Total Non-Operating Revenues (Expenses)	<u>3,514,049</u>	<u>62,257</u>	<u>-</u>	<u>3,576,306</u>	<u>18,997</u>
Net Income Before Transfers	<u>791,183</u>	<u>1,057,923</u>	<u>9,820</u>	<u>1,858,926</u>	<u>436,358</u>
Transfers:					
Transfers in	-	-	-	-	254,168
Transfers out	-	(263,000)	-	(263,000)	-
Total Transfers	<u>-</u>	<u>(263,000)</u>	<u>-</u>	<u>(263,000)</u>	<u>254,168</u>
Change in Net Position	791,183	794,923	9,820	1,595,926	690,526
Net Position at beginning 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>
Net Position end of year	<u>\$ 10,046,095</u>	<u>\$ 17,972,467</u>	<u>\$ 29,200</u>	<u>\$ 28,047,762</u>	<u>\$ 7,196,075</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, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Nonmajor Tele-Comm	Total	Internal Service Funds
Cash Flows From Operating Activities:					
Cash receipts from customers and governmental units	\$28,283,230	\$ 6,772,140	\$ 9,820	\$35,065,190	\$ -
Cash receipts from interfund services	-	-	-	-	9,319,762
Cash payments to employees and suppliers	(29,451,440)	(5,295,004)	-	(34,746,444)	(9,463,523)
Provider tax payments	(968,489)	-	-	(968,489)	-
Other cash receipts	549,558	-	-	549,558	-
Net Cash Provided by (Used in) Operating Activities	(1,587,141)	1,477,136	9,820	(100,185)	(143,761)
Cash Flows From Noncapital Financing Activities:					
Proceeds from PPP loan	3,397,606	-	-	3,397,606	-
CARES Act Funding	1,915,335	-	-	1,915,335	-
Patient trust deposits	38,300	-	-	38,300	-
Net cash payments to other funds	-	(259,429)	-	(259,429)	-
Property taxes	1,005,962	-	-	1,005,962	-
Interfund transfers	-	(263,000)	-	(263,000)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	6,357,203	(522,429)	-	5,834,774	-
Cash Flows From Capital and Related Financing Activities:					
Interfund transfers	-	-	-	-	254,168
Acquisition of capital assets	(209,325)	-	-	(209,325)	(382,889)
Proceeds from sale of capital assets	-	-	-	-	37,853
Payments on advance	(805,858)	-	-	(805,858)	-
Interest paid on long term debt	(38,203)	-	-	(38,203)	-
Net Cash Used in Capital and Related Financing Activities	(1,053,386)	-	-	(1,053,386)	(90,868)
Cash Flows From Investing Activities:					
Promissory note payments received	-	805,858	-	805,858	-
Interest received	13,571	62,257	-	75,828	-
Net Cash Provided by Investing Activities	13,571	868,115	-	881,686	-
Net Increase (decrease) in cash and cash equivalents	3,730,247	1,822,822	9,820	5,562,889	(234,629)
Cash and cash equivalents at beginning of year	1,506,531	11,963,299	19,380	13,489,210	4,710,657
Cash and cash equivalents at end of year	<u>\$ 5,236,778</u>	<u>\$13,786,121</u>	<u>\$ 29,200</u>	<u>\$19,052,099</u>	<u>\$ 4,476,028</u>
Statement of Net Position:					
Cash and Cash Equivalents -					
Cash and cash equivalents	\$ 5,197,326	\$13,786,121	\$ 29,200	\$19,012,647	\$ 4,476,028
Restricted assets - cash	39,452	-	-	39,452	-
Cash and cash equivalents at end of year	<u>\$ 5,236,778</u>	<u>\$13,786,121</u>	<u>\$ 29,200</u>	<u>\$19,052,099</u>	<u>\$ 4,476,028</u>

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

	Business-type Activities - Enterprise Funds				Governmental Activities
	Medical Care Facility	Delinquent Tax	Nonmajor Tele-Comm	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss) for the year	\$(2,722,866)	\$ 995,666	\$ 9,820	\$(1,717,380)	\$ 417,361
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -					
Depreciation	1,353,703	10,495	-	1,364,198	653,126
Provision for uncollectible accounts	388,174	-	-	388,174	-
Change in assets and liabilities:					
(Increase) decrease in -					
Receivables	173,435	366,440	-	539,875	-
Due from other governmental units	(314,219)	-	-	(314,219)	-
Due from other funds	-	-	-	-	56,445
Due from component unit	-	108,790	-	108,790	-
Prepaid items	(21,221)	-	-	(21,221)	(394,981)
Inventories	19,389	-	-	19,389	-
Deferred outflows related to pensions	68,291	-	-	68,291	-
Increase (decrease) in -					
Patient trust deposits	38,300	-	-	38,300	-
Accounts payable	(1,562,669)	2,573	-	(1,560,096)	(896,528)
Accrued liabilities	936,461	(1,462)	-	934,999	20,816
Due to other funds	-	(203)	-	(203)	-
Net pension liability	(845,474)	-	-	(845,474)	-
Deferred inflows related to pensions	792,858	-	-	792,858	-
Due to other governmental units	108,697	(5,163)	-	103,534	-
Net Cash Provided by Operating Activities	<u>\$(1,587,141)</u>	<u>\$ 1,477,136</u>	<u>\$ 9,820</u>	<u>\$(100,185)</u>	<u>\$(143,761)</u>

LAPEER COUNTY, MICHIGAN

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

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 1,235,415
Due from other governmental units	<u>2,430</u>
Total Assets	<u>1,237,845</u>
Liabilities:	
Due to individuals and agencies	315,041
Due to other governmental units	<u>922,804</u>
Total Liabilities	<u>1,237,845</u>
Net Position:	
Unrestricted	<u><u>\$ -</u></u>

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

LAPEER COUNTY, MICHIGAN

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

	Custodial Funds
Additions:	
Property taxes and PILT	\$ 21,862,757
Fees and assessments	243,595
Permits	106,379
Court fees	380,183
Transfer tax	3,307,219
Penal fines	232,087
Other collections	7,025
Inmate revenues	12,525
	<hr/>
Total Additions	26,151,770
	<hr/>
Deductions:	
Distribution of property taxes and PILT	21,862,757
Distribution of fees and assessments	243,595
Distribution of permit fees	106,379
Distribution of court fees	380,183
Distribution of transfer tax	3,307,219
Distribution of penal fines	232,087
Other distributions	7,025
Inmate expenses	12,525
	<hr/>
Total Deductions	26,151,770
	<hr/>
Change in net position	-
Net Position -	
Beginning of year	<hr/> -
End of year	<hr/> \$ - <hr/>

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

COMPONENT UNITS

LAPEER COUNTY, MICHIGAN

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

	Road Commission	Board of Public Works	Drainage Districts	Land Bank Authority	Totals
Assets:					
Cash and cash equivalents	\$ 5,318,225	\$ -	\$ 6,461,287	\$ 155,821	\$ 11,935,333
Investments	-	-	1,293,525	-	1,293,525
Receivables	150,910	-	5,894,008	-	6,044,918
Due from other governmental units	2,393,345	-	98,519	-	2,491,864
Inventory	1,058,623	-	-	1,100	1,059,723
Prepaid items/deposits	173,735	-	-	-	173,735
Restricted assets -					
Cash	-	16,890	-	-	16,890
Contracts receivable	-	1,462,562	-	-	1,462,562
Capital Assets (net of accumulated depreciation) -					
Assets not being depreciated	32,125,470	-	4,484,921	-	36,610,391
Assets being depreciated	64,092,473	-	11,606,665	-	75,699,138
Total Assets	<u>105,312,781</u>	<u>1,479,452</u>	<u>29,838,925</u>	<u>156,921</u>	<u>136,788,079</u>
Deferred Outflows of Resources:					
Related to OPEB plan	2,405,675	-	-	-	2,405,675
Related to pension	2,015,811	-	-	-	2,015,811
Total Deferred Outflows of Resources	<u>4,421,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,421,486</u>
Liabilities:					
Payables and accrued liabilities	2,248,951	-	449,791	-	2,698,742
Accrued interest	-	-	14,961	-	14,961
Advances and deposits	432,245	-	348,000	-	780,245
Due to other governmental units	141,246	-	-	-	141,246
Advance from primary government	-	-	90,000	-	90,000
Liabilities payable from restricted assets -					
Accrued liabilities	-	7,146	-	-	7,146
Due to other governmental units	-	9,744	-	-	9,744
Non-current liabilities -					
Due within one year	-	265,000	507,127	-	772,127
Due in more than one year	544,779	1,197,562	6,701,820	-	8,444,161
Net pension liability	5,965,104	-	-	-	5,965,104
Net OPEB liability	14,752,014	-	-	-	14,752,014
Total Liabilities	<u>24,084,339</u>	<u>1,479,452</u>	<u>8,111,699</u>	<u>-</u>	<u>33,675,490</u>
Deferred Inflows of Resources:					
Related to OPEB plan	2,946,217	-	-	-	2,946,217
Related to pension	15,047	-	-	-	15,047
Total Deferred Inflows of Resources	<u>2,961,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,961,264</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
Net Position:					
Net investment in capital assets	\$ 96,217,943	\$ -	\$ 13,546,998	\$ -	\$ 109,764,941
Restricted -					
Debt Service	-	-	6,115,800	-	6,115,800
Unrestricted (deficit)	(13,529,279)	-	2,064,428	156,921	(11,307,930)
Total Net Position	<u>\$ 82,688,664</u>	<u>\$ -</u>	<u>\$ 21,727,226</u>	<u>\$ 156,921</u>	<u>\$ 104,572,811</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, 2020

	Road Commission	Board of Public Works	Drainage Districts	Land Bank Authority	Total
Expenses:					
Community and Economic Development	\$ -	\$ -	\$ -	\$ 17,684	\$ 17,684
Public Works	-	-	2,025,585	-	2,025,585
Highways and Streets	14,575,178	-	-	-	14,575,178
Interest on Long-term Debt	-	40,612	-	-	40,612
Total Expenses	<u>14,575,178</u>	<u>40,612</u>	<u>2,025,585</u>	<u>17,684</u>	<u>16,659,059</u>
Program Revenues:					
Charges for services	3,147,524	40,612	3,839,275	15,012	7,042,423
Operating grants and contributions	15,691,361	-	-	-	15,691,361
Capital grants and contributions	1,378,325	-	-	-	1,378,325
Total Program Revenues	<u>20,217,210</u>	<u>40,612</u>	<u>3,839,275</u>	<u>15,012</u>	<u>24,112,109</u>
Net program revenue (expense)	<u>5,642,032</u>	<u>-</u>	<u>1,813,690</u>	<u>(2,672)</u>	<u>7,453,050</u>
General Revenues:					
Unrestricted investment income	9,571	-	30,407	-	39,978
Gain on sale of capital assets	92,533	-	-	-	92,533
Total General Revenues	<u>102,104</u>	<u>-</u>	<u>30,407</u>	<u>-</u>	<u>132,511</u>
Change in Net Position	5,744,136	-	1,844,097	(2,672)	7,585,561
Net Position at the beginning of year	<u>76,944,528</u>	<u>-</u>	<u>19,883,129</u>	<u>159,593</u>	<u>96,987,250</u>
Net Position at the end of year	<u>\$82,688,664</u>	<u>\$ -</u>	<u>\$ 21,727,226</u>	<u>\$ 156,921</u>	<u>\$ 104,572,811</u>

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Reporting Entity -

The County was organized in 1835 and covers an area of approximately 670 square miles with the County seat located in the City of Lapeer, Michigan. The County operates under an elected seven-member Board of Commissioners (the “County Board”) and provides services to approximately 88,000 residents in many areas; including law enforcement, administration of justice, community enrichment and development, public works, health and welfare, and recreation and culture.

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

BLENDED COMPONENT UNIT -

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

DISCRETELY PRESENTED COMPONENT UNITS -

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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

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

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

COMPONENT UNIT FINANCIAL STATEMENTS - Complete financial statements of the Road Commission and the 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 3rd Floor Room 302
Lapeer, Michigan 48446

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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 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. 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, 2020

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, 2020

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

Proprietary Fund Types -

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

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

Fiduciary Fund Type -

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

Custodial Funds - are used to account for assets held by the County as an agent for individuals, private organizations, and other governmental units.

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

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. The principal operating revenues of the enterprise and internal services funds are charges to customers for sales and services and intergovernmental operating grants. Operating expenses for enterprise and internal service funds include costs of sales and services, administrative expenses, retirement and supplemental health care contributions, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

Deposits and Investments -

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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

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

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

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

Receivables and Payables -

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

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

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

Inventories and Prepaid Items -

Inventories of governmental funds are recorded as expenditures when purchased. The 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).

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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

Property Tax Calendar -

The property taxes for the County's General Fund are levied on July 1 (the lien date), with all special purpose taxes (extra voted levies) levied on December 1 (the lien date), based on the taxable value of property located in the County as of the preceding December 31, by the various municipalities within the County. The July 1 taxes are due on or before September 15 and the December 1 taxes are due on or before February 15. The General Fund and Medical Care Facility levies are recognized in the year of the levy. The special purpose taxes levied on December 1, except for the Medical Care Facility levy, are recorded as a receivable and a deferred inflow of resources since they are levied for the subsequent year operations. For the 2020 year, the County levied 3.6984 mills for the General Fund operations and extra voted levies of 0.3261 mills for the Medical Care Facility, 0.2480 mills for senior citizens programs, 0.1850 mills for veterans' programs, and 0.8992 mills for EMS.

Capital Assets -

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable columns in the government-wide financial statements. For the County, infrastructure exists in the Road Commission and Drainage Districts component units. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year, except for the Road Commission, which capitalizes assets except road equipment with an individual cost of more than \$2,000. The Road Commission capitalizes road equipment without consideration of a minimum cost. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives, with the exception of depreciation for road equipment which is computed on the sum-of-the-years' digits method:

	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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Compensated Absences -

In accordance with contracts negotiated with the various employee groups of the County, individual employees have vested rights upon termination of employment to receive payment for unused vacation 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.

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.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Fund Balance -

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

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

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

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

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

Unassigned fund balance – the portion of fund balance in the General Fund that cannot be classified into one of the four categories previously explained.

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

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

At December 31, 2020, the accumulation within the Budget Stabilization Fund was \$2,774,373 and is reported within the General Fund as restricted fund balance for the stabilization arrangement.

Estimates -

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

Federal Programs -

Federal programs are accounted for in the General Fund and specific Special Revenue Funds. The County has not integrated its Single Audit Reports and Schedule of Expenditures of Federal Awards as part of the Annual Financial Report. The Single Audit Financial Report will be issued under a separate cover as supplementary information to the Annual Financial Report. The audit of the federal awards of the Medical Care Facility will be audited by other auditors and issued separately.

Upcoming Accounting Pronouncement -

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary Information -

The 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.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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

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

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

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

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

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

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

Michigan Public Act 621 of 1978 Section 18, as amended, provides that local governmental units shall not incur expenditures in excess of the amount appropriated at the legally enacted level. The Michigan Department of Treasury requires the reporting of any significant overages at the legal level of budgetary control level (any overages at the legal level of budgetary control greater than 10% of the total expenditure and the overage itself is larger than 10%). During the year ended December 31, 2020, the County had no overages that exceeded this threshold.

Other -

At December 31, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act Fund has an unassigned fund balance deficit of \$331,753.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS:

Authorized Deposits and Investments -

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

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

Carrying Amount -

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

	Primary Government	Component Units	Fiduciary Funds	Reporting Entity
Cash on Hand	\$ 15,965	\$ 350	\$ 300	\$ 16,615
Deposits with Financial Institutions	39,323,345	11,951,873	1,235,115	52,510,333
Investments -				
Cash with Broker	22,226	363,135	-	385,361
Municipal Bonds	774,334	-	-	774,334
U.S. Government Securities	5,736,785	930,390	-	6,667,175
Marketable CD's	644,404	-	-	644,404
Investment Trust Funds	2,324,483	-	-	2,324,483
Total Investments	9,502,232	1,293,525	-	10,795,757
Grand Total	\$ 48,841,542	\$ 13,245,748	\$ 1,235,415	\$ 63,322,705

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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	\$ 15,965	\$ 350	\$ 300	\$ 16,615
Cash in Checking/Savings	39,323,345	11,951,873	1,235,115	52,510,333
Investment Trust Funds	<u>2,324,483</u>	<u>-</u>	<u>-</u>	<u>2,324,483</u>
Total Cash and Cash Equivalents Reported on Statements of Net Position	<u>41,663,793</u>	<u>11,952,223</u>	<u>1,235,415</u>	<u>54,851,431</u>
Reported as Investments -				
Cash with Broker	22,226	363,135	-	385,361
Municipal Bonds	774,334	-	-	774,334
U.S. Government Securities	5,736,785	930,390	-	6,667,175
Marketable CD's	<u>644,404</u>	<u>-</u>	<u>-</u>	<u>644,404</u>
Total Investments Reported on Statements of Net Position	<u>7,177,749</u>	<u>1,293,525</u>	<u>-</u>	<u>8,471,274</u>
Grand Total - Statements of Net Position	<u>\$ 48,841,542</u>	<u>\$ 13,245,748</u>	<u>\$ 1,235,415</u>	<u>\$ 63,322,705</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 the State to deposit in the accounts of federally insured banks, insured credit unions, and savings and loan associations. All deposits of the County are at federally insured banks in the State in the name of the County.

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, 2020, the County has \$54,130,896 of bank deposits, of which \$9,938,624 is insured with the remaining \$44,192,272 uninsured and uncollateralized.

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

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

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Investments -

As of December 31, 2020, the County had the following investment types:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage</u>
Cash with Broker	\$ 385,361	3.57 %
Municipal Bonds	774,334	7.17
U.S. Government Securities	6,667,175	61.76
Marketable CD's	644,404	5.97
Investment Trust Funds	<u>2,324,483</u>	<u>21.53</u>
Total	<u>\$ 10,795,757</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	\$ 2,324,483	AAAm	Standard & Poors	65

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

This investment pool has been reported in the financial statements as cash equivalents because it has the general characteristics of demand deposit accounts in that the County may deposit additional cash at any time and effectively may withdraw cash at any time without prior notice or penalty.

As of December 31, 2020, 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>
\$ 542,646	AA	Standard & Poors
<u>231,688</u>	A	Standard & Poors
<u>\$ 774,334</u>		

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020, \$8,085,913 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	Maturity (Years)		
	Fair Value	<1	1-5
Municipal Bonds	\$ 774,334	\$ 379,489	\$ 394,845
U.S. Government Securities	6,667,175	1,318,769	5,348,406
Marketable CD's	644,404	88,526	555,878
	<u>\$ 8,085,913</u>	<u>\$ 1,786,784</u>	<u>\$ 6,299,129</u>

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

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Municipal Bonds	\$ -	\$ 774,334	\$ -	\$ 774,334
U.S. Governmental Securities	<u>-</u>	<u>6,667,175</u>	<u>-</u>	<u>6,667,175</u>
	<u>\$ -</u>	<u>\$ 7,441,509</u>	<u>\$ -</u>	<u>7,441,509</u>
Cash Held with Broker				385,361
Marketable CD's				644,404
Investment Trust Funds				<u>2,324,483</u>
				<u>\$ 10,795,757</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, 2020.

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

NOTE 4 - RECEIVABLES:

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 2,313,022	\$ 3,452,276
Interest and accounts	1,826,442	3,454,332
Intergovernmental	<u>2,182,154</u>	<u>493,362</u>
	6,321,618	7,399,970
Less: Allowance for uncollectible	(<u>563,573</u>)	(<u>553,965</u>)
	<u>\$ 5,758,045</u>	<u>\$ 6,846,005</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 5 - CAPITAL ASSETS:

Primary Government

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

	Balance January 1, 2020	Additions	Adjustments/ Disposals	Balance December 31, 2020
Governmental Activities:				
Capital Assets, not being depreciated -				
Land	\$ 1,040,890	\$ -	\$ -	\$ 1,040,890
Capital Assets, being depreciated -				
Buildings	29,157,872	412,794	-	29,570,666
Improvements other than Buildings	2,671,170	-	-	2,671,170
Machinery and Equipment	23,425,024	254,562	24,500	23,655,086
Vehicles	2,760,494	262,482	173,103	2,849,873
Total Capital Assets being depreciated	<u>58,014,560</u>	<u>929,838</u>	<u>197,603</u>	<u>58,746,795</u>
Less: Accumulated Depreciation for -				
Buildings	18,481,633	792,546	-	19,274,179
Improvements other than Buildings	1,747,465	82,949	-	1,830,414
Machinery and Equipment	15,054,708	1,190,040	17,967	16,226,781
Vehicles	2,185,814	333,546	154,247	2,365,113
Total Accumulated Depreciation	<u>37,469,620</u>	<u>2,399,081</u>	<u>172,214</u>	<u>39,696,487</u>
Total Capital Assets Being Depreciated, net	<u>20,544,940</u>	<u>(1,469,242)</u>	<u>25,390</u>	<u>19,050,308</u>
Governmental Activities Capital Assets, net	<u>21,585,830</u>	<u>(1,469,242)</u>	<u>25,390</u>	<u>20,091,198</u>
Business-type Activities:				
Capital Assets, being depreciated -				
Buildings	31,938,933	55,629	23,513	31,971,049
Improvements other than Buildings	6,750	-	-	6,750
Machinery and Equipment	4,422,154	153,696	-	4,575,850
Total Capital Assets, being depreciated	<u>36,367,837</u>	<u>209,325</u>	<u>23,513</u>	<u>36,553,649</u>
Less: Accumulated Depreciation for -				
Buildings	13,850,519	1,095,143	23,252	14,922,410
Improvements other than Buildings	6,750	-	-	6,750
Machinery and Equipment	3,655,337	269,055	-	3,924,392
Total Accumulated Depreciation	<u>17,512,606</u>	<u>1,364,198</u>	<u>23,252</u>	<u>18,853,552</u>
Total Capital Assets, being depreciated, net	<u>18,855,231</u>	<u>(1,154,873)</u>	<u>261</u>	<u>17,700,097</u>
Total Primary Government Capital Assets, net	<u>\$ 40,441,061</u>	<u>\$(2,624,115)</u>	<u>\$ 25,651</u>	<u>\$ 37,791,295</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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

Governmental Activities -	
General Government	\$ 324,921
Public Safety	1,238,651
Public Works	600
Health and Welfare	115,033
Recreation and Cultural	<u>66,750</u>
Depreciation Expense - Governmental Activities	1,745,955
Depreciation Expense in the Internal Service Funds	<u>653,126</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,399,081</u></u>
Business-type Activities -	
Medical Care Facility	\$ 1,353,703
Delinquent Tax Revolving	<u>10,495</u>
Total Depreciation Expense - Business-type Activities	<u><u>\$ 1,364,198</u></u>

Component Units

Drainage Districts: Capital asset activity for the Drainage Districts for the year ended December 31, 2020 was as follows:

	Balance January 1, 2020	Additions	Adjustments/ Disposals	Balance December 31, 2020
Capital Assets, not being depreciated:				
Land Improvements	\$ 3,268,059	\$ 43,753	\$ -	\$ 3,311,812
Construction in progress	<u>-</u>	<u>1,173,109</u>	<u>-</u>	<u>1,173,109</u>
Total Capital Assets, not being depreciated	<u>3,268,059</u>	<u>1,216,862</u>	<u>-</u>	<u>4,484,921</u>
Capital Assets, being depreciated:				
Equipment	446,447	-	90,974	355,473
Infrastructure	<u>29,172,387</u>	<u>393,776</u>	<u>-</u>	<u>29,566,163</u>
Total Capital Assets, being depreciated	<u>29,618,834</u>	<u>393,776</u>	<u>90,974</u>	<u>29,921,636</u>
Less: Accumulated Depreciation for:				
Equipment	202,442	-	90,974	111,468
Infrastructure	<u>17,673,958</u>	<u>529,545</u>	<u>-</u>	<u>18,203,503</u>
Total Accumulated Depreciation	<u>17,876,400</u>	<u>529,545</u>	<u>90,974</u>	<u>18,314,971</u>
Total Capital Assets, being depreciated, net	<u>11,742,434</u>	<u>(135,769)</u>	<u>-</u>	<u>11,606,665</u>
Drainage Districts Capital Assets, net	<u><u>\$ 15,010,493</u></u>	<u><u>\$ 1,081,093</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,091,586</u></u>

Depreciation expense was \$529,545 for 2020.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Construction/Purchase Commitments

The County has committed to the following contracts at December 31, 2020:

	<u>Contract Amount</u>	<u>Payments through 12/31/2020</u>	<u>Accounts Payable/ Retention</u>	<u>Remaining Balance 12/31/2020</u>
Bottom Creek Drain Project	\$ 1,463,231	\$ 115,145	\$ 176,416	\$ 1,171,670
Stroup Drain Project	1,561,322	305,392	146,133	1,109,797

Road Commission: Capital asset activity for the Road Commission for the year ended September 30, 2020 was as follows:

	<u>Balance October 1, 2019</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	<u>Balance September 30, 2020</u>
Capital Assets, not being depreciated -				
Land	\$ 159,507	\$ -	\$ -	\$ 159,507
Land Improvements	31,723,779	62,138	-	31,785,917
Right of Ways	<u>180,046</u>	<u>-</u>	<u>-</u>	<u>180,046</u>
Total Capital Assets, not being depreciated	<u>32,063,332</u>	<u>62,138</u>	<u>-</u>	<u>32,125,470</u>
Capital Assets, being depreciated -				
Building and Improvements	2,318,447	162,649	-	2,481,096
Road Equipment	9,505,945	649,196	688,827	9,466,314
Shop Equipment	119,665	-	-	119,665
Infrastructure -				
Roads	82,257,846	9,938,452	4,912,273	87,284,025
Bridges	17,835,712	1,336,747	-	19,172,459
Traffic Signals	83,723	-	-	83,723
Depletable Assets	<u>205,130</u>	<u>-</u>	<u>-</u>	<u>205,130</u>
	<u>112,326,468</u>	<u>12,087,044</u>	<u>5,601,100</u>	<u>118,812,412</u>
Less: Accumulated depreciation for -				
Buildings and Improvements	1,946,651	63,477	-	2,010,128
Road Equipment	7,612,115	583,783	676,760	7,519,138
Shop Equipment	37,930	11,967	-	49,897
Infrastructure -				
Roads	36,656,822	5,311,475	4,912,273	37,056,024
Bridges	7,478,427	388,319	-	7,866,746
Traffic Signals	83,723	-	-	83,723
Depletable Assets	<u>134,283</u>	<u>-</u>	<u>-</u>	<u>134,283</u>
	<u>53,949,951</u>	<u>6,359,021</u>	<u>5,589,033</u>	<u>54,719,939</u>
Total Capital Assets, being depreciated, net	<u>58,376,517</u>	<u>5,728,023</u>	<u>12,067</u>	<u>64,092,473</u>
Capital Assets, net	<u>\$ 90,439,849</u>	<u>\$ 5,790,161</u>	<u>\$ 12,067</u>	<u>\$ 96,217,943</u>

Depreciation expense was \$6,359,021 for 2020.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 6 - PAYABLES:

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accounts Payable	\$ 2,466,924	\$ 886,566
Accrued Liabilities	531,986	1,162,898
Intergovernmental	4,248,537	325,888
Individuals and Agencies	<u>306,271</u>	<u>-</u>
	<u>\$ 7,553,718</u>	<u>\$ 2,375,352</u>

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

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

Due To/From Other Funds

Governmental Funds -	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 3,158	\$ 18,969
Nonmajor Special Revenue Funds -		
E-911	-	2,130
Friend of the Court	-	2,002
Family Marriage Counseling	68	-
Health Department	7,708	7,332
Personal Care Aid Program	-	1,598
Animal Control	-	385
Emergency Management	-	138
Community Grants	195	8,147
Police Service Contracts	-	4,024
Law Enforcement Grants	-	546
Child Care	-	1,438
Soldiers' Relief	-	426
Soil and Sedimentation	-	124
Mental Health Court	-	16
Concealed Pistol Licensing	175	12
Lapeer Family Continuation Coordinator	<u>-</u>	<u>6</u>
	<u>8,146</u>	<u>28,324</u>
Internal Service Funds -		
Retirement	24,754	-
Workers' Compensation	3,465	-
Unemployment Insurance	<u>79</u>	<u>-</u>
	<u>28,298</u>	<u>-</u>
Proprietary Funds -		
Medical Care Facility	-	299,738
Delinquent Tax	<u>299,738</u>	<u>83</u>
	<u>299,738</u>	<u>299,821</u>
Reconciling item for September 30 year-end funds	<u>7,774</u>	<u>-</u>
Total	<u>\$ 347,114</u>	<u>\$ 347,114</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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 \$7,774 due to transactions with funds reported on a September 30 year-end.

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	-	25,000 (1)
	<u>32,500</u>	<u>32,500</u>
Proprietary Funds -		
Delinquent Tax	626,722	- (2)
Medical Care Facility	-	626,722 (2)
	<u>626,722</u>	<u>626,722</u>
Total	<u>\$ 659,222</u>	<u>\$ 659,222</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	-	90,000
	<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, 2020

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

Interfund Receivable/Payable

	<u>Receivable</u>	<u>Payable</u>
Proprietary Fund -		
Delinquent Tax	\$ 560,634	\$ -
Governmental Funds -		
Mental Health Court	-	14,344
Polly Ann Trail	-	540
Friend of the Court	-	13,809
County Surveyor	-	23,822
Community Grants	-	959
Police Service Contracts	-	98,333
CARES Act	-	408,827
	<u>-</u>	<u>408,827</u>
Total	<u>\$ 560,634</u>	<u>\$ 560,634</u>

The interfund receivable/payable balances at December 31, 2020 represent short-term borrowing between funds to cover negative cash balances in the common checking account in accordance with County Board policy.

Transfers In and Out

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
	General Fund	\$ 25,000 (5)
Parks Department		404,475 (1)
Friend of the Court		340,630 (1)
Health Department		261,730 (1)
Community Mental Health		134,000 (1)
Animal Control		49,000 (1)
Emergency Management		109,845 (1)
Indigent Defense		70,885 (1)
Community Grants		406,459 (1)
Police Service Contracts		1,043 (1)
Law Enforcement Programs		4,500 (1)
Law Library		456,261 (1)
Child Care		18,500 (1)
Multi-Purpose Collaborative Body		164,168 (3)
Equipment Acquisition and Replacement		<u>2,446,496</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Friend of the Court	Delinquent Tax	\$ 3,000 (4)
General Fund		<u>260,000 (5)</u>
		<u>263,000</u>
Personal Care Aide Program	Senior Millage	<u>736,000 (2)</u>
Old Courthouse	Equipment Acquisition and Replacement	<u>90,000 (3)</u>
Total Transfers		<u>\$ 3,535,496</u>

Transfers represent:

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

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:

	<u>Principal</u>	<u>Interest</u>
2021	\$ 265,000	\$ 34,430
2022	280,000	27,237
2023	155,000	19,498
2024	155,000	16,204
2025	160,000	12,911
2026-2028	<u>447,562</u>	<u>18,229</u>
	<u>\$ 1,462,562</u>	<u>\$ 128,509</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 9 - LONG-TERM LIABILITIES:

Primary Government

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

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
Governmental Activities:					
Governmental Funds -					
General Obligation Bonds:					
2011 Capital Improvement					
Bonds	\$ 1,975,000	\$ -	\$ 1,975,000	\$ -	\$ -
Amounts For -					
Issuance Premium	22,075	-	22,075	-	-
Other Liabilities:					
Accrued Claims Liability	313,474	(39,879)	47,204	226,391	25,000
Accrued Vacation	<u>573,069</u>	<u>600,645</u>	<u>573,069</u>	<u>600,645</u>	<u>600,645</u>
Total Governmental Funds	2,883,618	560,766	2,617,348	827,036	625,645
Internal Service Funds -					
Other Liabilities:					
Workers' Compensation					
Claims Liabilities	<u>83,060</u>	<u>47,569</u>	<u>26,753</u>	<u>103,876</u>	<u>103,876</u>
Total Governmental Activities	<u>2,966,678</u>	<u>608,335</u>	<u>2,644,101</u>	<u>930,912</u>	<u>729,521</u>
Business-type Activities:					
Direct Borrowings and Direct					
Placements -					
Medical Care Facility:					
Paycheck Protection					
Program Loan	-	3,397,606	-	3,397,606	32,619
Other Liabilities -					
Medical Care Facility:					
Workers' Compensation					
Claims Liabilities	8,331	47,637	10,000	45,968	45,968
Accrued Vacation and Sick	404,376	545,822	404,376	545,822	545,822
Accrued Liabilities	<u>-</u>	<u>304,060</u>	<u>-</u>	<u>304,060</u>	<u>-</u>
Total Business-type Activities	<u>412,707</u>	<u>4,295,125</u>	<u>414,376</u>	<u>4,293,456</u>	<u>624,409</u>
Total Primary Government	<u>\$ 3,379,385</u>	<u>\$ 4,903,460</u>	<u>\$ 3,058,477</u>	<u>\$ 5,224,368</u>	<u>\$ 1,353,930</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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

Paycheck Protection Program Loan -

During the year ended December 31, 2020, the County entered into a promissory note with a bank for \$3,397,606 under the Paycheck Protection Program (PPP). The PPP was established by Congress as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met. The County may use the funds on qualifying expenses over a covered period of up to 24 weeks. At the conclusion of the covered period, any balance that is not forgiven by the Small Business Association (SBA) will be repaid over a period of five years with interest accruing at a rate of 1 percent. Based on the loan amount, irrespective of any potential forgiveness that may be granted in the future, payments of principal and interest totaling \$77,921 are due monthly, beginning in December 2021. The loan matures in August 2025, at which point the remaining principal and interest are due.

Any request for forgiveness is subject to review and approval by the lender and the SBA, including review of qualifying expenditures and staffing and salary levels. The County has submitted a request for forgiveness during January 2021; however, the County has not heard from the SBA on if the loan will be forgiven. There can be no assurance that any portion of the PPP loan will be forgiven. In addition, because the County's loan exceeds \$2 million, the SBA will review the County's loan file, which will include review of the County's eligibility for the program and the good-faith certification of the necessity of the loan.

If the SBA determines the County was not initially eligible under the program or concludes that the County did not have an adequate basis for making the good-faith certification of necessity at the time of application, the loan could become payable on demand. Although management considers it probable that the County was initially eligible for the loan, the SBA has the ability to review the County's loan file for a period subsequent to the date the loan is forgiven or repaid in full and could request additional documentation to support the County's initial eligibility for the loan. In the event the SBA subsequently determines the County did not meet the initial eligibility requirements for the PPP loan or did not qualify for loan forgiveness, the SBA may pursue legal remedies at its discretion.

At December 31, 2020, the outstanding balance on the PPP loan is \$3,397,606, which is recorded on the statement of net position of the Medical Care Facility Fund.

Annual debt service requirements to maturity for the PPP loan is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 32,619	\$ 45,301
2022	905,540	74,809
2023	914,637	22,522
2024	923,825	12,573
2025	<u>620,985</u>	<u>5,884</u>
	<u>\$ 3,397,606</u>	<u>\$ 161,089</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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 \$226,391 at December 31, 2020.

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 \$103,876 and \$45,968, respectively, at December 31, 2020.

Accrued Vacation and Sick - Accrued vacation and sick of \$545,822 has been recorded as a long-term liability in the Medical Care Facility (enterprise) Fund. The governmental funds' portion of \$600,645 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.

Accrued Liabilities - The County's Medical Care Facility has elected to defer the deposit and payment of social security taxes allowed under the CARES Act. The deferred employer payroll taxes of \$304,060 at December 31, 2020 under this program will be paid in 2022.

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, 2020 and the BPW and Drainage Districts for the year ended December 31, 2020:

	Balance October 1, 2019	Additions	Reductions	Balance September 30, 2020	Due Within One Year
Road Commission -					
Other Liability: Accrued Vacation	\$ 550,541	\$ -	\$ 5,762	\$ 544,779	\$ -
	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
BPW -					
General Obligation Bonds	375,000	-	120,000	255,000	125,000
Other Direct Borrowings:					
State of Michigan Revolving Loans	1,342,562	-	135,000	1,207,562	140,000
Total Board of Public Works	1,717,562	-	255,000	1,462,562	265,000
Drainage Districts -					
General Obligation Bonds:					
Drainage Bonds	3,535,000	3,840,000	360,000	7,015,000	465,000
Amount for Bond Premium	33,526	-	2,579	30,947	2,579
Other Direct Borrowing:					
Promissory Note	-	163,000	-	163,000	39,548
Total Drainage District	3,568,526	4,003,000	362,579	7,208,947	507,127
Total Component Units	\$ 5,836,629	\$ 4,003,000	\$ 623,341	\$ 9,216,288	\$ 772,127

LAPEER COUNTY, MICHIGAN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 \$544,779 at September 30, 2020.

BPW

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 BPW 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 BPW, 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 \$125,000 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, 2020 is \$255,000.

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 BPW 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 BPW has drawn \$2,017,030 from the authorized amount. Principal payments are due in annual installments through October 1, 2028 in amounts ranging from \$105,000 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, 2020

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 BPW 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, 2020 are as follows:

	<u>Interest Rate</u>	
2007 Water System (Village of Almont)	2.125 %	\$ 932,694
2007 Water System (Village of Dryden)	2.125	<u>274,868</u>
		<u>\$ 1,207,562</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>
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	-	-	160,000	12,911
2026-2028	<u>-</u>	<u>-</u>	<u>447,562</u>	<u>18,229</u>
	<u>\$ 255,000</u>	<u>\$ 13,320</u>	<u>\$ 1,207,562</u>	<u>\$ 115,189</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 the County Board, the County has pledged its full faith and credit as additional security for the payment of the principal of and interest on the bonds.

On November 1, 2001, the County issued \$525,000 in bonds in connection with the Winn Lake Drainage District. The final principal payment is due in the amount of \$30,000 on May 1, 2021, with the final interest amount of 5.60% also due on May 1, 2021.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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 the amount of \$125,000, with interest due semi-annually on June 1 and December 1 with rates ranging from 4.45-4.70%

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

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

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

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

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

The balances of outstanding drainage bonds at December 31, 2020 are as follows:

	<u>Interest Rate</u>	
Winn Lake Drainage District	5.60 %	\$ 30,000
Imlay-Bigelow and Branches Drainage District	4.45 - 4.70	625,000
Indian Creek Intercounty Drainage District	2.00 - 3.25	2,010,000
Marshall Creek Drainage District	2.13	510,000
Peasley Drainage District	1.57	1,275,000
Bottom Creek Drainage District	1.66	1,310,000
Stroup Drainage District	1.79	<u>1,255,000</u>
		<u>\$ 7,015,000</u>

Promissory Note -

On October 29, 2020, the County executed a promissory note with the County Drain Commission, a component unit of the County, for the purpose of funding the Lake Nepessing Drainage District Project. Payments are due in annual installments ranging from \$39,548 to \$41,968 through 2024, with interest of 2.00% due on June 30 of each year. The outstanding balance at December 31, 2020 is \$163,000.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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

Year Ended Year Ended December 31,	Promissory Note		Drainage Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 39,548	\$ 2,210	\$ 465,000	\$ 158,047
2022	40,339	2,469	645,000	142,373
2023	41,145	1,662	645,000	126,430
2024	41,968	839	645,000	109,573
2025	-	-	640,000	92,665
2026-2030	-	-	2,570,000	283,619
2031-2035	-	-	1,340,000	47,391
2036	-	-	65,000	582
	<u>\$ 163,000</u>	<u>\$ 7,180</u>	<u>\$ 7,015,000</u>	<u>\$ 960,680</u>

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'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.

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, 2020 was comprised of 685 active participants, 431 retirees and beneficiaries, and 155 other vested inactive participants. The membership at December 31, 2019 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.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Benefits Provided -

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

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

Contributions -

Participants of the Plan contribute 0.00-2.53% of compensation with the remaining amount contributed by the County based on actuarially determined amounts. The County pays the actuarially determined amount, which for the year ended December 31, 2020 was 8.00-18.00% of covered payroll. The County had \$465,817 payable to the Plan related to December 2020 contributions.

Net Pension Liability -

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

	Total Pension Liability	Plan's Net Position	Net Pension Liability
Beginning balance	\$ 129,092,372	\$ 112,030,279	\$ 17,062,093
Service cost	2,715,927	-	2,715,927
Interest on total pension liability	9,659,690	-	9,659,690
Net investment income	-	14,313,145	(14,313,145)
Difference between expected and actual experience	(546,018)	-	(546,018)
Change in assumptions	3,637,609	-	3,637,609
Contributions from employer	-	4,214,710	(4,214,710)
Contributions from employees	-	258,813	(258,813)
Benefit payments	(6,698,310)	(6,698,310)	-
Administrative costs	-	(224,195)	224,195
Other changes	75,377	-	75,377
Ending balance	<u>\$ 137,936,647</u>	<u>\$ 123,894,442</u>	<u>\$ 14,042,205</u>

Plan fiduciary net position as a percentage of the total pension liability 89.82%

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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

For the year ended December 31, 2020, the County recognized pension expense of \$3,600,920 in the government-wide and proprietary fund financial statements of the primary government. At December 31, 2020, 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>
Primary Government		
Net difference between projected and actual earnings of Plan investments	\$ -	\$ 3,679,378
Difference between expected and actual experience	764,011	2,421,656
Change in assumptions	<u>3,625,130</u>	<u>-</u>
	<u>\$ 4,389,141</u>	<u>\$ 6,101,034</u>

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

2021	\$ 876,939
2022	1,534,051
2023	(2,944,505)
2024	<u>(1,178,378)</u>
	<u>\$(1,711,893)</u>

Actuarial Assumptions -

The total pension liability was determined by an actuarial valuation as of December 31, 2019 that used updated procedures to roll forward the liability to December 31, 2020. 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 - 3.00%

Inflation - 2.50%

Investment Rate of Return - 7.35%

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.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Discount Rate - The discount rate used to measure the total pension liability was 7.60 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.

Assumption changes since the prior valuation are as follows:

- Investment rate of return was decreased to 7.35% from 7.75%.
- Discount rate was decreased to 7.60% from 8.00%.

Projected Cash Flows -

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

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

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

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

The following presents the net pension liability of the County, calculated using the discount rate of 7.60 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate.

	<u>1% Decrease (6.60%)</u>	<u>Current Discount Rate (7.60%)</u>	<u>1% Increase (8.60%)</u>
Net pension liability of the Primary Government	<u>\$ 30,328,585</u>	<u>\$ 14,042,205</u>	<u>\$ 327,247</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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, 2019 was comprised of 48 active participants, 54 retirees and beneficiaries, and 11 other vested inactive participants.

Benefits Provided -

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

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

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

Contributions -

Participants of the Plan contribute 0.00%-7.10% of compensation, depending on division, with the remaining flat dollar amounts contributed by the Road Commission based on an actuarial valuation. During the year ended September 30, 2020, contributions totaling \$2,000,004 were made in accordance with contribution requirements determined by on actuarial valuation for the Plan. At September 30, 2020, \$174,079 was payable to the Plan relating to September 2020 contributions.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Net Pension Liability -

The net pension liability of the Road Commission has been measured as of December 31, 2019 as determined by an actuarial valuation performed as of that date, and the changes in net pension liability are composed of the following:

	Total Pension Liability	Plan's Fiduciary Net Position	Net Pension Liability
Beginning balance	\$ 18,553,003	\$ 11,389,947	\$ 7,163,056
Service cost	225,252	-	225,252
Interest on total pension liability	1,447,366	-	1,447,366
Net investment income	-	1,590,810	(1,590,810)
Difference between expected and actual experience	53,390	-	53,390
Changes in assumptions	595,247	-	595,247
Contributions from employer	-	1,850,810	(1,850,810)
Contributions from members	-	105,054	(105,054)
Benefit payments	(1,147,114)	(1,147,114)	-
Administrative costs	-	(27,467)	27,467
Ending balance	<u>\$ 19,727,144</u>	<u>\$ 13,762,040</u>	<u>\$ 5,965,104</u>

Plan fiduciary net position as a percentage of the total pension liability 69.76%

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

For the year ended September 30, 2020, the Road Commission recognized pension expense of \$907,743. At September 30, 2020, 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	\$ 29,331	\$ -
Change in assumptions	446,435	-
Difference between expected and actual experience	40,042	15,047
	515,808	15,047
Contributions made subsequent to the measurement date	1,500,003	-
	<u>\$ 2,015,811</u>	<u>\$ 15,047</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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

2021	\$	129,701
2022		194,141
2023		306,590
2024	(	<u>129,671</u>)
	\$	<u>500,761</u>

Actuarial Assumptions and Projected Cash Flows -

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Road Commission, calculated using the discount rate of 7.60 percent, as well as what the Road Commission's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate.

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Net pension liability	\$ <u>3,177,979</u>	\$ <u>5,965,104</u>	\$ <u>4,089,255</u>

The Road Commission issued a separate annual financial statement as of September 30, 2020. 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, 2020 were \$47,332.

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, 2020 were \$28,345.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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 has the authority to amend the Retiree Health Care Plan. Employer contributions to participant accounts of \$307,705 were made for the year ended December 31, 2020. The Medical Care Facility made a separate contribution to the Retiree Health Care Plan of \$85,500 for the year ended December 31, 2020. The County obligation is limited to the amount of employer contributions provided to the Retiree Health Care Plan.

Component Unit - Road Commission

Plan Description -

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

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

Summary of Significant Accounting Policies -

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

Benefits Provided -

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

OPEB Plan Membership -

At September 30, 2020, OPEB plan membership consisted of 34 active members and 47 inactive members or beneficiaries receiving benefits.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

Contributions -

During the year ended September 30, 2020, the actuarial determined contributions were \$1,625,611 and actual contributions of \$813,286 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, 2020 are as follows:

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

Methods and Assumptions -

The total OPEB liability was determined by an actuarial valuation at September 30, 2020. 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 2021, graded down to 4.50% by 0.25% per year. Medicare rates were estimated at 7.00% for 2020, graded down to 6.50% after one year and then by 0.25% per year to a rate of 4.50%.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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 2.39% was used. The projection of cash flows used to determine the discount rate assumes that the Road Commission will make annual contributions of \$250,000. Based on this assumption, the assets are projected to be sufficient to make projected future benefit payments of current OPEB Plan members through 2025 (the "crossover point"). For projected benefits that are covered by the projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. As of September 30, 2019, the discount rate was 3.72%.

Assumption changes since the prior valuation are as follows:

- The discount rate changed from 3.72% to 2.39%
- Trend rates were updated from Post-65 medical

Net OPEB Liability of the Road Commission -

The net OPEB liability of the Road Commission has been measured as of September 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by the alternative measurement method valuation as of that date and is composed of the following:

	Total OPEB Liability	OPEB Plan's Fiduciary Net Position	Net OPEB Liability
Beginning Balance	\$ 14,034,162	\$ 1,557,957	\$ 12,476,205
Service cost	104,872	-	104,872
Interest on net OPEB liability	515,495	-	515,495
Change in assumptions	2,668,638	-	2,668,638
Net investment income	-	96,325	(96,325)
Difference between expected and actual experience	(106,659)	-	(106,659)
Contributions from employer	-	813,286	(813,286)
Benefit payments	(563,286)	(563,286)	-
Administrative expenses	-	(3,074)	3,074
Ending Balance	<u>\$ 16,653,222</u>	<u>\$ 1,901,208</u>	<u>\$ 14,752,014</u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability			11.42%

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

OPEB Expense and Deferred Inflows of Resources Related to OPEB -

For the year ended September 30, 2020, the Road Commission recognized OPEB expense of \$116,581 for the OPEB Plan. At September 30, 2020, 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	\$ -	\$ 3,656
Difference between expected and actual experience	-	2,942,561
Changes in assumptions	<u>2,405,675</u>	<u>-</u>
	<u>\$ 2,405,675</u>	<u>\$ 2,946,217</u>

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

2021	\$(444,311)
2022	(168,508)
2023	79,033
2024	(6,756)
	<u>\$(540,542)</u>

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

The following presents the net OPEB liability of the Road Commission, calculated using the discount rate of 2.39% as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (1.39%) or one-percentage-point higher (3.39%) than the current rate.

	1% Decrease (1.39%)	Current Discount Rate (2.39%)	1% Increase (3.39%)
Net OPEB Liability	<u>\$ 17,555,194</u>	<u>\$ 14,752,014</u>	<u>\$ 12,536,562</u>

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

The following presents the net OPEB liability of the Road Commission, calculated using the healthcare cost trend rate of 8.50/7.00%, graded down to 4.50% 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	<u>\$ 12,288,420</u>	<u>\$ 14,752,014</u>	<u>\$ 17,892,873</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

There are various other legal actions pending against the County. Due to the inconclusive nature of many of the actions, it is not possible for Corporate Counsel to determine the probable outcome or a reasonable estimate of the County's potential liability, if any. Those actions for which a reasonable estimate can be determined of the County's potential liability, if any, are covered by insurance, and risk of loss to the County would be limited to the deductibles on coverages.

Component Unit - Road Commission

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

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

Component Unit - Drainage District

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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 the Lapeer County Land Bank Authority (under County umbrella) are voluntary members of MMRMA, established pursuant to laws of the State which authorize local units of government to exercise jointly any power, privilege, or authority which each might exercise separately.

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

MMRMA administers risk management funds providing the County with loss protection for general and auto liability, motor vehicle physical damage, and property. Under most circumstances the County's maximum loss is limited as follows:

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

The County has also elected to be a member of the Stop Loss Program, which limits the County's self-insurance retention. For 2020, 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.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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	
	2020	2019	2020	2019	2020	2019
Unpaid claims, beginning of year	\$ 313,474	\$ 164,971	\$ 83,060	\$ 77,002	\$ 8,331	\$ 8,776
Incurred claims (including IBNR's)	(39,879)	259,409	47,569	50,320	47,637	33,470
Claims Paid	(47,204)	(110,906)	(26,753)	(44,262)	(10,000)	(33,915)
Unpaid claims, end of year	226,391	313,474	103,876	83,060	45,968	8,331
Less - current portion	(25,000)	(25,000)	(103,876)	(83,060)	(45,968)	(8,331)
Long-term Liabilities	<u>\$ 201,391</u>	<u>\$ 288,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Component Unit - Road Commission

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

The Road Commission is partially self-funded for prescription drug and medical deductibles for pre-Medicare retirees. The Road Commission contracts with a separate third-party administrator to manage the partially self-funded prescription plan and the partially self-funded medical plan. Based on claims incurred, the Road Commission has determined an estimate at September 30, 2020 of unpaid incurred claims, including an estimate of claims incurred but not reported (IBNR), would not be significant and that an accrual was necessary.

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

	2020	2019
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims (including IBNR's)	62,576	46,704
Claims paid	(62,576)	(46,704)
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

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	\$ 20,091,198
Add: Unspent portion of 2011 G.O. Bonds	<u>322,379</u>
	<u>\$ 20,413,577</u>

Business-type Activities:

Capital Assets	<u>\$ 17,700,097</u>
----------------	----------------------

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020:

	<u>Enabling Legislation</u>	<u>Other</u>	<u>Total</u>
Governmental Activities -			
Acquisition/construction of capital assets:			
E-911 Construction	\$ -	\$ 322,379	\$ 322,379
Old Courthouse	-	27,288	<u>27,288</u>
			<u>349,667</u>
Debt Service:			
E-911	3,707,101	-	<u>3,707,101</u>
Health and Welfare:			
Community Mental Health	-	152,048	152,048
Health Department	21,048	-	21,048
Community Development	-	247,444	247,444
Veterans' Trust	-	192	192
Soldiers' Relief	-	36,270	36,270
Senior Millage	-	443,046	443,046
Soil and Sedimentation	-	35,263	35,263
Lapeer Family Continuation Coordinator	-	22,416	22,416
Mental Health Court	14	-	<u>14</u>
			<u>957,741</u>
Public Safety:			
E-911	592,481	-	592,481
Thumb Narcotics Unit	-	410,161	410,161
Law Enforcement - Other	-	239,616	<u>239,616</u>
			<u>1,242,258</u>
General Government:			
Budget Stabilization	2,774,373	-	2,774,373
Register of Deeds Automation	742,470	-	742,470
Concealed Pistol Licensing	101,348	-	<u>101,348</u>
			<u>3,618,191</u>
Other:			
Friend of Court	-	154,668	154,668
Family Marriage Counseling	94,044	-	94,044
County Surveyor	-	12,924	<u>12,924</u>
			<u>261,636</u>
Total Restricted Fund Balance - Governmental Funds			10,136,594
Unspent Bond Proceeds		(322,379)	
Unavailable Revenues - Health and Welfare - Community Development			<u>720,908</u>
Total Restricted Net Position - Governmental Activities			<u>\$ 10,535,123</u>

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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

	<u>Enabling Legislation</u>	<u>Other</u>	<u>Total</u>
Business-type Activities -			
Foreclosure sales	\$ 3,368,391	\$ -	\$ 3,368,391
Treasurer's office administration	195,746	-	<u>195,746</u>
Total Restricted Net Position - Business-type Activities			<u>\$ 3,564,137</u>

Committed Fund Balances -

At December 31, 2020, the County Controller/Administrator had committed the following fund balances:

Major Funds -

General Fund -

General Government -

Local Reserve	\$ 1,421,613
Emergency Disaster	34,100
Rental Property	<u>8,973</u>
	<u>1,464,686</u>

Community Mental Health -

Health and Welfare	<u>2,123,381</u>
--------------------	------------------

Nonmajor Funds -

Judicial -

Law Library	15,019
-------------	--------

Public Safety -

Animal Control	37,078
Emergency Management	14,673
Police Service Contracts	109,214
Law Enforcement Programs	117,891
Law Enforcement	151,229

Health and Welfare -

Health Department	515,042
Personal Care Aide Program	13,216
Environment/Recycling	388
Department of Human Services	30,692
Child Care	317,562

Recreation and Cultural -

Parks Department	1,951
------------------	-------

Acquisition/Construction of Capital Assets -

Capital Construction/Improvement	<u>5,477</u>
	<u>1,329,432</u>

Total Committed Fund Balance	<u>\$ 4,917,499</u>
------------------------------	---------------------

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 16 - COVID-19:

Towards the end of December 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. During 2020, there have been mandates from federal, State, and local authorities requiring forced closures of large events, stay-at-home orders, required social distancing, and the suspension of elective procedures (Medical Care Facility).

Enacted on March 27, 2020 by the federal government, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was established, which authorizes \$100 billion to be administered through grants and other mechanisms to hospitals, public entities, not-for-profit entities, and Medicare and Medicaid-enrolled suppliers and institutional providers. The purpose of these funds is to reimburse providers for lost revenue attributable to the coronavirus pandemic, such as forgone revenue from canceled procedures, and to provide support for related healthcare expenses, such as constructing temporary structures or emergency operation centers, retrofitting facilities, purchasing medical supplies and equipment, including personal protective equipment and testing supplies, and increasing the workforce. Further, these relief funds ensure uninsured residents are receiving testing and treatment for COVID-19.

On April 10, 2020, the U.S. Department of Health and Human Services (HHS) began making payments to healthcare providers from the \$100 billion appropriation. These are payments to healthcare providers that will not need to be repaid as long as the Medical Care Facility complies with certain terms and conditions outlined by HHS. The Medical Care Facility relied upon guidance issued by HHS through June 30, 2021. The terms and conditions first require the healthcare provider to identify healthcare-related expenses attributed to COVID-19 that no other source has reimbursed or is obligated to reimburse. If those expenses do not exceed the funding received, the healthcare provider then applies the funds to patient care lost revenue. HHS's June 11, 2021 notice, Post-Payment Notice of Reporting Requirements, provided healthcare providers three options to calculate patient care lost revenue. To determine the total distributions to be recognized as revenue as of December 31, 2020, the Medical Care Facility totaled unreimbursed related expenses attributed to COVID-19 and calculated patient care lost revenue based on an alternative method the Medical Care Facility has deemed reasonable under the guidance published by HHS.

The CARES Act authorized \$150 billion to be administered to state, local, and tribal governments to be used to cover the expenses which are necessary expenditures incurred due to COVID-19, were not accounted for in the most recently approved budgets as of March 27, 2020, and were incurred during the period which began on March 1, 2020 and ends on December 31, 2021. Effective July 1, 2020, the Michigan Department of Health and Human Services (MDHHS) approved appropriation of these funds.

HHS's and MDHHS's requirements for the uses of the CARES Act funds are subject to change and are open to interpretation and clarification, and therefore, there may be changes in the amounts recognized as revenue during the year ended December 31, 2020. Any changes in amounts recognized as a result of the new guidance, interpretation, or clarification will be recognized in the period in which the change occurs.

NOTE 17 - SUBSEQUENT EVENTS:

In April 2021, the County Drainage District issued \$125,000 in bonds in connection with the Burk Drainage District. Principal payments are due in annual installments through June 1, 2036 in amounts ranging from \$5,000 to \$10,000, with interest of 0.50%-1.83% due semi-annually on June 1 and December 1.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 17 - SUBSEQUENT EVENTS - (cont'd):

In March 2021, President Biden signed into law the American Rescue Plan Act (ARPA). The objectives include replacing lost revenue for eligible state, local, territorial, and tribal governments to strengthen support for vital public services and help retain jobs. ARPA also established the Coronavirus Local Fiscal Recovery Fund (CLFRF), which provides federal direct payments to counties in the State based on each county's relative population. The County was awarded approximately \$17 million. The first payment of \$8.5 million was received in May 2021, with the second payment to be received in 2022. The dollars are to cover eligible expenditures beginning March 3, 2021 and must be obligated by December 31, 2024.

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE:

The County implemented GASB Statement No. 84, *Fiduciary Activities*, during 2020. This statement provided guidance regarding the identification of fiduciary activities for accounting and reporting purposes and how those activities should be reported. As a result, certain fiduciary activities have been reclassified. In addition, the Retiree Health Care Fund reported as a fiduciary fund in years prior to 2020 was determined to not meet the criteria to be considered a fiduciary activity under GASB Statement No. 84. Therefore, this fund with assets and net position of \$646,422 as of December 31, 2019 has been removed from this annual report.

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, 2020

	Budget			Variance with Amended Budget Positive (Negative)
	Original	Amended	Actual	
Revenues:				
Taxes	\$ 10,476,000	\$ 10,836,000	\$ 11,395,146	\$ 559,146
Licenses and permits	2,030	2,030	15	(2,015)
Intergovernmental	2,713,935	2,363,093	2,212,426	(150,667)
Charges for services	2,173,401	1,988,780	2,302,198	313,418
Fines and forfeits	143,200	143,200	148,974	5,774
Interest and rent	260,712	260,712	240,603	(20,109)
Other	3,526,758	3,046,000	2,998,555	(47,445)
Total Revenues	19,296,036	18,639,815	19,297,917	658,102
Expenditures:				
Legislative -				
Board of Commissioners	364,171	360,529	343,180	17,349
Judicial -				
Circuit Court	1,851,726	1,821,369	1,544,870	276,499
District Court	1,769,776	1,790,684	1,723,754	66,930
Jury Board	5,582	5,592	4,877	715
Indigent Counsel	319,364	180,000	99,881	80,119
Adult Probation	35,729	33,162	30,794	2,368
	3,982,177	3,830,807	3,404,176	426,631
General Government -				
Administrative	289,969	273,532	270,169	3,363
Elections	107,868	263,684	260,866	2,818
Professional Services	397,337	179,900	178,544	1,356
County Clerk	725,751	730,843	714,707	16,136
Tax Equalization	263,982	264,194	212,196	51,998
Prosecuting Attorney	1,473,827	1,318,540	1,273,192	45,348
Register of Deeds	336,761	338,772	336,224	2,548
County Treasurer	461,192	387,199	372,702	14,497
Computer Operations	324,006	358,000	357,133	867
Accounting	520,049	421,332	364,761	56,571
Building Operations	418,668	350,650	350,273	377
Building and Grounds	754,332	765,896	741,791	24,105
Drain Commissioner	246,816	247,478	241,493	5,985
Boundary Commission	400	400	177	223
	6,320,958	5,900,420	5,674,228	226,192

Continued

LAPEER COUNTY, MICHIGAN

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

	Budget			Variance with Amended Budget Positive (Negative)
	Original	Amended	Actual	
Expenditures (cont'd):				
Public Safety -				
Sheriff	\$ 3,385,092	\$ 2,245,991	\$ 2,006,854	\$ 239,137
Criminal Justice Training	9,500	9,500	6,135	3,365
Jail/Feeding Prisoners	3,483,299	3,612,605	2,982,051	630,554
Livestock Claims	1,000	1,000	-	1,000
Planning Commission	10,091	90	89	1
PLAT Board	597	597	-	597
	<u>6,889,579</u>	<u>5,869,783</u>	<u>4,995,129</u>	<u>874,654</u>
Public Works -				
Road Commission	250,000	262,126	262,126	-
Drains - County at Large	180,000	1,416,382	1,416,382	-
	<u>430,000</u>	<u>1,678,508</u>	<u>1,678,508</u>	<u>-</u>
Health and Welfare -				
Medical Examiner	69,884	118,888	117,936	952
Lapeer Development Corporation	10,000	10,000	10,000	-
	<u>79,884</u>	<u>128,888</u>	<u>127,936</u>	<u>952</u>
Recreation and Cultural -				
Conservation Activities	2,500	-	-	-
Cooperative Extension	244,385	174,279	171,740	2,539
	<u>246,885</u>	<u>174,279</u>	<u>171,740</u>	<u>2,539</u>
Other -				
Bonds and Insurance	509,220	466,314	466,242	72
Memberships and Dues	14,800	14,800	14,269	531
Contingency	500,000	284,295	-	284,295
	<u>1,024,020</u>	<u>765,409</u>	<u>480,511</u>	<u>284,898</u>
Total Expenditures	<u>19,337,674</u>	<u>18,708,623</u>	<u>16,875,408</u>	<u>1,833,215</u>
Revenues over (under) expenditures	<u>(41,638)</u>	<u>(68,808)</u>	<u>2,422,509</u>	<u>2,491,317</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, 2020

	Budget		Actual	Variance with Amended Budget Positive (Negative)
	Original	Amended		
Other Financing Sources (Uses):				
Transfer In	\$ 2,500,000	\$ 2,000,000	\$ 260,000	\$(1,740,000)
Transfers Out:				
Special Revenue Funds -				
Parks Department	-	(25,000)	(25,000)	-
Friend of the Court	(464,667)	(404,476)	(404,475)	1
Health Department	(430,500)	(340,630)	(340,630)	-
Community Mental Health	(202,900)	(202,900)	(202,900)	-
Animal Control	(60,000)	(134,587)	(134,000)	587
Environment/Recycling	(10,000)	-	-	-
Emergency Management	(49,000)	(49,000)	(49,000)	-
Indigent Defense	(107,480)	(109,845)	(109,845)	-
Community Grants	(23,640)	(70,885)	(70,885)	-
Police Service Contracts	(446,707)	(406,583)	(406,459)	124
Law Enforcement Programs	(3,496)	(1,872)	(1,043)	829
Law Enforcement	(29,972)	-	-	-
Law Library	(4,500)	(4,500)	(4,500)	-
Child Care	(500,000)	(456,261)	(456,261)	-
Multi Purpose Collaborative Body	(25,500)	(18,500)	(18,500)	-
County Surveyor	-	(37,000)	-	37,000
	(2,358,362)	(2,262,039)	(2,223,498)	38,541
Internal Service Funds -				
Equipment Acquisition & Replacement	(100,000)	(164,168)	(164,168)	-
Total Transfers Out	(2,458,362)	(2,426,207)	(2,387,666)	38,541
Total Other Financing Sources (Uses)	41,638	(426,207)	(2,127,666)	(1,701,459)
Net Change in Fund Balance	-	(495,015)	294,843	789,858
Fund Balance at beginning of year	5,294,165	5,294,165	5,294,165	-
Fund Balance at end of year	<u>\$ 5,294,165</u>	<u>\$ 4,799,150</u>	<u>\$ 5,589,008</u>	<u>\$ 789,858</u>
Reconciliation of Budget-Basis to GAAP-Basis Reporting:				
Net Change in General Fund Fund Balance - Budgetary Basis			\$ 294,843	
Perspective Difference -				
Other Budgeted Funds Net Change Allocated to the General Fund for GAAP-Basis General Fund:				
Local Reserve			11,055	
Budget Stabilization			59,346	
Rental Property			(6,379)	
Net Change in General Fund Fund Balance - GAAP-Basis			<u>\$ 358,865</u>	

Concluded

LAPEER COUNTY, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - COMMUNITY MENTAL HEALTH FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget			Variance with Amended Budget Positive (Negative)
	Original	Amended	Actual	
Revenues:				
Intergovernmental	\$ 22,829,280	\$ 22,885,650	\$ 20,879,180	\$(2,006,470)
Charges for services	325,746	289,070	306,111	17,041
Interest	1,500	1,500	2,744	1,244
Other	253,683	161,683	137,567	(24,116)
Total Revenues	23,410,209	23,337,903	21,325,602	(2,012,301)
Expenditures:				
Health and Welfare	23,671,939	23,599,633	21,671,933	1,927,700
Revenues under expenditures	(261,730)	(261,730)	(346,331)	(84,601)
Other Financing Sources:				
Transfers in	261,730	261,730	261,730	-
Net Change in Fund Balance	-	-	(84,601)	(84,601)
Fund Balance at beginning of year	2,414,595	2,414,595	2,414,595	-
Fund Balance at end of year	<u>\$ 2,414,595</u>	<u>\$ 2,414,595</u>	<u>\$ 2,329,994</u>	<u>\$(84,601)</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. The General Fund budgetary comparison schedule (non-GAAP budgetary basis) on pages 78-80 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

	2020	2019	2018	2017
Total Pension Liability				
Service Cost	\$ 2,715,927	\$ 2,537,563	\$ 2,474,800	\$ 2,343,842
Interest	9,659,690	9,770,323	9,438,989	9,085,570
Differences between expected and actual experience	(546,018)	(431,728)	(1,532,225)	(1,053,532)
Changes in assumptions	3,637,609	-	-	-
Benefit payments, including refunds	(6,698,310)	(6,243,668)	(5,827,825)	(5,499,092)
Other	75,377	(522,212)	(235,517)	(360,167)
	<u>8,844,275</u>	<u>5,110,278</u>	<u>4,318,222</u>	<u>4,516,621</u>
Change in total pension liability				
Total pension liability, beginning of year	<u>129,092,372</u>	<u>123,982,094</u>	<u>119,663,872</u>	<u>115,147,251</u>
Total pension liability, end of year	<u>\$ 137,936,647</u>	<u>\$ 129,092,372</u>	<u>\$ 123,982,094</u>	<u>\$ 119,663,872</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 4,214,710	\$ 5,962,671	\$ 5,317,378	\$ 4,101,123
Contributions - Member	258,813	248,848	236,838	299,588
Net investment income (loss)	14,313,145	13,398,428	(4,056,159)	12,177,411
Benefit payments, including refunds	(6,698,310)	(6,243,668)	(5,827,825)	(5,499,092)
Administrative expenses	(224,195)	(230,899)	(200,366)	(192,484)
	<u>11,864,163</u>	<u>13,135,380</u>	<u>(4,530,134)</u>	<u>10,886,546</u>
Net change in plan fiduciary net position				
Plan fiduciary net position, beginning of year	<u>112,030,279</u>	<u>98,894,899</u>	<u>103,425,033</u>	<u>92,538,487</u>
Plan fiduciary net position, end of year	<u>\$ 123,894,442</u>	<u>\$ 112,030,279</u>	<u>\$ 98,894,899</u>	<u>\$ 103,425,033</u>
Lapeer County Net Pension Liability - Ending	<u>\$ 14,042,205</u>	<u>\$ 17,062,093</u>	<u>\$ 25,087,195</u>	<u>\$ 16,238,839</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.82%	86.78%	79.77%	86.43%
Covered Payroll	\$ 31,661,130	\$ 31,377,727	\$ 29,624,749	\$ 29,081,885
Lapeer County's Net Pension Liability as a Percentage of Covered Payroll	44.4%	54.4%	84.7%	55.84%

* 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.

2016	2015*
\$ 2,366,432	\$ 2,222,044
8,239,642	8,069,877
952,237	-
4,501,823	-
(5,149,683)	(4,718,473)
(150,347)	(251,209)
10,760,104	5,322,239
104,387,147	99,064,908
<u>\$ 115,147,251</u>	<u>\$ 104,387,147</u>

\$ 5,606,378	\$ 3,567,407
222,971	224,328
9,434,600	(1,271,123)
(5,149,683)	(4,718,473)
(185,747)	(185,343)
9,928,519	(2,383,204)
82,609,968	84,993,172
<u>\$ 92,538,487</u>	<u>\$ 82,609,968</u>
<u>\$ 22,608,764</u>	<u>\$ 21,777,179</u>

80.37%	79.14%
\$ 26,625,465	\$ 26,625,465
84.91%	81.79%

LAPEER COUNTY, MICHIGAN

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

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

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll, open
Remaining amortization period	19 years
Asset valuation method	5-year smoothed market value
Salary increases	4.5%; 3% for 2017, 2% for 2016 and prior
Investment rate of return	7.35%; For 2017-2019 - 7.75%; for prior to 2017 - 8.00%
Retirement age	Replacement Index up to age 70, then 100%
Mortality	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.
	For 2016 and prior - 1994 Group Annuity Mortality Table with 50% Male and 50% Female Blend

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

SUPPLEMENTARY INFORMATION

LAPEER COUNTY, MICHIGAN

COMBINING BALANCE SHEET SCHEDULE GENERAL FUND DECEMBER 31, 2020

	General Fund (Budgetary Basis)	Local Reserve	Budget Stabilization	Emergency Disaster
Assets:				
Cash and cash equivalents	\$ 409,545	\$ 863,733	\$ 836,371	\$ 34,100
Investments	4,687,631	556,390	1,933,711	-
Receivables -				
Property taxes	1,055,949	-	-	-
Accounts and interest	12,707	1,490	4,291	-
Due from other governmental units	342,975	-	-	-
Due from other funds	3,158	-	-	-
Deposits with agent	381,281	-	-	-
Advances to other funds	25,000	-	-	-
Advances to component units	90,000	-	-	-
	<u>\$ 7,008,246</u>	<u>\$ 1,421,613</u>	<u>\$ 2,774,373</u>	<u>\$ 34,100</u>
Liabilities:				
Accounts payable	\$ 129,429	\$ -	\$ -	\$ -
Accrued liabilities	116,944	-	-	-
Due to other governmental units	821,842	-	-	-
Due to individuals and agencies	306,271	-	-	-
Due to other funds	18,969	-	-	-
Total Liabilities	<u>1,393,455</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenues - grants	<u>25,783</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:				
Nonspendable - advances/prepays	496,281	-	-	-
Restricted	-	-	2,774,373	-
Committed	-	1,421,613	-	34,100
Assigned	500,000	-	-	-
Unassigned	4,592,727	-	-	-
Total Fund Balance	<u>5,589,008</u>	<u>1,421,613</u>	<u>2,774,373</u>	<u>34,100</u>
	<u>\$ 7,008,246</u>	<u>\$ 1,421,613</u>	<u>\$ 2,774,373</u>	<u>\$ 34,100</u>
Total Liabilities and Fund Balances	<u>\$ 7,008,246</u>	<u>\$ 1,421,613</u>	<u>\$ 2,774,373</u>	<u>\$ 34,100</u>

<u>Rental Property</u>	<u>General Fund (GAAP-Basis)</u>
\$ 9,029	\$ 2,152,778
-	7,177,732
-	1,055,949
-	18,488
-	342,975
-	3,158
-	381,281
-	25,000
-	90,000
<u>\$ 9,029</u>	<u>\$ 11,247,361</u>
\$ 56	\$ 129,485
-	116,944
-	821,842
-	306,271
-	18,969
<u>56</u>	<u>1,393,511</u>
-	25,783
-	496,281
-	2,774,373
8,973	1,464,686
-	500,000
-	4,592,727
<u>8,973</u>	<u>9,828,067</u>
<u>\$ 9,029</u>	<u>\$ 11,247,361</u>

LAPEER COUNTY, MICHIGAN

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

	General Fund (Budgetary Basis)	Local Reserve	Budget Stabilization	Emergency Disaster
Revenues:				
Taxes	\$ 11,395,146	\$ -	\$ -	\$ -
Licenses and permits	15	-	-	-
Intergovernmental	2,212,426	-	-	-
Charges for services	2,302,198	-	-	-
Fines and forfeits	148,974	-	-	-
Rents	163,760	-	-	-
Interest	76,843	11,445	59,753	-
Other	2,998,555	-	-	-
Total Revenues	<u>19,297,917</u>	<u>11,445</u>	<u>59,753</u>	<u>-</u>
Expenditures:				
Current -				
Legislative	343,180	-	-	-
Judicial	3,404,176	-	-	-
General Government	5,674,228	-	-	-
Public Safety	4,995,129	-	-	-
Public Works	1,678,508	-	-	-
Health and Welfare	127,936	390	-	-
Recreation and Cultural	171,740	-	-	-
Other	480,511	-	407	-
Total Expenditures	<u>16,875,408</u>	<u>390</u>	<u>407</u>	<u>-</u>
Revenues over expenditures	<u>2,422,509</u>	<u>11,055</u>	<u>59,346</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	260,000	-	-	-
Transfers out	(2,387,666)	-	-	-
Total Other Financing Sources (Uses)	<u>(2,127,666)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	294,843	11,055	59,346	-
Fund Balances at beginning of year	<u>5,294,165</u>	<u>1,410,558</u>	<u>2,715,027</u>	<u>34,100</u>
Fund Balances at end of year	<u>\$ 5,589,008</u>	<u>\$ 1,421,613</u>	<u>\$ 2,774,373</u>	<u>\$ 34,100</u>

<u>Rental Property</u>	<u>General Fund (GAAP-Basis)</u>
\$ -	\$ 11,395,146
-	15
-	2,212,426
-	2,302,198
-	148,974
62,587	226,347
-	148,041
-	2,998,555
<u>62,587</u>	<u>19,431,702</u>
-	343,180
-	3,404,176
10,136	5,684,364
-	4,995,129
-	1,678,508
-	128,326
-	171,740
-	480,918
<u>10,136</u>	<u>16,886,341</u>
<u>52,451</u>	<u>2,545,361</u>
-	260,000
(58,830)	(2,446,496)
<u>(58,830)</u>	<u>(2,186,496)</u>
(6,379)	358,865
<u>15,352</u>	<u>9,469,202</u>
<u>\$ 8,973</u>	<u>\$ 9,828,067</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
LOCAL RESERVE			
Revenues:			
Interest	\$ 5,000	\$ 11,445	\$ 6,445
Expenditures:			
Health and welfare	386	390	(4)
Revenues over expenditures	4,614	11,055	6,441
Other Financing Uses:			
Transfers out	(9,614)	-	9,614
Net Change in Fund Balance	(5,000)	11,055	16,055
Fund Balance at beginning of year	1,410,558	1,410,558	-
Fund Balance at end of year	<u>\$ 1,405,558</u>	<u>\$ 1,421,613</u>	<u>\$ 16,055</u>

BUDGET STABILIZATION

Revenues:			
Interest	\$ 20,000	\$ 59,753	\$ 39,753
Expenditures:			
Other activities	20,000	407	19,593
Revenues over expenditures	-	59,346	59,346
Other Financing Uses:			
Transfers Out	(100,000)	-	100,000
Net Change in Fund Balance	(100,000)	59,346	159,346
Fund Balance at beginning of year	2,715,027	2,715,027	-
Fund Balance at end of year	<u>\$ 2,615,027</u>	<u>\$ 2,774,373</u>	<u>\$ 159,346</u>

EMERGENCY DISASTER

Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance at beginning of year	34,100	34,100	-
Fund Balance at end of year	<u>\$ 34,100</u>	<u>\$ 34,100</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
RENTAL PROPERTY			
Revenues:			
Rent	\$ 73,830	\$ 62,587	\$(11,243)
Expenditures:			
General Government	15,000	10,136	4,864
Revenues over expenditures	58,830	52,451	(6,379)
Other Financing Uses:			
Transfers out	(58,830)	(58,830)	-
Net Change in Fund Balance	-	(6,379)	(6,379)
Fund Balance at beginning of year	15,352	15,352	-
Fund Balance at end of year	\$ 15,352	\$ 8,973	\$(6,379)

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.

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

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

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

The remaining special revenue funds are Community 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, 2020

	Special Revenue Funds				
	Parks Department	Polly Ann Trail	E-911	Friend of the Court	Family Marriage Counseling
Assets:					
Cash and cash equivalents	\$ 26,640	\$ -	\$ 332,404	\$ -	\$ 93,976
Receivables (net of allowance) -					
Property taxes	-	-	-	-	-
Accounts and interest	-	-	351,508	-	-
Due from other governmental units	1,500	540	80,123	184,414	-
Due from other funds	-	-	-	-	68
Deposits with agent	-	-	-	-	-
Prepays	-	-	12,229	-	-
	<u>-</u>	<u>-</u>	<u>12,229</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 28,140</u>	<u>\$ 540</u>	<u>\$ 776,264</u>	<u>\$ 184,414</u>	<u>\$ 94,044</u>
Liabilities:					
Accounts payable	\$ 1,189	\$ -	\$ 26,344	\$ 657	\$ -
Accrued liabilities	-	-	19,413	13,278	-
Due to other governmental units	-	-	-	-	-
Due to other funds	-	-	2,130	2,002	-
Interfund payables	-	540	-	13,809	-
Advances from other funds	25,000	-	-	-	-
Unearned revenues	-	-	-	-	-
Total Liabilities	<u>26,189</u>	<u>540</u>	<u>47,887</u>	<u>29,746</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Taxes levied for subsequent period	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:					
Nonspendable - prepaids	-	-	12,229	-	-
Restricted	-	-	716,148	154,668	94,044
Committed	1,951	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>1,951</u>	<u>-</u>	<u>728,377</u>	<u>154,668</u>	<u>94,044</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 28,140</u>	<u>\$ 540</u>	<u>\$ 776,264</u>	<u>\$ 184,414</u>	<u>\$ 94,044</u>

Special Revenue Funds

<u>Health Department</u>	<u>Personal Care Aide Program</u>	<u>Animal Control</u>	<u>Environment/ Recycling</u>	<u>County Surveyor</u>	<u>Register of Deeds Automation</u>	<u>Emergency Management</u>
\$ 730,731	\$ 28	\$ 39,962	\$ 388	\$ -	\$ 745,606	\$ 5,557
-	-	-	-	-	-	-
13,158	-	-	-	-	-	-
282,196	69,345	-	-	36,746	-	31,657
7,708	-	-	-	-	-	-
-	-	-	-	-	-	-
2,658	-	-	-	-	-	-
<u>\$ 1,036,451</u>	<u>\$ 69,373</u>	<u>\$ 39,962</u>	<u>\$ 388</u>	<u>\$ 36,746</u>	<u>\$ 745,606</u>	<u>\$ 37,214</u>
\$ 28,970	\$ 36,170	\$ -	\$ -	\$ -	\$ 3,136	\$ 21,539
63,620	18,389	2,499	-	-	-	864
197,789	-	-	-	-	-	-
7,332	1,598	385	-	-	-	138
-	-	-	-	23,822	-	-
-	-	-	-	-	-	-
1,874	-	-	-	-	-	-
<u>299,585</u>	<u>56,157</u>	<u>2,884</u>	<u>-</u>	<u>23,822</u>	<u>3,136</u>	<u>22,541</u>
198,118	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>198,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,658	-	-	-	-	-	-
21,048	-	-	-	12,924	742,470	-
515,042	13,216	37,078	388	-	-	14,673
-	-	-	-	-	-	-
<u>538,748</u>	<u>13,216</u>	<u>37,078</u>	<u>388</u>	<u>12,924</u>	<u>742,470</u>	<u>14,673</u>
<u>\$ 1,036,451</u>	<u>\$ 69,373</u>	<u>\$ 39,962</u>	<u>\$ 388</u>	<u>\$ 36,746</u>	<u>\$ 745,606</u>	<u>\$ 37,214</u>

Continued

LAPEER COUNTY, MICHIGAN

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	Special Revenue Funds				
	Community Grants	Thumb Narcotics Unit	Police Service Contracts	Law Enforcement Programs	Law Enforcement
Assets:					
Cash and cash equivalents	\$ -	\$ 412,331	\$ -	\$ 109,813	\$ 113,498
Receivables (net of allowance) -					
Property taxes	-	-	-	-	-
Accounts and interest	4,455	-	-	-	-
Due from other governmental units	20,892	5,169	232,281	9,100	47,280
Due from other funds	195	-	-	-	-
Deposits with agent	-	-	-	-	-
Prepays	-	-	-	-	-
Total Assets	<u>\$ 25,542</u>	<u>\$ 417,500</u>	<u>\$ 232,281</u>	<u>\$ 118,913</u>	<u>\$ 160,778</u>
Liabilities:					
Accounts payable	\$ 13,325	\$ 7,339	\$ -	\$ 1,022	\$ 5,414
Accrued liabilities	3,111	-	20,710	-	3,589
Due to other governmental units	-	-	-	-	-
Due to other funds	8,147	-	4,024	-	546
Interfund payables	959	-	98,333	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>25,542</u>	<u>7,339</u>	<u>123,067</u>	<u>1,022</u>	<u>9,549</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Taxes levied for subsequent period	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:					
Nonspendable - prepaids	-	-	-	-	-
Restricted	-	410,161	-	-	-
Committed	-	-	109,214	117,891	151,229
Unassigned	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>410,161</u>	<u>109,214</u>	<u>117,891</u>	<u>151,229</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 25,542</u>	<u>\$ 417,500</u>	<u>\$ 232,281</u>	<u>\$ 118,913</u>	<u>\$ 160,778</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
\$ 239,616	\$ 15,941	\$ 192,137	\$ 30,692	\$ 258,620	\$ 192	\$ 139,136	\$ -
-	-	-	-	-	-	537,058	-
-	-	720,943	-	-	-	-	-
-	-	-	-	83,789	-	2,087	-
-	-	-	-	-	-	-	-
-	-	179,378	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 239,616</u>	<u>\$ 15,941</u>	<u>\$ 1,092,458</u>	<u>\$ 30,692</u>	<u>\$ 342,409</u>	<u>\$ 192</u>	<u>\$ 678,281</u>	<u>\$ -</u>
\$ -	\$ 922	\$ -	\$ -	\$ 12,847	\$ -	\$ 1,680	\$ -
-	-	-	-	10,197	-	2,937	-
-	-	71,174	-	365	-	-	-
-	-	-	-	1,438	-	426	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	52,932	-	-	-	50,000	-
-	922	124,106	-	24,847	-	55,043	-
-	-	720,908	-	-	-	-	-
-	-	-	-	-	-	586,968	-
-	-	720,908	-	-	-	586,968	-
-	-	-	-	-	-	-	-
239,616	-	247,444	-	-	192	36,270	-
-	15,019	-	30,692	317,562	-	-	-
-	-	-	-	-	-	-	-
<u>239,616</u>	<u>15,019</u>	<u>247,444</u>	<u>30,692</u>	<u>317,562</u>	<u>192</u>	<u>36,270</u>	<u>-</u>
<u>\$ 239,616</u>	<u>\$ 15,941</u>	<u>\$ 1,092,458</u>	<u>\$ 30,692</u>	<u>\$ 342,409</u>	<u>\$ 192</u>	<u>\$ 678,281</u>	<u>\$ -</u>

Continued

LAPEER COUNTY, MICHIGAN

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	Special Revenue Funds				
	Senior Millage	Soil and Sedimentation	Lapeer Family Continuation Coordinator	Mental Health Court	CARES Act
Assets:					
Cash and cash equivalents	\$ 504,997	\$ 36,245	\$ 30,217	\$ -	\$ -
Receivables (net of allowance) -					
Property taxes	720,015	-	-	-	-
Accounts and interest	-	-	-	-	-
Due from other governmental units	5,241	-	-	26,381	408,827
Due from other funds	-	-	-	-	-
Deposits with agent	-	-	-	-	-
Prepays	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,230,253</u>	<u>\$ 36,245</u>	<u>\$ 30,217</u>	<u>\$ 26,381</u>	<u>\$ 408,827</u>
Liabilities:					
Accounts payable	\$ 280	\$ -	\$ -	\$ 11,230	\$ -
Accrued liabilities	-	858	295	777	-
Due to other governmental units	-	-	-	-	-
Due to other funds	-	124	6	16	-
Interfund payables	-	-	-	14,344	408,827
Advances from other funds	-	-	7,500	-	-
Unearned revenues	-	-	-	-	-
Total Liabilities	<u>280</u>	<u>982</u>	<u>7,801</u>	<u>26,367</u>	<u>408,827</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	331,753
Taxes levied for subsequent period	786,927	-	-	-	-
Total Deferred Inflows of Resources	<u>786,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331,753</u>
Fund Balance:					
Nonspendable - prepaids	-	-	-	-	-
Restricted	443,046	35,263	22,416	14	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	(331,753)
Total Fund Balance	<u>443,046</u>	<u>35,263</u>	<u>22,416</u>	<u>14</u>	<u>(331,753)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,230,253</u>	<u>\$ 36,245</u>	<u>\$ 30,217</u>	<u>\$ 26,381</u>	<u>\$ 408,827</u>

Special Revenue Funds		Capital Project Funds			
Concealed Pistol Licensing	Indigent Defense	E-911 Construction	Capital Construction/ Improvement	Old Courthouse	Total
\$ 103,406	\$ 732,117	\$ 374,201	\$ 5,477	\$ 27,288	\$ 5,301,216
-	-	-	-	-	1,257,073
-	-	-	-	-	1,090,064
-	-	-	-	-	1,527,568
175	-	-	-	-	8,146
-	-	-	-	-	179,378
-	-	-	-	-	14,887
<u>\$ 103,581</u>	<u>\$ 732,117</u>	<u>\$ 374,201</u>	<u>\$ 5,477</u>	<u>\$ 27,288</u>	<u>\$ 9,378,332</u>
\$ 1,643	\$ 33,249	\$ 51,822	\$ -	\$ -	\$ 258,778
578	-	-	-	-	161,115
-	571	-	-	-	269,899
12	-	-	-	-	28,324
-	-	-	-	-	560,634
-	-	-	-	-	32,500
-	698,297	-	-	-	803,103
<u>2,233</u>	<u>732,117</u>	<u>51,822</u>	<u>-</u>	<u>-</u>	<u>2,114,353</u>
-	-	-	-	-	1,250,779
-	-	-	-	-	1,373,895
-	-	-	-	-	2,624,674
-	-	-	-	-	14,887
101,348	-	322,379	-	27,288	3,626,739
-	-	-	5,477	-	1,329,432
-	-	-	-	-	(331,753)
<u>101,348</u>	<u>-</u>	<u>322,379</u>	<u>5,477</u>	<u>27,288</u>	<u>4,639,305</u>
<u>\$ 103,581</u>	<u>\$ 732,117</u>	<u>\$ 374,201</u>	<u>\$ 5,477</u>	<u>\$ 27,288</u>	<u>\$ 9,378,332</u>

Concluded

LAPEER COUNTY, MICHIGAN

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

	Special Revenue Funds				
	Parks Department	Polly Ann Trail	E-911	Friend of the Court	Family Marriage Counseling
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	6,539
Intergovernmental	-	540	-	1,073,670	-
Charges for services	3,025	-	1,729,164	112,970	-
Fines and forfeits	-	-	-	-	-
Rents	-	-	17,702	-	-
Interest	6,605	-	177	-	-
Other	24,635	-	-	14	-
Total Revenues	<u>34,265</u>	<u>540</u>	<u>1,747,043</u>	<u>1,186,654</u>	<u>6,539</u>
Expenditures:					
Current -					
Judicial	-	-	-	1,551,046	4,393
General Government	-	-	-	-	-
Public Safety	-	-	1,591,788	-	-
Health and Welfare	-	-	-	-	-
Recreation and Cultural	61,949	540	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>61,949</u>	<u>540</u>	<u>1,591,788</u>	<u>1,551,046</u>	<u>4,393</u>
Revenues over (under) expenditures	<u>(27,684)</u>	<u>-</u>	<u>155,255</u>	<u>(364,392)</u>	<u>2,146</u>
Other Financing Sources (Uses):					
Transfer In	25,000	-	-	407,475	-
Transfer Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>407,475</u>	<u>-</u>
Net Change in Fund Balances	<u>(2,684)</u>	<u>-</u>	<u>155,255</u>	<u>43,083</u>	<u>2,146</u>
Fund Balances at beginning of year	<u>4,635</u>	<u>-</u>	<u>573,122</u>	<u>111,585</u>	<u>91,898</u>
Fund Balances at end of year	<u>\$ 1,951</u>	<u>\$ -</u>	<u>\$ 728,377</u>	<u>\$ 154,668</u>	<u>\$ 94,044</u>

Special Revenue Funds

Health Department	Personal Care Aide Program	Animal Control	Environment/ Recycling	County Surveyor	Register of Deeds Automation	Emergency Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
315,492	-	153,502	-	-	-	-
1,733,722	578,418	-	-	61,244	-	59,774
890,943	-	20,055	-	-	91,575	594
200	-	11,249	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	502	-
76,096	18,462	10,843	-	-	-	7,550
<u>3,016,453</u>	<u>596,880</u>	<u>195,649</u>	<u>-</u>	<u>61,244</u>	<u>92,077</u>	<u>67,918</u>
-	-	-	-	-	-	-
-	-	-	-	61,651	43,119	-
-	-	321,974	-	-	-	138,804
3,357,282	1,331,007	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,357,282</u>	<u>1,331,007</u>	<u>321,974</u>	<u>-</u>	<u>61,651</u>	<u>43,119</u>	<u>138,804</u>
<u>(340,829)</u>	<u>(734,127)</u>	<u>(126,325)</u>	<u>-</u>	<u>(407)</u>	<u>48,958</u>	<u>(70,886)</u>
340,630	736,000	134,000	-	-	-	49,000
-	-	-	-	-	-	-
<u>340,630</u>	<u>736,000</u>	<u>134,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,000</u>
(199)	1,873	7,675	-	(407)	48,958	(21,886)
<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>\$ 538,748</u>	<u>\$ 13,216</u>	<u>\$ 37,078</u>	<u>\$ 388</u>	<u>\$ 12,924</u>	<u>\$ 742,470</u>	<u>\$ 14,673</u>

Continued

LAPEER COUNTY, MICHIGAN

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

	Special Revenue Funds				
	Community Grants	Thumb Narcotics Unit	Police Service Contracts	Law Enforcement Programs	Law Enforcement
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	9,000	-	-	-	-
Intergovernmental	155,843	34,890	-	13,578	108,496
Charges for services	66,586	-	1,504,263	8,953	66,026
Fines and forfeits	-	50,405	-	-	-
Rents	-	-	-	-	-
Interest	-	568	-	-	-
Other	-	13,306	-	10,587	200
Total Revenues	<u>231,429</u>	<u>99,169</u>	<u>1,504,263</u>	<u>33,118</u>	<u>174,722</u>
Expenditures:					
Current -					
Judicial	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	302,314	51,733	1,910,706	23,226	209,710
Health and Welfare	-	-	-	-	-
Recreation and Cultural	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>302,314</u>	<u>51,733</u>	<u>1,910,706</u>	<u>23,226</u>	<u>209,710</u>
Revenues over (under) expenditures	<u>(70,885)</u>	<u>47,436</u>	<u>(406,443)</u>	<u>9,892</u>	<u>(34,988)</u>
Other Financing Sources (Uses):					
Transfers In	70,885	-	406,459	1,043	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>70,885</u>	<u>-</u>	<u>406,459</u>	<u>1,043</u>	<u>-</u>
Net Change in Fund Balances	-	47,436	16	10,935	(34,988)
Fund Balances at beginning of year	<u>-</u>	<u>362,725</u>	<u>109,198</u>	<u>106,956</u>	<u>186,217</u>
Fund Balances at end of year	<u>\$ -</u>	<u>\$ 410,161</u>	<u>\$ 109,214</u>	<u>\$ 117,891</u>	<u>\$ 151,229</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,712	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	462,129	40,121	3,468	-
4,174	-	42,584	-	114,865	-	-	-
15,000	6,500	-	-	26,468	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	451	-
-	-	-	-	71,169	-	-	-
<u>19,174</u>	<u>6,500</u>	<u>42,584</u>	<u>-</u>	<u>674,631</u>	<u>40,121</u>	<u>309,631</u>	<u>-</u>
-	10,923	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,019	-	-	-	-	-	-	-
-	-	2,740	-	1,150,165	40,121	335,537	18,500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>10,019</u>	<u>10,923</u>	<u>2,740</u>	<u>-</u>	<u>1,150,165</u>	<u>40,121</u>	<u>335,537</u>	<u>18,500</u>
<u>9,155</u>	<u>(4,423)</u>	<u>39,844</u>	<u>-</u>	<u>(475,534)</u>	<u>-</u>	<u>(25,906)</u>	<u>(18,500)</u>
-	4,500	-	-	456,261	-	-	18,500
-	-	-	-	-	-	-	-
-	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>456,261</u>	<u>-</u>	<u>-</u>	<u>18,500</u>
9,155	77	39,844	-	(19,273)	-	(25,906)	-
<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>\$ 239,616</u>	<u>\$ 15,019</u>	<u>\$ 247,444</u>	<u>\$ 30,692</u>	<u>\$ 317,562</u>	<u>\$ 192</u>	<u>\$ 36,270</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, 2020**

	Special Revenue Funds				
	Senior Millage	Soil and Sedimentation	Lapeer Family Continuation Coordinator	Mental Health Court	CARES Act
Revenues:					
Taxes	\$ 768,009	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	62,435	-	-	-
Intergovernmental	8,649	-	-	70,195	1,623,785
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Rents	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	24,525	-	-
Total Revenues	<u>776,658</u>	<u>62,435</u>	<u>24,525</u>	<u>70,195</u>	<u>1,623,785</u>
Expenditures:					
Current -					
Judicial	-	-	-	-	22,943
General Government	-	-	-	-	7,880
Public Safety	-	-	-	-	146,230
Health and Welfare	8,650	84,866	23,017	70,181	1,778,485
Recreation and Cultural	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>8,650</u>	<u>84,866</u>	<u>23,017</u>	<u>70,181</u>	<u>1,955,538</u>
Revenues over (under) expenditures	<u>768,008</u>	<u>(22,431)</u>	<u>1,508</u>	<u>14</u>	<u>(331,753)</u>
Other Financing Sources (Uses):					
Transfer In	-	-	-	-	-
Transfer Out	(736,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(736,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	32,008	(22,431)	1,508	14	(331,753)
Fund Balances at beginning of year	<u>411,038</u>	<u>57,694</u>	<u>20,908</u>	<u>-</u>	<u>-</u>
Fund Balances at end of year	<u>\$ 443,046</u>	<u>\$ 35,263</u>	<u>\$ 22,416</u>	<u>\$ 14</u>	<u>\$(331,753)</u>

Special Revenue Funds		Capital Projects Funds			
Concealed Pistol Licensing	Indigent Defense	E-911 Construction	Capital Construction/ Improvement	Old Courthouse	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,073,721
92,219	-	-	-	-	639,187
-	193,634	-	-	-	6,222,156
-	2,284	-	-	-	4,658,061
-	-	-	-	-	109,822
-	-	-	-	-	17,702
-	-	500	-	-	8,803
-	-	-	-	8,725	266,112
<u>92,219</u>	<u>195,918</u>	<u>500</u>	<u>-</u>	<u>8,725</u>	<u>12,995,564</u>
-	305,763	-	-	-	1,895,068
73,186	-	-	-	-	185,836
-	-	-	-	-	4,706,504
-	-	-	-	-	8,200,551
-	-	-	-	-	62,489
-	-	350,606	1,752	23,457	375,815
<u>73,186</u>	<u>305,763</u>	<u>350,606</u>	<u>1,752</u>	<u>23,457</u>	<u>15,426,263</u>
<u>19,033</u>	<u>(109,845)</u>	<u>(350,106)</u>	<u>(1,752)</u>	<u>(14,732)</u>	<u>(2,430,699)</u>
-	109,845	-	-	-	2,759,598
-	-	-	-	(90,000)	(826,000)
-	<u>109,845</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>1,933,598</u>
19,033	-	(350,106)	(1,752)	(104,732)	(497,101)
<u>82,315</u>	<u>-</u>	<u>672,485</u>	<u>7,229</u>	<u>132,020</u>	<u>5,136,406</u>
<u>\$ 101,348</u>	<u>\$ -</u>	<u>\$ 322,379</u>	<u>\$ 5,477</u>	<u>\$ 27,288</u>	<u>\$ 4,639,305</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
PARKS DEPARTMENT			
Revenues:			
Charges for services	\$ 177,140	\$ 3,025	\$(174,115)
Interest	-	6,605	6,605
Other	25,000	24,635	(365)
Total Revenues	<u>202,140</u>	<u>34,265</u>	<u>(167,875)</u>
Expenditures:			
Recreation and Cultural	<u>205,140</u>	<u>61,949</u>	<u>143,191</u>
Revenues under expenditures	(3,000)	(27,684)	(24,684)
Other Financing Sources:			
Transfers in	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Net Change in Fund Balance	(3,000)	(2,684)	316
Fund Balance at beginning of year	<u>4,635</u>	<u>4,635</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,635</u></u>	<u><u>\$ 1,951</u></u>	<u><u>\$ 316</u></u>
POLLY ANN TRAIL			
Revenues:			
Intergovernmental	\$ 10,000	\$ 540	\$(9,460)
Expenditures:			
Recreation and Cultural	<u>10,000</u>	<u>540</u>	<u>9,460</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
E - 911			
Revenues:			
Charges for services	\$ 1,782,000	\$ 1,729,164	\$(52,836)
Interest	400	177	(223)
Rent	16,000	17,702	1,702
Total Revenues	<u>1,798,400</u>	<u>1,747,043</u>	<u>(51,357)</u>
Expenditures:			
Public Safety	<u>1,775,748</u>	<u>1,591,788</u>	<u>183,960</u>
Net Change in Fund Balance	22,652	155,255	132,603
Fund Balance at beginning of year	<u>573,122</u>	<u>573,122</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 595,774</u></u>	<u><u>\$ 728,377</u></u>	<u><u>\$ 132,603</u></u>
FRIEND OF THE COURT			
Revenues:			
Intergovernmental	\$ 1,025,479	\$ 1,073,670	\$ 48,191
Charges for services	105,800	112,970	7,170
Other	100	14	(86)
Total Revenues	<u>1,131,379</u>	<u>1,186,654</u>	<u>55,275</u>
Expenditures:			
Judicial	<u>1,630,755</u>	<u>1,551,046</u>	<u>79,709</u>
Revenues under expenditures	(499,376)	(364,392)	134,984
Other Financing Sources:			
Transfers in	<u>499,376</u>	<u>407,475</u>	<u>(91,901)</u>
Net Change in Fund Balance	-	43,083	43,083
Fund Balance at beginning of year	<u>111,585</u>	<u>111,585</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 111,585</u></u>	<u><u>\$ 154,668</u></u>	<u><u>\$ 43,083</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
FAMILY MARRIAGE COUNSELING			
Revenues:			
Licenses and permits	\$ 7,500	\$ 6,539	\$(961)
Expenditures:			
Judicial	<u>7,500</u>	<u>4,393</u>	<u>3,107</u>
Net Change in Fund Balance	-	2,146	2,146
Fund Balance at beginning of year	<u>91,898</u>	<u>91,898</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 91,898</u></u>	<u><u>\$ 94,044</u></u>	<u><u>\$ 2,146</u></u>
HEALTH DEPARTMENT			
Revenues:			
Licenses and permits	\$ 309,821	\$ 315,492	\$ 5,671
Intergovernmental	1,817,380	1,733,722	(83,658)
Charges for services	798,058	890,943	92,885
Fines and forfeits	-	200	200
Other	105,000	76,096	(28,904)
Total Revenues	<u>3,030,259</u>	<u>3,016,453</u>	<u>(13,806)</u>
Expenditures:			
Health and Welfare	<u>3,370,889</u>	<u>3,357,282</u>	<u>13,607</u>
Revenues under expenditures	(340,630)	(340,829)	(199)
Other Financing Sources:			
Transfers in	<u>340,630</u>	<u>340,630</u>	<u>-</u>
Net Change in Fund Balance	-	(199)	(199)
Fund Balance at beginning of year	<u>538,947</u>	<u>538,947</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 538,947</u></u>	<u><u>\$ 538,748</u></u>	<u><u>\$(199)</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
PERSONAL CARE AIDE PROGRAM			
Revenues:			
Intergovernmental	\$ 580,653	\$ 578,418	\$(2,235)
Other	28,000	18,462	(9,538)
Total Revenues	<u>608,653</u>	<u>596,880</u>	<u>(11,773)</u>
Expenditures:			
Health and Welfare	<u>1,344,653</u>	<u>1,331,007</u>	<u>13,646</u>
Revenues under expenditures	(736,000)	(734,127)	1,873
Other Financing Sources:			
Transfers in	<u>736,000</u>	<u>736,000</u>	<u>-</u>
Net Change in Fund Balance	-	1,873	1,873
Fund Balance at beginning of year	<u>11,343</u>	<u>11,343</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 11,343</u></u>	<u><u>\$ 13,216</u></u>	<u><u>\$ 1,873</u></u>

ANIMAL CONTROL

Revenues:			
Licenses and permits	\$ 205,000	\$ 153,502	\$(51,498)
Charges for services	32,740	20,055	(12,685)
Fines and forfeits	20,000	11,249	(8,751)
Other	17,000	10,843	(6,157)
Total Revenues	<u>274,740</u>	<u>195,649</u>	<u>(79,091)</u>
Expenditures:			
Public Safety	<u>409,837</u>	<u>321,974</u>	<u>87,863</u>
Revenues under expenditures	(135,097)	(126,325)	8,772
Other Financing Sources:			
Transfers in	<u>135,097</u>	<u>134,000</u>	<u>(1,097)</u>
Net Change in Fund Balance	-	7,675	7,675
Fund Balance at beginning of year	<u>29,403</u>	<u>29,403</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 29,403</u></u>	<u><u>\$ 37,078</u></u>	<u><u>\$ 7,675</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
ENVIRONMENT/RECYCLING			
Expenditures:			
Health and Welfare	\$ 10,000	\$ -	\$ 10,000
Other Financing Sources:			
Transfers in	10,000	-	(10,000)
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	388	388	-
Fund Balance at end of year	<u>\$ 388</u>	<u>\$ 388</u>	<u>\$ -</u>

COUNTY SURVEYOR

Revenues:			
Intergovernmental	\$ 61,244	\$ 61,244	\$ -
Expenditures:			
General Government	61,651	61,651	-
Net Change in Fund Balance	(407)	(407)	-
Fund Balance at beginning of year	13,331	13,331	-
Fund Balance at end of year	<u>\$ 12,924</u>	<u>\$ 12,924</u>	<u>\$ -</u>

REGISTER OF DEEDS AUTOMATION

Revenues:			
Charges for services	\$ 101,218	\$ 91,575	\$(9,643)
Interest	1,000	502	(498)
Total Revenues	102,218	92,077	(10,141)
Expenditures:			
General Government	102,218	43,119	59,099
Net Change in Fund Balance	-	48,958	48,958
Fund Balance at beginning of year	693,512	693,512	-
Fund Balance at end of year	<u>\$ 693,512</u>	<u>\$ 742,470</u>	<u>\$ 48,958</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
EMERGENCY MANAGEMENT			
Revenues:			
Intergovernmental	\$ 224,500	\$ 59,774	\$(164,726)
Charges for services	195	594	399
Other	100	7,550	7,450
Total Revenues	<u>224,795</u>	<u>67,918</u>	<u>(156,877)</u>
Expenditures:			
Public Safety	<u>294,286</u>	<u>138,804</u>	<u>155,482</u>
Revenues under expenditures	(69,491)	(70,886)	(1,395)
Other Financing Sources:			
Transfers in	<u>49,000</u>	<u>49,000</u>	<u>-</u>
Net Change in Fund Balance	(20,491)	(21,886)	(1,395)
Fund Balance at beginning of year	<u>36,559</u>	<u>36,559</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 16,068</u></u>	<u><u>\$ 14,673</u></u>	<u><u>\$(1,395)</u></u>
COMMUNITY GRANTS			
Revenues:			
Licenses and permits	\$ 15,000	\$ 9,000	\$(6,000)
Intergovernmental	318,960	155,843	(163,117)
Charges for services	149,279	66,586	(82,693)
Total Revenues	<u>483,239</u>	<u>231,429</u>	<u>(251,810)</u>
Expenditures:			
Public Safety	<u>554,124</u>	<u>302,314</u>	<u>251,810</u>
Revenues under expenditures	(70,885)	(70,885)	-
Other Financing Sources:			
Transfers in	<u>70,885</u>	<u>70,885</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Continued

LAPEER COUNTY, MICHIGAN

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

	Amended Budget	Actual	Variance Positive (Negative)
THUMB NARCOTICS UNIT			
Revenues:			
Intergovernmental	\$ 35,000	\$ 34,890	\$(110)
Fines and forfeits	90,000	50,405	(39,595)
Interest	-	568	568
Other	10,000	13,306	3,306
Total Revenues	<u>135,000</u>	<u>99,169</u>	<u>(35,831)</u>
Expenditures:			
Public Safety	<u>135,000</u>	<u>51,733</u>	<u>83,267</u>
Net Change in Fund Balance	-	47,436	47,436
Fund Balance at beginning of year	<u>362,725</u>	<u>362,725</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 362,725</u></u>	<u><u>\$ 410,161</u></u>	<u><u>\$ 47,436</u></u>
POLICE SERVICE CONTRACTS			
Revenues:			
Charges for services	\$ 1,574,366	\$ 1,504,263	\$(70,103)
Expenditures:			
Public Safety	<u>2,063,602</u>	<u>1,910,706</u>	<u>152,896</u>
Revenues under expenditures	(489,236)	(406,443)	82,793
Other Financing Sources:			
Transfers in	<u>489,236</u>	<u>406,459</u>	<u>(82,777)</u>
Net Change in Fund Balance	-	16	16
Fund Balance at beginning of year	<u>109,198</u>	<u>109,198</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 109,198</u></u>	<u><u>\$ 109,214</u></u>	<u><u>\$ 16</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
LAW ENFORCEMENT PROGRAMS			
Revenues:			
Intergovernmental	\$ 9,828	\$ 13,578	\$ 3,750
Charges for services	12,500	8,953	(3,547)
Other	10,560	10,587	27
Total Revenues	<u>32,888</u>	<u>33,118</u>	<u>230</u>
Expenditures:			
Public Safety	<u>34,760</u>	<u>23,226</u>	<u>11,534</u>
Revenues over (under) expenditures	(1,872)	9,892	11,764
Other Financing Sources:			
Transfers in	<u>1,872</u>	<u>1,043</u>	(829)
Net Change in Fund Balance	-	10,935	10,935
Fund Balance at beginning of year	<u>106,956</u>	<u>106,956</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 106,956</u></u>	<u><u>\$ 117,891</u></u>	<u><u>\$ 10,935</u></u>

LAW ENFORCEMENT

Revenues:			
Intergovernmental	\$ 100,417	\$ 108,496	\$ 8,079
Charges for services	53,107	66,026	12,919
Other	10,000	200	(9,800)
Total Revenues	<u>163,524</u>	<u>174,722</u>	<u>11,198</u>
Expenditures:			
Public Safety	<u>319,618</u>	<u>209,710</u>	<u>109,908</u>
Revenues under expenditures	(156,094)	(34,988)	121,106
Other Financing Sources:			
Transfers in	<u>89,870</u>	<u>-</u>	(89,870)
Net Change in Fund Balance	(66,224)	(34,988)	31,236
Fund Balance at beginning of year	<u>186,217</u>	<u>186,217</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 119,993</u></u>	<u><u>\$ 151,229</u></u>	<u><u>\$ 31,236</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
LAW ENFORCEMENT - OTHER			
Revenues:			
Charges for services	\$ -	\$ 4,174	\$ 4,174
Fines and forfeits	37,400	15,000	(22,400)
Rent	60	-	(60)
Total Revenues	<u>37,460</u>	<u>19,174</u>	<u>(18,286)</u>
Expenditures:			
Public Safety	<u>37,460</u>	<u>10,019</u>	<u>27,441</u>
Net Change in Fund Balance	-	9,155	9,155
Fund Balance at beginning of year	<u>230,461</u>	<u>230,461</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 230,461</u></u>	<u><u>\$ 239,616</u></u>	<u><u>\$ 9,155</u></u>
LAW LIBRARY			
Revenues:			
Fines and forfeits	\$ 6,500	\$ 6,500	\$ -
Expenditures:			
Judicial	<u>11,000</u>	<u>10,923</u>	<u>77</u>
Revenues under expenditures	(4,500)	(4,423)	77
Other Financing Sources:			
Transfers in	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Net Change in Fund Balance	-	77	77
Fund Balance at beginning of year	<u>14,942</u>	<u>14,942</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 14,942</u></u>	<u><u>\$ 15,019</u></u>	<u><u>\$ 77</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
COMMUNITY DEVELOPMENT			
Revenues:			
Intergovernmental	\$ 250,000	\$ -	\$(250,000)
Charges for services	50,000	42,584	(7,416)
Total Revenues	<u>300,000</u>	<u>42,584</u>	<u>(257,416)</u>
Expenditures:			
Health and Welfare	<u>300,000</u>	<u>2,740</u>	<u>297,260</u>
Net Change in Fund Balance	-	39,844	39,844
Fund Balance at beginning of year	<u>207,600</u>	<u>207,600</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 207,600</u></u>	<u><u>\$ 247,444</u></u>	<u><u>\$ 39,844</u></u>
DEPARTMENT OF HUMAN SERVICES			
Expenditures:			
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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
CHILD CARE			
Revenues:			
Intergovernmental	\$ 684,540	\$ 462,129	\$(222,411)
Charges for services	125,000	114,865	(10,135)
Fines and forfeitures	8,604	26,468	17,864
Other	55,000	71,169	16,169
Total Revenues	<u>873,144</u>	<u>674,631</u>	<u>(198,513)</u>
Expenditures:			
Health and Welfare	<u>1,602,532</u>	<u>1,150,165</u>	<u>452,367</u>
Revenues under expenditures	(729,388)	(475,534)	253,854
Other Financing Sources:			
Transfers in	<u>456,261</u>	<u>456,261</u>	<u>-</u>
Net Change in Fund Balance	(273,127)	(19,273)	253,854
Fund Balance at beginning of year	<u>336,835</u>	<u>336,835</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 63,708</u></u>	<u><u>\$ 317,562</u></u>	<u><u>\$ 253,854</u></u>
VETERANS' TRUST			
Revenues:			
Intergovernmental	\$ 78,991	\$ 40,121	\$(38,870)
Expenditures:			
Health and Welfare	<u>78,991</u>	<u>40,121</u>	<u>38,870</u>
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	<u>192</u>	<u>192</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 192</u></u>	<u><u>\$ 192</u></u>	<u><u>\$ -</u></u>

Continued

LAPEER COUNTY, MICHIGAN

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

	Amended Budget	Actual	Variance Positive (Negative)
SOLDIERS' RELIEF FUND			
Revenues:			
Taxes	\$ 300,800	\$ 305,712	\$ 4,912
Intergovernmental	-	3,468	3,468
Interest	-	451	451
Total Revenues	<u>300,800</u>	<u>309,631</u>	<u>8,831</u>
Expenditures:			
Health and Welfare	<u>353,227</u>	<u>335,537</u>	<u>17,690</u>
Net Change in Fund Balance	(52,427)	(25,906)	26,521
Fund Balance at beginning of year	<u>62,176</u>	<u>62,176</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 9,749</u></u>	<u><u>\$ 36,270</u></u>	<u><u>\$ 26,521</u></u>
MULTI-PURPOSE COLLABORATIVE BODY			
Expenditures:			
Health and Welfare	\$ 18,500	\$ 18,500	\$ -
Other Financing Sources:			
Transfers in	<u>18,500</u>	<u>18,500</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Continued

LAPEER COUNTY, MICHIGAN

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

	Amended Budget	Actual	Variance Positive (Negative)
SENIOR MILLAGE			
Revenues:			
Taxes	\$ 697,700	\$ 768,009	\$ 70,309
Intergovernmental	-	8,649	8,649
Total Revenues	<u>697,700</u>	<u>776,658</u>	<u>78,958</u>
Expenditures:			
Health and Welfare	<u>24,845</u>	<u>8,650</u>	<u>16,195</u>
Revenues over expenditures	672,855	768,008	95,153
Other Financing Uses:			
Transfers out	(736,718)	(736,000)	718
Net Change in Fund Balance	(63,863)	32,008	95,871
Fund Balance at beginning of year	<u>411,038</u>	<u>411,038</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 347,175</u></u>	<u><u>\$ 443,046</u></u>	<u><u>\$ 95,871</u></u>
SOIL AND SEDIMENTATION			
Revenues:			
Licenses and permits	\$ 65,000	\$ 62,435	\$(2,565)
Fines and forfeits	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total Revenues	66,000	62,435	(3,565)
Expenditures:			
Health and Welfare	<u>90,229</u>	<u>84,866</u>	<u>5,363</u>
Net Change in Fund Balance	(24,229)	(22,431)	1,798
Fund Balance at beginning of year	<u>57,694</u>	<u>57,694</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 33,465</u></u>	<u><u>\$ 35,263</u></u>	<u><u>\$ 1,798</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
LAPEER FAMILY CONTINUATION COORDINATOR			
Revenues:			
Charges for services	\$ 14,500	\$ -	\$(14,500)
Other	19,500	24,525	5,025
Total Revenues	<u>34,000</u>	<u>24,525</u>	<u>(9,475)</u>
Expenditures:			
Health and Welfare	<u>34,000</u>	<u>23,017</u>	<u>10,983</u>
Net Change in Fund Balance	-	1,508	1,508
Fund Balance at beginning of year	<u>20,908</u>	<u>20,908</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 20,908</u></u>	<u><u>\$ 22,416</u></u>	<u><u>\$ 1,508</u></u>
MENTAL HEALTH COURT			
Revenues:			
Intergovernmental	\$ 172,383	\$ 70,195	\$(102,188)
Expenditures:			
Health and Welfare	<u>172,383</u>	<u>70,181</u>	<u>102,202</u>
Net Change in Fund Balance	-	14	14
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 14</u></u>	<u><u>\$ 14</u></u>
CARES ACT			
Revenues:			
Intergovernmental	<u>\$ 1,787,296</u>	<u>\$ 1,623,785</u>	<u>\$(163,511)</u>
Expenditures:			
Judicial	92,739	22,943	69,796
General Government	45,000	7,880	37,120
Public Safety	202,832	146,230	56,602
Health and Welfare	<u>1,446,725</u>	<u>1,778,485</u>	<u>(331,760)</u>
	1,787,296	1,955,538	(168,242)
Net Change in Fund Balance	-	(331,753)	(331,753)
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ -</u></u>	<u><u>\$(331,753)</u></u>	<u><u>\$(331,753)</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, 2020

	Amended Budget	Actual	Variance Positive (Negative)
CONCEALED PISTOL LICENSING			
Revenues:			
Licenses and permits	\$ 80,787	\$ 92,219	\$ 11,432
Expenditures:			
General Government	<u>80,787</u>	<u>73,186</u>	<u>7,601</u>
Net Change in Fund Balance	-	19,033	19,033
Fund Balance at beginning of year	<u>82,315</u>	<u>82,315</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 82,315</u></u>	<u><u>\$ 101,348</u></u>	<u><u>\$ 19,033</u></u>
INDIGENT DEFENSE			
Revenues:			
Intergovernmental	\$ 383,720	\$ 193,634	\$(190,086)
Charges for services	<u>-</u>	<u>2,284</u>	<u>2,284</u>
Total Revenues	383,720	195,918	(187,802)
Expenditures:			
Judicial	<u>493,565</u>	<u>305,763</u>	<u>187,802</u>
Revenues under expenditures	(109,845)	(109,845)	-
Other Financing Sources:			
Transfers in	<u>109,845</u>	<u>109,845</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Concluded

LAPEER COUNTY, MICHIGAN

**COMBINING SCHEDULE OF NET POSITION
DELINQUENT TAX FUND
DECEMBER 31, 2020**

	Delinquent Tax	Foreclosure	Treasurer's Office Administration	Elimination	Total
Assets:					
Current Assets-					
Cash and cash equivalents	\$ 10,368,411	\$ 3,300,436	\$ 117,274	\$ -	\$ 13,786,121
Investments	17	-	-	-	17
Receivables (net of allowance) -					
Delq. property taxes	2,434,297	71,159	-	-	2,505,456
Accrued interest	387,217	-	-	-	387,217
Interfund receivables	560,634	-	-	-	560,634
Due from other funds	299,738	-	78,472	(78,472)	299,738
Total Current Assets	<u>14,050,314</u>	<u>3,371,595</u>	<u>195,746</u>	<u>(78,472)</u>	<u>17,539,183</u>
Noncurrent Assets-					
Capital assets, net	-	26,957	-	-	26,957
Advances to other funds	626,722	-	-	-	626,722
Total Noncurrent Assets	<u>626,722</u>	<u>26,957</u>	<u>-</u>	<u>-</u>	<u>653,679</u>
Total Assets	<u>14,677,036</u>	<u>3,398,552</u>	<u>195,746</u>	<u>(78,472)</u>	<u>18,192,862</u>
Liabilities:					
Current Liabilities-					
Accounts payable	-	2,573	-	-	2,573
Accrued liabilities	-	548	-	-	548
Due to other governmental units	217,191	-	-	-	217,191
Due to other funds	78,472	83	-	(78,472)	83
Total Liabilities	<u>295,663</u>	<u>3,204</u>	<u>-</u>	<u>(78,472)</u>	<u>220,395</u>
Net Position:					
Net investment in capital assets	-	26,957	-	-	26,957
Restricted	-	3,368,391	195,746	-	3,564,137
Unrestricted -					
Designated - Estimated 2021 tax settlement	5,000,000	-	-	-	5,000,000
Undesignated	9,381,373	-	-	-	9,381,373
Total Net Position	<u>\$ 14,381,373</u>	<u>\$ 3,395,348</u>	<u>\$ 195,746</u>	<u>\$ -</u>	<u>\$ 17,972,467</u>

LAPEER COUNTY, MICHIGAN

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION DELINQUENT TAX FUND FOR THE YEAR ENDED DECEMBER 31, 2020

	Delinquent Tax	Foreclosure	Treasurer's Office Administration	Total
Operating Revenues:				
Charges for services	\$ -	\$ 423,207	\$ -	\$ 423,207
Interest on taxes	659,259	-	-	659,259
Fees and penalties on delinquent taxes	222,061	6,075	-	228,136
Total Operating Revenues	<u>881,320</u>	<u>429,282</u>	<u>-</u>	<u>1,310,602</u>
Operating Expenses:				
Salaries and wages	-	33,266	-	33,266
Fringe benefits	-	19,109	-	19,109
Operating supplies and expenses	-	16,531	-	16,531
Professional services	-	122,178	-	122,178
Other	78,804	33,945	608	113,357
Depreciation	-	10,495	-	10,495
Total Operating Expenses	<u>78,804</u>	<u>235,524</u>	<u>608</u>	<u>314,936</u>
Operating Income (Loss)	802,516	193,758	(608)	995,666
Non-Operating Revenues:				
Interest	<u>55,819</u>	<u>6,438</u>	<u>-</u>	<u>62,257</u>
Net Income (Loss) Before Transfers	858,335	200,196	(608)	1,057,923
Transfers:				
Transfers out	<u>(260,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>(263,000)</u>
Change in Net Position	598,335	197,196	(608)	794,923
Net Position at beginning of year	<u>13,783,038</u>	<u>3,198,152</u>	<u>196,354</u>	<u>17,177,544</u>
Net Position end of year	<u>\$ 14,381,373</u>	<u>\$ 3,395,348</u>	<u>\$ 195,746</u>	<u>\$ 17,972,467</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, 2020**

	<u>Health Insurance</u>	<u>Unemployment Insurance</u>	<u>Workers' Compensation</u>	<u>CMH Equipment Acquisition & Replacement</u>
Assets:				
Current Assets -				
Cash and cash equivalents	\$ 1,034,460	\$ 27,341	\$ 741,783	\$ 438,565
Deposits with agent	3,348	-	15,000	-
Due from other funds	-	79	3,465	-
Prepaid items	359,694	-	63,715	-
Total Current Assets	<u>1,397,502</u>	<u>27,420</u>	<u>823,963</u>	<u>438,565</u>
 Property, Plant, and Equipment, Net	 -	 -	 -	 318,879
Total Assets	<u>1,397,502</u>	<u>27,420</u>	<u>823,963</u>	<u>757,444</u>
 Liabilities:				
Current Liabilities -				
Accounts payable	5,187	3,292	-	-
Accrued claims	-	-	103,876	-
Total Current Liabilities	<u>5,187</u>	<u>3,292</u>	<u>103,876</u>	<u>-</u>
 Net Position:				
Investment in capital assets	-	-	-	318,879
Unrestricted	<u>1,392,315</u>	<u>24,128</u>	<u>720,087</u>	<u>438,565</u>
 Total Net Position	<u>\$ 1,392,315</u>	<u>\$ 24,128</u>	<u>\$ 720,087</u>	<u>\$ 757,444</u>

<u>Equipment Acquisition & Replacement</u>	<u>Retirement</u>	<u>Public Employee Health Care</u>	<u>Total</u>
\$ 1,461,269	\$ 766,825	\$ 5,785	\$ 4,476,028
-	-	-	18,348
-	24,754	-	28,298
-	-	-	423,409
<u>1,461,269</u>	<u>791,579</u>	<u>5,785</u>	<u>4,946,083</u>
2,355,911	-	-	2,674,790
<u>3,817,180</u>	<u>791,579</u>	<u>5,785</u>	<u>7,620,873</u>
11,615	300,828	-	320,922
-	-	-	103,876
<u>11,615</u>	<u>300,828</u>	<u>-</u>	<u>424,798</u>
2,355,911	-	-	2,674,790
<u>1,449,654</u>	<u>490,751</u>	<u>5,785</u>	<u>4,521,285</u>
<u>\$ 3,805,565</u>	<u>\$ 490,751</u>	<u>\$ 5,785</u>	<u>\$ 7,196,075</u>

LAPEER COUNTY, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Health Insurance	Unemployment Insurance	Workers' Compensation	CMH Equipment Acquisition & Replacement
Operating Revenues:				
Charges for services	\$ 5,276,496	\$ 8,978	\$ 412,289	\$ 102,995
Operating Expenses:				
Fringe benefits	4,890,222	3,292	73,166	-
Other	61,792	14,808	15,583	1,088
Depreciation	-	-	-	89,293
Total Operating Expenses	<u>4,952,014</u>	<u>18,100</u>	<u>88,749</u>	<u>90,381</u>
Operating Income (Loss)	324,482	(9,122)	323,540	12,614
Non-Operating Revenue:				
Gain on sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) before Transfers	324,482	(9,122)	323,540	12,614
Transfers:				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	324,482	(9,122)	323,540	12,614
Net Position at beginning of year	<u>1,067,833</u>	<u>33,250</u>	<u>396,547</u>	<u>744,830</u>
Net Position at end of year	<u><u>\$ 1,392,315</u></u>	<u><u>\$ 24,128</u></u>	<u><u>\$ 720,087</u></u>	<u><u>\$ 757,444</u></u>

<u>Equipment Acquisition & Replacement</u>	<u>Retirement</u>	<u>Public Employee Health Care</u>	<u>Total</u>
\$ 846,965	\$ 2,493,344	\$ 122,250	\$ 9,263,317
-	2,516,169	118,620	7,601,469
449,199	35,487	13,404	591,361
563,833	-	-	653,126
<u>1,013,032</u>	<u>2,551,656</u>	<u>132,024</u>	<u>8,845,956</u>
(166,067)	(58,312)	(9,774)	417,361
<u>18,997</u>	<u>-</u>	<u>-</u>	<u>18,997</u>
(147,070)	(58,312)	(9,774)	436,358
<u>254,168</u>	<u>-</u>	<u>-</u>	<u>254,168</u>
107,098	(58,312)	(9,774)	690,526
<u>3,698,467</u>	<u>549,063</u>	<u>15,559</u>	<u>6,505,549</u>
<u>\$ 3,805,565</u>	<u>\$ 490,751</u>	<u>\$ 5,785</u>	<u>\$ 7,196,075</u>

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Health Insurance	Unemployment Insurance	Workers' Compensation	CMH Equipment Acquisition & Replacement
Cash Flows From Operating Activities:				
Cash receipts for interfund services	\$ 5,276,496	\$ 9,148	\$ 419,662	\$ 102,995
Cash payments to suppliers	(5,278,093)	(21,308)	(142,251)	(1,088)
Net Cash Provided by (Used in) Operating Activities	<u>(1,597)</u>	<u>(12,160)</u>	<u>277,411</u>	<u>101,907</u>
Cash Flows From Capital and Related Financing Activities:				
Transfers in	-	-	-	-
Acquisition of capital assets	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	(1,597)	(12,160)	277,411	101,907
Cash and cash equivalents at beginning of year	<u>1,036,057</u>	<u>39,501</u>	<u>464,372</u>	<u>336,658</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,034,460</u></u>	<u><u>\$ 27,341</u></u>	<u><u>\$ 741,783</u></u>	<u><u>\$ 438,565</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ 324,482	\$(9,122)	\$ 323,540	\$ 12,614
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Depreciation	-	-	-	89,293
Change in assets and liabilities:				
Due to/from other funds	-	170	7,373	-
Prepaid items/Deposits with agent	(331,266)	-	(63,715)	-
Accounts payable	5,187	(3,208)	(10,603)	-
Accrued claims	<u>-</u>	<u>-</u>	<u>20,816</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$(1,597)</u></u>	<u><u>\$(12,160)</u></u>	<u><u>\$ 277,411</u></u>	<u><u>\$ 101,907</u></u>

Equipment Acquisition & Replacement	Retirement	Public Employee Health Care	Total
\$ 846,965	\$ 2,542,246	\$ 122,250	\$ 9,319,762
(443,558)	(3,445,201)	(132,024)	(9,463,523)
<u>403,407</u>	<u>(902,955)</u>	<u>(9,774)</u>	<u>(143,761)</u>

254,168	-	-	254,168
(382,889)	-	-	(382,889)
37,853	-	-	37,853
<u>(90,868)</u>	<u>-</u>	<u>-</u>	<u>(90,868)</u>

312,539	(902,955)	(9,774)	(234,629)
<u>1,148,730</u>	<u>1,669,780</u>	<u>15,559</u>	<u>4,710,657</u>
<u>\$ 1,461,269</u>	<u>\$ 766,825</u>	<u>\$ 5,785</u>	<u>\$ 4,476,028</u>

\$ (166,067)	\$ (58,312)	\$ (9,774)	\$ 417,361
---------------	--------------	-------------	------------

563,833	-	-	653,126
-	48,902	-	56,445
-	-	-	(394,981)
5,641	(893,545)	-	(896,528)
<u>-</u>	<u>-</u>	<u>-</u>	<u>20,816</u>
<u>\$ 403,407</u>	<u>\$ (902,955)</u>	<u>\$ (9,774)</u>	<u>\$ (143,761)</u>

FIDUCIARY FUNDS

FIDUCIARY FUNDS

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

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

LAPEER COUNTY, MICHIGAN

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS DECEMBER 31, 2020

	General Agency	Library Penal Fines	Treasurer's Tax
Assets:			
Cash and cash equivalents	\$ 411,202	\$ 24,175	\$ 770,695
Due from other governmental units	2,230	200	-
	<u>413,432</u>	<u>24,375</u>	<u>770,695</u>
Total Assets	<u>413,432</u>	<u>24,375</u>	<u>770,695</u>
Liabilities:			
Due to other governmental units	330,649	-	592,155
Due to individuals and agencies	82,783	24,375	178,540
	<u>413,432</u>	<u>24,375</u>	<u>770,695</u>
Total Liabilities	<u>413,432</u>	<u>24,375</u>	<u>770,695</u>
Net Position:			
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Inmate</u>	<u>Total</u>
\$ 29,343	\$ 1,235,415
-	2,430
<u>29,343</u>	<u>1,237,845</u>
-	922,804
<u>29,343</u>	<u>315,041</u>
<u>29,343</u>	<u>1,237,845</u>
<u>\$ -</u>	<u>\$ -</u>

LAPEER COUNTY, MICHIGAN

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

	General Agency	Library Penal Fines	Treasurer's Tax
Additions:			
Property taxes and PILT	\$ -	\$ -	\$ 21,862,757
Fees and assessments	243,595	-	-
Permits	106,379	-	-
Court fees	380,183	-	-
Transfer tax	3,307,219	-	-
Penal fines	-	232,087	-
Other collections	7,025	-	-
Inmate revenues	-	-	-
	<hr/>	<hr/>	<hr/>
Total Additions	4,044,401	232,087	21,862,757
	<hr/>	<hr/>	<hr/>
Deductions:			
Distribution of property taxes and PILT	-	-	21,862,757
Distribution of fees and assessments	243,595	-	-
Distribution of permit fees	106,379	-	-
Distribution of court fees	380,183	-	-
Distribution of transfer tax	3,307,219	-	-
Distribution of penal fines	-	232,087	-
Other distributions	7,025	-	-
Inmate expenses	-	-	-
	<hr/>	<hr/>	<hr/>
Total Deductions	4,044,401	232,087	21,862,757
	<hr/>	<hr/>	<hr/>
Change in net position	-	-	-
 Net Position -			
Beginning of year	<hr/>	<hr/>	<hr/>
End of year	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>Inmate</u>	<u>Total</u>
\$ -	\$ 21,862,757
-	243,595
-	106,379
-	380,183
-	3,307,219
-	232,087
-	7,025
<u>12,525</u>	<u>12,525</u>
<u>12,525</u>	<u>26,151,770</u>
-	21,862,757
-	243,595
-	106,379
-	380,183
-	3,307,219
-	232,087
-	7,025
<u>12,525</u>	<u>12,525</u>
<u>12,525</u>	<u>26,151,770</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

**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, 2020

	Balance January 1, 2020	Additions	Disposals/ Adjustments	Balance December 31, 2020
General County:				
Land	\$ 850,890	\$ -	\$ -	\$ 850,890
Land improvements	1,835,178	-	-	1,835,178
Buildings	25,652,361	241,581	-	25,893,942
Equipment	21,330,419	254,562	24,500	21,560,481
Vehicles	478,645	50,806	-	529,451
	<u>50,147,493</u>	<u>546,949</u>	<u>24,500</u>	<u>50,669,942</u>
Less - accumulated depreciation	(31,525,546)	(1,745,955)	17,967	(33,253,534)
Total Capital Assets, Net	<u>\$ 18,621,947</u>	<u>\$(1,199,006)</u>	<u>\$ 6,533</u>	<u>\$ 17,416,408</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, 2020

	Total	Land and Improvements	Buildings	Equipment	Vehicles
General Government:					
Legislative	\$ 3,104,763	\$ 225,000	\$ 2,879,763	\$ -	\$ -
Judicial	3,398,372	85,861	3,193,214	83,885	35,412
General Services	6,399,403	429,033	5,771,015	193,808	5,547
	<u>12,902,538</u>	<u>739,894</u>	<u>11,843,992</u>	<u>277,693</u>	<u>40,959</u>
Public Works:					
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>
Public Safety:					
Animal Shelter	310,056	25,302	221,800	48,242	14,712
Emergency Preparedness	214,364	-	-	214,364	-
Marine Safety	21,500	-	-	-	21,500
911 Communications Center	21,199,274	93,876	1,016,438	20,088,960	-
Community Corrections	5,535	-	-	5,535	-
Sheriff	7,047,708	498,389	6,182,903	159,616	206,800
	<u>28,798,437</u>	<u>617,567</u>	<u>7,421,141</u>	<u>20,516,717</u>	<u>243,012</u>
Health and Welfare:					
Health Department	774,718	37,221	238,782	447,909	50,806
Mental Health	3,337,329	180,894	2,945,241	211,194	-
D.O.S.A.	32,686	-	-	32,686	-
Family Independence Agency	1,913,734	143,480	1,758,724	11,530	-
	<u>6,058,467</u>	<u>361,595</u>	<u>4,942,747</u>	<u>703,319</u>	<u>50,806</u>
Recreation and Cultural:					
Parks and Recreation	2,546,029	925,415	1,557,862	62,752	-
Libraries	139,797	41,597	98,200	-	-
	<u>2,685,826</u>	<u>967,012</u>	<u>1,656,062</u>	<u>62,752</u>	<u>-</u>
Total Capital Assets	50,669,942	2,686,068	25,893,942	21,560,481	529,451
Less: accumulated depreciation	<u>(33,253,534)</u>	<u>(1,561,826)</u>	<u>(16,683,146)</u>	<u>(14,600,291)</u>	<u>(408,271)</u>
Total Capital Assets - (Net of Accumulated Depreciation)	<u>\$ 17,416,408</u>	<u>\$ 1,124,242</u>	<u>\$ 9,210,796</u>	<u>\$ 6,960,190</u>	<u>\$ 121,180</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, 2020

	Balance January 1, 2020	Additions	Adjustments/ Disposals	Balance December 31, 2020
General Government:				
Legislative	\$ 3,104,763	\$ -	\$ -	\$ 3,104,763
Judicial	3,398,372	-	-	3,398,372
General Services	6,366,857	32,546	-	6,399,403
Total General Government	<u>12,869,992</u>	<u>32,546</u>	<u>-</u>	<u>12,902,538</u>
Public Works:				
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>
Public Safety:				
Animal Shelter	310,056	-	-	310,056
Emergency Preparedness	217,325	21,539	24,500	214,364
Marine Safety	21,500	-	-	21,500
911 Communications Center	20,961,453	237,821	-	21,199,274
Community Corrections	5,535	-	-	5,535
Sheriff	7,047,708	-	-	7,047,708
Total Public Safety	<u>28,563,577</u>	<u>259,360</u>	<u>24,500</u>	<u>28,798,437</u>
Health and Welfare:				
Health Department	723,912	50,806	-	774,718
Mental Health	3,153,794	183,535	-	3,337,329
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>234,341</u>	<u>-</u>	<u>6,058,467</u>
Recreation and Cultural:				
Parks and Recreation	2,525,327	20,702	-	2,546,029
Libraries	139,797	-	-	139,797
Total Recreation and Cultural	<u>2,665,124</u>	<u>20,702</u>	<u>-</u>	<u>2,685,826</u>
 Total Capital Assets	 <u>\$ 50,147,493</u>	 <u>\$ 546,949</u>	 <u>\$ 24,500</u>	 <u>\$ 50,669,942</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 BPW is financially accountable to the County because all general obligation bond issuances require County authorization and are backed by the full faith and credit of the County.

LAPEER COUNTY DRAINAGE DISTRICTS -

The Drainage Districts are established pursuant to Act 40, P.A. 1956, as amended, (the Michigan Drain Code) and are under the administration of the Lapeer County Drain Commissioner. The statutory Intercounty Drainage Board consists of the State Director of Agriculture and the Drain Commissioners of each County involved in the projects. Each of the drainage districts are separate legal entities. The Drainage Board or Drain Commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district upon authorization of the County Board of Commissioners. The Drain Commission and all operations for the Drain Commission office are budgeted and reported as part of the County General Fund, except for maintenance and construction of individual drains, which is accounted for through the various drain funds.

BOARD OF PUBLIC WORKS FUNDS

LAPEER COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
BOARD OF PUBLIC WORKS - GOVERNMENTAL FUND TYPES
DECEMBER 31, 2020**

	Debt Service Funds				
	Dryden Drinking Water	Almont WSS 2007	Almont Sewage Disposal 2002	Dryden WSS 2007	Total
Assets:					
Cash - restricted	\$ 879	\$ 5,925	\$ 9,444	\$ 642	\$ 16,890
Contracts receivable	-	932,694	255,000	274,868	1,462,562
 Total Assets	<u>\$ 879</u>	<u>\$ 938,619</u>	<u>\$ 264,444</u>	<u>\$ 275,510</u>	<u>\$ 1,479,452</u>
Liabilities:					
Due to other governmental units	\$ 879	\$ -	\$ -	\$ -	\$ 879
Deferred Inflows of Resources:					
Unavailable revenue - lease contracts	-	932,694	255,000	274,868	1,462,562
Fund Balances:					
Restricted - Debt service	-	5,925	9,444	642	16,011
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 879</u>	<u>\$ 938,619</u>	<u>\$ 264,444</u>	<u>\$ 275,510</u>	<u>\$ 1,479,452</u>

LAPEER COUNTY, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
BOARD OF PUBLIC WORKS
DECEMBER 31, 2020**

Fund Balances - Board of Public Works	\$ 16,011
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	(8,865)
Long-term liabilities that are not payable in the current period and are therefore not reported in the governmental fund statements	
Bonds/notes payable	(1,462,562)
Accrued interest on bonds/notes payable	(7,146)
Revenues that are deferred in the governmental fund statements because the amounts are not available	
Lease revenue	<u>1,462,562</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, 2020

	Debt Service Funds				
	Dryden Drinking Water	Almont WSSI 2007	Almont Sewage Disposal 2002	Dryden WSSI 2007	Total
Revenues:					
Intergovernmental	<u>\$ (879)</u>	<u>\$ 121,945</u>	<u>\$ 134,319</u>	<u>\$ 41,585</u>	<u>\$ 296,970</u>
Expenditures:					
Debt Service -					
Principal retirement	-	100,000	120,000	35,000	255,000
Interest and fiscal charges	-	21,945	15,069	6,585	43,599
Total Expenditures	<u>-</u>	<u>121,945</u>	<u>135,069</u>	<u>41,585</u>	<u>298,599</u>
Net Change in Fund Balance	(879)	-	(750)	-	(1,629)
Fund Balance at beginning of year	<u>879</u>	<u>5,925</u>	<u>10,194</u>	<u>642</u>	<u>17,640</u>
Fund Balance at end of year	<u>\$ -</u>	<u>\$ 5,925</u>	<u>\$ 9,444</u>	<u>\$ 642</u>	<u>\$ 16,011</u>

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, 2020**

Net Change in Fund Balances - Board of Public Works	\$(1,629)
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	255,000
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	2,987
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(256,358)
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, 2020

	Debt Service Funds				
	Talmage Drain	Imlay Bigelow	Winn Lake	Marshall Creek	Stroup Drain
Assets:					
Cash and cash equivalents	\$ 897	\$ 694,393	\$ 45,776	\$ 51,006	\$ 35,203
Investments	-	-	-	-	-
Receivables -					
Special assessments	-	702,121	29,564	457,203	-
Accounts	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Advances to other funds	-	-	-	-	-
	<u>897</u>	<u>1,396,514</u>	<u>75,340</u>	<u>508,209</u>	<u>35,203</u>
Total Assets	<u>\$ 897</u>	<u>\$ 1,396,514</u>	<u>\$ 75,340</u>	<u>\$ 508,209</u>	<u>\$ 35,203</u>
Liabilities:					
Accounts payable	\$ -	\$ 250	\$ -	\$ 500	\$ -
Due to other funds	-	-	-	-	-
Deposits payable	-	-	-	-	-
Advances from primary government	-	-	-	-	-
Advances from other funds	-	-	-	-	-
	<u>-</u>	<u>250</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>250</u>	<u>-</u>	<u>500</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue - special assessments	-	528,932	19,766	425,315	-
Fund Balances:					
Restricted -					
Debt service	897	867,332	55,574	82,394	35,203
Acquisition/construction of capital assets	-	-	-	-	-
Total Fund Balance	<u>897</u>	<u>867,332</u>	<u>55,574</u>	<u>82,394</u>	<u>35,203</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 897</u>	<u>\$ 1,396,514</u>	<u>\$ 75,340</u>	<u>\$ 508,209</u>	<u>\$ 35,203</u>

Debt Service Funds			Capital Projects Funds			
Peasley Drain	Bottom Creek	Indian Creek	Special Assessment Drain	Drain Revolving	Marshall Creek	Stroup Drain
\$ 60,272	\$ 22,531	\$ 185,947	\$ 459,786	\$ 48,967	\$ 69,765	\$ 1,601,688
-	-	-	1,293,525	-	-	-
1,229,368	-	2,617,230	854,010	-	-	-
-	-	-	4,512	-	-	-
-	-	-	-	147,283	-	-
-	-	-	98,519	-	-	-
-	-	-	100,000	-	-	-
<u>\$ 1,289,640</u>	<u>\$ 22,531</u>	<u>\$ 2,803,177</u>	<u>\$ 2,810,352</u>	<u>\$ 196,250</u>	<u>\$ 69,765</u>	<u>\$ 1,601,688</u>
\$ -	\$ -	\$ -	\$ 54,883	\$ -	\$ -	\$ 176,720
-	-	-	1,678,488	-	-	-
-	-	-	348,000	-	-	-
-	-	-	-	90,000	-	-
-	-	-	-	100,000	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,081,371</u>	<u>190,000</u>	<u>-</u>	<u>176,720</u>
1,163,632	-	2,447,171	-	-	-	-
126,008	22,531	356,006	-	-	-	-
-	-	-	728,981	6,250	69,765	1,424,948
<u>126,008</u>	<u>22,531</u>	<u>356,006</u>	<u>728,981</u>	<u>6,250</u>	<u>69,765</u>	<u>1,424,948</u>
<u>\$ 1,289,640</u>	<u>\$ 22,531</u>	<u>\$ 2,803,177</u>	<u>\$ 2,810,352</u>	<u>\$ 196,250</u>	<u>\$ 69,765</u>	<u>\$ 1,601,668</u>

Continued

LAPEER COUNTY, MICHIGAN

COMBINING BALANCE SHEET DRAINAGE DISTRICTS - GOVERNMENTAL FUND TYPES DECEMBER 31, 2020

	Capital Project Funds			Total
	Peasley Drain	Bottom Creek	Indian Creek	
Assets:				
Cash and cash equivalents	\$ 1,098,895	\$ 1,597,179	\$ 447,218	\$ 6,419,523
Investments	-	-	-	1,293,525
Receivables -				
Special assessments	-	-	-	5,889,496
Accounts	-	-	-	4,512
Due from other funds	-	-	-	147,283
Due from other governmental units	-	-	-	98,519
Advances to other funds	-	-	-	100,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,098,895</u>	<u>\$ 1,597,179</u>	<u>\$ 447,218</u>	<u>\$ 13,952,858</u>
Liabilities:				
Accounts payable	\$ -	\$ 192,142	\$ 25,296	\$ 449,791
Due to other funds	-	-	-	1,678,488
Deposits payable	-	-	-	348,000
Advances from primary government	-	-	-	90,000
Advances from other funds	-	-	-	100,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>192,142</u>	<u>25,296</u>	<u>2,666,279</u>
Deferred Inflows of Resources:				
Unavailable revenue - special assessments	-	-	-	4,584,816
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances:				
Restricted -				
Debt service	-	-	-	1,545,945
Acquisition/construction of capital assets	1,098,895	1,405,037	421,922	5,155,798
Total Fund Balance	<u>1,098,895</u>	<u>1,405,037</u>	<u>421,922</u>	<u>6,701,743</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,098,895</u>	<u>\$ 1,597,179</u>	<u>\$ 447,218</u>	<u>\$ 13,952,838</u>

Concluded

LAPEER COUNTY, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
DRAINAGE DISTRICTS
DECEMBER 31, 2020**

Fund Balances - Drainage Districts	\$ 6,701,743
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	34,051,084
Accumulated depreciation	(18,203,503)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Special assessments	4,584,816
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.	1,816,994
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	(7,178,000)
Bond premium	(30,947)
Accrued interest on bonds/notes payable	(14,961)
Net Position of Drainage Districts	<u><u>\$ 21,727,226</u></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, 2020

	Debt Service Funds				
	Talmage Drain	Imlay Bigelow	Winn Lake	Marshall Creek	Stroup Drain
Revenues:					
Local contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	387	17	-	-	-
Other - Special assessments	-	26,703	9,677	74,892	11,927
Total Revenues	<u>387</u>	<u>26,720</u>	<u>9,677</u>	<u>74,892</u>	<u>11,927</u>
Expenditures:					
Capital outlay	-	-	-	-	-
Public works	-	-	-	-	-
Debt service -					
Principal retirement	-	125,000	30,000	35,000	-
Interest and fiscal charges	-	31,750	3,012	11,736	-
Bond issuance costs	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>156,750</u>	<u>33,012</u>	<u>46,736</u>	<u>-</u>
Revenues over (under) expenditures	<u>387</u>	<u>(130,030)</u>	<u>(23,335)</u>	<u>28,156</u>	<u>11,927</u>
Other Financing Sources (Uses):					
Bond proceeds	-	-	-	-	-
Note proceeds	-	-	-	-	-
Transfers in	-	-	-	-	23,276
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,276</u>
Net Change in Fund Balance	387	(130,030)	(23,335)	28,156	35,203
Fund Balances at beginning of year	<u>510</u>	<u>997,362</u>	<u>78,909</u>	<u>54,238</u>	<u>-</u>
Fund Balances at end of year	<u>\$ 897</u>	<u>\$ 867,332</u>	<u>\$ 55,574</u>	<u>\$ 82,394</u>	<u>\$ 35,203</u>

Debt Service Funds			Capital Project Funds			
Peasley Drain	Bottom Creek	Indian Creek	Special Assessment Drain	Drain Revolving	Marshall Creek	Stroup Drain
\$ -	\$ -	\$ 54,051	\$ 30,655	\$ -	\$ -	\$ -
-	-	-	29,960	10	-	-
111,367	-	172,299	1,113,504	-	-	844,000
111,367	-	226,350	1,174,119	10	-	844,000
-	-	-	-	-	382,453	451,525
-	-	-	1,572,579	-	20,953	59,002
-	-	170,000	-	-	-	-
5,004	-	59,925	-	-	-	-
-	-	-	-	-	-	20,980
5,004	-	229,925	1,572,579	-	403,406	531,507
106,363	-	(3,575)	(398,460)	10	(403,406)	312,493
-	-	-	-	-	-	1,255,000
-	-	-	163,000	-	-	-
19,645	22,531	-	287,155	-	-	-
-	-	-	-	-	(37,674)	(142,545)
19,645	22,531	-	450,155	-	(37,674)	1,112,455
126,008	22,531	(3,575)	51,695	10	(441,080)	1,424,948
-	-	359,581	677,286	6,240	510,845	-
\$ 126,008	\$ 22,531	\$ 356,006	\$ 728,981	\$ 6,250	\$ 69,765	\$ 1,424,948

Continued

LAPEER COUNTY, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES DRAINAGE DISTRICTS - GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2020

	Capital Project Funds			
	Peasley Drain	Bottom Creek	Indian Creek	Total
Revenues:				
Local contribution	\$ -	\$ -	\$ -	\$ 84,706
Interest	-	-	-	30,374
Other - Special assessments	-	562,500	-	2,926,869
Total Revenues	-	562,500	-	3,041,949
Expenditures:				
Capital outlay	-	293,470	-	1,127,448
Public works	15,657	127,653	13,649	1,809,493
Debt service -				
Principal retirement	-	-	-	360,000
Interest and fiscal charges	-	-	-	111,427
Bond issuance costs	15,250	19,150	-	55,380
Total Expenditures	30,907	440,273	13,649	3,463,748
Revenues over (under) expenditures	(30,907)	122,227	(13,649)	(421,799)
Other Financing Sources (Uses):				
Bond proceeds	1,275,000	1,310,000	-	3,840,000
Note proceeds	-	-	-	163,000
Transfers in	-	-	-	352,607
Transfers out	(145,198)	(27,190)	-	(352,607)
Total Other Financing Sources (Uses)	1,129,802	1,282,810	-	4,003,000
Net Change in Fund Balance	1,098,895	1,405,037	(13,649)	3,581,201
Fund Balances at beginning of year	-	-	435,571	3,120,542
Fund Balances at end of year	\$ 1,098,895	\$ 1,405,037	\$ 421,922	\$ 6,701,743

Concluded

LAPEER COUNTY, MICHIGAN

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

Net Change in Fund Balances - Drainage Districts	\$	3,581,201
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		1,610,638
Depreciation expense	(	529,545)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
		731,352
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		360,000
Bond/note proceeds	(	4,003,000)
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.		
		96,381
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	(	5,509)
Change in Net Position of Drainage Districts	\$	<u>1,844,097</u>

LAPEER COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
PROPRIETARY FUND - DRAINAGE DISTRICTS
INTERNAL SERVICE FUND
DECEMBER 31, 2020**

Assets:

Current Assets:

Cash and cash equivalents	\$ 41,784
Due from other funds	<u>1,531,205</u>
Total Current Assets	1,572,989

Property, Plant and Equipment, Net	<u>244,005</u>
------------------------------------	----------------

Total Assets	<u>1,816,994</u>
--------------	------------------

Net Position:

Investment in capital assets	244,005
Unrestricted	<u>1,572,989</u>

Total Net Position	<u>\$ 1,816,994</u>
--------------------	---------------------

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND - DRAINAGE DISTRICTS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Operating Revenue:

Charges for services	<u>\$ 96,348</u>
----------------------	------------------

Non-Operating Revenue:

Interest	<u>33</u>
----------	-----------

Change in Net Position	96,381
------------------------	--------

Net Position at beginning of year	<u>1,720,613</u>
-----------------------------------	------------------

Net Position at end of year	<u>\$ 1,816,994</u>
-----------------------------	---------------------

LAPEER COUNTY, MICHIGAN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND - DRAINAGE DISTRICTS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Cash Flows From Operating Activities:

Cash receipts for services	\$ 96,348
----------------------------	-----------

Cash Flows From Non-Capital Related Financing Activities:

Due from other funds	(357,351)
----------------------	------------

Cash Flows From Investing Activities:

Interest received	33
-------------------	----

Net decrease in cash and cash equivalents	(260,970)
---	------------

Cash and cash equivalents at beginning of year	302,754
--	---------

Cash and cash equivalents at end of year	\$ 41,784
--	-----------

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

Operating income	\$ 96,348
------------------	-----------

Adjustments to reconcile operating income to net cash provided by operating activities	-
---	---

Net Cash Provided by Operating Activities	\$ 96,348
---	-----------

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.

Contents	<u>Page Number</u>
<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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Net investment in capital assets	\$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	\$20,413,577
Restricted	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	10,535,123
Unrestricted	<u>11,269,021</u>	<u>16,683,094</u>	<u>19,555,834</u>	<u>22,069,473</u>	<u>7,986,044</u>	<u>6,705,532</u>	<u>6,025,345</u>	<u>4,496,948</u>	<u>6,552,295</u>	<u>8,690,697</u>
Total Governmental Activities Net Position	<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>	<u>\$39,639,397</u>
Business-type Activities										
Net investment in capital assets	\$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	\$17,700,097
Restricted	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	3,564,137
Unrestricted	<u>17,180,730</u>	<u>20,291,236</u>	<u>23,539,977</u>	<u>22,145,385</u>	<u>15,190,721</u>	<u>11,076,780</u>	<u>6,558,530</u>	<u>5,905,549</u>	<u>4,239,551</u>	<u>6,783,528</u>
Total Business-type Activities Net Position	<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>	<u>\$28,047,762</u>
Primary Government										
Net investment in capital assets	\$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	\$38,113,674
Restricted	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	14,099,260
Unrestricted	<u>28,449,751</u>	<u>36,974,330</u>	<u>43,095,811</u>	<u>44,214,858</u>	<u>23,176,765</u>	<u>17,782,312</u>	<u>12,583,875</u>	<u>10,402,497</u>	<u>10,791,846</u>	<u>15,474,225</u>
Total Primary Government Net Position	<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>	<u>\$67,687,159</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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
Legislative	\$ 261,095	\$ 267,547	\$ 272,414	\$ 281,705	\$ 289,048	\$ 327,800	\$ 311,288	\$ 333,204	\$ 339,939	\$ 340,525
Judicial	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	5,258,417
General Government	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	6,306,583
Public Safety	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	10,724,283
Public Works	398,268	292,231	370,012	341,165	340,331	360,066	940,969	654,770	417,537	1,670,934
Health and Welfare	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	29,601,242
Recreation and Culture	422,204	426,620	449,245	437,936	430,536	504,008	493,489	483,143	413,834	277,906
Interest on long term debt	380,024	391,699	405,496	351,578	299,517	249,830	192,174	132,174	72,175	-
Total Governmental Activities Expenses	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	54,179,890
Business-type Activities:										
Medical Care Facility	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	30,540,895
Delinquent Tax Revolving	230,860	490,112	267,737	291,793	251,000	309,789	274,679	356,704	343,370	314,936
Telecommunications	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Expenses	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	30,855,831
Total Primary Government Expenses	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	85,035,721
Program Revenues										
Governmental Activities:										
Charges for Services -										
Judicial	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	1,025,306
General Government	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	4,861,236
Public Safety	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	3,842,221
Public Works	-	-	-	-	-	-	-	-	-	-
Health and Welfare	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	2,054,228
Recreation and Culture	74,050	154,965	138,624	126,311	171,243	180,273	141,116	167,291	113,136	27,660
Interest on Long-term Debt	161,503	-	-	186,078	-	-	-	-	-	-
Operating Grants and Contributions	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	28,569,011
Capital Grants and Contributions	137,046	122,323	-	524,318	-	-	-	14,000	-	-
Total Governmental Activities Program Revenues	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	40,379,662
Business-type Activities:										
Charges for Services -										
Medical Care Facility	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	27,779,826
Delinquent Tax	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	1,310,602
Telecommunications	-	-	-	-	-	-	-	-	19,380	9,820
Operating Grants and Contributions	-	-	-	-	-	38,589	19,199	-	-	-
Total Business-type Activities Program Revenues	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	29,100,248
Total Primary Government Program Revenues	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	69,479,910
Net (expense)/revenue										
Governmental Activities	(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)	(13,800,228)
Business-type Activities	(590,498)	2,022,451	2,109,081	(835,862)	713,537	84,035	(1,766,392)	(363,651)	(2,180,026)	(1,755,583)
Total Primary Government Net Expenses	(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)	(15,555,811)

Continued

LAPEER COUNTY, MICHIGAN

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property taxes	\$ 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	\$ 14,735,672
Unrestricted grants and contributions	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	1,338,710
Investment earnings	404,060	213,681	51,699	173,195	125,415	164,921	170,069	185,742	401,706	161,184
Gain on sale of capital assets	-	-	-	-	-	32,594	11,855	23,258	19,120	18,997
Transfers	6,224	4,021	385,639	1,669,911	260,507	2,060,000	1,463,195	1,898,822	1,403,000	263,000
Total Governmental Activities	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	16,517,563
Business-type Activities:										
Property taxes	909,353	863,590	876,530	810,147	912,656	904,079	922,219	924,711	965,004	1,133,886
Unrestricted grants and contributions	30,973	9,274	19,434	7,830	19,022	11,141	21,184	25,701	43,536	2,404,795
Investment earnings	28,142	20,040	18,455	25,684	7,977	12,621	23,230	102,340	98,399	75,828
Gain on sale of capital assets	-	-	-	-	1,900	-	-	-	-	-
Transfers	-	-	(315,000)	(1,850,000)	(151,058)	(2,060,000)	(1,463,195)	(1,898,822)	(1,403,000)	(263,000)
Total Business-type Activities	968,468	892,904	599,419	(1,006,339)	790,497	(1,132,159)	(496,562)	(846,070)	(296,061)	3,351,509
Total Primary Government	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	19,869,072
Change in Net Position										
Governmental Activities	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	2,717,335
Business-type Activities	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)	1,595,926
Total Primary Government	\$ 3,164,988	\$ 5,035,631	\$ 3,774,925	\$ 1,396,705	\$ (213,136)	\$ (986,108)	\$ 792,461	\$ (2,188,926)	\$ (31,760)	\$ 4,313,261

LAPEER COUNTY, MICHIGAN

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund -										
Nonspendable	\$ 144,292	\$ 161,941	\$ 293,351	\$ 293,341	\$ 436,366	\$ 333,485	\$ 117,821	\$ 554,066	\$ 486,474	\$ 496,281
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	2,774,373
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	1,464,686
Assigned	-	-	-	-	-	81,872	329,265	358,420	500,000	500,000
Unassigned	<u>5,190,092</u>	<u>5,445,711</u>	<u>5,531,941</u>	<u>5,794,629</u>	<u>5,636,828</u>	<u>5,569,358</u>	<u>5,234,863</u>	<u>4,443,589</u>	<u>4,307,691</u>	<u>4,592,727</u>
Total General Fund	<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>	<u>\$ 9,828,067</u>
All other Governmental Funds -										
Nonspendable	\$ 67,637	\$ 111,655	\$ 90,311	\$ 238,903	\$ 82,975	\$ 65,590	\$ 44,703	\$ 102,566	\$ 39,547	\$ 69,452
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	7,485,888
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	3,452,813
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(331,753)</u>
Total all other Governmental Funds	<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>	<u>\$ 10,676,400</u>

Source: Lapeer County Finance Department

LAPEER COUNTY, MICHIGAN

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Property taxes	\$ 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	\$ 14,735,672
Licenses and permits	485,784	509,203	508,940	556,463	579,697	592,723	695,362	690,043	628,951	639,202
Intergovernmental	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	29,339,460
Charges for services	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	7,266,370
Fines and forfeits	351,642	403,012	370,531	359,655	343,552	466,477	314,399	259,853	229,196	258,796
Rents and royalties	211,516	376,174	360,241	391,233	208,558	243,885	246,001	243,878	249,719	244,049
Interest	564,776	213,681	51,699	173,195	125,415	164,889	170,069	185,742	401,706	161,184
Other	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	3,402,234
Total Revenues	<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>	<u>56,046,967</u>
Expenditures:										
Current -										
Legislative	261,095	267,547	272,414	281,705	289,048	312,344	308,445	324,444	334,970	343,180
Judicial	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	5,276,301
General Government	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	5,862,320
Public Safety	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	11,510,941
Public Works	397,668	291,631	369,412	340,565	339,731	341,928	934,524	632,482	409,088	1,678,508
Health and Welfare	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	28,222,325
Recreation and Culture	414,190	375,424	380,680	360,234	352,834	410,281	417,600	400,184	371,209	234,229
Other Activities	414,047	418,961	231,067	408,093	183,432	329,241	376,910	580,293	555,686	480,918
Capital Outlay	10,772,923	1,305,461	236,100	555,236	443,583	-	2,861,210	396,168	410,430	375,815
Debt Service -										
Principal	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	1,975,000
Interest and Charges	256,313	508,500	437,625	383,875	333,312	284,562	229,250	169,250	109,250	39,625
Bond issuance costs	78,706	-	-	-	-	-	-	-	-	-
Total Expenditures	<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>	<u>55,999,162</u>
Revenues over (under) expenditures	<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>	<u>47,805</u>
Other Financing Sources (Uses):										
Issuance of bonds	14,475,000	-	-	-	-	-	-	-	-	-
Premium of refunding bonds	220,756	-	-	-	-	-	-	-	-	-
Transfers in	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	3,281,328
Transfers out	(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)	(3,272,496)
Total other financing sources (uses)	<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>	<u>8,832</u>
Net Change in Fund Balances	<u>\$ 6,536,094</u>	<u>\$(393,615)</u>	<u>\$ 654,062</u>	<u>\$ 619,872</u>	<u>\$(106,203)</u>	<u>\$(1,274,899)</u>	<u>\$(2,601,755)</u>	<u>\$(87,049)</u>	<u>\$ 673,434</u>	<u>\$ 56,637</u>
Debt service as a percentage of noncapital expenditures	<u>0.9%</u>	<u>5.7%</u>	<u>4.7%</u>	<u>4.4%</u>	<u>3.8%</u>	<u>3.5%</u>	<u>3.2%</u>	<u>3.1%</u>	<u>3.0%</u>	<u>3.6%</u>

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Property taxes	\$ 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	\$ 11,395,146
Licenses and permits	26,990	25,075	40,608	60,335	57,911	2,733	2,725	2,700	2,567	15
Intergovernmental	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	2,212,426
Charges for services	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	2,302,198
Fines and forfeits	241,189	220,998	205,975	202,479	186,235	275,946	161,471	162,830	151,579	148,974
Rents and royalties	15,884	177,001	178,854	188,958	194,042	229,348	230,277	228,592	232,295	226,347
Interest on long term debt	549,646	200,432	40,359	170,165	123,632	161,615	164,452	177,769	385,684	148,041
Other	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	2,998,555
Total Revenues	18,449,783	18,260,379	17,560,862	18,443,388	17,656,409	18,423,501	18,317,223	19,119,915	19,912,559	19,431,702
Expenditures:										
Current -										
Legislative	261,095	267,547	272,414	281,705	289,048	312,344	308,445	324,444	334,970	343,180
Judicial	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	3,404,176
General Government	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	5,684,364
Public Safety	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	4,995,129
Public Works	278,040	291,631	369,412	340,565	339,731	341,928	934,524	632,482	409,088	1,678,508
Health and Welfare	183,878	179,862	98,335	86,455	90,022	99,640	104,171	108,471	140,441	128,326
Recreation and Culture	226,735	197,273	215,473	211,761	202,795	220,942	230,337	229,270	219,600	171,740
Other Activities	414,047	418,961	231,067	408,093	183,432	329,241	376,910	580,293	555,686	480,918
Total Expenditures	15,357,909	15,769,141	15,382,313	16,084,921	15,624,677	16,629,427	17,273,307	18,162,438	17,912,140	16,886,341
Revenues over expenditures	3,091,874	2,491,238	2,178,549	2,358,467	2,031,732	1,794,074	1,043,916	957,477	2,000,419	2,545,361
Other Financing Sources (Uses):										
Transfers in	9,518	-	-	1,850,000	-	67,813	960,195	901,831	400,000	260,000
Transfers out	(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)	(2,446,496)
Total Other Financing Uses	(2,092,956)	(2,173,286)	(1,934,176)	(2,075,568)	(2,049,595)	(4,188,756)	(1,590,623)	(1,252,140)	(1,964,173)	(2,186,496)
Net Change in Fund Balances	<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>	<u>\$ 358,865</u>

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					
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
2020	2019	\$ 3,206,048,199	\$ 463,956,491	\$ 289,322,430	\$ 81,130,500	\$ 232,887,745	\$ 4,273,345,365	\$ 170,041,659	6.3567	\$ 8,546,690,730

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
County -										
Operating	3.7886	3.7886	3.7886	3.7886	3.7886	3.7666	3.7421	3.7275	3.7245	3.6984
Extra Voted	<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>	<u>1.6583</u>
Total County	<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>	<u>5.3567</u>
Townships -										
Almont	4.5783	3.6312	3.6312	3.6126	3.6126	3.5849	3.5917	3.5427	3.5241	3.4768
Arcadia	2.3096	2.3096	2.3096	2.3072	2.3031	2.2901	2.2745	2.2585	2.2466	2.2347
Attica	4.3695	4.3695	4.3695	4.3695	4.3695	4.3313	4.3102	4.2767	4.3521	4.4585
Burlington	2.4969	2.4969	2.4969	2.4850	2.4850	2.4803	2.4706	2.4647	2.4647	2.4442
Burnside	2.4514	2.4514	2.4514	2.4514	2.4514	2.4467	2.4328	2.4304	2.4044	2.3926
Deerfield	2.5122	2.5267	2.5267	2.5130	2.4914	2.5121	2.4924	2.4799	2.4641	2.4354
Dryden	4.6675	4.6675	4.7149	4.7149	4.7029	4.6533	4.5968	4.9299	4.9085	4.8444
Elba	3.7785	3.7785	4.0285	4.0285	4.0285	4.0173	3.9553	3.9506	3.9460	3.9319
Goodland	2.3217	2.3217	2.3217	2.3217	2.3217	2.3121	2.2983	2.2729	2.2549	3.2074
Hadley	2.9942	2.9764	2.9461	2.9173	2.7623	2.7380	2.7070	2.6586	2.6147	2.5748
Imlay	2.9702	2.9724	2.9428	2.9413	2.9344	2.9323	2.9176	3.0235	3.1071	3.0625
Lapeer	2.7572	2.7572	2.7572	2.7572	2.7572	2.7381	2.7114	2.6809	2.6663	2.6414
Marathon	2.2927	2.2927	2.2927	2.2858	2.2737	2.2654	2.2497	2.2389	2.2306	2.2121
Mayfield	2.7053	2.7053	2.7053	2.7053	2.7053	2.6875	2.6657	2.6573	2.6518	2.6300
Metamora	5.3955	5.3955	5.3955	5.3955	5.3870	5.3702	5.3411	5.3327	5.3327	5.2912
North Branch	3.8965	4.0045	4.5045	4.5045	4.5045	3.9884	3.9727	3.9647	3.9383	3.9522
Oregon	2.6238	2.6238	2.6238	2.6238	2.6238	2.6022	2.5408	2.5660	2.5628	2.5481
Rich	5.4572	5.4572	5.4344	5.4344	5.4344	5.4110	5.3939	5.3111	5.2534	5.3887
Cities -										
Imlay City	17.2000	20.3500	20.3500	20.7213	20.7213	22.8378	20.9929	22.4921	24.3840	22.4977
City of Lapeer	10.9500	10.9500	10.9500	10.9500	10.9500	10.9438	10.9350	10.9323	10.9323	10.9268
Brown City	18.1233	18.1233	18.1233	18.1233	18.1233	18.1123	18.1064	18.1051	17.9051	19.1032

Continued

LAPEER COUNTY, MICHIGAN

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Villages -										
Almont	17.6151	17.8020	17.6670	17.3420	17.3420	15.6970	16.9417	16.5447	16.5383	16.5219
Clifford	19.1700	19.1700	18.8109	18.8095	20.2671	20.2671	20.1129	20.1129	20.9992	20.0936
Columbiaville	13.1241	13.1241	13.1241	14.1241	14.0915	14.0871	14.9758	14.9001	14.6917	14.2591
Dryden	11.8110	11.8100	11.8100	11.8110	11.8110	11.8110	12.8927	12.8692	12.7652	12.6688
Metamora	10.4711	10.4711	10.4711	10.4711	10.4711	10.4711	11.3598	11.3574	11.3574	11.2049
North Branch	14.6483	14.6483	14.6483	14.6483	14.6483	14.6483	14.6453	14.6453	14.5207	14.3217
Otter Lake	12.2772	12.7720	12.7720	12.7043	12.7043	12.7043	13.5930	13.5906	13.5499	13.0084
Local School Districts -										
Almont	14.4500	14.4500	14.4500	15.4500	14.9864	15.4391	14.6649	14.2581	15.4155	15.4021
Brandon	14.2400	14.2400	14.2400	15.6600	18.9460	18.1600	18.0306	18.0306	18.0306	18.0306
Brown City	11.9980	13.0000	13.0000	13.0000	13.0000	12.7500	12.1712	11.9711	12.0000	12.0000
Capac	10.7000	10.6000	10.6000	10.6000	10.3100	10.3100	10.1894	10.0374	9.7008	9.0264
Davison	9.1316	10.7000	10.1516	10.1416	10.1216	9.9633	9.7170	9.4646	9.3846	12.2774
Dryden	9.1000	9.2500	9.3500	9.3500	9.3500	9.8630	9.2451	9.0984	9.3641	9.2650
Goodrich	13.7500	10.6300	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500	13.7500
Imlay	11.7500	12.1000	12.1000	13.0000	13.0000	13.0000	12.8560	12.6060	12.5000	12.2768
Kingston	12.1500	11.9000	11.7500	11.6200	11.6200	11.6200	11.6200	11.6200	11.4500	11.3500
Lakeville	9.6500	10.7000	10.6000	10.3600	10.1400	10.7600	10.0000	8.5000	8.5000	8.5000
Lapeer	8.6000	9.0000	9.0000	9.0000	9.0000	8.7500	8.7500	8.7500	8.7500	8.7500
Marlette	6.0000	7.9500	7.3000	7.3000	7.3000	7.3400	7.3400	7.8000	7.5000	7.5000
Mayville	11.1500	11.7500	11.8000	11.4000	11.4000	11.4000	11.4000	11.4000	11.4000	11.4000
North Branch	13.0000	13.0000	13.0000	13.8300	14.4400	14.4400	14.4400	14.4400	14.4400	14.4400
Oxford	13.0000	13.0000	13.0000	13.9000	13.8442	13.9000	13.8153	14.3693	14.3657	14.2941
Intermediate School Districts -										
Lapeer	2.9295	2.9295	2.9295	2.9295	2.9295	2.7261	2.8915	2.8798	2.8782	2.8573

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>	2020			2011		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
DTE	\$ 105,105,814	1	2.46%	\$ 53,144,169	1	1.72%
Consumers Energy	29,235,620	2	0.68%	12,253,385	5	0.40%
ITC	26,681,871	3	0.62%	N/A		N/A
Enbridge	13,330,483	4	0.31%	N/A		N/A
Meijer	5,108,191	5	0.12%	5,461,900	9	0.18%
Wal-Mart	5,085,121	6	0.12%	4,665,844	10	0.15%
Pinnacle	4,082,251	7	0.10%	14,061,770	4	0.45%
HC Holdings	4,019,483	8	0.09%	N/A		N/A
RH Investments	3,719,429	9	0.09%	N/A		N/A
Imlay Plaza	3,332,276	10	0.08%	N/A		N/A
Lemforder ZF Corporation	N/A		N/A	18,119,108	2	0.59%
International Transmission	N/A		N/A	17,487,201	3	0.56%
Kamax LP	N/A		N/A	7,837,001	7	0.25%
Toyo	N/A		N/A	7,488,946	8	0.24%
Rubber Enterprises	N/A		N/A	5,114,840	6	0.17%
Total	<u><u>\$ 199,700,539</u></u>		4.67%	<u><u>\$ 145,634,164</u></u>		4.70%
Total Assessed Value	\$ 4,273,345,365			\$ 3,096,596,777		

Source: Lapeer County Treasurer's Office

LAPEER COUNTY, MICHIGAN

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

Fiscal Year	Levy Year	Original Levy for Year	Adjustments to Original Levy	Total Adjusted Levy	Total Collections Current Year		Collections in Subsequent Years	Total Collections to Date	
					Current Amt. of Collections Thru March 1	Percentage of Adjusted Levy Collected		Total Amt. of Collections to Date	Percentage of Adjusted Levy Collected
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%
2020	2019	\$ 95,510,917	(614,449)	\$ 95,896,468	\$ 90,989,535	94.88	\$ 4,785,848	\$ 95,775,383	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
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%
2020	2019	\$ 11,756,742	(31,179)	\$ 11,725,563	\$ 11,361,785	96.90	\$ 354,879	\$ 11,725,563	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
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%
2020	2019	\$ 1,087,736	\$ 1,087,736	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					
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
2020	2019	88,319	\$ 44,706	\$ 4,273,345,365	\$ -	\$ -	\$ -	\$ 3,707,101	\$ (3,707,101)	0.00%	-0.09%	-41.97

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, 2020 - UNAUDITED

	Gross Amounts Outstanding	Percentage Applicable to County	Share Applicable to County
Overlapping Debt of County:			
School Districts -			
Almont	\$ 20,807,112	73.93%	\$ 15,382,698
Brandon	94,457,694	3.22%	3,003,755
Brown City	6,660,000	38.81%	2,657,340
Capac	12,185,000	0.99%	118,195
Davison	56,640,000	0.66%	381,160
Dryden	5,260,000	100.00%	5,260,000
Goodrich	54,297,529	12.16%	6,515,671
Imlay City	37,205,000	100.00%	37,205,000
Kingston	6,380,000	0.24%	14,674
Lakeville	9,815,000	47.16%	4,525,697
Lapeer	38,710,000	100.00%	38,710,000
Marlette	4,555,000	15.30%	692,905
Mayville	8,810,000	12.98%	1,141,776
North Branch	44,214,246	100.00%	44,214,246
Oxford	145,251,803	5.78%	8,381,029
Total School Districts	<u>545,248,384</u>		<u>168,204,146</u>
Cities -			
Brown City	325,000	0.34%	1,105
Imlay City	3,400,675	100.00%	3,400,675
Lapeer	2,910,000	100.00%	2,910,000
Total Cities	<u>6,635,675</u>		<u>6,311,780</u>
Villages -			
Almont	2,202,694	100.00%	2,202,694
Columbiaville	745,000	100.00%	745,000
Dryden	274,868	100.00%	274,868
Otter Lake	1,795,000	73.67%	1,322,377
Total Villages	<u>5,017,562</u>		<u>4,544,939</u>
Community Colleges -			
Mott Community College	72,915,000	2.12%	1,545,798
St. Clair Community College	4,995,000	0.05%	2,498
Total Community Colleges	<u>77,910,000</u>		<u>1,548,296</u>
Intermediate School Districts -			
Genesee ISD	\$ 8,715,000	2.12%	\$ 184,758
Lapeer ISD	1,350,000	96.59%	1,303,425
Oakland ISD	42,970,000	0.15%	64,455
Sanilac ISD	252,337	5.75%	14,509
Total Intermediate School Districts	<u>53,287,337</u>		<u>1,567,147</u>

LAPEER COUNTY, MICHIGAN

COMPUTATION OF DIRECT AND OVERLAPPING LONG-TERM BONDED DEBT DECEMBER 31, 2020 - UNAUDITED

	Gross Amounts Outstanding	Percentage Applicable to County	Share Applicable to County
Overlapping Debt of County continued:			
Townships -			
Deerfield	30,038	100.00%	30,038
Elba	1,435,000	100.00%	1,435,000
Goodland	319,000	100.00%	319,000
Lapeer	148,790	100.00%	148,790
Marathon	55,000	100.00%	55,000
North Branch	-	100.00%	-
Total Townships	<u>1,987,828</u>		<u>1,987,828</u>
Total Overlapping Debt	<u>690,086,786</u>		<u>184,164,136</u>
Total County Net Direct and Overlapping Debt			<u><u>\$ 184,164,136</u></u>

Legal Debt Margin Calculation for 2020

Assessed Value	<u><u>\$ 4,273,345,365</u></u>
Debt limit (10% of assessed value)	\$ 427,334,537
Less: Amount of outstanding debt	<u>-</u>
Legal debt margin	<u><u>\$ 427,334,537</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
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%
2020	2019	\$4,273,345,365	\$ 427,334,537	\$ -	\$ 427,334,537	0.00%

Source: County Treasurer's Office

Notes: 1. State Finance Law limits the County's outstanding general obligation long-term debt to no more than 10 percent of the assessed value of property. The legal margin is the difference between the debt limit and the County's debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

2. The long-term debt does not include accrued vacation and insurance claims liabilities.

LAPEER COUNTY, MICHIGAN

DEMOGRAPHICS AND ECONOMIC STATISTICS LAST TEN YEARS - UNAUDITED

Fiscal Year	Population I	Personal Income II	Per Capita Personal Income III	K -12 School Enrollment IV	Unemployment Rate V
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%
2020	88,319	\$3,916,519,000	\$ 44,706	11,074	10.50%

Sources: I Population - Bureau of Economic Analysis
 II Personal Income - Bureau of Economic Analysis
 III Per Capita Income - Bureau of Economic Analysis
 IV School Enrollment - Lapeer County ISD (Intermediate School District)
 V Unemployment Rate - Michigan Department of Labor and Economic Growth

LAPEER COUNTY, MICHIGAN
PRINCIPAL EMPLOYERS
CURRENT YEAR 2020 AND TEN YEARS AGO - UNAUDITED

Current Year (2020)

<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 Vlastic Foods (Pinnacle)	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 or 2020 data was not available.

LAPEER COUNTY, MICHIGAN
PRINCIPAL EMPLOYERS
CURRENT YEAR 2020 AND TEN YEARS AGO - UNAUDITED

Historical Fiscal Year (2011)

<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	876	1	2.97%
Lapeer Community Schools	Education	715	2	2.42%
Lapeer Industries	Manufacturing	500	3	1.69%
Lapeer County	Government	375	4	1.27%
Thumb Correctional Facility	State Prison	340	5	1.15%
Meijer	Retail	340	6	1.15%
Walmart	Retail	330	7	1.12%
Pinnacle Foods	Food Processing	300	8	1.02%
Champion Bus, Inc.	Manufacturing	300	9	1.02%
Mold Masters	Manufacturing	260	10	0.88%

Concluded

LAPEER COUNTY, MICHIGAN

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Legislative										
Board of Commissioners	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.2
Administrative	2.0	2.3	2.4	2.5	2.6	2.6	2.7	2.7	2.7	3.0
Judicial										
Circuit Court	14.4	14.3	13.5	16.7	17.4	16.5	15.6	15.5	15.7	14.5
District Court	21.9	21.5	19.6	20.8	20.7	20.1	19.0	19.9	19.4	19.8
Friend of the Court	17.9	17.7	18.2	17.9	17.9	17.5	17.0	17.8	17.5	18.2
Probate Court	3.7	3.7	3.7	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Community Corrections	3.2	3.3	3.2	2.5	2.9	2.8	1.5	1.6	1.6	1.9
Child Care	3.0	2.6	2.5	2.7	3.3	2.1	4.3	4.9	5.3	4.4
General Government										
County Clerk	7.9	8.0	8.0	8.0	8.1	8.5	8.2	8.0	8.4	9.5
Equalization	1.0	1.0	1.0	1.0	1.0	0.9	0.9	1.0	1.0	1.0
Prosecuting Attorney	13.8	14.0	14.1	14.0	15.0	15.2	12.5	13.7	13.8	14.8
Register of Deeds	3.7	4.0	4.0	4.2	4.3	4.4	3.6	4.0	3.9	4.2
County Treasurer	6.3	6.2	6.4	6.3	6.3	6.1	4.7	4.9	6.0	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	0.8	0.0	0.0	0.0	0.0	0.0
Finance	4.0	4.0	3.9	3.9	4.0	4.4	4.7	5.0	5.0	4.6
Building and Grounds	5.9	4.5	4.8	5.0	5.2	0.0	4.8	5.1	4.9	5.7
Drain Office	5.1	4.9	5.0	4.6	4.7	3.5	2.9	2.7	2.7	2.9
MSU Extension	2.0	2.0	2.0	2.0	2.0	1.9	1.9	2.1	1.9	1.0
County Surveyor	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.0	1.0
Public Safety										
Sheriffs Department	47.8	47.0	48.1	48.5	48.7	50.5	51.6	51.0	50.2	50.6
County Jail	29.9	29.9	29.9	29.8	29.4	29.9	29.9	29.8	30.5	30.0
Central Dispatch	18.6	18.4	18.6	18.1	18.2	18.3	18.0	18.3	17.7	19.2
Animal Control	3.0	2.8	2.9	3.4	3.8	3.8	3.8	4.0	3.9	3.8
Emergency Operations	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9	1.0	1.0
Health and Welfare										
Parks Department	1.7	2.6	2.7	2.1	2.4	3.7	4.0	2.7	2.1	0.0
Community Health										
Public Health	47.5	34.1	33.4	34.6	35.6	35.9	35.2	36.9	37.5	40.9
Senior Services		12.8	14.4	14.0	15.1	15.7	16.4	17.3	17.5	14.4
Community Mental Health	68.1	67.4	68.6	72.4	77.7	76.9	75.2	73.8	84.9	91.0
Multi-Purpose	4.7	3.9	2.5	0.7	1.6	0.0	0.0	0.0	0.0	0.0
Veterans	1.3	1.4	2.0	2.9	3.8	3.9	3.8	4.0	3.9	4.0
Community Development	0.0	1.0	1.2	1.5	2.9	0.4	0.0	0.0	0.3	0.5
	348.4	345.3	346.6	350.2	364.4	354.3	351.1	355.6	367.3	375.1

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
LEGISLATIVE										
<u>Board of Commissioners</u>										
Full Board Meetings	25	25	24	25	23	24	25	24	25	24
Committee of the Whole Meetings	24	23	22	20	20	23	24	23	23	18
Other Special Meeting/Hearings Held	4	6	4	6	5	4	5	4	5	5
Board Motions Acted Upon	398	421	418	433	412	399	420	533	429	427
JUDICIAL										
<u>40th Circuit Court</u>										
PPO's Issued	223	209	172	186	162	178	186	163	207	148
Appeals	47	50	63	50	38	40	37	25	19	35
Domestic Cases	583	583	671	644	579	603	583	544	538	410
Civil Cases	270	295	231	245	237	204	193	189	187	169
Adoption	33	37	22	22	29	30	26	33	19	20
Child Protection	21	26	35	20	33	31	19	19	25	14
Juvenile	290	259	204	220	171	156	174	161	116	77
Criminal	362	338	293	406	369	321	283	335	292	215
Misc. Family Filings	24	43	24	28	41	28	18	33	40	39
<u>71-A District Court</u>										
<u>Criminal</u>										
Felonies	655	623	658	687	661	563	500	561	487	384
Drunk Driving	453	485	465	464	352	388	346	291	306	281
Traffic Offenses	6,192	7,180	7,501	7,461	6,314	6,216	6,515	5,906	6,491	4,474
Misdemeanors	1,315	1,127	1,089	1,126	843	871	720	647	471	348
Non-Traffic Offenses	776	470	369	434	446	488	462	506	294	287
<u>Civil</u>										
General Civil	2,518	2,356	2,158	1,927	1,999	1,772	2,123	2,266	2,194	1,636
Landlord/Tenant	824	841	897	765	712	755	747	689	600	310
Small Claims	364	322	362	353	434	301	265	237	255	128
<u>Probate/Family Court</u>										
<u>Civil</u>										
Conservatorship/Protective Orders	31	19	28	27	25	24	20	34	35	37
Estates	167	148	171	173	184	196	173	181	189	188
Guardianships	60	98	88	94	75	87	70	85	101	65
Judicial Admin/Mental Commitments	167	41	36	45	59	44	41	48	49	41
Trusts	10	12	7	4	5	8	7	6	3	11
Wills for Safe Keeping	63	69	73	86	65	76	90	76	82	66
<u>Friend of the Court</u>										
Caseload	5,976	4,916	4,977	4,949	4,929	4,922	4,803	4,673	4,491	4,369
Children IV-D Cases	8,123	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bench Warrants Issued	235	590	488	502	561	559	607	617	563	198
Referee Hearings Conducted	6,055	1,931	941	1,587	1,692	1,578	1,358	1,320	1,520	500
Cases Mediated	18	19	54	41	57	61	86	94	107	156

Source: Lapeer County Finance Department

Continued

LAPEER COUNTY, MICHIGAN

OPERATING INDICATORS BY FUNCTION LAST TEN YEARS - UNAUDITED

FUNCTION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PUBLIC SAFETY										
<u>Community Corrections</u>										
Clients - Community Service	56	49	29	21	N/A	N/A	N/A	N/A	N/A	N/A
Clients - Jail Crew	49	56	57	37	49	67	N/A	N/A	N/A	N/A
Clients - Day Reporting	64	68	63	56	54	57	60	26	38	30
Drunk Driver Jail Reduction Program	39	19	17	21	22	12	27	22	24	23
Jail Beds Saved	5,146	4,707	6,625	5,061	5,143	7,167	5,665	2,912	3,785	2,563
<u>Prosecuting Attorney</u>										
Felony Cases Authorized	662	676	687	633	644	545	477	546	506	752
Domestic Violence - Felony	50	70	59	68	71	41	30	56	58	41
Misdemeanor Cases Filed	2,130	2,158	1,779	1,938	2,144	1,962	2,210	1,636	1,619	1,103
Misdemeanor Domestic Violence	181	139	116	99	105	67	69	90	99	101
Juvenile Petitions Filed	299	239	260	188	168	201	147	146	102	62
Juvenile Domestic Violence Authorized	14	13	18	17	10	9	17	13	16	13
Victims Rights - Eligible Victims	815	760	724	808	868	719	709	691	673	531
Victims Rights Domestic Fel/Misd/Juv	220	222	294	184	240	120	116	159	173	155
Drug - Misdemeanor/Felony Authorized	445	424	554	506	435	406	404	309	115	120
Drunk Driving Misd/Felony	404	468	486	496	388	420	387	306	271	295
Non-Support	258	207	241	276	201	197	250	220	238	176
Paternity	67	92	105	92	84	72	67	60	56	63
URESA	18	19	14	19	18	27	27	18	-	12
<u>Sheriff's Department</u>										
Jail Bookings	2,521	2,634	2,381	2,178	2,048	1,989	1,944	1,925	1,852	775
Calls Answered	21,906	23,451	23,451	21,211	27,211	29,964	25,304	29,384	25,830	24,713
Fatal Crashes	12	5	5	12	9	6	10	14	11	7
Personal Injury Crashes	435	415	407	391	425	219	208	403	416	331
Property Damage Crashes	2,316	2,311	2,304	2,378	2,476	1,179	1,137	2,487	2,574	2,218
Private Property Crashes	N/A	N/A	612	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Detective Bureau Arrests	755	669	669	651	684	618	636	533	462	215
Secondary Road Patrol Tickets Issued	211	478	3,471	442	519	431	424	336	281	276
Purchase Permits Issued	1,049	3,471	2,542	568	683	746	576	562	547	2,564
Marine Division Patrol Hours	723	777	269	786	595	746	585	585	514	585
Township Complaints Responded To	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>E-911 Central Dispatch</u>										
Hardware/Landline Calls	6,887	5,252	5,425	5,635	4,621	4,843	5,866	5,460	5,982	5,614
Wireless Calls	21,494	21,497	22,160	21,576	23,002	24,570	24,862	24,889	23,452	24,713
VOIP	311	213	348	315	276	337	373	N/A	N/A	N/A
Text to 911	N/A	N/A	N/A	74	69	106	113	55	49	54
Non-Emergency Calls	62,476	58,882	54,331	78,798	49,576	45,804	43,401	41,482	74,497	37,436
CAD Reports/Dispatch	68,222	70,154	72,969	72,462	N/A	75,587	77,634	80,733	78,608	69,524

LAPEER COUNTY, MICHIGAN

OPERATING INDICATORS BY FUNCTION LAST TEN YEARS - UNAUDITED

FUNCTION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PUBLIC SAFETY - (cont'd)										
<u>Emergency Management</u>										
EMAC Meetings Held	6	4	4	4	3	3	3	4	4	2
Local Meetings Attended	61	53	58	48	35	28	52	89	89	33
Regional Homeland Security Meetings	42	29	17	11	11	14	10	15	15	9
Disaster Exercise Planning Meetings	3	4	9	7	5	6	14	10	10	4
District Meetings Attended	4	5	4	3	3	3	2	3	3	13
EAG Plan Updates/Policies Written	11	2	6	3	10	4	2	-	-	4
Quarterly Reports Completed	4	4	4	4	4	4	4	4	4	4
Trainings Hosted	3	2	3	2	1	2	3	3	3	5
Tier II Plans Filed	78	67	3	3	15	-	-	-	-	-
Special Events Planned	5	6	2	3	1	2	1	4	4	8
Identification Badges Created	166	147	225	181	135	86	48	149	149	110
HEALTH AND WELFARE										
<u>Parks Department</u>										
Water Park Attendance	9,989	22,573	21,177	20,384	28,214	28,357	20,720	24,711	16,045	-
Reservation Attendance	5,750	7,125	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Winter Park Attendance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Special Events Attendance	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Health Department</u>										
<u>Medical Examiner</u>										
Medical Examiner Cases	71	71	85	88	70	84	101	114	132	42
Cremation Permits	234	262	351	382	411	430	424	480	560	87
Hospice	N/A	N/A	N/A	N/A	N/A	N/A	N/A	41	52	16
<u>Animal Control</u>										
Animal Control Complaints	1,952	1,629	1,755	1,054	897	799	677	1,088	665	445
Animals Held at Shelter	1,909	1,538	1,593	1,365	1,323	1,195	882	769	583	349
Animals Picked Up	373	196	N/A	N/A	N/A	N/A	182	N/A	N/A	N/A
Animal Bites - Cases	209	164	141	139	113	112	77	86	133	111
Animals Tested for Rabies	176	N/A	22	16	27	39	38	42	36	2
Animal Rabies Cases	-	1	-	-	1	-	1	-	-	-
<u>Environmental Health Division</u>										
EH - Sewage Applications	117	116	155	183	221	258	281	275	276	303
EH - Sewage Permits	110	62	143	172	211	245	264	262	289	394
EH - Well Permits	225	230	244	224	251	303	273	303	284	332
Food Service Inspections	413	627	451	672	669	571	507	535	599	418
<u>Home Health Division</u>										
Home Health Clients	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Public Health Nursing</u>										
Maternal Infant Health Visits	1,825	2,091	1,566	1,469	1,365	1,023	1,110	1,156	1,075	946

LAPEER COUNTY, MICHIGAN

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

FUNCTION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
HEALTH AND WELFARE - (cont'd)										
<u>Immunizations</u>										
Childhood Immunizations Given	4,186	4,451	3,511	4,451	3,348	3,245	2,846	2,608	2,635	1,527
Adult Immunizations Given	667	575	538	460	444	518	718	1,709	1,429	714
Total Immunizations Given	4,853	5,026	4,049	4,911	3,792	3,763	3,564	4,317	4,065	2,241
<u>WIC Program</u>										
Individuals Participating in WIC	1,984	2,023	1,937	1,965	1,736	1,740	1,700	1,659	1,619	1,562
<u>Hearing & Vision Screening</u>										
Hearing & Vision Screening Cases	10,831	8,896	9,494	10,869	8,462	9,167	9,124	8,574	8,812	4,198
<u>AICC Program</u>										
AICC Clients	480	427	411	416	356	408	392	381	307	219
<u>Senior Programs</u>										
Home-Delivered Meals	78,096	76,262	72,651	78,156	82,184	90,419	87,050	87,296	91,184	102,156
Congregate Meals	15,462	12,569	12,897	14,457	13,481	12,981	15,611	13,464	17,070	17,581
Medication Management Clients	7	9	6	6	4	4	5	4	5	4
Personal Care/Homemaker Clients	145	138	157	161	187	209	234	235	266	307
Case Coordination Clients	49	68	88	84	88	134	167	54	78	N/A
Care Management Clients	29	29	27	32	31	31	30	30	33	18
Health Screening Clients	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chore Maintenance Clients	223	223	243	252	144	234	234	65	71	70
Respite Care Clients	72	64	88	108	98	98	76	75	80	40
<u>Mental Health</u>										
Adults with Psychiatric Disorders	1,004	959	991	911	849	914	947	925	847	886
Persons with Developmental Disabilities	366	395	374	370	313	304	390	377	384	401
Children with Emotional Disturbances	262	281	257	275	275	295	300	386	325	339
GENERAL GOVERNMENT										
<u>County Clerk</u>										
<u>Circuit Court Division</u>										
Criminal Cases Filed	365	341	393	407	371	321	283	335	239	215
All Other Cases Filed	1,173	1,188	1,553	1,171	1,097	1,051	1,016	1,167	1,006	912
Adult Probation Receipts	2,110	1,949	1,817	2,340	2,529	2,948	2,717	2,649	2,704	3,008
<u>Vital Records Division</u>										
Marriage License Applications	545	532	540	599	562	534	544	515	488	425
Assumed Names	779	648	644	673	588	577	497	480	592	352
Notary Bonds	180	191	176	150	126	127	162	192	202	161
Death Certificates Filed	511	555	689	749	744	800	772	758	896	925
Birth Certificates Filed	592	565	436	360	251	315	301	241	264	228
Voter Registrations	5,561	6,627	5,145	3,207	2,486	2,399	2,530	3,060	3,025	2,105
Concealed Pistol Permits	910	1,035	1,899	1,551	1,725	2,309	2,488	1,920	1,362	1,406

Source: Lapeer County Finance Department

Continued

LAPEER COUNTY, MICHIGAN

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

FUNCTION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL GOVERNMENT - (cont'd)										
<u>Payroll Dept.</u>										
Payroll Checks Processed	1,185	1,032	443	370	400	371	403	440	446	273
Payroll Direct Deposits Processed	8,972	9,667	9,793	9,865	10,226	10,330	10,830	10,217	10,486	12,477
W-2's Forms Prepared	420	431	440	437	455	460	498	504	484	445
<u>Accounts Payable Dept.</u>										
Accounts Payable Invoices Processed	12,938	13,555	13,540	13,585	13,180	12,798	13,078	12,727	14,390	12,518
Accounts Payable Checks Processed	9,674	9,771	9,604	9,769	9,880	9,146	9,279	8,745	8,791	7,040
1099 Forms Prepared	132	144	133	129	127	145	129	115	120	99
<u>Computer Dept.</u>										
General Ledger Reports Distributed	3,200	3,000	3,100	3,000	3,036	3,000	4,000	4,029	4,035	4,030
Journal Entries Entered	1,989	2,100	2,000	1,885	2,100	2,220		1,869	1,754	1,844
Budget Amendments Processed	95	70	59	65	54	70	66	107	92	76
Budgets Entered	145	140	140	140	140	140	140	140	140	147
Computers Countywide	440	420	420	420	420	420	420	420	415	346
<u>Accounting Dept.</u>										
Bank Accounts Reconciled	576	576	580	600	602	602	602	602	602	604
Grants Reviewed & Processed	93	93	94	95	95	96	96	96	96	103
General Ledger Funds Maintained	83	84	86	88	91	89	90	90	90	99
<u>Budget Dept.</u>										
Total Amount of Gen Fund Budget (orig.)	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	21,141,830
Total Amt of Spec Rev Funds Budgeted	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	38,584,291
Total Amt of Debt Svc. Funds Budgeted	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	2,731,357
<u>Register of Deeds</u>										
Warranty Deeds	941	1,171	1,556	1,705	1,833	2,041	2,255	2,169	2,127	2,181
Quit Claim Deeds	1,334	1,369	1,431	1,379	1,233	1,268	1,401	1,408	1,324	1,230
Death Certificates	280	305	360	353	366	381	514	537	503	413
Land Contracts	609	500	25	195	23	32	13	17	13	14
Memo Land Contracts	1,984	1,900	142	1,314	146	131	145	99	96	104
Misc. Recordings	2,124	2,502	3,985	2,147	3,361	1,730	1,847	1,993	1,859	1,607
Mortgages	2,242	3,448	3,549	2,537	2,955	3,314	3,368	3,078	3,390	4,716
Discharges	2,658	3,817	4,372	2,976	3,287	3,440	3,625	3,319	3,399	4,998
Assignment of Mortgages	1,297	1,113	984	621	590	512	798	526	658	681
Misc. Mortgage Recordings	2,019	2,948	2,297	2,588	1,970	1,835	1,496	1,314	1,332	1,091
UCC Financing Filings	-	N/A								
<u>Community Development</u>										
<u>Housing Division</u>										
CDBG Homes Improved	15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CDBG - Senior Clients	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CDBG - Handicapped Clients	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Soil & Sedimentation</u>										
SESC Permits Issued	228	206	218	145	141	143	134	133	117	108

LAPEER COUNTY, MICHIGAN

OPERATING INDICATORS BY FUNCTION LAST TEN YEARS - UNAUDITED

FUNCTION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL GOVERNMENT - (cont'd)										
<u>Drain Commissioner</u>										
Drains (&Other) Maintained	83	83	61	62	34	42	61	74	43	-
Drains Sprayed	-	10	14	-	-	1	16	7	12	-
Drains Assessed	29	37	48	52	43	45	52	66	42	-
Plan Reviews	3	4	3	9	5	3	3	12	3	-
Act 40 Permits Issued	12	3	8	1	1	2	1	3	3	-
Utility Permits (new in 2013)	N/A	N/A	9	3	7	28	7	8	6	-
Letter of Agreement - Building in ROW (new in 2013)	N/A	N/A	1	-	-	-	-	2	1	-
KWA crossing agreements (new in 2014)	N/A	N/A	N/A	16	10	-	-	-	-	-
<u>Treasurer</u>										
Total Number of Parcels	46,879	46,758	46,703	46,692	46,523	46,448	46,428	46,352	46,303	45,999
Number of Delinquent Parcels	5,125	4,788	4,495	4,501	4,356	4,117	4,126	4,034	3,897	3,833
Parcels Forfeited	879	751	708	639	734	640	556	533	592	529
Taxable Value	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	3,178,925,407
S.E.V.	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	4,273,345,365
<u>Collaborative Planning Commission</u>										
Rezoning/Text Amendment Reviews	5	5	5	-	28	-	-	-	-	-
PA 116s Approved by BOC	-	-	-	-	-	-	4	-	-	1
<u>Building & Grounds</u>										
Work Orders Completed	1,009	863	748	835	936	1,051	1,029	853	1,016	966
<u>Veterans Affairs</u>										
# Scheduled Appointments	512	N/A	583	N/A	691	886	952	888	977	842
Walk-in Clients (Est)	1,000-1,500	N/A	837	N/A	1,391	911	1,050	737	1,149	418
<u>MSUE</u>										
Educational Workshops/Events	319	318	416	143	130	100	110	177	170	155
4-H Club Members	565	571	474	452	452	462	490	440	395	316
Non-Club Youth Involved (Short-Term)	810	271	310	989	1,629	1,350	2,556	2,509	3,047	1,970
Active Master Gardeners	180	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16	N/A
Food Safety Participants Trained	1,712	448	932	314	517	365	382	378	363	23
Number of Grants Administered	7	3	3	3	3	3	1	5	5	1
Leadership Training Participants	350	378	316	348	455	277	292	342	682	108
Food & Nutrition Participants Trained - Adults	N/A	619	604	618	168	93	124	155	141	152
Financial Management and Housing	N/A	89	130	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Lapeer County Finance Department

N/A - Information is Not Available at this Time

Concluded

LAPEER COUNTY, MICHIGAN

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN YEARS (A) - UNAUDITED

FUNCTION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Legislative										
Computers	9	9	9	9	9	9	9	9	9	9
Judicial										
Court Rooms	6	6	6	6	6	6	9	9	9	7
Vehicles	10	10	10	9	7	9	9	9	9	9
Computers	101	105	107	107	82	82	88	89	87	78
Network Printers/Copiers	14	7	10	10	12	0	9	9	9	7
General Government										
All County Buildings	12	12	12	12	12	12	12	12	12	12
Vehicles not reported elsewhere	18	17	17	16	18	16	16	16	16	16
Computers	86	87	89	90	79	80	85	85	83	76
Network Printers/Copiers	20	15	16	16	11	0	14	14	14	13
Public Safety										
Jail Beds Available	123	123	123	123	123	123	123	123	123	123
Vehicles -										
Patrol	20	20	20	21	22	18	18	18	18	18
Other	27	27	27	27	30	22	23	23	23	21
Computers	61	62	62	65	62	62	63	64	64	58
Network Printers/Copiers	10	5	6	6	5	0	12	12	12	11
Health and Welfare										
Vehicles	21	21	21	25	27	24	28	28	28	28
Park Acreage -										
Torzewski	70	70	70	70	70	70	70	70	70	70
Squire	87	87	87	87	87	87	87	87	87	87
Other	8	8	8	8	8	8	8	8	8	8
Computers	199	197	201	203	202	202	205	205	199	172
Network Printers/Copiers	20	16	17	17	16	0	15	15	18	14

LAPEER COUNTY, MICHIGAN

DESCRIPTION OF INSURANCE COVERAGE IN FORCE DECEMBER 31, 2020 - UNAUDITED

The County became a member of the Michigan Municipal Risk Management Authority (MMRMA) in 1985. MMRMA provides risk management, underwriting, reinsurance and claims services with member contributions allocated to meet these obligations. This program covers the Public Officials Surety Bond and Faithful Performance as well as General Liability, Law Enforcement Officers, Business Auto, Building and Contents, Boiler and Machinery, Errors and Omissions, and Umbrella Coverage. The total amount of liability coverage for the County amounts to \$15,000,000. The County's total contribution for 2020 is approximately \$463,928 reported in the General Fund.

The County is self-insured for Workers' Compensation for claims up to an annual aggregate amount of \$500,000 per claim. The County is insured for the amount of claims in excess of such limitation to a maximum of \$5,000,000. The County is then self-insured for annual aggregate claims in excess of insurance coverage. The County's total net expenditures for claims and insurance costs reported in the Workers' Compensation Fund for 2020 is \$88,749. The County's ending net position for the Workers' Compensation Fund at December 31, 2020 is \$720,087.

The County is self insured for Unemployment Insurance. The County's total expenditures for claims reported in the Unemployment Insurance Fund for 2020 is \$18,100. The County's ending net position for the the Unemployment Insurance Fund at December 31, 2020 is \$24,128.

LAPEER COUNTY, MICHIGAN
OTHER STATISTICS
DECEMBER 31, 2020 - 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.

AUDIT COMMUNICATION LETTER

To the Board of Commissioners of Lapeer County
Lapeer, Michigan

We have audited the 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") for the year ended December 31, 2020 and have issued our report thereon dated July 27, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 24, 2021. Professional standards also require that we communicate to you the following information related to our audit.

The County's basic financial statements include the operations of the Lapeer County Road Commission and Lapeer County Land Bank Authority as discretely presented component units and Lapeer County Community Mental Health Board as a major governmental fund. The financial statements of these entities were audited as separate engagements under *Government Auditing Standards* by us and audited financial statements, independent auditor's reports on internal control over financial reporting and on compliance and other matters required under *Government Auditing Standards*, and audit communication letters have been issued to the respective boards. This communication does not include information issued regarding these component units. Other auditors audited the financial statements of the Lapeer County Medical Care Facility, as described in our report on the County's financial statements, and this communication does not include information regarding the facility.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. As discussed in Note 18 to the financial statements, the County adopted GASB Statement No. 84, *Fiduciary Activities*. This statement required the County to evaluate and modify the financial reporting of fiduciary activities, which resulted in certain activities being reported in other County funds and the presentation of a statement of changes in fiduciary net position for the custodial funds. The adoption of this standard also resulted in the discontinuance of reporting the Retiree Health Care Fund within these financial statements due to no longer meeting the criteria of a fiduciary activity as defined by GASB Statement No. 84. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate for depreciation, which is based on historical data and estimated useful lives.

Management's estimate for the allowance for doubtful accounts for the CDBG revolving loan receivables, which is based on knowledge of history with the payments and loan program, status of ownership, and amounts received after year-end.

Management's estimate for the liabilities for workers' compensation claims, including claims incurred but not reported, which is based on evaluation of statements of claims received after year-end and historical data.

Management's estimate for the Municipal Employees' Retirement System's net pension liability, which is based on the Plan's audit of the net pension liability by reporting unit.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are:

The disclosure of the custodial credit risk of deposits in Note 3 of the financial statements indicates the County's bank deposits were \$54,130,896 at December, 31, 2020, of which \$9,938,624 is insured with the remaining \$44,192,272 uninsured and uncollateralized. This disclosure provides financial statement users the custodial credit risk of deposits at December 31, 2020 susceptible to loss in the event of bank failure.

The disclosure of the County's net pension liability, the related deferred outflows of resources and deferred inflows of resources, and pension expense, as reported in Note 10 to the financial statements, due to the significant balance of the reported liability and related deferrals.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following material misstatements detected as a result of audit procedures were corrected by management:

Primary Government:

- To correct the misclassification of revenues and record deferred inflows of resources for unavailable revenues in the Health Department Fund
- To adjust CDBG activity

Drainage District:

- To reclassify special assessments and interfund borrowing into the proper funds
- To reclassify prior-year expenditures funded by current-year bond proceeds

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 27, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves applications of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

In the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, which is presented in the County's single audit and is provided as Attachment B to this letter, we noted material weaknesses or significant deficiencies in internal control.

In addition to the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, we noted other items that, although are not considered material weaknesses or significant deficiencies, could improve controls, the operational efficiency and/or compliance with laws and regulations. These items are discussed in Attachment A.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the major funds' budgetary comparison schedules, and the pension system schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual financial statements and schedules which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the letter of transmittal or the statistical section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the County Board of Commissioners and management of Lapeer County and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the opportunity to be of services to the Lapeer County Board of Commissioners and management.

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

Port Huron, Michigan
July 27, 2021

Attachment A

The following items that we discussed with management are not considered material weaknesses or significant deficiencies, however, are items that could improve controls, the operational efficiency of the accounting department and/or compliance with laws and regulations:

GENERAL:

The County should review the receipting process.

It was noted during the audit that several departments have one employee performing the majority of the cash receipting process, i.e. billing, receipting, preparing deposits, and having the ability to void receipts, etc. This is something the County should discuss in a future department head meeting to provide education and discuss other mitigating controls to improve inadequate segregation of duties. We recommend that, to the extent possible in the smaller departments, other individuals be involved in the receipting process to segregate these duties or provide for someone independent to monitor the process. Independent monitoring would include evaluating receipt volume and balances and comparing to expectations, prior historical data, etc.; accounting for sequence of receipts; comparing deposit tickets returned from the Treasurer's office to amounts summarized on cash register tapes or receipt books; accounting for void receipts and requiring department head approvals and proper cancellation.

We also evaluated the cut-off of deposits at the various departments with the updating of our understanding of the receipting process. We noted a number of cut-off problems (not material) due to the timing of receipt (point of collection occurring in December at the department level) and deposit with the County Treasurer (point of banking and revenue recognition in January). The County should emphasize importance of cut-off to the departments and establish a process to ensure December collections are accounted for in the proper period.

The control procedure for reviewing monthly status reports should be re-emphasized.

Monthly evaluation by department heads of the budgetary status reports and contacting the Finance Department of any identified matters (e.g., misclassification, unusual or incorrect balances, budget variance overages, incorrect reporting of budget modifications, etc.) is an important element of internal control. Timely notification of such matters reduces the likelihood of errors and misstatements going undetected. It also provides management more relevant and accurate information to make informed decisions, which should reduce the number of adjustments and the burden on the year-end closing process.

CDBG Loan receivables should be evaluated for collectability.

In prior years through a federal grant, a number of County residents were provided with loans to make improvements to their homes, with the understanding that the loans will be repaid if the homes were sold. The County has contracted with a third party to administer the program, including the evaluation of collectability of the loans. An estimate of the allowance has been recorded but formal support of the estimate or methodology used has not been retained. We recommend that the County prepare documentation to support the allowance for doubtful loan receivables.

A formal policy for the preparation and independent review of journal entries should be adopted.

The County should consider adopting a formal policy covering the preparation and independent review and approval of journal entries. We noted during our evaluation of a sample of journal entries and updating of the internal control over this area that the person preparing the journal entries also was posting entries into the system. We are suggesting someone with an accounting background be established with the responsibility over the review and approval of journal entries. The policy should also address what is required to support journal entries and how the supporting documentation is maintained.

Written procedures for federal awards should be enhanced.

The Office of Management and Budget (OMB) provides requirements for federal awards in 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Under the Uniform Guidance, non-federal entities must have written procedures for five (5) of the compliance areas, if applicable, and it is recommended that entities have written procedures for any of the other applicable compliance areas that are significant to grant administration. The County does have documented written procedures over the required compliance areas; however, some are very general in nature and do not include specific detailed control procedures utilized by County personnel. Furthermore, the County's procurement policy does not include required verbiage regarding conduction of technical evaluations (Section 200.320 (d)(3)) as well as record retention (Section 200.318).

New Chart of Accounts

The Michigan Department of Treasury has issued a draft of a new chart of accounts that governmental units must adopt. Although the implementation date has been deferred a number of times, the current guidance from the Treasury Department has the implementation date for the County's 2022 year, which means the chart of accounts will need to be adopted as of January 1, 2022. One of the biggest changes for the County will be the elimination of the Bonds and Insurance activity reported in the General Fund. These costs will need to be allocated to the applicable departments. This change and other revisions to the chart of accounts should be reviewed to assess the changes to the general ledger account structure, taking into consideration the implications to the budgetary and financial reporting processes.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners of Lapeer County
Lapeer, Michigan

We have audited, in accordance with the 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, the 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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 27, 2021. Our report includes the Lapeer County Road Commission and the Lapeer County Land Bank Authority reported as discretely presented component units, and Lapeer County Community Mental Health and the Lapeer County Medical Care Facility reported as major funds, which were audited separately. This report does not include the results of internal control over financial reporting and on compliance and other matters for these component units and major funds.

Internal Control over Financing Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2020-001, 2020-002, and 2020-004 to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as item 2020-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

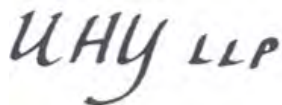
We noted certain matters that we reported to management in a separate letter dated July 27, 2021.

Lapeer County, Michigan's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lapeer County, Michigan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Port Huron, Michigan
July 27, 2021

LAPEER COUNTY, MICHIGAN
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

2020-001: Material Adjusting Entries (Repeat finding 2019-001)

Type: Material weakness in internal controls over financial reporting.

Criteria: Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles. Statement on Auditing Standards No. 115, “Communicating Internal Control Related Matters Identified in the Audit,” specifies that if material audit adjustments are required to be proposed, the entity has a material weakness in internal control over financial reporting.

Condition: During our audit, we identified and proposed certain material adjustments (which were reviewed and approved by management) to adjust the County’s general ledger to the appropriate balances.

Cause: The County’s internal controls did not detect all misstatements necessary to properly report year-end balances.

Effect: As a result of this condition, the following significant entries were proposed.

Primary Government:

- To correct misclassification of revenues and record deferred inflows of resources for unavailable revenues in the Health Department Fund

Drain Funds (Component Unit):

- To reclassify the use of bond proceeds between the Capital Projects, Revolving Drain, and Special Assessment Drain Funds

Recommendation: Management has already taken appropriate corrective action by reviewing and approving the proposed audit adjustments. In addition to eliminate/reduce future material audit adjustments, the County Finance Department should evaluate the process in current use to review the work generated from the year-end closing process prior to formally closing the “books” for the annual financial statement audit.

View of responsible officials and planned corrective action: Management agrees with the finding. Management is in the process of preparing the view of responsible officials and planned corrective action, which will be incorporated in the Single Audit Financial Report.

2020-002: Bank Reconciliations Should Be Completed Timely (Repeat finding 2019-002, as revised)

Type: Material weakness in internal controls over financial reporting.

Criteria: A required element of internal control over cash is to require a monthly bank reconciliation to be performed on all cash accounts within an entity to determine that the ending bank balance is reconciled to the general ledger balance on a timely basis and all reconciling items are properly accounted for and recorded.

LAPEER COUNTY, MICHIGAN
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Condition: The County did not prepare a timely bank reconciliation for the month of December 2020. The reconciled December 2020 bank reconciliation was not received until June 2020.

Context: Monthly bank reconciliations for each month during 2020 appear to have been attempted and substantially completed on a timely basis throughout the year. However, completion of the process continues to exceed the State guideline of six weeks subsequent to month-end.

Cause: The integration of the County's receipting software with the general ledger continues to create monthly and year-end cut-off problems of cash receipts for certain departments and types of transactions. The bank reconciliations have been substantially completed each month according to management, except for this problem.

Effect: Timely bank reconciliation preparation and review did not occur to ensure cash balances were properly stated and reconciled to the general ledger.

Recommendation: We recommend that the internal control in this area require all bank accounts to be reconciled monthly on a timely basis. A bank reconciliation procedure should be adopted and should include the review and approval of the monthly bank reconciliations by someone independent of the preparer.

View of responsible officials and planned corrective action: Management agrees with the finding. Management is in the process of preparing the view of responsible officials and planned corrective action, which will be incorporated in the Single Audit Financial Report.

2020-003: Preparation of the Financial Statements in Accordance with Generally Accepted Accounting Principles (Repeat finding 2019-003)

Type: Significant deficiency in internal controls over financial reporting.

Criteria: Accounting standards specify that management must design, implement and maintain control-related policies and procedures to assure that financial data is properly assembled, analyzed, classified, recorded, and reported. This includes the preparation of the Comprehensive Annual Financial Report (CAFR) prepared in accordance with generally accepted accounting principles and the presentation requirements of the Government Finance Officers Association and the Schedule of Expenditures of Federal Awards (SEFA).

Condition: The County has historically relied on its independent external auditors for their expertise and technical skills to prepare and present the CAFR in accordance with generally accepted accounting principles, including the footnotes and the government-wide presentation required by GASB Statement No. 34, as part of the annual audit process. In regards to the SEFA, the listing prepared by management was incomplete, most notably regarding Health Department grants, and inaccurate regarding some pass-thru grantor numbers.

Cause: The County has made the decision that it is more cost effective/efficient to outsource the preparation of its CAFR to the external auditors than to incur the time and expense of obtaining the necessary training and expertise required to prepare the report in accordance with generally accepted accounting principles.

LAPEER COUNTY, MICHIGAN
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Effect: There is the possibility that a misstatement of the County's CAFR and SEFA that is more than inconsequential could occur and not be prevented or detected by the County's current internal control process.

Recommendation: With the implementation of any internal control procedure both the efficiency and cost must be evaluated with the risk. We recommend that the County continue to evaluate the risk and cost of not performing this internal control function in-house.

View of responsible officials and planned corrective action: Management agrees with the finding. Management is in the process of preparing the view of responsible officials and planned corrective action, which will be incorporated in the Single Audit Financial Report.

2020-004: Liabilities Maintained in Custodial Accounts Should Be Reconciled to Subsidiary Records (Repeat finding 2019-004, as revised)

Type: Material weakness in internal controls over financial reporting.

Criteria: The County is required to keep accurate subsidiary records of the amounts held in custodial liability accounts under their fiduciary responsibility. These accounts should be analyzed and reconciled on a regular basis (e.g., monthly or quarterly).

Condition: A custodial liability account did not agree to the subsidiary records and hasn't been reconciled to the general ledger for several years (Clerk's restitution).

Cause: The County's procedures for the reconciling/monitoring of the custodial account to ensure the accuracy of subsidiary records is not being consistently followed.

Effect: As a result of the condition, the County is exposed to an increased risk that misstatements, whether through error or fraud, may occur and not be prevented, or detected and corrected, on a timely basis. Balances in custodial funds are particularly sensitive as this fund type, by its nature, are held on behalf of other entities or individuals and are not subject to the normal budgetary oversight found in other funds. Accordingly, it is especially important that these funds be reconciled regularly to a complete detailed subsidiary record. While the related cash balances were reconciled, this only verifies the amounts actually on hand, not the balances that should be on hand or who they are held on behalf of.

Recommendation: A monitoring process was established through the County Finance Department to identify issues and provide additional training, but additional technical assistance appears necessary to resolve the reconciliation issues identified.

View of responsible officials and planned corrective action: Management agrees with the finding. Management is in the process of preparing the view of responsible officials and planned corrective action, which will be incorporated in the Single Audit Financial Report.

SUMMARY OF UNADJUSTED AUDIT DIFFERENCES

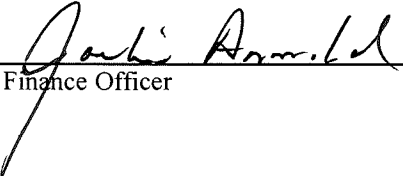
Client Name: Lapeer County

Financial Statement Date: December 31, 2020

Opinion Unit: Governmental Activities

Description of Misstatement	Financial Statements Effect Amount of Over (Under) Statement of				
	Assets	Liabilities	Fund Equity	Revenues	Expenditures/ Expenses
Unrecorded interest revenue	(75,867)	-	(75,867)	(75,867)	-
Unavailable receivables recorded as revenues	-	(114,941)	114,941	114,941	-
Unrecorded receivables - cutoff testing	(8,193)	-	(8,193)	(8,193)	-
Unrecorded unearned revenue	-	(17,719)	17,719	17,719	-
Unrecorded receivables	(8,219)	-	(8,219)	(8,219)	-
Total Current Year Unadjusted Amount	(92,279)	(132,660)	40,381	40,381	-
Unadjusted Amount From Prior Year				-	-
Total Unadjusted Amount	(92,279)	(132,660)	40,381	40,381	-

We believe the unrecorded possible adjustments listed above are immaterial to the financial statements, both individually and in the aggregate.


 Chief Finance Officer

SUMMARY OF UNADJUSTED AUDIT DIFFERENCES

Client Name: Lapeer County


Financial Statement Date: December 31, 2020

Opinion Unit: Business-type Activities

Financial Statements Effect
Amount of Over (Under) Statement of

Description of Misstatement	Assets	Liabilities	Fund Equity	Revenues	Expenditures/ Expenses
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Current Year Unadjusted Amount	-	-	-	-	-
Unadjusted Amount From Prior Year				-	-
Total Unadjusted Amount	-	-	-	-	-

We believe the unrecorded possible adjustments listed above are immaterial to the financial statements, both individually and in the aggregate.


Chief Finance Officer

SUMMARY OF UNADJUSTED AUDIT DIFFERENCES

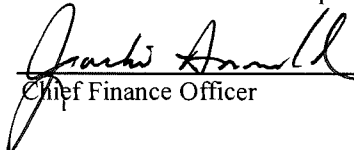
Client Name: Lapeer County

Financial Statement Date: December 31, 2020

Opinion Unit: General Fund

Description of Misstatement	Financial Statements Effect Amount of Over (Under) Statement of				
	Assets	Liabilities	Fund Equity	Revenues	Expenditures/ Expenses
Unavailable receivables recorded as revenues	-	(7,400)	7,400	7,400	-
Unrecorded interest revenue	(75,867)	-	(75,867)	(75,867)	-
Unrecorded receivables noted during cut-off testing	(5,769)	-	(5,769)	(5,769)	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Current Year Unadjusted Amount	(81,636)	(7,400)	(74,236)	(74,236)	-
Unadjusted Amount From Prior Year				(22,157)	-
Total Unadjusted Amount	(81,636)	(7,400)	(74,236)	(96,393)	-

We believe the unrecorded possible adjustments listed above are immaterial to the financial statements, both individually and in the aggregate.


Chief Finance Officer

SUMMARY OF UNADJUSTED AUDIT DIFFERENCES

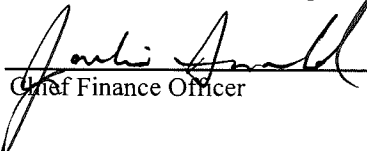
Client Name: Lapeer County

Financial Statement Date: December 31, 2020

Opinion Unit: Aggregate Remaining Fund Information

Description of Misstatement	Financial Statements Effect Amount of Over (Under) Statement of				
	Assets	Liabilities	Fund Equity	Revenues	Expenditures/ Expenses
Unavailable receivables recorded as revenues - Child Care	-	(64,004)	64,004	64,004	-
Unavailable receivables recorded as revenues - Health Dept.	-	(21,998)	21,998	21,998	-
Unavailable receivables recorded as revenues - Community Grants	-	(21,539)	21,539	21,539	-
Unrecorded Substance abuse receivables - Health Dept.	(8,219)	-	(8,219)	(8,219)	-
Unrecorded receivables noted during cut-off testing - Various funds	(32,175)	(29,751)	(2,424)	(32,175)	(29,751)
Unrecorded unearned revenue - Secondary Road Patrol	-	(17,719)	17,719	17,719	-
Total Current Year Unadjusted Amount	(40,394)	(155,011)	114,617	84,866	(29,751)
Unadjusted Amount From Prior Year				(106,190)	-
Total Unadjusted Amount	<u>(40,394)</u>	<u>(155,011)</u>	<u>114,617</u>	<u>(21,324)</u>	<u>(29,751)</u>

We believe the unrecorded possible adjustments listed above are immaterial to the financial statements, both individually and in the aggregate.


 Jani Smith
 Chief Finance Officer

SUMMARY OF UNADJUSTED AUDIT DIFFERENCES

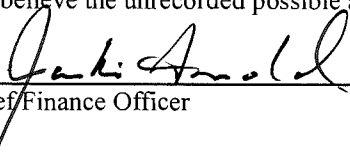
Client Name: Lapeer County

Financial Statement Date: December 31, 2020

Opinion Unit: Aggregate Discretely Presented Component Units

Description of Misstatement	Financial Statements Effect Amount of Over (Under) Statement of				
	Assets	Liabilities	Fund Equity	Revenues	Expenditures/ Expenses
Unrecorded retainage Drainage Districts	-	(34,438)	34,438	-	(34,438)
	-	-	-	-	-
	-				-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Current Year Unadjusted Amount	-	(34,438)	34,438	-	(34,438)
Unadjusted Amount From Prior Year				-	-
Total Unadjusted Amount	-	(34,438)	34,438	-	(34,438)

We believe the unrecorded possible adjustments listed above are immaterial to the financial statements, both individually and in the aggregate.


 Chief Finance Officer