



ST. CLAIR COUNTY, MICHIGAN



**Annual Comprehensive
Financial Report
Administrator/Controller's Office
Year Ending December 31, 2023**





ANNUAL COMPREHENSIVE FINANCIAL REPORT
ST. CLAIR COUNTY, MICHIGAN
FOR THE YEAR ENDED DECEMBER 31, 2023

Current members of the
BOARD OF COMMISSIONERS

Jeffrey L. Bohm, Chairperson
Jorja Baldwin, Vice Chairperson
Lisa Beedon
Steven Simasko
Joi Torello
David Vandebossche
David Rushing

Prepared by:
ADMINISTRATOR/CONTROLLER'S OFFICE

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

ST. CLAIR COUNTY, MICHIGAN

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COUNTY OF ST. CLAIR



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June 18, 2024

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

State law requires that all general purpose local governments publish, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended December 31, 2023.

Management assumes full responsibility for the completeness and reliability of the financial information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to protect the government's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of these financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

UHY LLP, has issued an unmodified ("clean") opinion on St. Clair County's financial statements for the year ended December 31, 2023. The independent auditor's report is located at the front of the financial section of this report.

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

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

Profile of St. Clair County

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

The 2020 census reported the population at 160,383, living in 65,724 households. While the 2020 census showed a population decline of 1.6% from 2010, the Southeastern Michigan Council of estimates a 3.6% population growth between 2020 and 2045. The County is made up of a mix of rural and urban communities, encompassing 9 villages and cities and 23 townships. The county seat is located in Port Huron, which is the largest city in the County, and where a majority of our offices are located.

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

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

The court system consists of the 72nd District Court, Probate Court, and the 31st Circuit Court (including the Family Division). The 72nd District Court, with three judges, has jurisdiction over misdemeanors, ordinance and charter violations, civil cases under \$25,000, traffic infractions, and preliminary examinations in felony cases. The Probate Court, with two judges, is responsible for estates, mental health matters, guardianships, and they act as Circuit

Court Judges for certain domestic matters. The 31st Circuit Court, with three judges, has jurisdiction over criminal cases where the minimum penalty is over one year incarceration, civil damage cases over \$25,000, and family matters. All judges are elected, countywide, to staggered six-year terms.

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

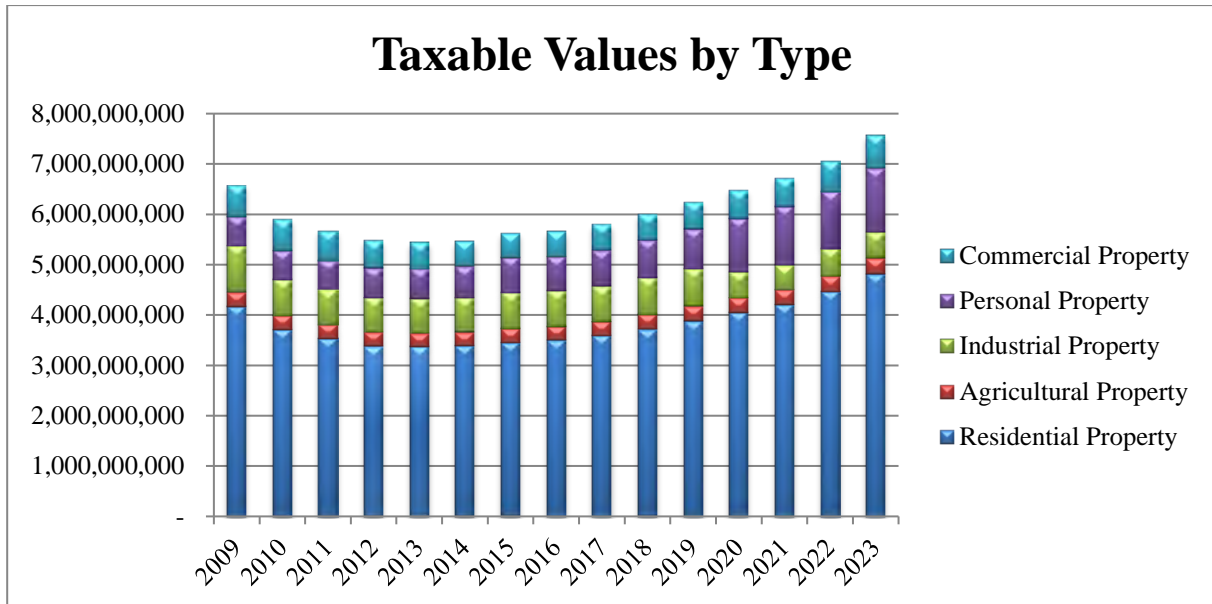
The Board of Commissioners also appoints members to a variety of boards and commissions that have various responsibilities and duties. Some of the more complex of these boards and commissions include the Parks and Recreation Board, the Metropolitan Planning Commission, the Library Board, and the Commission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

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

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

Local Economy

The County is experiencing a strong housing market and increasing property values. Property tax revenues went up just over 7% in 2023 and we expect an increase of approximately 5% in 2024 due to the large amount of development and investment happening in our county. These increases are the highest we have seen in over a decade and quite a bit over our 10 year average of 2.6%. The chart below illustrates the changes in taxable values by property type.



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

In 2023, the Economic Development Alliance of St. Clair County reported 273 new jobs, \$72.1 million in community development, \$28.8 million in local business expansions, \$4.7 million in entrepreneurial investment and \$4 million in new business attractions. This resulted in an overall total investment of over \$109 million.

Long-term Financial Planning and Major Initiatives

The County uses a software product for financial forecasting. The model takes a look six years into the future as to where the finances of the County will be. It utilizes known historical information as well as assumptions as to future revenues and expenditures, and has been accurate in its predictions. Administration uses this model to guide us in our budget deliberations and it is updated as new information is received. We also update the Board of Commissioner's at public meetings as to what is expected to happen financially in the County

over the next several years. This information is extremely valuable to the Board as they weigh the future impact of financial decisions.

In March 2021, the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to provide state, local and tribal governments with resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. The County’s allocation of these funds was \$30.9 million. The Board has allocated the lost revenue portion of the funds for a variety of internal capital projects, community projects within each of their commissioner districts and employee recruitment and retention initiatives. By far the largest project we are undertaking is the relocation of our Health Department. The current building is aging and does not meet the needs of the department and of our citizens. The Health Department will be moving into vacant space in the County Administration Building previously occupied by the Michigan Department of Health and Human Services. We anticipate completion by summer of 2025. A breakdown of the approved allocations is shown in the table below.

Commissioner Community Projects	\$ 10,500,000
Employee Recruitment & Retention	\$ 1,947,880
Health Department Relocation	\$ 5,000,000
Internal Capital Improvement Projects	\$ 13,460,869
	<hr/>
	\$ 30,908,749
	<hr/>

In 2018 the county joined the national lawsuit against the manufacturers and distributors of opioid medication. Opioid abuse has had an impact on our community and puts an increased demand on government services. In 2022 and 2023 settlements with several companies were finalized and we are set to receive \$19.5 million over 18 years. A committee of internal stakeholders was formed to evaluate the problem, discuss solutions and how we will measure the effectiveness. The committee met several times and had considerable discussions surrounding the problem and what areas we can make a meaningful impact. We received our first payments in 2023 and the committee’s recommendation was approved by the Board of Commissioners. The majority of the funds will be used to expand eligibility and enhance the County’s existing Sobriety and Drug Court. Specialty courts allow for tailored treatment options beyond traditional incarceration and have a high success rate in reducing recidivism. The committee continues to evaluate gaps and explore the best uses. Enhancing treatment options within our county has been identified as our next priority.

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

Relevant Financial Policies

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

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

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

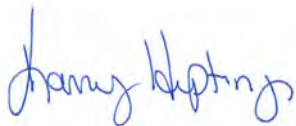
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Clair County for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2022. This was our twenty eighth time receiving this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectively submitted,



Karry Hepting, CPA
Administrator/Controller



Dena Alderdyce, CGFM
Finance Director

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

Elected Officials

Board of Commissioners

Jeffrey Bohm	Chairperson
Jorja Baldwin	Vice-Chairperson
Lisa Beedon	Member
Steve Simasko	Member
Joi Torello	Member
David Vandenbossche	Member
David Rushing	Member

31st Circuit Court

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

72nd District Court

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

Probate Court

John Tomlinson	Chief Judge of Probate
Jennifer Smith-Deegan	Judge of Probate

Other Elected Officials

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

Appointed Official

Karry Hepting, CPA	Administrator/Controller
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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

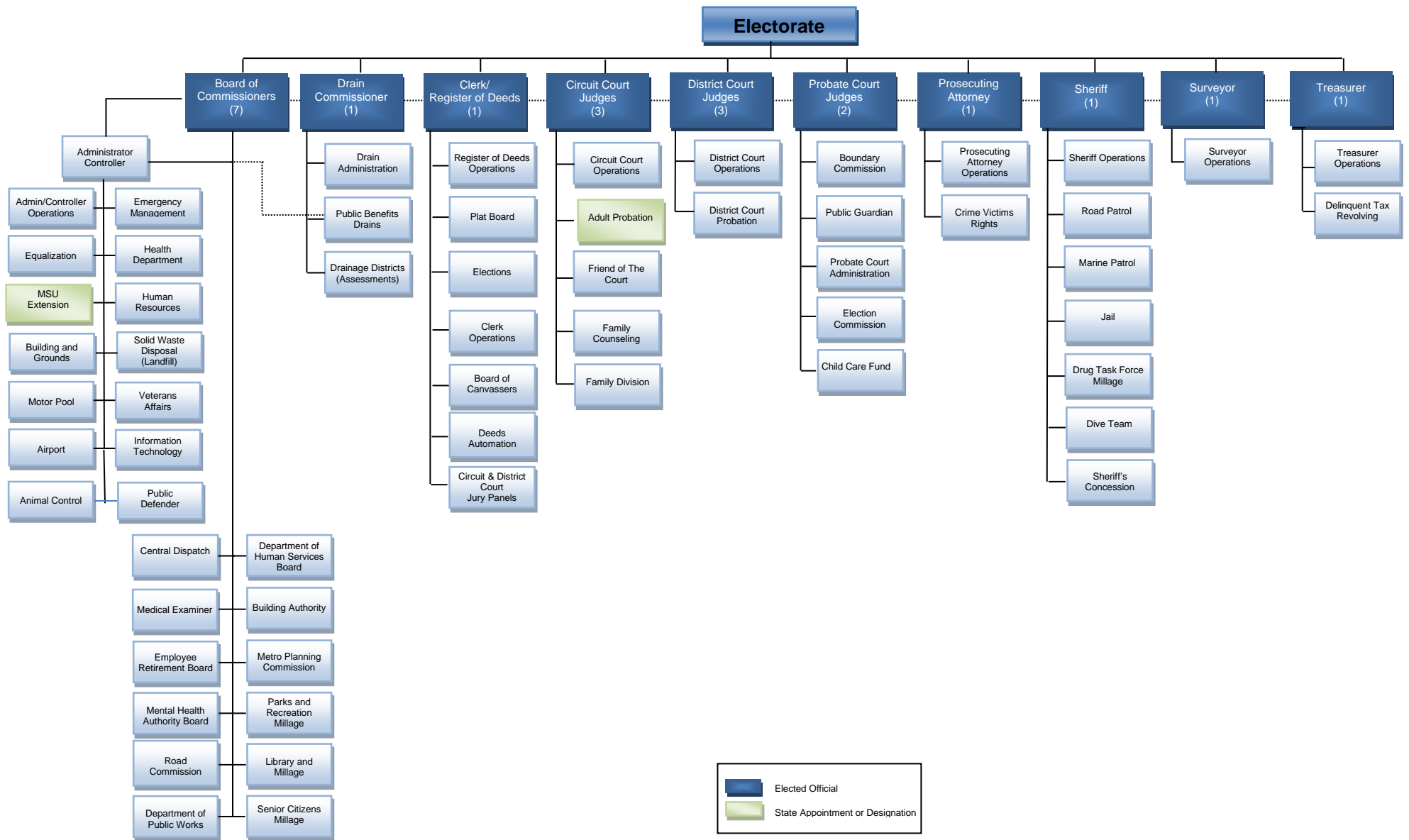
Presented to

**St. Clair County
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Clair County, Michigan (the "County"), as of and for the year ended December 31, 2023 and the related notes to the financial statements which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, based on our audits and the report of 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 St. Clair County, Michigan, as of December 31, 2023 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.

We did not audit the financial statements of the St. Clair County Community Mental Health Authority, which represent 13.8 percent of the assets and deferred outflows of resources, 7.0 percent of net position, and 68.2 percent of revenues of the discretely presented component units as of December 31, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the St. Clair County Community Mental Health Authority is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 23 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to these matters.

As discussed in Note 21 to the financial statements, the DPW has entered into an agreement to transfer assets, liabilities, net position, and assume the operations of the Waste Water Treatment Plant to a newly created authority run by the participating townships and city, at which time the remaining activities will transfer to the County. These activities reported are the entity as a whole, occurred in 2023, and the DPW will no longer exist. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events considered in the aggregate that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining General Fund schedules, combining and individual nonmajor fund financial statements and schedules, capital assets used in the operation of governmental funds schedules, and fund financial statements of the Drainage District and Brownfield Redevelopment Authority financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements; certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves; and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed above is fairly stated, in all respects, in relation to the basic financial statements as a whole.

Other Information Included in the Report

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024 on our consideration of St. Clair County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Clair County's internal control over financial reporting and compliance.

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

Port Huron, Michigan
June 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of St. Clair, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found preceding this narrative, and the accompanying basic financial statements and footnotes.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at December 31, 2023 by \$118,163,832 (net position). Net position is restricted for specific purposes (\$43,394,722), related to the County's investment in capital assets and is not available for spending (\$74,075,202), or is unrestricted (\$693,908).
- The government's total net position increased by \$21,820,048. Governmental activities increased by \$22,417,092 while Business-type activities decreased by \$597,044.
- At December 31, 2023, the County's governmental funds reported combined ending fund balances of \$58,009,875, an increase of \$8,998,627. Approximately 16.9% of this amount (\$9,793,612) is available for spending at the government's discretion (unassigned fund balance).
- Total outstanding long-term liabilities increased by \$32,286,816. This was due to a decrease from normal retirement of debt combined with a significant increase in the Net Pension liability due to significant investment losses in 2022. The Net OPEB Liability decreased due to lower than expected benefit payments and administrative expenditures.
- The Development Revolving Fund as well as the Budget Incentive Fund are included as sub funds of the Combined General Fund and are reflected on pages 133-135 Government Accounting Standards Board requires any fund that is largely supported by transfers from the General Fund be included as part of the General Fund for reporting purposes.
- In 2023 the Board of Commissioners adopted a balanced budget for the 2024 General Fund.

Overview of the Financial Statements

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

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

St. Clair County Management's Discussion and Analysis

similar to a private-sector business.

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

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

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

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

The government-wide financial statements can be found on pages 19-22 of this report.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds are reported using the modified accrual method of accounting. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable

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

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

The County maintains 32 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the Combined General Fund, Parks and Recreation Fund, Library Fund, Senior Citizens Millage Fund, Drug Task Force Fund, American Rescue Plan Fund and Opioid Settlement Fund, all of which are considered to be major funds. Data for 2 governmental funds and the General Fund are combined and reported as the Combined General Fund and data for the other 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 23-28 of this report.

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

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

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

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

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

The basic proprietary fund financial statements can be found on pages 29-33 of this report.

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

The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-105 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees and the budgetary information for the General Fund and six major governmental funds (Special Revenue Funds). This required supplementary information is found on pages 106-132 of this report.

The combining statements referred to earlier in connection with the Combined General Fund, non-major governmental, enterprise and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 133-168 of this report.

Government-wide Financial Analysis

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

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exceeded liabilities and deferred inflows of resources by \$118,163,832 at December 31, 2023. This compares to \$96,343,784 at the close of the prior fiscal year, an increase of \$21,820,048.

Net Position

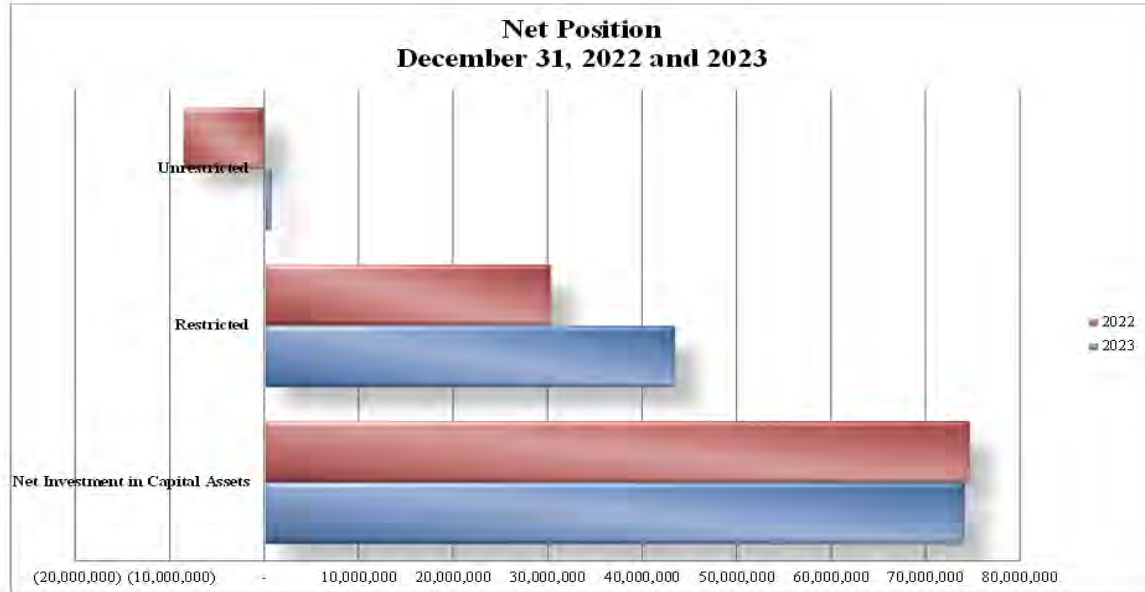
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	129,681,798	118,352,769	41,528,867	39,807,908	171,210,665	158,160,677
Capital Assets, Net of Accumulated Depreciation	76,844,065	78,220,400	23,213,291	25,031,698	100,057,356	103,252,098
Total Assets	206,525,863	196,573,169	64,742,158	64,839,606	271,268,021	261,412,775
Total Deferred Outflows of Resources	37,920,721	19,517,762	569,895	294,113	38,490,616	19,811,875
Current Liabilities	32,769,037	35,343,055	1,703,626	1,200,118	34,472,663	36,543,173
Other Liabilities	97,004,503	64,958,157	17,352,322	16,736,430	114,356,825	81,694,587
Total Liabilities	129,773,540	100,301,212	19,055,948	17,936,548	148,829,488	118,237,760
Total Deferred Inflows of Resources	42,432,771	65,966,538	332,546	676,568	42,765,317	66,643,106
Net Position						
Net Investment in capital assets	57,866,191	57,109,608	16,209,011	17,507,418	74,075,202	74,617,026
Restricted	40,415,923	27,923,563	2,978,799	2,358,218	43,394,722	30,281,781
Unrestricted	(26,041,841)	(35,209,990)	26,735,749	26,654,967	693,908	(8,555,023)
Total Net Position	72,240,273	49,823,181	45,923,559	46,520,603	118,163,832	96,343,784

St. Clair County's Net Position

The largest portion of the County's net position (62.7 percent) reflects our investment in capital assets, (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the County's net position (36.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (.6 percent) is available to meet the government's ongoing obligations to citizens and creditors.

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Governmental Activities. Governmental activities net position increased by \$22,417,092. The increase was primarily due to an increase in property tax revenues from a strong housing market and increasing property tax values. The County also experienced a continued increase in investment income from higher than expected interest rates. Grant program revenues increased as well due to recognizing American Rescue Plan Act funds as expenditures are incurred. In addition to these revenue increases, there were considerable savings from vacant positions that were not filled throughout the year as well as conservative spending by the departments.

**St. Clair County
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Changes in Net Position

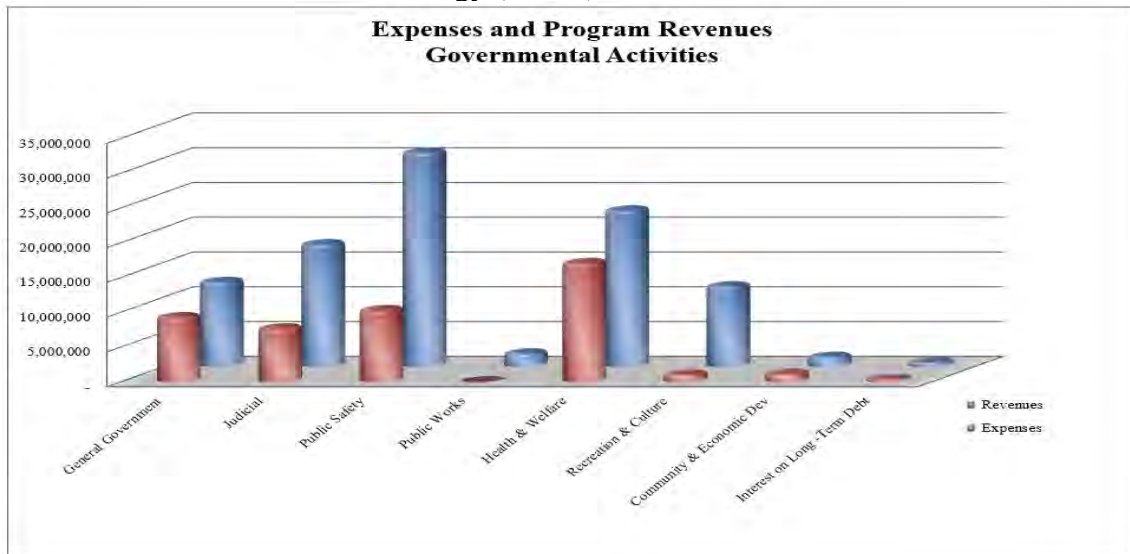
	Governmental Activities		Business-Type Activities		Totals	
	2023	Restated 2022	2023	2022	2023	Restated 2022
Revenues:						
Program revenues:						
Charges for services	24,244,994	22,966,640	12,299,983	11,423,597	36,544,977	34,390,237
Operating Grants and Contributions	23,059,421	24,173,802	106,235	92,178	23,165,656	24,265,980
Capital Grants and Contributions	-	-	179,296	164,440	179,296	164,440
General revenues:						
Property Taxes	61,864,270	54,888,192	-	-	61,864,270	54,888,192
Intergovernmental revenues	5,024,904	4,586,801	-	-	5,024,904	4,586,801
Investment earnings	4,008,599	1,232,473	713,232	166,760	4,721,831	1,399,233
Gain on Sale of Assets	144,912	54,485	-	-	144,912	54,485
Interest & Penalties on Delinq Taxes	1,210	3,083	1,110,503	986,299	1,111,713	989,382
Total Revenues	118,348,310	107,905,476	14,409,249	12,833,274	132,757,559	120,738,750
Expenses:						
General Government	12,228,247	14,832,237	-	-	12,228,247	14,832,237
Judicial	17,649,702	16,330,560	-	-	17,649,702	16,330,560
Public Safety	30,822,422	28,307,681	-	-	30,822,422	28,307,681
Public Works	1,941,893	1,654,920	-	-	1,941,893	1,654,920
Health and Welfare	22,511,838	20,286,125	-	-	22,511,838	20,286,125
Recreation and Culture	11,601,704	9,965,500	-	-	11,601,704	9,965,500
Community and Economic Development	1,462,403	1,034,151	-	-	1,462,403	1,034,151
Interest on Debt Service	668,730	898,870	-	-	668,730	898,870
Delinquent Tax Collections	-	-	548,598	527,484	548,598	527,484
Airport	-	-	1,486,918	1,478,420	1,486,918	1,478,420
Sheriff's Concession	-	-	820,108	771,648	820,108	771,648
School Tax Collections	-	-	-	-	-	-
Homestead Exemption Audits	-	-	15	11	15	11
Solid Waste Disposal	-	-	9,194,933	9,103,132	9,194,933	9,103,132
Total Expenses	98,886,939	93,310,044	12,050,572	11,880,695	110,937,511	105,190,739
Increase (Decrease) in Net Position,						
before transfers	19,461,371	14,595,432	2,358,677	952,579	21,820,048	15,548,011
Transfers	2,955,721	3,356,092	(2,955,721)	(3,356,092)	-	-
Change in Net Position	22,417,092	17,951,524	(597,044)	(2,403,513)	21,820,048	15,548,011
Net Position January 1	49,823,181	31,871,657	46,520,603	48,924,116	96,343,784	80,795,773
Net Position December 31	72,240,273	49,823,181	45,923,559	46,520,603	118,163,832	96,343,784

Governmental Funds. Charges for Services increased due to recognizing the total amount of Opioid Settlement funds to be received over the life of the settlement for five additional settlements received in 2023. Operating Grants and Contributions decreased from the prior year due to the Park and Recreation Fund receiving grant funds in 2022 from a land acquisition purchase completed in 2021, in which there were no grant funds received for the Park and Recreation Fund in 2023. As stated previously, there was a significant increase in property tax revenues due to a strong housing market and increasing property tax values. We have also seen a continuation of the investment earnings increase into 2023 due to higher interest rates. General Government expenditures decreased due to expenditures being attributed to general government activities in the American Rescue Plan Fund in 2022 and in 2023. As the County began to spend their funds, the expenditures were spent in other categories such as public safety and health and welfare. Health and welfare expenditures increased due to American Rescue Plan Fund and Opioid Settlement Fund expenditures. There was also an increase in expenditures for new Senior Citizens Millage Fund programs for vision and life alert. We also had an increase in public safety and recreation and culture spending due to

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American Rescue Plan Fund expenditures. The Library Fund has seen an increase in expenditures due to an increase in the special Library millage rate being increased by voters in 2022. The millage rate increased from .6 mills to 1.2 mills.

Proprietary funds. The Delinquent Tax Fund had an increase in charges for services due to foreclosure proceeds from delinquent tax sales. The Delinquent Tax Fund also had a continued increase in investment earnings due to higher than expected interest rates. The Solid Waste Disposal System Fund had a slight increase in expenditures due to gas system improvements near the end of the year. The gas system improvements are expected to continue into 2024 due to requirements of the Michigan Department of Environment, Great Lakes and Energy (EGLE).



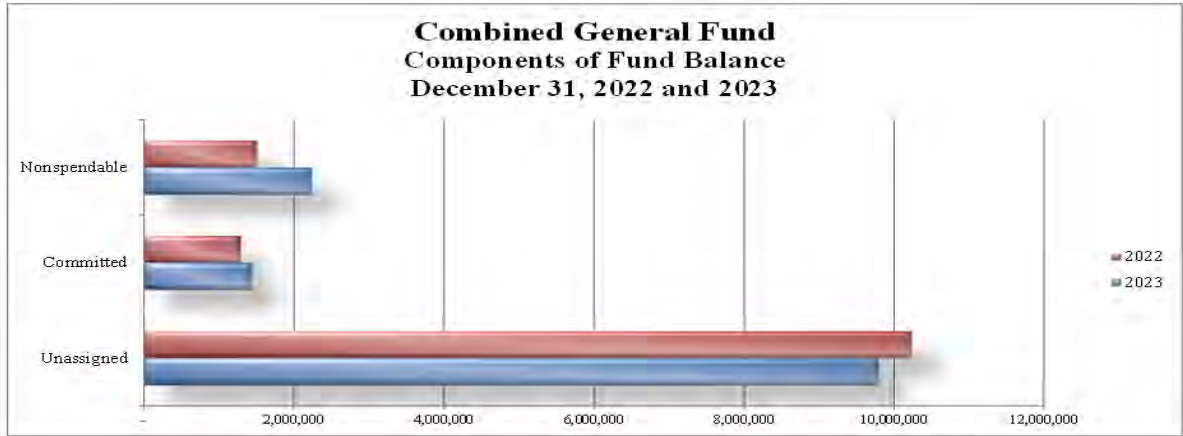
Financial Analysis of Governmental Funds

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

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

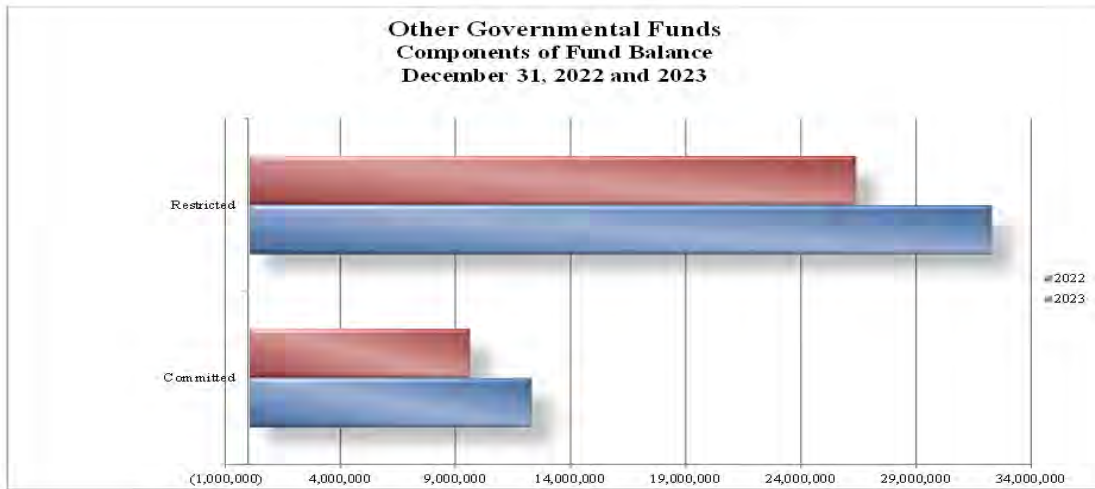
At December 31, 2023, the County’s governmental funds reported combined ending fund balances of \$58,009,875, an increase of \$8,998,627 in comparison to the prior year. Approximately 16.9% of this fund balance (\$9,793,612) constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of fund balance is either nonspendable, restricted or committed to indicate that it is 1) not in spendable form (\$2,233,891), 2) restricted for particular purposes (\$32,262,603), or 3) committed for particular purposes (\$13,719,769).

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The Combined General Fund is the chief operating fund of the County. At December 31, 2023, the Combined General Fund reported an ending fund balance of \$13,464,872. Of that amount \$9,793,612 is unassigned, \$1,437,369 is committed for specific departments in the budget incentive fund, and \$2,233,891 are nonspendable loans to the Drain Commissioner for funding drain projects, long-term receivables, and prepayments. As a measure of the combined general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 14.1 percent of total combined general fund expenditures and transfers, while total fund balance represents 19.3 percent of total combined general fund expenditures and transfers.

The Combined General Fund balance increased by \$435,787 during the current fiscal year. The increase is due to an increase in property taxes, investment income and an increase in charges for services for the Jail for housing federal inmates. There were also savings from many vacant positions due to retirements and turnover and a struggle with recruiting of new employees, therefore we had a reduction of actual expenditures. A portion of these savings were offset with a transfer at year end to the Airport Fund and Convention Center Fund for operations and to the Public Improvement and Budget Incentive Funds for future capital and project needs.



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The second major governmental fund is the special millage Park and Recreation Fund. At December 31, 2023, Park and Recreation reported a fund balance of \$2,888,491. Fund balance increased \$656,620 over the prior fiscal year. This fund had originally planned to use fund balance in the amount of \$879,671 in 2023 to purchase the remaining portion of land for the North Channel County Park as well as use funds for a trail head and parking lot and building structures at this same location. However, due to lack of funding, these expenditures were put on hold until 2024. Therefore, the savings and increased fund balance will be used for the North Channel County Park improvements in future years.

The third major governmental fund is the special millage Library Fund. It reported \$7,171,765 in fund balance at December 31, 2023. Fund balance increased \$3,216,152 from the prior fiscal year. This fund had planned to have a surplus of funds of \$1,275,672 for 2023. In 2022, the voters approved an increase to the Library millage rate from .6 mills to 1.2 mills. The increase in funds are to be used to expand library programs and to renovate the main library building as well as many of the branch libraries. Due to the plan of renovating the library buildings, the library has experienced a significant gain.

The fourth major governmental fund is the special millage Senior Citizens Fund. It reported \$4,668,323 in fund balance at December 31, 2023. This fund also had originally planned to use fund balance in the amount of \$364,878 for 2023. This fund increased \$235,918 over the prior year due to lower than budgeted requests from senior service providers, which was offset with an increase in investment income. The Senior Citizens Millage board had also expanded services for vision and life alert to help spend down the fund balance. While we did see an increase in users for these new programs, we still experienced a gain in the Senior Citizens Millage Fund balance.

The fifth major governmental fund is the special millage Drug Task Force Fund. It reported a \$2,259,913 fund balance at December 31, 2023. This fund had originally planned to use fund balance in the amount of \$358,075 to purchase a surveillance vehicle and equipment. The fund balance increased \$340,961 over the prior year due to an increase in property tax revenues and investment earnings being higher than anticipated, as well as a reduction in personnel services from vacant positions. There was also a reduction in fuel and contracted service costs that contributed to the increase in fund balance.

The sixth major governmental fund is the American Rescue Plan Fund. It reported a fund balance of \$1,900,527 at December 31, 2023. This fund accounts for the federal funding from the American Rescue Plan Act. The County received its first tranche of funding in May 2021 and second tranche in May 2022. The increase of \$1,425,804 is due to investment income earned. The County has begun spending its American Rescue Plan Act funds. The Board of Commissioners have allocated all of the funds to projects, however, there is a large balance that needs to be obligated before December 31, 2024. The County does anticipate to have all the funds obligated by December 31, 2024, with spending going into 2025 and 2026.

St. Clair County Management's Discussion and Analysis

The last major governmental fund is the Opioid Settlement Fund. It reported a fund balance of \$1,398,670 at December 31, 2023. This fund accounts for the various fees received from the various settlements related to the opioid crisis. The fund balance increased over the prior year by \$61,675. Expenditures in this fund are used for remediation, prevention, treatment and recovery due to the opioid crisis. The County has a committee that makes recommendations for expending these funds.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The County had three major proprietary funds at December 31, 2023.

Net position in the Solid Waste Disposal System Fund at the end of the year amounted to \$8,993,217. Of this amount, \$9,069,106 is invested in capital assets. Net position decreased \$806,003 due to a slight increase in charges for services due to various construction projects within the County. This was offset with a significant increase in costs for system upgrades to our gas extraction system that were required by the Michigan Department of Environment, Great Lakes and Energy to meet certain standards. We do anticipate these gas system upgrades to continue into 2024.

The Delinquent Tax Revolving Fund reported net position of \$28,220,230, an increase of \$581,731 over the prior year. The earnings in this fund are dedicated to the annual debt payment requirements of the bond secured for the construction of the Jail/Juvenile facility. The fund increased due to investment earnings and delinquent tax foreclosure sales proceeds.

The Airport Commission Fund reported net position of \$7,890,113, a decrease of \$351,402 over the prior year. This decrease is due to a decline in fuel sales revenues which coincides with a reduction in fuel expenditures. There was also a slight increase in personnel costs due to bringing the Fixed Based Operations in house rather than continuing with a contractor for the services.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year the original budget was amended as needed. The original budget was balanced, while the final amended budget anticipated a gain of \$480,724. Major changes can be summarized as follows:

- Intergovernmental revenues and expenditures were adjusted for various grants received throughout the year.
- Tax revenues were adjusted to reflect an increase in taxable values.
- Interest revenue was increased due to a significant increase in interest rates throughout the year.
- An increase in inmate housing revenues as federal inmate populations increased throughout the year.
- Increase in expenditures for additional employer contributions to the Employees Retirement System and Other Post Employment Benefits Funds to pay down

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unfunded liabilities.

- Increase in transfers out to the Public Improvement Fund for future capital needs.
- Other expenditures were reserved for contingencies and was eliminated at the end of the year to cover other budget shortfalls.

Final budget compared to actual results. Overall, general fund revenues and transfers in were \$941,789 under budget. The majority of this difference is due to a decline in the court charges for services and fines and fees and other charges for services. Some grant reimbursements were considered deferred revenue since they were received after 90 days of year end. These were budgeted to be received in 2023.

Amended expenditures and other financing uses differed \$785,610 from actual expenditures and other financing uses. Significant differences between the amended budgets and actual results for expenditures in the departments are as follows:

- The County budgets for full staffing in all departments, due to employee turnover and vacancies that occurred throughout the year many departments such as District Court, Friend of the Court, Information Technology, Communications, Corrections/Jail and the Sheriff were under their amended budgets.
- Most departments were under their amended budgets in 2023 due to vacant positions from retirements and vacant positions from staff turnover.
- Transfers to the Budget Incentive fund and Public Improvement fund for capital and project expenditures was offset with savings.

Capital Asset and Debt Administration

Capital Assets. The County’s investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounted to \$100,057,356 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, vehicles, subscription assets and right-to-use assets. The total decrease in the County’s capital assets for the current fiscal year was \$3,570,164.

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	Restated				Restated	
	2023	2022	2023	2022	2023	2022
Land	15,012,266	15,012,266	2,160,779	2,160,779	17,173,045	17,173,045
Buildings and Improvements	49,230,745	51,443,605	4,052,454	4,372,977	53,283,199	55,816,582
Improvements other than Buildings	3,405,088	3,807,939	12,326,231	13,116,515	15,731,319	16,924,454
Equipment and Vehicles	6,521,290	6,326,544	4,673,827	4,361,609	11,195,117	10,688,153
Books	1,450,912	1,321,140	-	-	1,450,912	1,321,140
Subscription assets	519,004	375,422	-	-	519,004	375,422
Right-to-use assets - buildings	194,258	291,779	-	-	194,258	291,779
Construction in Progress	510,502	17,127	-	1,019,818	510,502	1,036,945
Total	76,844,065	78,595,822	23,213,291	25,031,698	100,057,356	103,627,520

Major capital asset events during the year included the following:

- Park and Recreation excavator and playground equipment

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- Sheriff’s department storage building and radio replacement
- District Court Marine City courthouse concrete sidewalk replacement
- Replacement of various County vehicles
- Information Technology systems equipment
- Upgrade a tower amplifier for Central Dispatch
- Building and Grounds mail machine
- Addition of books to the County library collection
- Jail full body scanner and intercom system upgrades
- Board of Commissioners board room sound equipment

Additional information on the County’s capital assets can be found in Note 5 beginning on page 61 of this report.

Long-term Debt/Liability. The County’s long-term liabilities at December 31, 2023 totaled \$114,356,825.

Outstanding Debt/Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Totals	
	Restated		2023	2022	2023	Restated 2022
	2023	2022				
General Obligation Bonds	20,475,000	23,810,000	7,004,280	7,524,280	27,479,280	31,334,280
Landfill Closure and Post Closure Costs			9,321,301	8,710,587	9,321,301	8,710,587
Drain Districts	2,998,180	2,991,428	-	-	2,998,180	2,991,428
Self-insurance Liability	1,175,000	1,373,000	-	-	1,175,000	1,373,000
Accumulated Employee Vacation, Sick and Compensatory Time	6,159,543	5,936,172	48,427	46,451	6,207,970	5,982,623
Installment Purchase	66,168	99,792	-	-	66,168	99,792
Leases	201,790	297,308	-	-	201,790	297,308
Subscriptions	526,660	375,422	-	-	526,660	375,422
Net Premium	647,144	768,930	-	-	647,144	768,930
Net Pension Liability	47,775,443	11,111,666	688,183	158,915	48,463,626	11,270,581
Net OPEB Liability	16,979,575	18,569,861	290,131	296,197	17,269,706	18,866,058
Total	97,004,503	65,333,579	17,352,322	16,736,430	114,356,825	82,070,009

Significant portions of the debt include the following:

- The general obligation bonds sold in 2010 to construct a landfill leachate system and a gas to energy facility (\$4,269,280), net of 36.3% of forgivable portion. This debt is issued through the State of Michigan Municipal Bond Authority.
- The general obligation bonds sold in 2014 to expand the County’s bioreactor system and to construct an additional landfill cell (\$2,735,000), net of 50% of forgivable portion. This debt is issued through the State of Michigan Municipal Bond Authority.
- The 2015 refunding of the 2007 (Series A) general obligation bonds to finance the construction of a Mental Health Authority building (\$2,645,000).
- The outstanding portion of the 2022 refunding of the 2012 issue sold to construct and equip the Blue Water Area Convention Center (\$6,640,000).
- The 2017 refunding of the 2009 general obligation bonds to construct a communications tower and acquire the required equipment (\$315,000).
- The 2020 refunding of the outstanding portion of the 2012 refunded general obligation bonds to construct the Jail/Juvenile facility (\$10,875,000).

St. Clair County Management's Discussion and Analysis

- The County operates the Smiths Creek Landfill and is required to record the estimated costs of closure and the post-closure costs of the Landfill to ensure that when the facility is closed in the future there will be sufficient funds available to maintain it in an environmentally sound way. The amount recorded for this obligation is \$9,321,301.
- Upon their leaving County employment, certain employees of the County have, through collective bargaining agreements or policy, rights to be paid outstanding balances of accrued vacation, sick time, or compensatory time earned. This amount at December 31, 2022 is \$6,207,970.
- The net pension liability of County employees/retirees amounts to \$48,463,626.
- The net OPEB liability of the County employees/retirees amounts to \$17,269,706.

Additional information on the County's long-term debt can be found in Note 10 beginning on page 71 of this report.

Economic Factors and Next Year's Budgets and Rates

Many factors were considered in preparation of the County's budget for the 2024 fiscal year. Several of the more telling factors are as follows:

- The taxable value of real and personal property within the County is expected to increase 5% in 2024.
- State revenue sharing increased 5% from prior year original estimates.
- Costs of inmate medical and inmate housing expenses are expected to increase due to mental health and staffing costs.
- Interest rates on investments have increased significantly due to continuous Fed rate increases.
- Due to market fluctuations, the County increased the pension contribution by 2% to help offset market losses incurred during 2022.
- The County increased the contribution to the retiree's healthcare trust by 3%.
- State unemployment rates continue to remain low at 3.9%.
- Community and economic development are on the rise.

The 2024 budgets are currently balanced and the Board of Commissioners will approve any amendments as needed.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Assets:				
Cash and cash equivalents	\$ 74,086,282	\$ 29,639,134	\$ 103,725,416	\$ 26,867,076
Investments	10,417,362	3,109,308	13,526,670	-
Receivables (net of allowance)	40,212,703	6,580,455	46,793,158	33,985,545
Prepaid expenses and deposits	2,121,800	39,691	2,161,491	1,023,098
Internal balances	(2,000,000)	2,000,000	-	-
Inventory	-	60,279	60,279	2,552,045
Long-term notes receivable	3,693,651	100,000	3,793,651	-
Advance to component units	1,150,000	-	1,150,000	-
Restricted assets -				
Cash and cash equivalents	-	-	-	2,993,482
Accounts receivable	-	-	-	76,111
Beneficial interest in assets held by others	-	-	-	157,131
Net OPEB asset	-	-	-	8,281,998
Capital assets (net of accumulated depreciation)				
Assets not being depreciated	15,522,768	2,160,779	17,683,547	34,232,430
Assets being depreciated	61,321,297	21,052,512	82,373,809	236,770,064
Total Assets	<u>206,525,863</u>	<u>64,742,158</u>	<u>271,268,021</u>	<u>346,938,980</u>
Deferred Outflows of Resources:				
Related to the pension plan	27,227,167	392,195	27,619,362	14,128,156
Related to the OPEB plan	10,399,666	177,700	10,577,366	7,326,069
Deferred charges on bond refunding	293,888	-	293,888	84,974
Total Deferred Outflows of Resources	<u>37,920,721</u>	<u>569,895</u>	<u>38,490,616</u>	<u>21,539,199</u>
Liabilities:				
Payables and accrued liabilities	7,016,840	1,657,943	8,674,783	17,866,703
Bonds and restitution payable	805,613	-	805,613	-
Advances and deposits	86,568	-	86,568	1,834,327
Advances from primary government	-	-	-	1,150,000
Unearned revenue	24,860,016	45,683	24,905,699	35,154
Non-current liabilities -				
Due within one year	5,427,472	535,000	5,962,472	3,719,836
Due in more than one year				
Long-term liabilities, net of current portion	26,822,013	15,839,008	42,661,021	21,887,303
Net pension liability	47,775,443	688,183	48,463,626	19,646,213
Net OPEB liability	16,979,575	290,131	17,269,706	2,628,938
Total Liabilities	<u>129,773,540</u>	<u>19,055,948</u>	<u>148,829,488</u>	<u>68,768,474</u>
Deferred Inflows of Resources:				
Leases	-	-	-	413,227
Related to the pension plan	994,776	14,329	1,009,105	593,164
Related to the OPEB plan	18,623,265	318,217	18,941,482	9,151,186
Taxes levied for a subsequent period	22,814,730	-	22,814,730	1,461,426
Total Deferred Inflows of Resources	<u>42,432,771</u>	<u>332,546</u>	<u>42,765,317</u>	<u>11,619,003</u>

(Continued)

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Net Position:				
Net investment in capital assets	\$ 57,866,191	\$ 16,209,011	\$ 74,075,202	\$ 238,897,851
Restricted - Expendable -				
Acquisition/construction of capital assets	9,033,523	-	9,033,523	-
Debt Service	101,772	-	101,772	19,816,054
Judicial	1,239,404	-	1,239,404	-
Recreation and Cultural	7,333,198	-	7,333,198	-
Health and Welfare	18,792,157	-	18,792,157	-
Public Safety	3,773,770	-	3,773,770	-
Foreclosure sales	-	2,978,799	2,978,799	-
Net OPEB asset	-	-	-	7,465,203
Other Purposes	142,099	-	142,099	207,096
Unrestricted (deficit)	(26,041,841)	26,735,749	693,908	21,704,498
Total Net Position	<u>\$ 72,240,273</u>	<u>\$ 45,923,559</u>	<u>\$ 118,163,832</u>	<u>\$ 288,090,702</u>

(Concluded)

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General Government	\$ 12,228,247	\$ 4,975,626	\$ 4,367,203	\$ -
Judicial	17,649,702	1,651,247	6,079,792	-
Public Safety	30,822,422	5,466,655	4,896,205	-
Public Works	1,941,893	-	-	-
Health and Welfare	22,511,838	9,995,956	7,142,784	-
Community and Economic Development	1,462,403	940,727	265,794	-
Recreation and Culture	11,601,704	794,832	307,643	-
Interest on Long Term Debt	668,730	419,951	-	-
Total governmental activities	<u>98,886,939</u>	<u>24,244,994</u>	<u>23,059,421</u>	<u>-</u>
Business-type activities:				
Delinquent Tax Revolving	548,598	1,552,411	-	-
Airport Commission	1,486,918	746,220	-	179,296
Sheriff's Concession	820,108	882,251	-	-
School Tax Collections	-	-	-	-
Homestead Exemption Audits	15	-	-	-
Solid Waste Disposal System	9,194,933	9,119,101	106,235	-
Total business-type activities	<u>12,050,572</u>	<u>12,299,983</u>	<u>106,235</u>	<u>179,296</u>
Total Primary Government	<u>\$ 110,937,511</u>	<u>\$ 36,544,977</u>	<u>\$ 23,165,656</u>	<u>\$ 179,296</u>
Component Units				
Road Commission	\$ 30,233,893	\$ 10,889,444	\$ 22,530,760	\$ 6,125,412
Department of Public Works	2,274,512	1,612,658	-	261,232
Community Mental Health Authority	98,535,631	100,111,001	4,751,910	-
Land Bank Authority	1,312	42,458	-	-
Brownfield Redevelopment Authority	8,681	-	1,169	-
Drainage Districts	1,792,212	5,406,863	-	-
Total Component Units	<u>\$ 132,846,241</u>	<u>\$ 118,062,424</u>	<u>\$ 27,283,839</u>	<u>\$ 6,386,644</u>

General revenues:

 Property taxes

 Grants and contributions not

 restricted to specific programs

 Unrestricted investment income

 Gain on sale of assets

 Interest and penalties on delinquent taxes

Transfers

Special Item - Transfer from Region 10

 Total general revenues, transfers, and special item

Change in net position

Net position at beginning of year, as restated

Net position at end of year

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

Net (Expense) Revenue and Change in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$(2,885,418)	\$ -	\$(2,885,418)	\$ -
(9,918,663)	-	(9,918,663)	-
(20,459,562)	-	(20,459,562)	-
(1,941,893)	-	(1,941,893)	-
(5,373,098)	-	(5,373,098)	-
(255,882)	-	(255,882)	-
(10,499,229)	-	(10,499,229)	-
(248,779)	-	(248,779)	-
<u>(51,582,524)</u>	<u>-</u>	<u>(51,582,524)</u>	<u>-</u>
-	1,003,813	1,003,813	-
-	(561,402)	(561,402)	-
-	62,143	62,143	-
-	-	-	-
-	(15)	(15)	-
-	30,403	30,403	-
<u>-</u>	<u>534,942</u>	<u>534,942</u>	<u>-</u>
<u>(51,582,524)</u>	<u>534,942</u>	<u>(51,047,582)</u>	<u>-</u>
-	-	-	9,311,723
-	-	-	(400,622)
-	-	-	6,327,280
-	-	-	41,146
-	-	-	(7,512)
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,614,651</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>18,886,666</u>
61,864,270	-	61,864,270	1,424,366
5,024,904	-	5,024,904	-
4,008,599	713,232	4,721,831	627,289
144,912	-	144,912	109,639
1,210	1,110,503	1,111,713	-
2,955,721	(2,955,721)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,071,029)</u>
<u>73,999,616</u>	<u>(1,131,986)</u>	<u>72,867,630</u>	<u>(6,909,735)</u>
22,417,092	(597,044)	21,820,048	11,976,931
<u>49,823,181</u>	<u>46,520,603</u>	<u>96,343,784</u>	<u>276,113,771</u>
<u>\$ 72,240,273</u>	<u>\$ 45,923,559</u>	<u>\$ 118,163,832</u>	<u>\$ 288,090,702</u>

ST. CLAIR COUNTY, MICHIGAN

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	<u>Combined General</u>	<u>Parks and Recreation</u>	<u>Library</u>	<u>Senior Citizens Millage</u>
Assets:				
Cash and cash equivalents	\$ 1,576,039	\$ 3,139,748	\$ 7,561,338	\$ 5,782,585
Investments	9,917,362	-	-	-
Receivables, net of allowance -				
Property taxes	1,724,423	3,585,478	8,715,649	5,789,556
Interest and accounts	373,188	2,385	9,732	-
Due from other governmental units	2,785,000	17,464	34,621	23,032
Long-term notes receivable	1,048,651	-	-	-
Advances to component units	1,150,000	-	-	-
Deposits	35,240	-	54,399	-
	<u>\$ 18,609,903</u>	<u>\$ 6,745,075</u>	<u>\$ 16,375,739</u>	<u>\$ 11,595,173</u>
Liabilities:				
Accounts payable	\$ 760,349	\$ 122,469	\$ 148,674	\$ 956,890
Accrued liabilities	1,194,331	23,261	69,053	395
Advances and deposits	-	13,900	-	-
Due to other governmental units	48,336	-	-	-
Due to other funds	2,000,000	-	-	-
Bonds and restitution payable	805,613	-	-	-
Unearned revenue	-	-	-	-
	<u>4,808,629</u>	<u>159,630</u>	<u>217,727</u>	<u>957,285</u>
Deferred Inflows of Resources:				
Unavailable revenue -				
Delinquent property taxes	37,760	4,232	8,134	6,838
Lease contract/revolving loans	-	-	-	-
Grants/fees	298,642	-	-	-
Taxes levied for subsequent period	-	3,692,722	8,978,113	5,962,727
	<u>336,402</u>	<u>3,696,954</u>	<u>8,986,247</u>	<u>5,969,565</u>
Fund Balances:				
Nonspendable -				
Long-term receivables/advances	2,198,651	-	-	-
Deposits	35,240	-	-	-
Restricted	-	2,888,491	7,171,765	4,668,323
Committed	1,437,369	-	-	-
Unassigned	9,793,612	-	-	-
	<u>13,464,872</u>	<u>2,888,491</u>	<u>7,171,765</u>	<u>4,668,323</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,609,903</u>	<u>\$ 6,745,075</u>	<u>\$ 16,375,739</u>	<u>\$ 11,595,173</u>

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

<u>Drug Task Force</u>	<u>American Rescue Plan</u>	<u>Opioid Settlement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,550,694	\$ 26,661,830	\$ 1,400,940	\$ 24,736,181	\$ 73,409,355
-	-	-	500,000	10,417,362
4,059,736	-	-	596	23,875,438
-	-	10,223,111	951,878	11,560,294
3,424	-	-	1,544,943	4,408,484
-	-	-	2,645,000	3,693,651
-	-	-	-	1,150,000
-	-	-	-	89,639
<u>\$ 6,613,854</u>	<u>\$ 26,661,830</u>	<u>\$ 11,624,051</u>	<u>\$ 30,378,598</u>	<u>\$ 128,604,223</u>
\$ 114,639	\$ 938,213	\$ 271	\$ 390,668	\$ 3,432,173
49,917	-	1,999	238,056	1,577,012
-	-	-	72,668	86,568
-	-	-	999,741	1,048,077
-	-	-	-	2,000,000
-	-	-	-	805,613
-	23,823,090	-	1,036,926	24,860,016
<u>164,556</u>	<u>24,761,303</u>	<u>2,270</u>	<u>2,738,059</u>	<u>33,809,459</u>
4,793	-	-	596	62,353
-	-	-	3,272,388	3,272,388
3,424	-	10,223,111	110,241	10,635,418
4,181,168	-	-	-	22,814,730
<u>4,189,385</u>	<u>-</u>	<u>10,223,111</u>	<u>3,383,225</u>	<u>36,784,889</u>
-	-	-	-	2,198,651
-	-	-	-	35,240
2,259,913	-	1,398,670	13,875,441	32,262,603
-	1,900,527	-	10,381,873	13,719,769
-	-	-	-	9,793,612
<u>2,259,913</u>	<u>1,900,527</u>	<u>1,398,670</u>	<u>24,257,314</u>	<u>58,009,875</u>
<u>\$ 6,613,854</u>	<u>\$ 26,661,830</u>	<u>\$ 11,624,051</u>	<u>\$ 30,378,598</u>	<u>\$ 128,604,223</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET FOR
GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Fund Balances - total governmental funds		\$ 58,009,875
Amounts reported for governmental activities in the statement of net position are different because:		
Expenses recorded in the funds on the purchase method		453,313
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Capital assets		161,295,678
Accumulated depreciation/amortization		(84,505,240)
Certain assets do not represent current financial resources and are therefore not recorded in the funds		
Interest receivable on capital lease contract		30,250
Certain pension and OPEB contributions and changes in pension and OPEB plan liabilities are reported as deferred outflows (inflows) of resources in the statement of net position		
Deferred outflows of resources		37,626,833
Deferred inflows of resources		(19,618,041)
Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds		
Delinquent personal property taxes	\$ 62,353	
Housing rehabilitation loan	628,325	
Capital lease contract	2,644,063	
Grants/fees	<u>10,635,418</u>	13,970,159
Internal Service Fund used by management to charge cost of property, liability, health, disability, workers compensation, and life insurance expenses and claims. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		646,772
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds		
Bonds payable	(20,475,000)	
Drain District assessments payable	(2,998,180)	
Lease liability	(201,790)	
SBITA liability	(526,660)	
Installment purchase payable	(66,168)	
Accrued interest on bonds/notes payable	(133,711)	
Net pension liability	(47,775,443)	
Net OPEB liability	(16,979,575)	
Accrued compensated absences	<u>(6,159,543)</u>	(95,316,070)
Charges on refunding are reported currently in the governmental funds, whereas they are capitalized and amortized from net position		293,888
Premiums on bonds are reported as other financing sources in the governmental funds, whereas they are capitalized and amortized from net position (netted against bonds payable)		<u>(647,144)</u>
Net Position of governmental activities		<u><u>\$ 72,240,273</u></u>

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Combined General</u>	<u>Parks and Recreation</u>	<u>Library</u>	<u>Senior Citizens Millage</u>
Revenues:				
Taxes	\$ 39,843,705	\$ 3,451,458	\$ 8,390,955	\$ 5,573,166
Licenses and permits	228,974	-	-	-
Intergovernmental	14,922,938	36,799	270,844	54,251
Charges for services	7,642,087	236,683	53,720	-
Fines and forfeits	326,375	-	422,881	-
Interest and rent	2,324,825	95,924	222,948	170,352
Other	1,482,622	58,269	32,545	7,950
Total Revenues	<u>66,771,526</u>	<u>3,879,133</u>	<u>9,393,893</u>	<u>5,805,719</u>
Expenditures:				
Current -				
General Government	12,031,033	-	-	-
Judicial	15,215,293	-	-	-
Public Safety	27,786,958	-	-	-
Public Works	1,867,067	-	-	-
Health and Welfare	2,325,273	-	-	5,569,801
Community and Economic Development	1,086,823	-	-	-
Recreation and Cultural	-	3,222,513	6,425,388	-
Capital Outlay	-	-	-	-
Debt Service -				
Principal	393,566	-	-	-
Interest and charges	133,105	-	-	-
Total Expenditures	<u>60,839,118</u>	<u>3,222,513</u>	<u>6,425,388</u>	<u>5,569,801</u>
Revenues over (under) expenditures	<u>5,932,408</u>	<u>656,620</u>	<u>2,968,505</u>	<u>235,918</u>
Other Financing Sources (Uses):				
Issuance of notes/SBITAs	400,318	-	247,647	-
Sale of assets	-	-	-	-
Transfers from other funds	2,911,440	-	-	-
Transfers to other funds	<u>(8,808,379)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(5,496,621)</u>	<u>-</u>	<u>247,647</u>	<u>-</u>
Net Change in Fund Balances	435,787	656,620	3,216,152	235,918
Fund Balances at beginning of year	<u>13,029,085</u>	<u>2,231,871</u>	<u>3,955,613</u>	<u>4,432,405</u>
Fund Balances at end of year	<u>\$ 13,464,872</u>	<u>\$ 2,888,491</u>	<u>\$ 7,171,765</u>	<u>\$ 4,668,323</u>

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

<u>Drug Task Force</u>	<u>American Rescue Plan</u>	<u>Opioid Settlement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,907,990	\$ -	\$ -	\$ 696,368	\$ 61,863,642
-	-	-	443,296	672,270
716	3,419,381	-	9,360,208	28,065,137
-	-	-	5,416,400	13,348,890
-	-	-	104,332	853,588
94,953	1,425,804	-	1,277,123	5,611,929
12,750	-	389,294	632,965	2,616,395
<u>4,016,409</u>	<u>4,845,185</u>	<u>389,294</u>	<u>17,930,692</u>	<u>113,031,851</u>
-	275,133	-	358,083	12,664,249
-	191,165	-	2,914,512	18,320,970
3,111,908	1,550,178	-	119,286	32,568,330
-	78,935	-	-	1,946,002
-	330,511	327,619	14,492,586	23,045,790
-	505,711	-	-	1,592,534
-	487,748	-	1,846,730	11,982,379
-	-	-	1,109,235	1,109,235
17,313	-	-	3,413,205	3,824,084
4,359	-	-	590,785	728,249
<u>3,133,580</u>	<u>3,419,381</u>	<u>327,619</u>	<u>24,844,422</u>	<u>107,781,822</u>
<u>882,829</u>	<u>1,425,804</u>	<u>61,675</u>	<u>(6,913,730)</u>	<u>5,250,029</u>
-	-	-	-	647,965
-	-	-	144,912	144,912
-	-	-	10,793,100	13,704,540
<u>(541,868)</u>	<u>-</u>	<u>-</u>	<u>(1,398,572)</u>	<u>(10,748,819)</u>
<u>(541,868)</u>	<u>-</u>	<u>-</u>	<u>9,539,440</u>	<u>3,748,598</u>
340,961	1,425,804	61,675	2,625,710	8,998,627
<u>1,918,952</u>	<u>474,723</u>	<u>1,336,995</u>	<u>21,631,604</u>	<u>49,011,248</u>
<u>\$ 2,259,913</u>	<u>\$ 1,900,527</u>	<u>\$ 1,398,670</u>	<u>\$ 24,257,314</u>	<u>\$ 58,009,875</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Net change in fund balances - total governmental funds	\$	8,998,627
Change in prepaid expenses recorded in the funds on the purchase method	(	162,367)
<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		3,613,095
Depreciation/amortization expense	(	5,342,654)
Loss from sale/disposal of assets	(	24,789)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		5,171,547
<p>The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position.</p>		
Principal payments on long term liabilities		3,954,117
Issuance of debt - drain notes and SBITAs	(	647,965)
<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		24,083
Amortization of bond premium		121,786
Amortization of deferred charge on refunding	(	86,350)
<p>Internal service funds used by management to charge costs of property, liability, health, disability, workers compensation and life insurance expenses and claims. The net revenues (expenses) attributable to those funds is reported with governmental activities.</p>		
	(	736,026)
Change in deferred outflows of resources and deferred inflows of resources related to the pension and OPEB plans		42,830,850
<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 funds.</p>		
Decrease in net OPEB liability	\$	1,590,286
Increase in net pension liability	(	36,663,777)
Increase in accrued compensated absences	(	223,371)
		<u>35,296,862)</u>
Change in net position of governmental activities	\$	<u>22,417,092</u>

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023**

	Business-type Activities - Enterprise Funds				Total	Governmental
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds		Internal Service Fund
Assets:						
Current Assets:						
Cash and cash equivalents	\$ 9,890,574	\$ 18,156,091	\$ 769,395	\$ 823,074	\$29,639,134	\$ 676,927
Investments	-	3,109,308	-	-	3,109,308	-
Receivables, net of allowance -						
Delinquent taxes	-	4,188,010	-	-	4,188,010	-
Interest and accounts	1,013,747	1,164,321	6,581	96,093	2,280,742	338,237
Due from other governmental units	63,741	27,677	20,285	-	111,703	-
Inventory	-	-	60,279	-	60,279	-
Prepaid expenses and deposits	19,626	19,864	201	-	39,691	1,578,848
Due from other funds	-	2,000,000	-	-	2,000,000	-
Total Current Assets	<u>10,987,688</u>	<u>28,665,271</u>	<u>856,741</u>	<u>919,167</u>	<u>41,428,867</u>	<u>2,594,012</u>
Noncurrent Assets:						
Capital assets	51,038,501	268,680	11,958,758	-	63,265,939	116,737
Less - accumulated depreciation	(34,965,115)	(268,680)	(4,818,853)	-	(40,052,648)	(63,110)
Capital assets, net	<u>16,073,386</u>	<u>-</u>	<u>7,139,905</u>	<u>-</u>	<u>23,213,291</u>	<u>53,627</u>
Notes receivable	100,000	-	-	-	100,000	-
Total Noncurrent Assets	<u>16,173,386</u>	<u>-</u>	<u>7,139,905</u>	<u>-</u>	<u>23,313,291</u>	<u>53,627</u>
Total Assets	<u>27,161,074</u>	<u>28,665,271</u>	<u>7,996,646</u>	<u>919,167</u>	<u>64,742,158</u>	<u>2,647,639</u>
Deferred Outflows of Resources:						
Related to pension plan	392,195	-	-	-	392,195	-
Related to OPEB plan	177,700	-	-	-	177,700	-
Total Deferred Outflows of Resources	<u>569,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,895</u>	<u>-</u>

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

	Business-type Activities - Enterprise Funds					Governmental
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
Liabilities:						
Current Liabilities:						
Accounts payable	\$ 1,048,210	\$ 12,877	\$ 38,168	\$ 35,860	\$ 1,135,115	\$ 328,570
Accrued expenses	10,690	423,938	5,699	1,308	441,635	497,297
Due to other governmental units	27,581	8,226	1,609	-	37,416	-
Accrued interest payable	43,777	-	-	-	43,777	-
Current portion of long-term liabilities	535,000	-	-	-	535,000	277,000
Unearned revenue	-	-	45,683	-	45,683	-
Total Current Liabilities	<u>1,665,258</u>	<u>445,041</u>	<u>91,159</u>	<u>37,168</u>	<u>2,238,626</u>	<u>1,102,867</u>
Long-term Liabilities (less current portions):						
Accrued vacation and sick	33,053	-	15,374	-	48,427	-
Accrued insurance claims	-	-	-	-	-	898,000
Net pension liability	688,183	-	-	-	688,183	-
Net OPEB liability	290,131	-	-	-	290,131	-
Bonds payable	6,469,280	-	-	-	6,469,280	-
Estimated closure and post closure costs	9,321,301	-	-	-	9,321,301	-
Total Long-term Liabilities	<u>16,801,948</u>	<u>-</u>	<u>15,374</u>	<u>-</u>	<u>16,817,322</u>	<u>898,000</u>
Total Liabilities	<u>18,467,206</u>	<u>445,041</u>	<u>106,533</u>	<u>37,168</u>	<u>19,055,948</u>	<u>2,000,867</u>
Deferred Inflows of Resources:						
Related to pension plan	14,329	-	-	-	14,329	-
Related to OPEB plan	<u>318,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>318,217</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>332,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>332,546</u>	<u>-</u>
Net Position:						
Net investment in capital assets	9,069,106	-	7,139,905	-	16,209,011	53,627
Restricted - Expendable						
Foreclosure sales	-	2,978,799	-	-	2,978,799	-
Unrestricted (deficit)	<u>(137,889)</u>	<u>25,241,431</u>	<u>750,208</u>	<u>881,999</u>	<u>26,735,749</u>	<u>593,145</u>
Total Net Position	<u>\$ 8,931,217</u>	<u>\$ 28,220,230</u>	<u>\$ 7,890,113</u>	<u>\$ 881,999</u>	<u>\$ 45,923,559</u>	<u>\$ 646,772</u>

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Business-type Activities - Enterprise Funds					Governmental
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
Operating Revenues:						
Charges for services	\$ 9,113,429	\$ 1,552,411	\$ 499,592	\$ 882,251	\$ 12,047,683	\$ 12,949,071
Interest and rents	-	1,110,503	246,287	-	1,356,790	-
Other	5,672	-	341	-	6,013	615,925
Total Operating Revenues	<u>9,119,101</u>	<u>2,662,914</u>	<u>746,220</u>	<u>882,251</u>	<u>13,410,486</u>	<u>13,564,996</u>
Operating Expenses:						
Personal services	510,628	204,738	251,887	70,869	1,038,122	382,288
Supplies	979,547	-	363,498	8,127	1,351,172	3,918
Other services	5,298,049	343,860	344,950	741,127	6,727,986	13,911,186
Closure and post closure costs	610,714	-	-	-	610,714	-
Depreciation	1,651,817	-	480,675	-	2,132,492	3,630
Total Operating Expenses	<u>9,050,755</u>	<u>548,598</u>	<u>1,441,010</u>	<u>820,123</u>	<u>11,860,486</u>	<u>14,301,022</u>
Operating income (loss)	<u>68,346</u>	<u>2,114,316</u>	<u>(694,790)</u>	<u>62,128</u>	<u>1,550,000</u>	<u>(736,026)</u>
Non-Operating Revenues (Expenses):						
Investment gain (loss)	63,594	647,136	-	2,502	713,232	-
Intergovernmental grants	106,235	-	179,296	-	285,531	-
Gain (loss) on disposal of capital assets	38,866	-	(45,908)	-	(7,042)	-
Interest expense	(183,044)	-	-	-	(183,044)	-
Total Non-Operating Revenues (Expenses)	<u>25,651</u>	<u>647,136</u>	<u>133,388</u>	<u>2,502</u>	<u>808,677</u>	<u>-</u>
Net income (loss) before transfers	<u>93,997</u>	<u>2,761,452</u>	<u>(561,402)</u>	<u>64,630</u>	<u>2,358,677</u>	<u>(736,026)</u>
Transfers:						
Transfers from other funds	-	-	210,000	-	210,000	-
Transfers to other funds	(900,000)	(2,179,721)	-	(86,000)	(3,165,721)	-
Total Transfers	<u>(900,000)</u>	<u>(2,179,721)</u>	<u>210,000</u>	<u>(86,000)</u>	<u>(2,955,721)</u>	<u>-</u>
Change in Net Position	(806,003)	581,731	(351,402)	(21,370)	(597,044)	(736,026)
Net Position at beginning of year	<u>9,737,220</u>	<u>27,638,499</u>	<u>8,241,515</u>	<u>903,369</u>	<u>46,520,603</u>	<u>1,382,798</u>
Net Position at end of year	<u>\$ 8,931,217</u>	<u>\$ 28,220,230</u>	<u>\$ 7,890,113</u>	<u>\$ 881,999</u>	<u>\$ 45,923,559</u>	<u>\$ 646,772</u>

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Business-type Activities - Enterprise Funds					Governmental
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
Cash Flows From Operating Activities:						
Cash receipts from customers	\$ 9,406,856	\$12,141,839	\$ 726,601	\$ 869,710	\$23,145,006	\$ 511,048
Cash receipts from interfund services	-	-	-	-	-	12,949,071
Cash payments to suppliers	(5,847,936)	(10,179,676)	(708,513)	(766,504)	(17,502,629)	(13,971,187)
Cash payments to employees	(552,373)	(104,818)	(236,066)	(64,061)	(957,318)	(382,288)
Cash payments for interfund services	(59,771)	(23,570)	(6,718)	(6,718)	(96,777)	-
Other cash receipts	111,907	-	179,296	-	291,203	-
Net cash Provided by (Used in) Operating Activities	<u>3,058,683</u>	<u>1,833,775</u>	<u>(45,400)</u>	<u>32,427</u>	<u>4,879,485</u>	<u>(893,356)</u>
Cash Flows From Noncapital Financing Activities:						
Cash receipts/payments to other funds	-	(900,000)	-	-	(900,000)	-
Transfers from other funds	-	-	210,000	-	210,000	-
Transfers to other funds	(900,000)	(2,179,721)	-	(86,000)	(3,165,721)	-
Net cash Provided by (Used in) Non-capital Related Financing Activities	<u>(900,000)</u>	<u>(3,079,721)</u>	<u>210,000</u>	<u>(86,000)</u>	<u>(3,855,721)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:						
Payments on bonds	(520,000)	-	-	-	(520,000)	-
Sale of assets	38,866	-	-	-	38,866	-
Interest paid	(186,294)	-	-	-	(186,294)	-
Acquisition and construction of capital assets	(359,993)	-	-	-	(359,993)	(6,221)
Net cash Provided by (Used in) Capital Related Financing Activities	<u>(1,027,421)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,027,421)</u>	<u>(6,221)</u>
Cash Flows From Investing Activities:						
Interest received	63,594	647,136	-	2,502	713,232	-
Receipts on notes receivable	-	8,449	-	-	8,449	-
Purchase of investments	-	(113,082)	-	-	(113,082)	-
Net Cash Provided by Investing Activities	<u>63,594</u>	<u>542,503</u>	<u>-</u>	<u>2,502</u>	<u>608,599</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,194,856	(703,443)	164,600	(51,071)	604,942	(899,577)
Cash and Cash Equivalents at beginning of year	<u>8,695,718</u>	<u>18,859,534</u>	<u>604,795</u>	<u>874,145</u>	<u>29,034,192</u>	<u>1,576,504</u>
Cash and Cash Equivalents at end of year	<u>\$ 9,890,574</u>	<u>\$ 18,156,091</u>	<u>\$ 769,395</u>	<u>\$ 823,074</u>	<u>\$29,639,134</u>	<u>\$ 676,927</u>

(Continued)

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Business-type Activities - Enterprise Funds					Governmental
	Solid Waste Disposal System	Delinquent Tax Revolving	Airport Commission	Other Proprietary Funds	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ 68,346	\$ 2,114,316	\$(694,790)	\$ 62,128	\$ 1,550,000	\$(736,026)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -						
Depreciation	1,651,817	-	480,675	-	2,132,492	3,630
Estimated closure and post closure costs	610,714	-	-	-	610,714	-
Intergovernmental grants	106,235	-	179,296	-	285,531	-
Change in assets and liabilities:						
Receivables	301,861	(351,507)	(3,781)	(12,541)	(65,968)	(104,877)
Inventory	-	-	(25,813)	-	(25,813)	-
Prepays and deposits	(10,038)	(1,455)	-	-	(11,493)	1,550
Deferred outflows/inflows of resources related to pension and OPEB plans	(619,804)	-	-	-	(619,804)	-
Accounts payable/ accrued expenses	948,366	72,097	34,851	(17,160)	1,038,154	(57,633)
Due to/from other governmental units	1,186	324	(4,365)	-	(2,855)	-
Unearned revenue	-	-	(11,473)	-	(11,473)	-
Net cash Provided by (Used in) Operating Activities	<u>\$ 3,058,683</u>	<u>\$ 1,833,775</u>	<u>\$(45,400)</u>	<u>\$ 32,427</u>	<u>\$ 4,879,485</u>	<u>\$(893,356)</u>

(Concluded)

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

	<u>Pension and Other Employee Benefits</u>	<u>Landfill Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
Assets:			
Cash and cash equivalents	\$ 7,676,882	\$ 3,006,371	\$ 3,580,862
Investments -			
U.S. Government/Agencies	14,016,195	-	-
Corporate Debt	3,615,818	-	-
Stocks	41,024,538	-	-
Mortgage-backed securities	13,898,025	-	-
Mutual Funds	224,582,858	-	2,531,504
Partnerships	21,962,726	-	-
Certificates of Deposit	199,237	-	-
Receivables -			
Interest/dividends and accounts	281,206	-	322,803
Other	43,290	-	-
Prepayments	1,423,486	-	-
Due from other governmental units	-	-	100,997
	<u>328,724,261</u>	<u>3,006,371</u>	<u>6,536,166</u>
Total Assets			
Liabilities:			
Accounts payable	90,957	-	-
Accrued liabilities	2,372	-	-
Due to individuals and agencies	-	-	4,940,119
Due to other governmental units	-	-	517,973
Undistributed taxes	-	-	1,078,074
	<u>93,329</u>	<u>-</u>	<u>6,536,166</u>
Total Liabilities			
Net Position:			
Restricted for pension benefits	266,367,600	-	-
Restricted for other postemployment benefits	62,263,332	-	-
Restricted for landfill perpetual care	-	3,006,371	-
	<u>\$ 328,630,932</u>	<u>\$ 3,006,371</u>	<u>\$ -</u>
Total Net Position			

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Pension and Other Employee Benefits</u>	<u>Landfill Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
Additions:			
Contributions -			
Member contributions	\$ 2,043,536	\$ -	\$ -
Employer contributions	10,683,486	-	-
Total Contributions	<u>12,727,022</u>	<u>-</u>	<u>-</u>
Investment income -			
Net appreciation in fair value of investments	29,222,937	-	-
Interest/dividends	7,375,802	140,176	-
Less investment expense	<u>(537,096)</u>	<u>(1,000)</u>	<u>-</u>
Net investment income	<u>36,061,643</u>	<u>139,176</u>	<u>-</u>
Other -			
Penal fines	-	-	12,185
Court costs	-	-	1,424,556
Transfer taxes collected	-	-	5,308,343
Concealed weapon permit fees	-	-	121,616
Taxes collected	-	-	85,521,810
Public Guardian trust receipts	-	-	7,214,240
Other	8,032	-	348,728
	<u>8,032</u>	<u>-</u>	<u>99,951,478</u>
Total Additions	<u>48,796,697</u>	<u>139,176</u>	<u>99,951,478</u>
Deductions:			
Retirement payroll	19,052,153	-	-
Health/dental insurance	2,893,615	-	-
Death benefits	73,500	-	-
Employee refunds	211,195	-	-
Administration	165,300	-	-
Penal fines paid to libraries	-	-	12,185
Court costs paid to State	-	-	1,424,556
Transfer taxes paid to State	-	-	5,308,343
Concealed weapon permit fees paid to State	-	-	121,616
Taxes paid to other entities	-	-	85,521,810
Payments made on-behalf of public guardian clients	-	-	7,214,240
Other	-	-	348,728
	<u>22,395,763</u>	<u>-</u>	<u>99,951,478</u>
Total Deductions	<u>22,395,763</u>	<u>-</u>	<u>99,951,478</u>
Net increase	26,400,934	139,176	-
Net position -			
Beginning of year	<u>302,229,998</u>	<u>2,867,195</u>	<u>-</u>
End of year	<u>\$ 328,630,932</u>	<u>\$ 3,006,371</u>	<u>\$ -</u>

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

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2023**

	Road Commission	Department of Public Works	Community Mental Health Authority
Assets:			
Cash and cash equivalents	\$ 15,039,930	\$ 592,342	\$ 4,188,992
Receivables (net of allowance)	6,827,730	181,506	11,498,343
Prepaid expenses	216,416	-	806,682
Inventory	2,552,045	-	-
Restricted Assets -			
Cash and cash equivalents	-	832,633	2,160,849
Accounts receivable	-	76,111	-
Beneficial interest in assets held by others	-	-	157,131
Net OPEB asset	-	-	8,281,998
Capital Assets (net of accumulated depreciation)			
Assets not being depreciated	27,885,335	83,776	1,964,184
Assets being depreciated	175,345,552	7,977,341	9,765,927
Total Assets	<u>227,867,008</u>	<u>9,743,709</u>	<u>38,824,106</u>
Deferred Outflows of Resources:			
Related to the pension plan	6,076,601	-	8,051,555
Related to the OPEB plan	3,380,073	-	3,945,996
Deferred charges on bond refunding	-	-	84,974
Total Deferred Outflows of Resources	<u>9,456,674</u>	<u>-</u>	<u>12,082,525</u>
Liabilities:			
Payables and accrued liabilities	717,314	9,628,293	7,075,285
Accrued interest	-	-	2,968
Advances and deposits	1,718,911	115,416	-
Advance from primary government	-	-	-
Unearned revenue	-	-	35,154
Non-current liabilities -			
Due within one year	295,000	-	1,372,287
Due in more than one year			
Long-term liabilities	54,000	-	5,916,077
Net pension liability	8,526,299	-	11,119,914
Net OPEB liability	2,628,938	-	-
Total Liabilities	<u>13,940,462</u>	<u>9,743,709</u>	<u>25,521,685</u>
Deferred Inflows of Resources:			
Leases	413,227	-	-
Related to the pension plan	248,927	-	344,237
Related to the OPEB plan	4,388,395	-	4,762,791
Taxes levied for a subsequent period	1,461,426	-	-
Total Deferred Inflows of Resources	<u>6,511,975</u>	<u>-</u>	<u>5,107,028</u>
Net Position:			
Net investment in capital assets	203,230,887	-	6,556,870
Restricted -			
Net OPEB asset	-	-	7,465,203
Donations	-	-	99,965
Beneficial interest	-	-	107,131
Debt Service	-	-	-
Unrestricted (Deficit)	13,640,358	-	6,048,749
Total Net Position	<u>\$ 216,871,245</u>	<u>\$ -</u>	<u>\$ 20,277,918</u>

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

Land Bank Authority	Brownfield Redevelopment Authority	Drainage Districts	Totals
\$ 219,627	\$ 198,732	\$ 6,627,453	\$ 26,867,076
9,675		15,468,291	33,985,545
-	-	-	1,023,098
-	-	-	2,552,045
-	-	-	2,993,482
-	-	-	76,111
-	-	-	157,131
-	-	-	8,281,998
-	-	4,299,135	34,232,430
-	-	43,681,244	236,770,064
<u>229,302</u>	<u>198,732</u>	<u>70,076,123</u>	<u>346,938,980</u>
-	-	-	14,128,156
-	-	-	7,326,069
-	-	-	84,974
-	-	-	<u>21,539,199</u>
-	9,612	278,824	17,709,328
-	-	154,407	157,375
-	-	-	1,834,327
-	-	1,150,000	1,150,000
-	-	-	35,154
-	48,677	2,003,872	3,719,836
-	150,813	15,766,413	21,887,303
-	-	-	19,646,213
-	-	-	2,628,938
-	<u>209,102</u>	<u>19,353,516</u>	<u>68,768,474</u>
-	-	-	413,227
-	-	-	593,164
-	-	-	9,151,186
-	-	-	1,461,426
-	-	-	<u>11,619,003</u>
-	-	29,110,094	238,897,851
-	-	-	7,465,203
-	-	-	99,965
-	-	-	107,131
-	-	19,816,054	19,816,054
229,302	(10,370)	1,796,459	21,704,498
<u>\$ 229,302</u>	<u>\$(10,370)</u>	<u>\$ 50,722,607</u>	<u>\$ 288,090,702</u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Road Commission				
Governmental activities:				
Highways and Streets	\$ 30,233,893	\$ 10,889,444	\$ 22,530,760	\$ 6,125,412
Department of Public Works				
Governmental activities:				
Debt service	676,514	676,514	-	-
Business-type activities:				
Water and Sewer	1,597,998	936,144	-	261,232
Total Department of Public Works	<u>2,274,512</u>	<u>1,612,658</u>	<u>-</u>	<u>261,232</u>
Community Mental Health Authority				
Business type activities:				
Health and Welfare	98,535,631	100,111,001	4,751,910	-
Land Bank Authority				
Governmental activities:				
Community and Economic Development	1,312	42,458	-	-
Brownfield Redevelopment Authority				
Governmental activities:				
Community and Economic Development	8,681	-	1,169	-
Drainage Districts				
Governmental activities:				
Public Works	1,156,293	5,406,863	-	-
Interest on Long-term Debt	635,919	-	-	-
Total Drains	<u>1,792,212</u>	<u>5,406,863</u>	<u>-</u>	<u>-</u>
Total Component Units	<u>\$ 132,846,241</u>	<u>\$ 118,062,424</u>	<u>\$ 27,283,839</u>	<u>\$ 6,386,644</u>

General Revenues:
 Property taxes
 Unrestricted investment income
 Gain on disposal of fixed assets
 Special Item - Dissolution of Department of Public Works
 Total general revenues

Change in net position

Net position at beginning of year, as restated

Net position at end of year

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

Net (Expense) Revenue and Change in Net Position						
Road Commission	Department of Public Works	Community Mental Health Authority	Land Bank Authority	Brownfield Redevelopment Authority	Drainage Districts	Total
\$ 9,311,723						\$ 9,311,723
	\$ -					-
	(400,622)					(400,622)
	(400,622)					
		\$ 6,327,280				6,327,280
			\$ 41,146			41,146
				\$(7,512)		(7,512)
					\$ 4,250,570	4,250,570
					(635,919)	(635,919)
					<u>3,614,651</u>	<u>18,886,666</u>
1,362,972	-	-	16,976	44,418		1,424,366
408,595	18,943	134,990	4,873	-	59,888	627,289
109,639	-	-	-	-	-	109,639
-	(9,071,029)	-	-	-	-	(9,071,029)
<u>1,881,206</u>	<u>(9,052,086)</u>	<u>134,990</u>	<u>21,849</u>	<u>44,418</u>	<u>59,888</u>	<u>(6,909,735)</u>
11,192,929	(9,452,708)	6,462,270	62,995	36,906	3,674,539	11,976,931
205,678,316	9,452,708	13,815,648	166,307	(47,276)	47,048,068	276,113,771
<u>\$ 216,871,245</u>	<u>\$ -</u>	<u>\$ 20,277,918</u>	<u>\$ 229,302</u>	<u>\$(10,370)</u>	<u>\$ 50,722,607</u>	<u>\$ 288,090,702</u>

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity -

The County of St. Clair, Michigan (the "County"), was organized on March 28, 1820 and covers an area of approximately 700 square miles, with the County seat located in the City of Port Huron, Michigan. The County operates under an elected Board of Commissioners (7 members) and provides services to its approximately 160,000 residents in many areas including law enforcement, administration of justice, community enrichment and development, public works, health and welfare, and recreation and culture.

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

DISCRETELY PRESENTED COMPONENT UNITS -

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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

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

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

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

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

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

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

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

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

B. Government-wide and Fund Financial Statements -

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are normally collected within 60 days of the end of the current fiscal period except for reimbursement grants, which are recognized if collected or could have been collected within 90 days, with the exception of changes in the fair value of investments, which are recognized immediately. 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.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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

The County reports the following major governmental funds:

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

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

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

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

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

American Rescue Plan - is used to account for proceeds of and the spending of the County's allocation of American Rescue Plan Act funding.

Opioid Settlement - is used to account for fees received for various settlements related to the opioid crisis.

The County reports the following major proprietary funds:

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Additionally, the County reports the following fund types:

Governmental Fund Types -

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

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

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

Proprietary Fund Types -

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

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

Fiduciary Fund Types -

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

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

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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

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

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

Deposits and Investments -

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

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

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

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

Receivables and Payables -

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Inventories and Prepaid Items -

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

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

Properties Held for Sale -

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

Property Tax Calendar -

The property taxes for the County's general fund are levied on July 1 (the lien date), with all special purpose taxes levied on December 1 (the lien date), based on the taxable value of property located in the County as of the preceding December 31, by the various municipalities within the County. The July 1 taxes are due on or before September 15 and the December 1 taxes are due on or before February 15. The General Fund levy is recognized in the year of the levy. The special purpose taxes that are levied on December 1 are recorded as a receivable and deferred inflow of resources since they are levied for the subsequent year operations. For the year, the County levied 5.3153 mills for the General Fund, 0.4944 mills for Parks and Recreation, 1.2000 mills for Library, 0.7983 mills for Senior Citizens, 0.0998 mills for Veterans, 0.5598 mills for Drug Task Force, and 0.2495 mills for Roads.

Leases -

The County is a lessee for noncancelable leases of buildings. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligation of the statement of net position.

The Road Commission is a lessor for a noncancelable lease of property. The Road Commission recognizes a lease receivable and a deferred inflow of resources.

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

Key estimates and judgments include how the Road Commission determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts. The County uses the incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

Subscriptions -

The County obtains the right to use vendors' information technology software through various long-term contracts. The County recognizes a subscription liability and an intangible right-of-use subscription asset (the "subscription asset").

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Key estimates and judgements related to subscriptions include how the County determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term. The County uses the interest rate charged by the vendor as the discount rate, if included in the contract. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for subscriptions. The subscription term includes the noncancelable period of the subscription.

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

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the statement of net position.

Capital Assets -

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Compensated Absences -

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

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2023

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

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

Fund Balance -

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

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

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

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

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

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

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

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.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Federal Programs -

Federal Programs are accounted for in specific Special Revenue Funds or as part of the various fund types to which the programs pertain. The County has not integrated its Single Audit Reports and Schedule of Expenditures of Federal Awards as part of the Annual Financial Report. The Single Audit will be issued prior to September 30, 2022 under a separate cover as supplementary information to the Annual Financial Report.

Upcoming Accounting Pronouncement -

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

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or paid. The provisions of this statement are effective for the County's financial statements for the year ending December 31, 2024.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary Information -

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

- 1) Prior to November 1, County departments, in conjunction with the Administrator/Controller's Office, prepare and submit their proposed operating budgets for the calendar year commencing the following January 1. The operating budgets include proposed expenditures and resources to finance them.
- 2) A Public Hearing is conducted to obtain taxpayers' comments.
- 3) Prior to December 31, the budgets are legally enacted through passage of a Board of Commissioners' resolution.
- 4) The budgets are legally adopted at the activity (department) level for the General Fund and the functional level for the Special Revenue Funds; however, for control purposes the budgets are maintained at the account level.
- 5) Formal budgetary integration is not employed for the Debt Service or Capital Projects Funds on an annual basis because effective budgetary control is achieved through project length financial plans.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

- 6) After the budgets are adopted, the Administrator/Controller's Office is authorized to transfer budget amounts between accounts. Any revisions that exceed the total activities or functions as applicable must be approved by the Board of Commissioners.
- 7) The County does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. All unexpended appropriations lapse at year-end.
- 8) Budgeted amounts are reported as originally adopted, or as amended by the Board of Commissioners during the year.

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

Michigan Public Act 621 of 1978 Section 18, as amended, provides that local governmental units shall not incur expenditures in excess of the amount appropriated at the legally enacted level. The Michigan Department of Treasury requires the reporting of any significant overages at the legal level of budgetary control (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, 2023, the County had overages that exceeded these thresholds as follows:

Excess of Expenditures over Appropriations -

PRIMARY GOVERNMENT -

<u>Fund Type/Function/Activity</u>	<u>Appropriations</u>	<u>Expended</u>	<u>Variance</u>
General Fund -			
Transfers to Other Funds	\$ 8,047,513	\$ 8,965,846	\$ 918,333
American Rescue Plan Act Fund -			
Public Safety	-	1,550,178	1,550,178
Recreation & Cultural	-	487,748	487,748
Community & Economic Development	-	505,711	505,711

The Solid Waste Disposal System Fund, a major proprietary fund, has a \$137,889 unrestricted deficit.

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS:

Authorized Deposits and Investments -

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

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

- 1) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- 2) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- 3) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase. Not more than 50% of County funds shall be invested in commercial paper.
- 4) Repurchase agreements consisting of instruments listed in (1) above.
- 5) Bankers' acceptances of United States banks, with a maturity date not to exceed 270 days. Not more than 50% of County funds shall be invested in bankers' acceptances.
- 6) Obligations of this state or any of its political subdivisions that, at the time of purchase, are rated as investment grade by not less than one standard rating service.
- 7) Mutual funds registered under the Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. This authorization is limited to securities whose intention is to maintain a net asset value of \$1.00 per share.
- 8) Obligations described in (1.) through (7.) above if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA7, MCL 124.501 to 124.512.
- 9) Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.
- 10) Investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Carrying Amount -

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

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Cash on Hand -				
Petty cash and cash on hand	\$ 59,890	\$ 275	\$ -	\$ 60,165
Deposits with Financial Institutions -				
Checking/Savings/Certificates of Deposit/Money Market	<u>74,698,240</u>	<u>29,860,283</u>	<u>2,265,714</u>	<u>106,824,237</u>
Investments -				
Money Market Funds	32,967,286	-	11,998,401	44,965,687
Commercial Paper	9,526,670	-	-	9,526,670
Marketable CD's	-	-	199,237	199,237
U.S. Government/Agencies	-	-	14,016,195	14,016,195
Corporate Debt	-	-	3,615,818	3,615,818
Stocks	-	-	41,024,538	41,024,538
Mortgage-backed Securities	-	-	13,898,025	13,898,025
Mutual Funds	-	-	227,114,362	227,114,362
Partnerships	-	-	<u>21,962,726</u>	<u>21,962,726</u>
Total Investments	<u>42,493,956</u>	<u>-</u>	<u>333,829,302</u>	<u>376,323,258</u>
Grand Total	<u>\$ 117,252,086</u>	<u>\$ 29,860,558</u>	<u>\$ 336,095,016</u>	<u>\$ 483,207,660</u>

Reconciliation to the Statements of Net Position -

Reported as Cash and Cash Equivalents -	
Petty Cash and Cash on Hand	\$ 60,165
Cash in Checking/Savings	102,824,237
Money Market Funds	<u>44,965,687</u>
Total Cash and Cash Equivalents Reported on Statements of Net Position	<u>147,850,089</u>

Reported as Investments -	
Marketable CD's/Certificates of Deposits	4,199,237
Commercial Paper	9,526,670
U.S. Government/Agencies	14,016,195
Corporate Debt	3,615,818
Stocks	41,024,538
Mortgage-backed securities	13,898,025
Mutual Funds	227,114,362
Partnerships	<u>21,962,726</u>
Total Investments Reported on Statements of Net Position	<u>335,357,571</u>

Grand Total - Statements of Net Position	<u>\$ 483,207,660</u>
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ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Deposits with Financial Institutions -

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

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

Custodial Credit Risk - Deposits - Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be returned. As an indication of the level of deposit custodial credit risk assumed by the County at year-end, the bank balance of the County's deposits was \$114,061,679, of which \$70,137,476 was insured and the remaining \$43,924,203 was uninsured, uncollateralized, and in the County's name.

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

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

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

Investments (Excluding Retirement) -

Credit Risk - Investments - State law limits investment in commercial paper to the top two ratings issued by a nationally recognized statistical rating organization. The County had \$9,526,670 invested in commercial paper at December 31, 2023, all of which were rated either A1 or A2 by Standard & Poor's and P1 or P2 by Moody's. The County has \$32,967,286 invested in money market funds that invest primarily in U.S. Treasuries, U.S. Agencies, repurchase agreements, and commercial paper. The County's investment policy does not specifically address credit risk for investments. The money market funds have been rated as follows:

	<u>Amount</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Average Days to Maturity</u>
Primary Government -				
MBIA Michigan CLASS	\$ 32,966,118	AAAm	Standard & Poor's	85
Dreyfus Govt Cash Mgmt Shares	1,168	AAAm	Standard & Poor's	44

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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

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

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

The securities of the pool are safe kept with a third party selected by the counterparty. However, the pool’s securities are held in trust for the participants of the fund that are not available to the counterparty if the counterparty should happen to fail. As of December 31, 2023, \$12,058,174 in investments were held in third-party safekeeping in the County’s name. The County’s investment policy does not limit the amount of securities that can be held by counterparties.

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

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

Investment Types	Fair Value	Maturity (Years)	
		<1	1-5
Primary Government -			
Money Market Funds	\$ 32,967,286	\$ 32,967,286	\$ -
Commercial Paper	9,526,670	9,526,670	-
Certificates of Deposit (1)	4,000,000	4,000,000	-

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Investments - Fiduciary Funds -

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

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

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

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

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Pension investments are made through the use of investment advisors, which are selected and retained by the Retirement Board. The advisors serve at the pleasure of the Retirement Board as provided by investment agreements. At December 31, 2023, the Retirement System had 10 investment advisors. As of December 31, 2023, the County had the following investment types in its retirement fund:

<u>Investment Types</u>	<u>Fair Value</u>	<u>Percentage</u>
Marketable CD's	\$ 199,237	0.06 %
U.S. Government/Agencies	14,016,195	4.27
Corporate Debt	3,615,818	1.10
Stocks	41,024,538	12.50
Mortgage-backed Securities	13,898,025	4.23
Mutual Funds	224,582,858	68.41
Partnerships	<u>21,962,726</u>	<u>6.69</u>
	319,299,397	97.26
Money Market Funds (1)	<u>8,992,030</u>	<u>2.74</u>
Total	<u>\$ 328,291,427</u>	<u>100.00 %</u>

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

The fiduciary funds' money market funds have been rated as follows:

	<u>Amount</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Average Days to Maturity</u>
Federated -				
Treasury Obligations Fund	\$ 6,206,134	AAAm	Standard & Poor's	26
Huntington Conservative Deposit	2,785,896		Not Rated	N/A

Credit Risk - The Retirement Board's adopted Statement of Investment Policies Procedures and Objectives states that all debt securities, except Treasuries and Agencies, must have a quality rating of B or above at the time of issue and allows up to 25% of the portfolio in BB to CCC rated securities. If more than allowed value of securities is within that investment grade, it shall be reported to the Retirement Board immediately along with a proposed plan of action. As of December 31, 2023, investments held in the Retirement System excluding money market funds, partnerships, hedge funds, mutual funds, U.S. government/agencies, mortgage-backed securities, and stocks had the following Standard & Pooers ratings:

<u>Fair Value</u>	<u>Ratings</u>
\$ 147,418	A+
205,947	AAA
1,782,559	A-
<u>1,479,894</u>	BBB+
<u>\$ 3,615,818</u>	

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Custodial Credit Risk - The risk that, in the event of a failure of the counterparty, the Retirement System would not be able to recover the value of its investments that are in the possession of another third party. The Retirement System’s Investment Policy requires that all investment transactions shall be conducted through a custodian that will act as the Retirement System’s third party. Securities shall be held by the custodian, as designated by the Retirement Board, and shall be evidenced by a custodial report. As of December 31, 2023, \$328,291,426 in investments was held in third-party safekeeping in the County’s name.

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

Interest Rate Risk - The Retirement Board’s adopted Statement of Investment Policy and Objectives places no limitation on the Retirement System’s fixed income manager on the length to maturity for fixed income investments. Having staggered maturities will reduce the retirement system’s risk exposure to rising interest rates. As of December 31, 2023, the fiduciary funds’ investments had the following maturities:

Investment	Fair Value	Years			
		<1	1-5	6-10	>10
Corporate Debt	\$ 3,615,818	\$ 147,418	\$ 1,560,132	\$ 1,908,268	\$ -
Mortgage-backed Securities	13,898,025	-	14,796	-	13,883,229
U.S. Government/Agencies	14,016,195	1,489,961	12,526,234	-	-

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

The County has the following recurring fair value measurements as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate Debt	\$ -	\$ 3,615,818	\$ -	\$ 3,615,818
Stocks	41,024,538	-	-	41,024,538
Mutual Funds	227,114,362	-	-	227,114,362
U.S. Government/Agencies	-	14,016,195	-	14,016,195
Mortgage-backed Securities	-	<u>13,898,025</u>	-	<u>13,898,025</u>
	<u>\$ 268,138,900</u>	<u>\$ 31,530,038</u>	<u>\$ -</u>	299,668,938
Money Market Funds				44,965,687
Partnerships Valued at NAV				21,962,726
Commercial Paper				9,526,670
Marketable CD's				<u>199,237</u>
				<u>\$ 376,323,258</u>

The fair value of corporate debt, U.S. government/agencies, and mortgage-backed securities are based on inputs (pricing) of similar assets at or near December 31, 2023.

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

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Partnerships	\$ 21,962,726	\$ 1,906,228	Varies*	Varies*

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

NOTE 4 - RECEIVABLES:

Receivables at December 31, 2023 in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 24,182,967	\$ 4,188,010
Interest and accounts	12,067,531	2,600,742
Intergovernmental	<u>4,438,734</u>	<u>111,703</u>
	40,689,232	6,900,455
Less - allowance for uncollectible	<u>(476,529)</u>	<u>(320,000)</u>
	<u>\$ 40,212,703</u>	<u>\$ 6,580,455</u>
Amount not expected to be collected within one year	<u>\$ 10,223,111</u>	<u>\$ -</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 - CAPITAL ASSETS:

Primary Government -

Capital asset activity of the primary government for the year ended December 31, 2023 was as follows:

	Restated Balance January 1, 2023	Additions	Disposals/ Adjustments	Balance December 31, 2023
Governmental Activities:				
Capital assets, not being depreciated -				
Land	\$ 15,012,266	\$ -	\$ -	\$ 15,012,266
Construction in progress	<u>17,127</u>	<u>504,278</u>	<u>10,903</u>	<u>510,502</u>
Total capital assets, not being depreciated	<u>15,029,393</u>	<u>504,278</u>	<u>10,903</u>	<u>15,522,768</u>
Capital assets, being depreciated -				
Buildings	100,987,338	404,888	-	101,392,226
Improvements other than buildings	9,963,780	22,600	-	9,986,380
Machinery and equipment	26,055,099	1,917,791	947,663	27,025,227
Books	6,300,918	476,939	358,915	6,418,942
Subscription assets	375,422	303,723	-	679,145
Right-to-use assets - buildings	<u>387,727</u>	<u>-</u>	<u>-</u>	<u>387,727</u>
Total capital assets being depreciated	<u>144,070,284</u>	<u>3,125,941</u>	<u>1,306,578</u>	<u>145,889,647</u>
Less accumulated depreciation/amortization for -				
Buildings	49,543,733	2,617,748	-	52,161,481
Improvements other than buildings	6,155,841	425,451	-	6,581,292
Machinery and equipment	19,728,555	1,698,256	922,874	20,503,937
Books	4,979,778	347,167	358,915	4,968,030
Subscription assets	-	160,141	-	160,141
Right-to-use assets - buildings	<u>95,948</u>	<u>97,521</u>	<u>-</u>	<u>193,469</u>
Total accumulated depreciation/amortization	<u>80,503,855</u>	<u>5,346,284</u>	<u>1,281,789</u>	<u>84,568,350</u>
Total capital assets being depreciated/amortized, net	<u>63,566,429</u>	<u>(2,220,343)</u>	<u>24,789</u>	<u>61,321,297</u>
Governmental activities capital assets, net	<u>\$ 78,595,822</u>	<u>\$(1,716,065)</u>	<u>\$ 35,692</u>	<u>\$ 76,844,065</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

	Balance January 1, <u>2023</u>	<u>Additions</u>	Disposals/ <u>Adjustments</u>	Balance December 31, <u>2023</u>
Business-type Activities:				
Capital assets, not being depreciated -				
Land	\$ 2,160,779	\$ -	\$ -	\$ 2,160,779
Construction in progress	<u>1,019,818</u>	<u>4,358</u>	<u>1,024,176</u>	<u>-</u>
Total capital assets, not being depreciated	<u>3,180,597</u>	<u>4,358</u>	<u>1,024,176</u>	<u>2,160,779</u>
Capital assets, being depreciated -				
Buildings	8,271,310	-	-	8,271,310
Improvements other than buildings	41,203,436	570,130	-	41,773,566
Machinery and equipment	<u>10,296,511</u>	<u>763,773</u>	-	<u>11,060,284</u>
Total capital assets being depreciated	<u>59,771,257</u>	<u>1,333,903</u>	-	<u>61,105,160</u>
Less accumulated depreciation for -				
Buildings	3,898,333	320,523	-	4,218,856
Improvements other than buildings	28,086,921	1,360,414	-	29,447,335
Machinery and equipment	<u>5,934,902</u>	<u>451,555</u>	-	<u>6,386,457</u>
	<u>37,920,156</u>	<u>2,132,492</u>	-	<u>40,052,648</u>
Total capital assets, being depreciated, net	<u>21,851,101</u>	<u>(798,589)</u>	-	<u>21,052,512</u>
Business-type activities capital assets, net	<u>\$ 25,031,698</u>	<u>\$(794,231)</u>	<u>\$ 1,024,176</u>	<u>\$ 23,213,291</u>

Depreciation/amortization expense for 2023 was charged to functions/programs of the primary government as follows:

Governmental Activities:

Judicial	\$ 170,235
General Government	893,669
Public Safety	2,500,593
Health and Welfare	278,529
Public Works	1,897
Recreation and Cultural	1,497,047
Community and Economic Development	<u>684</u>
Total Depreciation/Amortization Expense - Governmental Activities	5,342,654
Depreciation in the Internal Service Fund	<u>3,630</u>
	<u>\$ 5,346,284</u>

Business-type Activities:

Solid Waste Disposal System	\$ 1,651,817
Airport Commission	<u>480,675</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 2,132,492</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Construction/Purchase Commitments -

The County has committed to the following contracts at December 31, 2023 (These commitments do not include any change orders made after December 31, 2023):

	<u>Contract Amount</u>	<u>Payments Through 12/31/2023</u>	<u>Accounts Payable/ Retention</u>	<u>Remaining Balance 12/31/2023</u>
Landfill cell maintenance (a)	\$ 6,667,488	\$ 5,827,488	\$ -	\$ 840,000
Court case management software system (b)	1,150,000	-	-	1,150,000
Health department design (c)	557,485	131,340	-	426,145
Boat (d)	419,947	-	-	419,947

The County has open contracts at 12/31/23 for:

- (a) Cell maintenance at the landfill through December 31, 2024
- (b) Case management software system for the Court
- (c) Contract for design of the department's relocation and renovation
- (d) Marine division 27-foot boat

Discretely Presented Component Units -

Drainage Districts - Activity for the Drainage Districts for the year ended December 31, 2023 was as follows:

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2023</u>
Capital assets, not being depreciated:				
Right-of-ways	\$ 1,062,724	\$ -	\$ -	\$ 1,062,724
Construction in progress	4,366,230	891,217	2,021,036	3,236,411
	<u>5,428,954</u>	<u>891,217</u>	<u>2,021,036</u>	<u>4,299,135</u>
Capital assets, being depreciated:				
Infrastructure	54,605,081	3,008,627	-	57,613,708
Equipment	109,781	-	19,870	89,911
	<u>54,714,862</u>	<u>3,008,627</u>	<u>19,870</u>	<u>57,703,619</u>
Less accumulated depreciation for:				
Infrastructure	13,066,642	868,725	-	13,935,367
Equipment	105,219	1,659	19,870	87,008
	<u>13,171,861</u>	<u>870,384</u>	<u>19,870</u>	<u>14,022,375</u>
Total capital assets being depreciated, net	<u>41,543,001</u>	<u>2,138,243</u>	<u>-</u>	<u>43,681,244</u>
Total capital assets, net	<u>\$ 46,971,955</u>	<u>\$ 3,029,460</u>	<u>\$ 2,021,036</u>	<u>\$ 47,980,379</u>

Depreciation expense for 2023 was \$870,384.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Road Commission - Activity for the Road Commission for the year ended December 31, 2023 was as follows:

	Balance January 1, 2023	Additions	Deletions/ Removals	Balance December 31, 2023
Capital assets, not being depreciated:				
Land	\$ 65,629	\$ -	\$ -	\$ 65,629
Land Improvements	24,590,395	-	-	24,590,395
Right of Ways	<u>3,229,311</u>	<u>-</u>	<u>-</u>	<u>3,229,311</u>
Total capital assets, not being depreciated	<u>27,885,335</u>	<u>-</u>	<u>-</u>	<u>27,885,335</u>
Capital assets, being depreciated:				
Building and Improvements	6,333,751	82,203	-	6,415,954
Road Equipment	20,114,526	3,000,193	322,482	22,792,237
Shop Equipment	738,564	15,368	9,960	743,972
Office Equipment	195,456	-	1,200	194,256
Engineering Equipment	368,504	15,114	9,985	373,633
Infrastructure -				
Roads	176,591,340	9,589,137	7,330,775	178,849,702
Bridges	102,369,908	5,693,222	-	108,063,130
Traffic Signals	460,813	-	-	460,813
Depletable Assets -				
Gravel Pits	<u>163,455</u>	<u>-</u>	<u>-</u>	<u>163,455</u>
	<u>307,336,317</u>	<u>18,395,237</u>	<u>7,674,402</u>	<u>318,057,152</u>
Less - accumulated depreciation for:				
Buildings and Improvements	4,041,563	149,702	-	4,191,265
Road Equipment	14,973,829	2,197,911	322,786	16,848,954
Shop Equipment	614,280	12,141	9,493	616,928
Office Equipment	181,635	3,430	370	184,695
Engineering Equipment	293,362	22,113	9,985	305,490
Infrastructure -				
Roads	82,617,809	8,886,024	7,330,775	84,173,058
Bridges	33,386,450	2,505,178	-	35,891,628
Traffic Signals	450,347	2,893	-	453,240
Depletable Assets	<u>46,342</u>	<u>-</u>	<u>-</u>	<u>46,342</u>
	<u>136,605,617</u>	<u>13,779,392</u>	<u>7,673,409</u>	<u>142,711,600</u>
Total capital assets being depreciated, net	<u>170,730,700</u>	<u>4,615,845</u>	<u>993</u>	<u>175,345,552</u>
Total capital assets, net	<u>\$ 198,616,035</u>	<u>\$ 4,615,845</u>	<u>\$ 993</u>	<u>\$ 203,230,887</u>

Depreciation expense for 2023 was \$13,779,392.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Department of Public Works - Activity for the Department of Public Works for the year ended December 31, 2023 was as follows:

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Deletions/ Removals</u>	<u>Balance December 31, 2023</u>
Capital assets, not being depreciated -				
Land	\$ 83,776	\$ -	\$ -	\$ 83,776
Capital assets, being depreciated -				
Plant	11,522,103	-	-	11,522,103
Utility system	16,002,766	-	-	16,002,766
Machinery and equipment	<u>1,503,076</u>	<u>240,867</u>	<u>4,380</u>	<u>1,739,563</u>
Total capital assets, being depreciated	<u>29,027,945</u>	<u>240,867</u>	<u>4,380</u>	<u>29,264,432</u>
Less - accumulated depreciation for -				
Plant	7,435,337	216,328	-	7,651,665
Utility system	12,088,430	266,713	-	12,355,143
Machinery and equipment	<u>1,110,367</u>	<u>174,296</u>	<u>4,380</u>	<u>1,280,283</u>
Total accumulated depreciation	<u>20,634,134</u>	<u>657,337</u>	<u>4,380</u>	<u>21,287,091</u>
Total capital assets, being depreciated, net	<u>8,393,811</u>	<u>(416,470)</u>	<u>-</u>	<u>7,977,341</u>
Total capital assets, net	<u>\$ 8,477,587</u>	<u>\$(416,470)</u>	<u>\$ -</u>	<u>\$ 8,061,117</u>
Depreciation expense was charged to function/programs as follows:				
Business-type activities - Water and Sewer				<u>\$ 657,337</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Community Mental Health Authority - Activity for the Community Mental Health Authority for the year ended September 30, 2023 was as follows:

	Restated Balance October 1, 2022	Additions	Disposals/ Adjustments	Balance September 30, 2023
Capital assets, not being depreciated -				
Land	\$ 1,620,384	\$ 154,552	\$ -	\$ 1,774,936
Non-depreciable equipment	5,252	-	-	5,252
Construction in progress	<u>781,109</u>	<u>1,068,328</u>	<u>1,665,441</u>	<u>183,996</u>
Total capital assets, not being depreciated	<u>2,406,745</u>	<u>1,222,880</u>	<u>1,665,441</u>	<u>1,964,184</u>
Capital assets, being depreciated -				
Building	17,579,604	1,787,779	609,531	18,757,852
Leasehold improvements	54,980	-	-	54,980
Equipment and furniture	3,265,981	540,327	839,683	2,966,625
Right-to-use - building	<u>138,878</u>	<u>-</u>	<u>-</u>	<u>138,878</u>
Total capital assets, being depreciated	<u>21,039,443</u>	<u>2,328,106</u>	<u>1,449,214</u>	<u>21,918,335</u>
Less - accumulated depreciation for -				
Building	9,338,847	717,105	125,476	9,930,476
Leasehold improvements	54,980	-	-	54,980
Equipment	2,669,470	251,350	834,880	2,085,940
Right-to-use - building	<u>34,719</u>	<u>46,293</u>	<u>-</u>	<u>81,012</u>
Total accumulated depreciation	<u>12,098,016</u>	<u>1,014,748</u>	<u>960,356</u>	<u>12,152,408</u>
Total capital assets, being depreciated, net	<u>8,941,427</u>	<u>1,313,358</u>	<u>488,858</u>	<u>9,765,927</u>
Total capital assets, net	<u>\$ 11,348,172</u>	<u>\$ 2,536,238</u>	<u>\$ 2,154,299</u>	<u>\$ 11,730,111</u>

Depreciation expense for 2023 was \$1,014,748.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 - PAYABLES:

Payables at December 31, 2023 in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accounts payable/accrued expenses	\$ 4,250,743	\$ 1,135,115
Wages and fringe benefits	1,584,309	441,635
Accrued interest	133,711	37,416
Intergovernmental	<u>1,048,077</u>	<u>43,777</u>
	<u>\$ 7,016,840</u>	<u>\$ 1,657,943</u>

NOTE 7 - INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS:

The composition of interfund balances as of December 31, 2023 is as follows:

Due To/From Other Funds -

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government - Delinquent Tax Revolving Fund	Combined General Fund	<u>\$ 2,000,000</u> (1)

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

Advances From/To Primary Government & Component Unit -

<u>Receivable Entity</u>	<u>Payable Entity</u>	
Primary Government - Combined General Fund	Component Unit - Drainage Districts	<u>\$ 1,150,000</u> (1)

(1) Represents the long-term loan between entities for operating cash flow purposes (\$50,000) and capital purposes (\$1,100,000)

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Transfers From/To Other Funds -

Receiving Fund	Expending Fund	Amount
Combined General	Drug Task Force	\$ 541,868 (4)
	Solid Waste Disposal System	900,000 (5)*
	E-911	1,383,572 (4)
	Sheriff's Concession	86,000 (4)*
Nonmajor Governmental Funds -		
Convention Center	Combined General	508,333 (1)
Health Department	Combined General	1,785,052 (1)
Friend of Court	Family Counseling	15,000 (4)
Human Services	Combined General	29,001 (1)
Child Care	Combined General	3,044,553 (1)
Indigent Defense	Combined General	763,182 (1)
Public Improvement	Combined General	2,006,914 (3)
Jail/Juvenile Facility Debt	Delinquent Tax Revolving	2,179,721 (2)*
Convention Center Debt	Combined General	152,944 (2)
Communications Series 2009 Debt	Combined General	308,400 (2)
Nonmajor Enterprise Fund -		
Airport Commission	Combined General	<u>210,000 (1)*</u>
Total Transfers		<u>\$ 13,914,540</u>

(1) Annual appropriations for operations

(2) Transfers for the payment of debt

(3) Transfers for construction/equipment

(4) Transfers to cover costs

(5) Transfer to cover road appropriation

* Net transfers between governmental and business-type activities

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 - LEASES:

Primary Government

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

The future minimum payments to be received are as follows:

	<u>Principal</u>	<u>Interest</u>
2024	\$ 845,000	\$ 99,875
2025	900,000	56,250
2026	<u>900,000</u>	<u>16,875</u>
Total Receivable	<u>\$ 2,645,000</u>	<u>\$ 173,000</u>

In 2020, the County leased a building from a third party. The lease requires 60 monthly payments of \$7,000, including interest of 4%. During 2022, the County leased another building from a third party. The lease requires 84 monthly payments of \$1,800, including interest of 4%.

Lease asset activity of the County is included in Note 5. The remaining terms of the agreements are 2-6 years.

The future minimum principal and interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>
2024	\$ 99,409	\$ 6,263
2025	39,614	3,058
2026	19,516	2,155
2027	20,312	1,360
2028	21,139	533
2029	<u>1,800</u>	<u>-</u>
Total lease payable	<u>\$ 201,790</u>	<u>\$ 13,369</u>

Component Unit - Road Commission

The Road Commission has a significant lease agreement with an unrelated third-party leasing property. The lease is from September 21, 2022 to September 20, 2027 with an option of one additional five-year term. Lease payments of \$9,583 are payable monthly, including interest at an implied interest rate of 4%. Lease payments increase 2% each year.

The Road Commission collected \$115,764 from this lease for the year ended December 31, 2023, which included \$97,108 in lease revenues and \$18,656 in lease interest revenue.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 - LEASES - (cont'd):

A lease receivable and deferred inflow of resources have been recorded to reflect future expected payments. Future minimum payments are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ 103,425
2025	110,044
2026	116,981
2027	<u>82,777</u>
Total Receivable	<u>\$ 413,227</u>

NOTE 9 - CONDUIT DEBT OBLIGATIONS:

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

In accordance with GASB Statement No. 91, these bonds are considered conduit debt and therefore the DPW has not recorded a liability for the related conduit debt obligation or a receivable for the payments related to those arrangements. At December 31, 2023, the aggregate outstanding principal amount was \$2,196,954.

The future minimum payments to be received/paid are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 460,000	\$ 64,617
2025	465,000	50,476
2026	470,000	36,154
2027	476,954	21,568
2028	200,000	9,719
2029	<u>125,000</u>	<u>2,625</u>
	<u>\$ 2,196,954</u>	<u>\$ 185,159</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 - LONG-TERM LIABILITIES:

PRIMARY GOVERNMENT -

The following is a summary of changes in the long-term debt (including current portions) of the Primary Government for the year ended December 31, 2023:

<u>Governmental Activities:</u>	Restated Balance January 1, 2023	<u>Additions</u>	<u>Reductions</u>	Balance December 31, 2023	Due Within One Year
<u>Governmental Funds -</u>					
General Obligation Bonds -					
2015 Refunding Bonds,					
Series A	\$ 3,485,000	\$ -	\$ 840,000	\$ 2,645,000	\$ 845,000
2017 Refunding Bonds	605,000	-	290,000	315,000	315,000
2020 Refunding Bonds	12,830,000	-	1,955,000	10,875,000	2,010,000
2022 Refunding Bonds	6,890,000	-	250,000	6,640,000	260,000
Amounts for -					
Issuance Premiums	768,930	-	121,786	647,144	121,786
Other direct borrowings -					
Drain Districts	2,991,428	400,318	393,566	2,998,180	387,069
Installment Purchase	99,792	-	33,624	66,168	33,624
Leases	297,308	-	95,518	201,790	99,409
Subscriptions	375,422	247,647	96,409	526,660	158,584
Other Liabilities -					
Accumulated Vacation, Sick, & Compensatory Leave	<u>5,936,172</u>	<u>1,143,313</u>	<u>919,942</u>	<u>6,159,543</u>	<u>920,000</u>
Total Governmental Funds	<u>34,279,052</u>	<u>1,791,278</u>	<u>4,995,845</u>	<u>31,074,485</u>	<u>5,150,472</u>
<u>Internal Service Fund -</u>					
Other liabilities -					
Workers' Compensation Claims Liability	328,000	47,615	175,615	200,000	200,000
General, Auto, & Property Insurance Claims Liability	<u>1,045,000</u>	<u>59,297</u>	<u>129,297</u>	<u>975,000</u>	<u>77,000</u>
Total Internal Service Fund	<u>1,373,000</u>	<u>106,912</u>	<u>304,912</u>	<u>1,175,000</u>	<u>277,000</u>
Total Governmental Activities	<u>35,652,052</u>	<u>1,898,190</u>	<u>5,300,757</u>	<u>32,249,485</u>	<u>5,427,472</u>
<u>Business-type Activities:</u>					
<u>Enterprise Funds -</u>					
Solid Waste Disposal System -					
General Obligation Bonds -					
2010 General Obligation	4,644,280	-	375,000	4,269,280	380,000
2014 General Obligation	2,880,000	-	145,000	2,735,000	155,000
Other Liabilities -					
Closure and Post-closure Costs	8,710,587	610,714	-	9,321,301	-
Accumulated Vacation, Sick, & Compensatory Leave	37,372	-	4,319	33,053	-
Airport Commission -					
Other liabilities -					
Accumulated Vacation, Sick, & Compensatory Leave	<u>9,079</u>	<u>6,295</u>	<u>-</u>	<u>15,374</u>	<u>-</u>
Total Enterprise Funds	<u>16,281,318</u>	<u>617,009</u>	<u>524,319</u>	<u>16,374,008</u>	<u>535,000</u>
Total Primary Government	<u>\$ 51,933,370</u>	<u>\$ 2,515,199</u>	<u>\$ 5,825,076</u>	<u>\$ 48,623,493</u>	<u>\$ 5,962,472</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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

2015 Refunding Bonds, Series A -

The County issued \$7,480,000 of General Obligation Limited Tax Refunding Bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$8,000,000 of 2007 General Obligation Series A Bonds. These bonds were issued to fund the Community Mental Health Authority building. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column in the statement of net position. The bonds, dated April 15, 2015, are due in annual installments ranging from \$845,000 to \$900,000 through April 1, 2026, with interest ranging from 3.75% to 5.00%, payable semi-annually.

\$ 2,645,000

2017 Refunding Bonds -

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

\$ 315,000

2020 Refunding Bonds -

The County issued \$13,305,000 of limited tax obligation refunding bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$12,270,000 of 2012 Refunding Bonds. As a result, the refunded bonds are considered to be defeased, and the liability has been removed from the governmental activities column of the statement of net position. The bonds, dated March 11, 2020, are due in annual installments ranging from \$2,010,000 to \$2,300,000 through April 1, 2028, with interest ranging from 1.665% to 2.172%, payable semi-annually.

\$ 10,875,000

2022 Refunding Bonds -

The County issued \$6,890,000 of general obligation limited tax refunding bonds to provide resources to purchase U.S. Government, State, and Local series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$7,040,000 of 2012 General Obligation limited tax bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The refunding resulted in an economic gain of \$1,106,437, reducing payments by \$1,342,805 over the life of the bond. The bonds, dated January 5, 2022, are due in annual installments ranging from \$250,000 to \$2,075,000 through April 1, 2042, with interest ranging from 3.00% to 5.00%, payable semi-annually.

\$ 6,640,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

2010 General Obligation Bonds -

The County issued \$14,045,000 of General Obligation Limited Tax Bonds through the Michigan Municipal Bond Authority to finance the construction of the Landfill Leachate System, of which \$5,096,000 or 36.30% of the bonds are forgivable. At December 31, 2023, the County had drawn \$12,605,659, including the forgivable portion of \$5,096,000. The bonds, dated January 22, 2010, are due in annual installments ranging from \$380,000 to \$474,280 through October 1, 2033, with interest of 2.50%, payable semi-annually.

\$ 4,269,280

2014 General Obligation Bonds -

The County issued \$6,870,000 of General Obligation Limited Tax Bonds through the Michigan Municipal Bond Authority to finance the construction of the Landfill Leachate System, of which \$3,435,000 or 50% of the bonds are forgivable. A capital grant has been reported for the forgivable portion of the obligation of \$3,434,990 in previous years. At December 31, 2023, the County had drawn \$6,869,990. The bonds, dated June 25, 2014, are due in annual installments ranging from \$155,000 to \$215,000 through April 1, 2038, with interest of 2.50% payable semi-annually.

\$ 2,735,000

The proceeds of the 2015A, 2017, 2020, and 2022 Refunding Bond issues were placed in special escrow accounts and are invested in securities of the U.S. Government and its agencies. The maturities of these investments coincide with the principal and interest payments on the extinguished debts and are sufficient to pay all principal and interest on the 2003, 2007A, 2009, 2012 General Obligation Bonds and the 2012 Refunding Bonds when due. Accordingly, the trust account assets and liabilities for the defeased bonds outstanding are not included in the Financial Statements. At December 31, 2023, the defeased bonds outstanding were \$11,100,000, \$2,800,000, \$325,000, \$6,790,000, and \$10,545,000, respectively.

Drain Districts -

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

\$ 2,998,180

Installment Purchase -

In 2022, the County entered into an installment purchase agreement to finance body cameras over a four-year period beginning March 1, 2022 with annual installments of \$33,264. The purchase is non-interest bearing.

\$ 66,168

Leases -

The County has two leases for building use. Details of the leases are in Note 8 to these financial statements.

\$ 201,790

Subscriptions -

The County obtains the right to use vendors' information technology software through various long-term contracts. See Note 11 for details.

\$ 526,660

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Accrued Workers' Compensation Claims -

The County has estimated accrued outstanding workers' compensation insurance claims, including an estimate for claims incurred but not reported (IBNR), at December 31, 2023. The dollar amount of these claims is reflected on the Balance Sheet of the Self-Insurance Fund as a current obligation. \$ 200,000

Accrued Insurance Claims -

The County has estimated the accrued claims for general and auto liability, motor vehicle physical damage and property, including estimates for claims incurred but not reported (IBNR), at December 31, 2023. The dollar amount of these claims is reflected on the Balance Sheet of the Self-Insurance Fund, including the current portion of \$77,000. \$ 975,000

Accrued Vacation, Sick, and Compensatory Leave - In accordance with contracts negotiated with the various employee groups of the County, individual employees have vested rights upon termination of employment to receive payments for unused vacation, sick and compensatory leave under formulas and conditions specified in the contracts. The Enterprise Funds portion of \$48,427 has been recorded as a long-term liability on the government-wide and fund level financial statements. The governmental activities portion of \$6,159,543 has been recorded in the government-wide financial statements as a long-term liability. The governmental activities portion is generally liquidated by the Combined General Fund or other governmental fund where the employee is charged.

Closure and Post-Closure Costs - In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 18, the closure and post-closure care landfill liability at December 31, 2023, as reported in the Solid Waste Disposal System (Enterprise Fund/business activities), amounts to \$9,321,301. See Note 19 for additional information.

Letters of Credit - The County Landfill has letters of credit as a surety bond issued to the Michigan Department of Environmental Quality for \$3,500,000, \$95,000 for the Parker Road Landfill Wetlands and to Wetland - Stocks Creek II for \$60,000. The letters are set to mature August 1, 2024, October 15, 2024, and May 21, 2024, respectively, with interest at the prime rate. As of December 31, 2023, there have been no claims on the letters of credit.

Annual Debt Requirements - The annual requirements to pay the debt outstanding (excluding leases in Note 8 and subscriptions in Note 11) at December 31, 2023 for the following bonds and notes of Primary Government are as follows:

Year Ending December 31,	Refunding Bonds		G.O. Limited Tax Bonds		Drain Districts		Installment Purchase Principal
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 3,430,000	\$ 485,844	\$ 535,000	\$ 173,169	\$ 387,069	\$ 136,877	\$ 33,264
2025	3,275,000	389,483	545,000	159,794	383,365	119,643	32,904
2026	3,385,000	299,079	560,000	146,106	363,393	102,617	-
2027	2,545,000	227,351	575,000	132,044	298,738	86,147	-
2028	2,605,000	167,946	585,000	117,669	285,814	72,203	-
2029-2033	1,670,000	550,890	3,179,280	358,783	872,309	191,871	-
2034-2038	1,885,000	320,974	1,025,000	65,310	407,492	44,914	-
2039-2042	<u>1,680,000</u>	<u>80,756</u>	-	-	-	-	-
	<u>\$20,475,000</u>	<u>\$ 2,522,323</u>	<u>\$ 7,004,280</u>	<u>\$ 1,152,875</u>	<u>\$ 2,998,180</u>	<u>\$ 754,272</u>	<u>\$ 66,168</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

COMPONENT UNITS -

The following is a summary of changes in long-term debt (including current portions) of the Component Units for the year ended December 31, 2023:

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2023</u>	<u>Due Within One Year</u>
Road Commission -					
Other Liabilities -					
Accrued Vacation & Sick	\$ 368,000	\$ 334,000	\$ 353,000	\$ 349,000	\$ 295,000
Drainage Districts -					
General Obligation Bonds Payable	12,838,000	3,460,000	1,283,000	15,015,000	1,644,000
Amounts for -					
Issuance Premiums	55,256	-	3,454	51,802	3,454
Issuance Discounts	(42,701)	-	(7,117)	(35,584)	(7,117)
Other Direct Borrowings -					
Notes Payable	3,304,600	-	2,492,533	812,067	151,535
Loans Payable	<u>2,137,000</u>	<u>-</u>	<u>210,000</u>	<u>1,927,000</u>	<u>212,000</u>
Total Drainage Districts	<u>18,292,155</u>	<u>3,460,000</u>	<u>3,981,870</u>	<u>17,770,285</u>	<u>2,003,872</u>
Land Bank Authority -					
Other Direct Borrowings -					
Notes Payable	<u>8,449</u>	<u>-</u>	<u>8,449</u>	<u>-</u>	<u>-</u>
Brownfield Redevelopment Authority -					
Other Direct Borrowings -					
Notes Payable	148,980	-	49,490	99,490	48,677
Tipping Fees	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total Brownfield Authority	<u>248,980</u>	<u>-</u>	<u>49,490</u>	<u>199,490</u>	<u>48,677</u>
Community Mental Health Authority (A) -					
Other Direct Borrowings -					
Notes/Contracts Payable	5,875,215	-	1,212,285	4,662,930	1,011,553
Amounts for -					
Issuance Premiums	308,760	-	88,217	220,543	-
Other Liabilities -					
Accrued Vacation & Sick	<u>2,030,149</u>	<u>679,264</u>	<u>304,522</u>	<u>2,404,891</u>	<u>360,734</u>
Total Mental Health	<u>8,214,124</u>	<u>679,264</u>	<u>1,605,024</u>	<u>7,288,364</u>	<u>1,372,287</u>
Total Component Units	<u>\$ 27,131,708</u>	<u>\$ 4,473,264</u>	<u>\$ 5,997,833</u>	<u>\$ 25,607,139</u>	<u>\$ 3,719,836</u>

(A) October 1, 2022 through September 30, 2023; beginning balance is restated. See Note 22.

Road Commission -

Accrued Sick and Vacation -

In accordance with contracts negotiated with the various employee groups of the Road Commission, individual employees have a vested right upon termination of employment to receive payment for unused sick leave and vacation under formulas and conditions specified in the contracts. The dollar amount of these vested rights, which has been accrued on the financial statements, amounted to approximately \$60,700 for sick leave and \$288,300 for vacation at December 31, 2023.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Drainage Districts -

Bonds Payable -

Blue River Gardens Drain Drainage District Bonds -

In February 2008, the Blue River Gardens Drain Drainage District issued \$555,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due June 1 of each year through 2027 with interest due semi-annually at interest rates ranging from 4.70% to 5.10%.

\$ 120,000

Bunce Creek & Huffman Drain Drainage District Bonds -

In March 2009, the Bunce Creek & Huffman Drain Drainage District issued \$4,625,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due on April 1 of each year through 2029 with interest due semi-annually at interest rates ranging from 5.000% to 5.375%.

1,500,000

Gossman and Branches Drain Drainage District Bonds -

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

490,000

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

In December 2009, the Cox-Doty and Stein Drain and Railroad Drain Drainage Districts issued \$2,380,000 of bonds for improvements to the drainage districts. The bonds will be paid from special assessments against property and public corporations within the drainage districts. Principal on the bonds is due on May 1 of each year through 2030 with interest due semi-annually at interest rates ranging from 4.10% to 4.50%.

1,095,000

Pelton Drain Drainage District Bonds -

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

535,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Lakeland Drain Drainage District Bonds -

In July 2014, the Lakeland Drain Drainage District issued \$675,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due June 1, 2024 with interest due at 2.52%. \$ 65,000

Lester Bammel Drain Drainage District Bonds -

In October 2015, the Lester Bammel Drain Drainage District issued \$915,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due on June 1 of each year through 2030 with interest due semi-annually at interest rates ranging from 3.00% to 4.00%. 480,000

Marine City Drain Drainage District Bonds -

In November 2016, the Marine City Drain Drainage District issued \$960,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due June 1 of each year through 2026 with interest due semi-annually at rates ranging from 2.10% to 2.50%. 295,000

Meldrum Drain Drainage District Bonds -

In January 2017, the Meldrum Drain Drainage District issued \$620,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each June 1 through 2027 with interest due semi-annually at 2.98%. 260,000

Forrest Manor Drainage District Bonds -

Department of Agriculture Bonds have been sold for \$2,535,000 to finance the acquisition, construction, furnishing, and equipping of improvements to the Forrest Manor Drainage District. Payments on the bonds will be paid through special assessments to the drainage district. Principal payments on the bonds are due on March 1 of each year through 2046 with interest payable semi-annually at 2.25%. 2,086,000

Green Drain Drainage District Bonds -

In March 2018, the Green Drain Drainage District issued \$1,465,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due each March through 2038 with interest due semi-annually at rates ranging from 3.00%-4.00%. 1,095,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Stocks Creek and Branches Drain Drainage District Bonds -

In February 2018, the Stocks Creek and Branches Drain Drainage District issued \$560,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each March 1 through 2038 with interest due semi-annually at rates ranging from 3.20%-4.00%. \$ 420,000

In March 2018, the Stocks Creek and Branches Drain Drainage District issued \$2,360,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each March 1 through 2038 with interest due semi-annually at rates ranging from 3.00%-4.00%. 1,770,000

Holland Drain Drainage District Bonds -

In October 2021, the Holland Drain Drainage District issued \$1,548,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due June 1 of each year through 2036 with interest due semi-annually at an interest rate of 1.79%. 1,344,000

Howe Brandymore Drain Drainage District Bonds -

In October 2023, the Howe Brandymore Drain Drainage District issued \$3,460,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due each June through 2033 with interest due semi-annually at rates ranging from 5.00%-6.00%. 3,460,000
\$ 15,015,000

Loans -

Department of Environmental Quality Bonds have been sold for \$2,425,000 and \$560,000 through the State of Michigan Clean Water Revolving Fund to construct sanitary sewer improvements, including two sanitary sewage pump stations and a treatment lagoon for the South Branch Pine River Drain Drainage District. Payments on the loans will be paid through special assessments. Principal on the bonds is due on April 1 of each year through 2028 with interest due semi-annually at interest rates of 1.625% and 2.50%, respectively, for each of the bonds. \$ 875,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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

\$ 1,052,000

\$ 1,927,000

Notes Payable -

St. Clair County, through the Drain Commission, administers the construction of drains, which are deemed to benefit properties against which special assessments are levied. To finance the construction, notes are issued in accordance with the provisions of Act No. 40 of the Michigan Public Acts of 1956, as amended by Act No. 71, Public Acts of 1976 or has received loans from the primary government. Repayment of the notes is made from the special assessment revenues, payment from other government units, etc. During the year, the Drain Commission did not issue drain notes. The balance of the obligations at December 31, 2023 was as follows:

	<u>Interest Rate</u>	<u>Amount</u>
Governmental Activities -		
No. 202	1.05 %	\$ 34,000*
Macomb County Drain	2.00	72,000*
State Road Drain	2.77	293,000
Barringer Drain	3.77	116,000
Shea Drain	3.50	27,067*
Pickard Drain	3.74	<u>270,000</u>
		\$ <u>812,067</u>

* Amounts held by Primary Government

Annual debt service requirements to maturities are as follows:

<u>Year Ended December 31,</u>	<u>Bonds</u>		<u>Notes</u>		<u>Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,644,000	\$ 564,114	\$ 151,535	\$ 40,496	\$ 212,000	\$ 58,945
2025	1,591,000	471,963	117,532	35,612	224,000	53,900
2026	1,602,000	407,134	104,000	35,571	226,000	48,668
2027	1,509,000	342,506	80,000	36,615	233,000	43,309
2028	1,306,000	283,994	51,000	11,457	235,000	37,826
2029-2033	4,695,000	761,178	258,000	32,190	316,000	143,694
2034-2038	1,819,000	230,440	50,000	2,055	392,000	70,296
2039-2043	512,000	72,990	-	-	89,000	3,782
2044-2048	<u>337,000</u>	<u>15,278</u>	-	-	-	-
	\$ <u>15,015,000</u>	\$ <u>3,149,597</u>	\$ <u>812,067</u>	\$ <u>193,996</u>	\$ <u>1,927,000</u>	\$ <u>460,420</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Brownfield Redevelopment Authority -

Notes Payable -

The Authority entered into an agreement with the City of Marine City for a loan on a site within the City. Interest is due at a rate of 1.50% beginning in 2022. If payoff is made prior to that date, no interest will be paid. \$ 99,490

As part of the clean-up of the City of Marine City, tipping fees were charged to the Brownfield Redevelopment Authority and will be paid with taxes captured. Payment of fees will be made after all notes are repaid. 100,000
\$ 199,490

Annual debt service requirements at December 31, 2023 are as follows:

Year Ending December 31,	Notes Payable	
	Principal	Interest
2024	\$ 48,677	\$ 1,492
2025	50,813	762
2026	50,000	-
2027	50,000	-
	<u>\$ 199,490</u>	<u>\$ 2,254</u>

Community Mental Health Authority -

The Community Mental Health Authority had the following direct borrowings at year-end:

Direct Borrowing -

Description	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Bond Payable - St. Clair County	\$ 7,480,000	4.23 %	2026	\$ 2,645,000
Mortgage Payable -				
Marine City #2	484,500	2.65	2027	456,552
24 th Street	1,030,000	2.99	2025	895,132
Group Home	670,973	4.23	2027	606,446
Blue River Housing Lease	138,878	4.23	2025	<u>59,800</u>
Total				<u>\$ 4,662,930</u>

The Community Mental Health Authority's outstanding loans from direct borrowings and direct placements related to mental health operations contain provisions in the event of default, either by (1) inability to make principal or interest payments, (2) false or misrepresentation made to the lender, (3) becoming insolvent or making an assignment for the benefit of its creditors, (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including interest, become immediately due and payable.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Accrued Vacation and Sick -

In accordance with contracts negotiated with various employee groups of the Community Mental Health Authority, individual employees have vested rights upon termination of employment to receive payments for unused vacation and sick leave under formulas and conditions specified in the contract. As of September 30, 2023, the vested benefits amounted to \$2,404,891.

Annual debt service requirements to pay the debt outstanding at September 30, 2023 are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Notes Payable</u>		<u>Contracts Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 166,553	\$ 86,316	\$ 845,000	\$ 99,875
2025	944,799	71,535	900,000	56,250
2026	82,881	47,778	900,000	16,875
2027	<u>823,697</u>	<u>21,119</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,017,930</u>	<u>\$ 226,748</u>	<u>\$ 2,645,000</u>	<u>\$ 173,000</u>

NOTE 11 - SUBSCRIPTIONS:

The County obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed annually.

Subscription asset activity of the County is included in Note 10.

Future principal and interest payment requirements related to the County's subscription liability at December 31, 2023 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 158,584	\$ 21,066	\$ 179,650
2025	164,927	14,723	179,650
2026	137,549	8,126	145,675
2027	<u>65,600</u>	<u>2,624</u>	<u>68,224</u>
	<u>\$ 526,660</u>	<u>\$ 46,539</u>	<u>\$ 573,199</u>

NOTE 12 - RETIREMENT PLAN:

DEFINED BENEFIT PLAN

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2023

NOTE 12 - RETIREMENT PLAN - (cont'd):

Plan Description -

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

The membership at December 31, 2022 was composed of 428 active participants, 742 retirees and beneficiaries, and 138 inactive but vested members. The membership at December 31, 2021 was composed of 476 active participants, 798 retirees and beneficiaries, and 149 inactive but vested members. In general, all employees are eligible for regular retirement as follows:

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

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

All Employees - age 60 with 8 years of service.

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 12 - RETIREMENT PLAN - (cont'd):

Since the County does not issue a stand-alone report for its County defined benefit plan, following are condensed financial statements for the period as of and including December 31, 2023:

Statement of Net Position

Cash and investments	\$ 264,839,738
Other assets	<u>1,608,151</u>
Total assets	266,447,889
Liabilities	<u>80,289</u>
Net position	<u>\$ 266,367,600</u>

Statement of Changes in Net Position

Additions:	
Contributions	\$ 9,443,280
Investment gain	<u>28,508,591</u>
Total additions	<u>37,951,871</u>
Deductions:	
Benefit payments	19,246,412
Other expenses	<u>165,300</u>
Total deductions	<u>19,411,712</u>
Change in net position	18,540,159
Net position, beginning of year	<u>247,827,441</u>
Net position, end of year	<u>\$ 266,367,600</u>

Summary of Significant Accounting Policies -

Basis of Accounting -

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

Method Used to Value Investments -

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 12 - RETIREMENT PLAN - (cont'd):

Contribution and Funding Policy -

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a level dollar amount designed to accumulate sufficient assets to pay benefits when due. During the year ended December 31, 2023, contributions totaling \$9,443,280 (\$7,723,557 employer and \$1,719,723 employee) were made in accordance with contribution requirements determined by an actuarial valuation for the Plan as of December 31, 2021. The required employer contributions were \$4,660,241 for General County, \$536,825 for the Road Commission, and \$1,370,807 for Community Mental Health. Employee contributions represent 5.00%-8.00% of covered payroll, depending on the contract. The contribution requirement of a Plan member and the County are established by the St. Clair County Retirement Board and may be amended by the St. Clair County Board of Commissioners. Most administrative costs of the Plan are paid with retirement assets. The defined benefit Plan, excluding Sheriff Deputies, is closed to new-hires.

The required contribution rate was determined as part of the December 31, 2021 actuarial valuation using the individual entry age normal cost method. The actuarial assumptions included: (a) 7.00% net investment rate of return, and (b) projected salary increases of 2.25% to 7.00% per year, which includes pay inflation at 2.25%. There are no projected cost-of-living adjustments. The actuarial value was determined using techniques that smooth the effect of short-term volatility in the fair value of investments over a five-year period. The Plan's unfunded actuarial accrued liability is being amortized as a level dollar on an open period, with a remaining amortization period as of December 31, 2021 of 15 years for Community Mental Health and amortized as a level dollar on a closed period with a remaining amortization period as of December 31, 2021 of 15 years for General Employees and the Road Commission.

Net Pension Liability of the County -

The net pension liability of the County has been measured as of December 31, 2023, which used updated procedures to roll forward the estimated liability of an actuarial valuation at December 31, 2022, and is composed of the following:

	<u>Total Pension Liability</u>	<u>Plan's Net Position</u>	<u>Net Pension Liability</u>
Beginning balance	\$ 315,937,280	\$ 247,827,441	\$ 68,109,839
Service cost	3,117,168	-	3,117,168
Interest on total pension liability	21,660,187	-	21,660,187
Net investment income	-	28,508,591	(28,508,591)
Expected and actual differences	2,604,745	-	2,604,745
Contributions from employer	-	7,723,557	(7,723,557)
Contributions from employees	-	1,719,723	(1,719,723)
Benefit payments	(19,246,412)	(19,246,412)	-
Administrative costs	-	(165,300)	165,300
Ending balance	<u>\$ 324,072,968</u>	<u>\$ 266,367,600</u>	<u>\$ 57,705,368</u>

Plan fiduciary net position as a percentage of the total pension liability 82.19%

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 12 - RETIREMENT PLAN - (cont'd):

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

	<u>Total Pension Liability</u>	<u>Plan's Net Position</u>	<u>Net Pension Liability</u>
Primary Government			
Beginning balance	\$ 206,228,730	\$ 194,958,149	\$ 11,270,581
Service cost	2,165,620	-	2,165,620
Interest on total pension liability	14,160,546	-	14,160,546
Net investment income	-	(28,645,016)	28,645,016
Changes in assumptions	327,600	-	327,600
Expected and actual differences	(1,695,348)	-	(1,695,348)
Contributions from employer	-	5,344,705	(5,344,705)
Contributions from employees	-	1,158,785	(1,158,785)
Benefit payments	(12,201,657)	(12,201,657)	-
Administrative costs	-	(104,553)	104,553
Other	-	11,452	(11,452)
	<u>\$ 208,985,491</u>	<u>\$ 160,521,865</u>	<u>\$ 48,463,626</u>

Plan fiduciary net position as a percentage of the total pension liability 76.81%

	<u>Total Pension Liability</u>	<u>Plan's Net Position</u>	<u>Net Pension Liability</u>
Component Units			
Beginning balance	\$ 105,632,704	\$ 101,901,028	\$ 3,731,676
Service cost	1,181,016	-	1,181,016
Interest on total pension liability	7,262,926	-	7,262,926
Net investment income	-	(15,376,815)	15,376,815
Changes in assumptions	176,754	-	176,754
Expected and actual differences	(1,186,328)	-	(1,186,328)
Contributions from employer	-	6,293,675	(6,293,675)
Contributions from employees	-	651,471	(651,471)
Benefit payments	(6,115,283)	(6,115,283)	-
Administrative costs	-	(54,648)	54,648
Other	-	6,148	(6,148)
	<u>\$ 106,951,789</u>	<u>\$ 87,305,576</u>	<u>\$ 19,646,213</u>

Road Commission	\$ 8,526,299
CMHA	<u>11,119,914</u>
	<u>\$ 19,646,213</u>

Plan fiduciary net position as a percentage of the total pension liability 81.63%

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 12 - RETIREMENT PLAN - (cont'd):

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

For the year ended December 31, 2023, the County recognized pension expense of \$8,047,933 in the government-wide and proprietary fund financial statements of the primary government and \$4,420,741 in the component units [\$1,868,891 in the Road Commission and \$2,551,850 in the Community Mental Health Authority]. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Primary Government</u>	<u>Component Units</u>
Deferred Outflows of Resources:		
Proportionate share difference	\$ -	\$ 161,431
Net difference between projected and actual earnings on Plan investments	21,705,800	12,269,003
Changes in assumptions	163,800	88,377
Contributions made subsequent to the measurement date	<u>5,749,762</u>	<u>1,609,345</u>
	<u>\$ 27,619,362</u>	<u>\$ 14,128,156</u>
Deferred Inflows of Resources:		
Proportionate share difference	\$ 161,431	\$ -
Difference between expected and actual experience	<u>847,674</u>	<u>593,164</u>
	<u>\$ 1,009,105</u>	<u>\$ 593,164</u>

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

	<u>Primary Government</u>	<u>Component Units</u>
2024	\$ 1,186,774	\$ 1,227,097
2025	5,248,616	2,943,754
2026	6,009,596	3,248,625
2027	<u>8,415,509</u>	<u>4,506,171</u>
	<u>\$ 20,860,495</u>	<u>\$ 11,925,647</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 12 - RETIREMENT PLAN - (cont'd):

Investment Policy - The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Retirement Board to pursue an investment strategy that manages risk through diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of December 31, 2023 and 2022:

Asset Class	Target Allocation
Fixed Income	20.00 %
Domestic Equity	45.00
International Equity	10.00
Emerging Markets Equity	5.00
Private Real Assets	5.00
Real Estate	15.00

Rate of Return - For the years ended December 31, 2023 and 2022, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 11.72% and (15.05)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2021, which used updated procedures to roll forward the estimated liability to December 31, 2022, and by an actuarial valuation as of December 31, 2022, which also used updated procedures to roll forward this estimated liability to December 31, 2023. The valuations used the following actuarial assumptions based on the most recent experience study, completed for the five years ended December 31, 2018:

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent for the 2023 and 2022 liabilities. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 12 - RETIREMENT PLAN - (cont'd):

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of December 31, 2023 and 2022 for each major asset class included in the Plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	0.41 %
Domestic Equity	9.26
International Equity	6.35
Emerging Markets Equity	10.83
Private Real Assets	6.67
Real Estate	6.60

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the County, calculated using the discount rate of 7.00 percent for 2023 and 2022, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1 % Increase (8.00%)</u>
Net pension liability at December 31, 2023	\$ 94,043,709	\$ 57,705,368	\$ 27,163,859
		<u>Current Discount Rate (7.00%)</u>	<u>1 % Increase (8.00%)</u>
Net pension liability at December 31, 2022 -			
Primary government	\$ 72,214,813	\$ 48,463,626	\$ 28,522,438
Component units	31,745,217	19,646,213	9,480,335
	<u>\$ 103,960,030</u>	<u>\$ 68,109,839</u>	<u>\$ 38,002,773</u>

DEFINED CONTRIBUTION PLAN

General Government -

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 12 - RETIREMENT PLAN - (cont'd):

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

Employer contributions for the year ended December 31, 2023 were \$1,379,737.

Component Units -

The Road Commission provides pension benefits through a defined contribution plan to employees not participating in the defined benefit plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus any investment earnings. The Road Commission matches employee contributions up to 8% of total wages and is subject to forfeiture by the employee based on a 5-year vesting schedule. Employee contributions are 100% vested at the time of contribution. For the year ended December 31, 2023, the Road Commission contributed \$277,383 to the plan.

The St. Clair County Community Mental Health Authority offers employees who have been hired on or after January 1, 2016 the option to participate in a defined contribution plan with contributions being held in accordance with Internal Revenue Code Section 457. The plan is administered by a third-party administrator. Participation in the plan is voluntary to eligible full-time employees. The St. Clair County Community Mental Health Authority will match the employee contribution dollar-for-dollar up to the maximum of 8% of total wages. The plan may be amended by the Board of Directors. For the year ended September 30, 2023, employer contributions were \$674,458.

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN:

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

Plan Description -

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

Benefits Provided -

The membership at December 31, 2022 was composed of 394 active participants, 612 retirees and beneficiaries, and 50 terminated vested participants. The membership at December 31, 2021 was composed of 437 active participants, 562 retirees and beneficiaries, and 61 terminated vested participants. In general, all employees are eligible for postemployment benefits as follows:

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

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

Since the County does not issue a stand-alone report for its County postemployment benefit plan, following are condensed financial statements for the period as of and including December 31, 2023:

Statement of Net Position -

Cash and investments	\$ 62,136,541
Other assets	<u>139,831</u>
Total assets	62,276,372
Liabilities	<u>13,040</u>
Net position	<u>\$ 62,263,332</u>

Statement of Changes in Net Position -

Additions:	
Contributions	\$ 3,283,742
Investment gain	7,553,052
Other	<u>8,032</u>
Total additions	10,844,826
Deductions:	
Benefit payments	<u>2,984,051</u>
Change in net position	7,860,775
Net position, beginning of year	<u>54,402,557</u>
Net position, end of year	<u>\$ 62,263,332</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

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

The Basis of Accounting and Method Used to Value Investments are the same as the Retirement Plan outlined in Note 12.

Contribution and Funding Policy -

The OPEB Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a level dollar amount designed to accumulate sufficient assets to pay benefits when due. During the year ended December 31, 2023, contributions of \$3,283,742 (\$2,959,929 employer and \$323,813 employee) were made. The actuarial valuation dated December 31, 2022 determined a contribution of \$237,394 for Community Mental Health, \$3,218,049 for General County, and \$454,592 for Road Commission employees.

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

The required contribution rate was determined as part of the December 31, 2022 actuarial valuation using the individual entry age normal level percent of salary cost method. The actuarial assumption included (a) a 5.25% net investment rate of return; (b) projected salary increases of 2.25% to 7.00% per year; (c) an annual healthcare cost trend of 8.00% initially for non-Medicare rates, reduced by decrements of 0.50% to an ultimate rate of 4.50% after 8 years and a trend of 7.00% for Medicare rates, reduced by decrements of 0.50% to an ultimate rate of 4.00% after 7 years; and (d) an inflation rate of 2.00%. There are no projected cost-of-living adjustments. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the fair value of investment over a five-year period. The OPEB Plan's unfunded actuarial accrued liability is being amortized as a level dollar amount for General County employees and as a level percentage of member payroll for Community Mental Health and Road Commission employees on a closed period, with a remaining amortization period as of December 31, 2022 of 7 years.

Investment Policy -

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy and the best estimates of arithmetic real rates of return for each asset class as of December 31, 2023 are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	38.00 %	4.00 %
Domestic Equity	49.80	8.00
International Equity	7.20	9.00
Real Estate	3.00	6.30
Cash	<u>2.00</u>	3.00
TOTAL	<u><u>100.00 %</u></u>	

Rate of Return -

For the year ended December 31, 2023 and 2022, the annual money-weighted rate of return on OPEB Plan investments, net of investment expense, was 13.94% and (13.51)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability (Asset) of the County -

The net OPEB liability (asset) of the County has been measured as of December 31, 2023, which used updated procedures to roll forward the estimated liability of an actuarial valuation at December 31, 2022, and is composed of the following:

	<u>Total OPEB Liability</u>	<u>OPEB Plan's Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Beginning balance	\$ 66,019,203	\$ 54,402,557	\$ 11,616,646
Service cost	1,016,572	-	1,016,572
Interest on total OPEB liability	3,442,049	-	3,442,049
Net investment income	-	7,553,052	(7,553,052)
Changes in assumptions	(8,743,789)	-	(8,743,789)
Expected and actual differences	(6,244,189)	-	(6,244,189)
Contributions from employer	-	2,959,929	(2,959,929)
Contributions from employees	-	323,813	(323,813)
Other revenue	-	8,032	(8,032)
Benefit payments	<u>(2,984,051)</u>	<u>(2,984,051)</u>	<u>-</u>
Ending balance	<u>\$ 52,505,795</u>	<u>\$ 62,263,332</u>	<u>\$(9,757,537)</u>

OPEB Plan fiduciary net position as a percentage of the total OPEB liability 118.58%

The discount rate changed from 5.25% in the 2022 valuation to 6.40% in 2023.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

The net OPEB liability of the County has been measured as of December 31, 2022, which used updated procedures to roll forward the estimated liability using the December 31, 2021 actuarial valuation, and is composed of the following:

	<u>Total OPEB Liability</u>	<u>OPEB Plan's Net Position</u>	<u>Net OPEB Liability</u>
Primary Government:			
Beginning balance	\$ 50,961,973	\$ 32,095,915	\$ 18,866,058
Service cost	788,162	-	788,162
Interest on total OPEB liability	2,668,711	-	2,668,711
Net investment income	-	(4,272,046)	4,272,046
Changes in assumptions	1,261,865	-	1,261,865
Expected and actual differences	(9,514,087)	-	(9,514,087)
Contributions from employer	-	815,382	(815,382)
Contributions from employees	-	257,667	(257,667)
Benefit payments	(1,858,908)	(1,858,908)	-
Ending balance	<u>\$ 44,307,716</u>	<u>\$ 27,038,010</u>	<u>\$ 17,269,706</u>
OPEB Plan fiduciary net position as a percentage of the total OPEB liability			61.02%

	<u>Total OPEB Liability</u>	<u>OPEB Plan's Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Component Units:			
Beginning balance	\$ 24,978,930	\$ 30,845,454	\$(5,866,524)
Service cost	408,339	-	408,339
Interest on total OPEB liability	1,304,828	-	1,304,828
Net investment income	-	(4,205,298)	4,205,298
Changes in assumptions	686,514	-	686,514
Expected and actual differences	(4,586,523)	-	(4,586,523)
Contributions from employer	-	1,719,065	(1,719,065)
Contributions from employees	-	85,927	(85,927)
Benefit payments	(1,080,601)	(1,080,601)	-
Ending balance	<u>\$ 21,711,487</u>	<u>\$ 27,364,547</u>	<u>\$(5,653,060)</u>
Road Commission Net OPEB Liability			\$ 2,628,938
CMHA Net OPEB Asset			(8,281,998)
Net OPEB Liability (Asset)			<u>\$(5,653,060)</u>
OPEB Plan fiduciary net position as a percentage of the total OPEB liability			126.04%

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

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

For the year ended December 31, 2023, the County recognized OPEB expense (credit) of \$(8,860,203) in the government-wide and proprietary fund financial statements of the primary government and \$(4,519,470) in the component units [\$ (2,809,247) in the Road Commission and \$(1,710,223) in the Community Mental Health Authority]. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Primary Government</u>	<u>Component Units</u>
Deferred Outflows of Resources:		
Proportionate share difference	\$ 159,886	\$ 2,030,644
Differences between expected and actual experience	-	114
Changes in assumptions	6,079,640	1,654,087
Net difference between projected and actual earnings on OPEB Plan investments	3,045,911	2,033,974
Contributions made subsequent to the measurement date	<u>1,291,929</u>	<u>1,607,250</u>
	<u>\$ 10,577,366</u>	<u>\$ 7,326,069</u>
 Deferred Inflows of Resources:		
Proportionate share difference	\$ 1,481,719	\$ 708,811
Differences between expected and actual experience	13,753,352	6,623,786
Changes in assumptions	<u>3,706,411</u>	<u>1,818,589</u>
	<u>\$ 18,941,482</u>	<u>\$ 9,151,186</u>

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

	<u>Primary Government</u>	<u>Component Units</u>
2024	\$(9,839,202)	\$(4,272,032)
2025	(2,529,993)	(489,928)
2026	1,132,016	554,694
2027	<u>1,581,134</u>	<u>774,899</u>
	<u>\$(9,656,045)</u>	<u>\$(3,432,367)</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

Actuarial Assumptions -

The total OPEB liability of the OPEB Plan was determined by an actuarial valuation as of December 31, 2021, which used updating procedures to roll forward the estimated liability to December 31, 2022 and by an actuarial valuation at December 31, 2022, which used updating procedures to roll forward the estimated liability to December 31, 2023, the measurement date. The valuation used the following assumptions included in the measurement:

Salary Increases - 2.25%-7.00%, including inflation

Investment Rate of Return - 5.25%

Mortality Rates - For 2023, a version of Pub-2010 with Scale MP-2021 generational mortality improvement, and for 2022 using the Scale MP-2020

Inflation Rate - 2.00%

Healthcare Cost Trend Rate - 7.50%, decreasing by 0.50% per year to 4.50%

Projected Cash Flows - For the 2023 liability, the OPEB Plan's fiduciary net position was projected to cover projected benefit payments of current and active members. This projection assumes the County and Road Commission contribute \$2,558,601 in total annually based on historical contributions of the last three years. Mental Health is expected to contribute the balance of the normal cost, less employee contributions. For the 2022 liability, the OPEB Plan's fiduciary net position was projected to cover projected benefit payments of current and active members. This projection assumes the County and Road Commission contribute \$2,083,445 in total annually based on historical contributions of the last three years. Mental Health is expected to contribute the balance of the normal cost, less employee contributions.

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

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

	1% Decrease <u>(5.40%)</u>	Current Discount Rate <u>(6.40%)</u>	1% Increase <u>(7.40%)</u>
Net OPEB liability (asset) at December 31, 2023	\$ <u>(3,851,603)</u>	\$ <u>(9,757,537)</u>	\$ <u>(14,730,153)</u>
		Current	
	1% Decrease <u>(4.25%)</u>	Discount Rate <u>(5.25%)</u>	1% Increase <u>(6.25%)</u>
Net OPEB liability (asset) at December 31, 2022			
Primary government	\$ 21,281,707	\$ 17,269,706	\$ 13,927,503
Component units	<u>(1,592,606)</u>	<u>(5,653,060)</u>	<u>(9,035,626)</u>
	<u>\$ 19,689,101</u>	<u>\$ 11,616,646</u>	<u>\$ 4,891,877</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 - POSTEMPLOYMENT HEALTH CARE PLAN - (cont'd):

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

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

	1% Decrease <u>(6.50-3.50%)</u>	Current Discount Rate <u>(7.50-4.50%)</u>	1% Increase <u>(8.50-5.50%)</u>
Net OPEB liability (asset) at December 31, 2023	\$ <u>(15,465,690)</u>	\$ <u>(9,757,537)</u>	\$ <u>(2,939,071)</u>
		Current	
	1% Decrease <u>(7.00-3.50%)</u>	Discount Rate <u>(8.00-4.50%)</u>	1% Increase <u>(9.00-5.50%)</u>
Net OPEB liability (asset) at December 31, 2022			
Primary government	\$ 13,406,179	\$ 17,269,706	\$ 21,950,819
Component units	<u>(9,563,246)</u>	<u>(5,653,060)</u>	<u>(915,413)</u>
	<u>\$ 3,842,933</u>	<u>\$ 11,616,646</u>	<u>\$ 21,035,406</u>

NOTE 14 - CONTINGENT LIABILITIES:

Primary Government -

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

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 14 - CONTINGENT LIABILITIES - (cont'd):

Component Unit - Road Commission -

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

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

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

Component Unit - Community Mental Health Authority -

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

NOTE 15 - RISK MANAGEMENT:

Primary Government -

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

The County is completely self-insured for unemployment compensation and short-term disability claims and is self-insured for workers' compensation claims up to an amount of \$500,000 in individual claims for 2023.

Based on claims currently pending and past history, the County has estimated accrued claims, including an estimate for claims incurred but not reported (IBNR), of \$0, \$0, and \$200,000 for unemployment compensation, disability, and workers' compensation, respectively.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 15 - RISK MANAGEMENT - (cont'd):

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

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

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

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

The County has also elected to be a member of the Stop Loss Program, which limits the County's self-insurance retention. For 2023, that Stop Loss Program limited the retention for St. Clair County to \$750,000 in aggregate claims paid during the year.

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

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

Based on claims currently pending and past history, the County has estimated the accrued property and liability claims, including an estimate for claims incurred but not reported (IBNR), of \$975,000, which is recorded in the Self-Insurance Fund.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 15 - RISK MANAGEMENT - (cont'd):

The County is self-insured for health care benefits with the administrative services of the program being performed on a contractual basis by a third party. The County pays claims up to \$150,000 per contract per contract year. Stop-loss insurance has been purchased to insure the County against losses in excess of these limits. Based on past history, the County has estimated the accrued health care claims, including an estimate for claims IBNR, of \$465,000 at December 31, 2023, which is recorded as current liabilities in the Self Insurance (Internal Service) Fund. Changes in the balance of claims liability during the past two years as reported in the Self-Insurance (Internal Service) Fund are as follows:

	<u>Property/ Liability Insurance</u>		<u>Disability Insurance</u>		<u>Unemployment</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Unpaid claims, beginning of year	\$1,045,000	\$ 434,000	\$ -	\$ -	\$ -	\$ -
Incurred claims (including IBNR's)	59,297	795,961	148,180	282,927	15,319	3,056
Claims paid	(129,297)	(184,961)	(148,180)	(282,927)	(15,319)	(3,056)
Unpaid claims, end of year	975,000	1,045,000	-	-	-	-
Less current portion	(77,000)	(320,000)	-	-	-	-
Long-term Liabilities	<u>\$ 898,000</u>	<u>\$ 725,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Workers' Compensation</u>		<u>Health Care</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Unpaid claims, beginning of year	\$ 328,000	\$ 320,000	\$ 270,000	\$ 365,000	\$1,643,000	\$1,119,000
Incurred claims (including IBNR's)	47,615	188,007	10,954,590	9,164,908	11,225,001	10,434,859
Claims paid	(175,615)	(180,007)	(10,759,590)	(9,259,908)	(11,228,001)	(9,910,859)
Unpaid claims, end of year	200,000	328,000	465,000	270,000	1,640,000	1,643,000
Less current portion	(200,000)	(328,000)	(465,000)	(270,000)	(742,000)	(918,000)
Long-term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 898,000</u>	<u>\$ 725,000</u>

Component Units -

Road Commission -

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2023

NOTE 15 - RISK MANAGEMENT - (cont'd):

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

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

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

The Road Commission is self-insured for health care benefits. The administrative services for the self-insured program are performed by a health insurance company. The Road Commission makes monthly payments, based on estimated claims and a stop-loss provision (up to \$30,000 per contract per contract year), which are adjusted quarterly. The Road Commission has estimated accrued health care claims in excess of the last quarter payments, including an estimate for claims IBNR of \$20,000 at December 31, 2023, which is recorded as a current liability.

Community Mental Health Authority -

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

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

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

NOTE 16 - MAJOR TAXPAYER:

The County is economically dependent upon the Detroit Edison Company that has real and personal property within the County with a taxable value of \$1,085,657,789. This represents approximately 14 percent of the taxable value for the County.

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 - DEFERRED COMPENSATION:

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

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

NOTE 18 - NET POSITION/FUND BALANCE:

NET INVESTMENT IN CAPITAL ASSETS -

Governmental Activities:

Capital Assets	\$ 76,844,065
Less related debt -	
2017 Refunding Bonds	(315,000)
2020 Refunding Bonds	(10,875,000)
2022 Refunding Bond	(6,640,000)
Installment purchase	(66,168)
Lease liabilities	(201,790)
Subscription liabilities	(526,660)
Bond premiums	(647,144)
Deferred charges	<u>293,888</u>
	<u>\$ 57,866,191</u>

Business-type Activities:

Capital Assets	\$ 23,213,291
Less related debt -	
2010 G.O. Bond	(4,269,280)
2014 G.O. Bond	<u>(2,735,000)</u>
	<u>\$ 16,209,011</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 18 - NET POSITION/FUND BALANCE - (cont'd):

RESTRICTED FUND BALANCE/NET POSITION -

The fund balances and net position the Primary Government have been restricted for the following purposes at December 31, 2023:

	<u>Major Fund</u>	<u>Non-major Fund</u>	<u>Total</u>
Governmental Funds:			
Acquisition/construction of capital assets:			
Public Improvement	\$ -	\$ 9,033,523	\$ <u>9,033,523*</u>
Debt Service:			
Mental Health Building Debt Fund	-	610	610
Communications Debt Fund - 2009	-	18,417	18,417*
Convention Center	-	71,257	71,257
Jail/Juvenile Facility	-	2,005	<u>2,005</u>
			<u>92,289</u>
Recreation and Cultural:			
Parks and Recreation	2,888,491	-	2,888,491*
Library	7,171,765	-	<u>7,171,765*</u>
			<u>10,060,256</u>
Health and Welfare:			
Senior Citizens Millage	4,668,323	-	4,668,323*
Health Department	-	670,144	670,144
CDBG Housing	-	492,299	492,299
HUD Housing	-	95,311	95,311
Veterans' Millage	-	604,732	604,732*
Opioid Settlement	1,398,670	-	<u>1,398,670*</u>
			<u>7,929,479</u>
Public Safety:			
Drug Task Force	2,259,913	-	2,259,913*
Drug Law Enforcement	-	713,759	713,759
Local Corrections and Training	-	56,166	56,166
Prosecutor's Drug Forfeitures	-	229,845	229,845
Concealed Pistol Licensing	-	429,308	429,308*
Animal Control Donations	-	76,562	<u>76,562</u>
			<u>3,765,553</u>
Judicial:			
Friend of Court	-	1,074,317	1,074,317
Family Counseling	-	137,531	137,531*
Indigent Defense	-	27,556	<u>27,556*</u>
			<u>1,239,404</u>
Other Purposes:			
Deeds Automation	-	142,099	<u>142,099*</u>
Total Restricted Fund Balance	<u>\$ 18,387,162</u>	<u>\$ 13,875,441</u>	<u>\$ 32,262,603</u>

* Restricted by Enabling Legislation

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 18 - NET POSITION/FUND BALANCE - (cont'd):

Governmental Activities:

Total Restricted Fund Balance - Governmental Funds	\$ 32,262,603
Deferred Inflows of Resources:	
Recreation and Cultural Programs	12,366
Health and Welfare Programs	10,862,678
Public Safety Programs	8,217
Debt Service	9,483
Net Pension Liability and Net OPEB Liability associated with Recreation and Cultural Programs	(<u>2,739,424</u>)
Total Restricted Net Position - Governmental Activities	<u>\$ 40,415,923</u>

Business-type Activities:

Foreclosure sales	<u>\$ 2,978,799</u>
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COMMITTED FUND BALANCES -

At December 31, 2023, the Board of Commissioners had committed the following fund balances:

Combined General Fund - Budget Incentive	\$ 1,437,369
American Rescue Plan Fund - General Government	1,900,527
Nonmajor Funds -	
General Government - Convention Center	1,293,566
Health and Welfare - Health Department	6,427,899
Human Services	43,807
Child Care	2,492,812
Capital Outlay - Municipal Building	<u>123,789</u>
	<u>\$ 13,719,769</u>

NOTE 19 - CLOSURE AND POSTCLOSURE CARE COSTS:

State and federal laws and regulations require that the County of St. Clair place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of the landfill closure and postclosure care costs is based on the amount of the landfill capacity used during the year. The estimated liability for landfill closure and postclosure care costs was \$9,321,301 at December 31, 2023, which is based on the estimated percentage of capacity used to date of 47.4%.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 19 - CLOSURE AND POSTCLOSURE CARE COSTS - (cont'd):

Currently, the County has 97 acres licensed, with an additional 10 acres available for licensing. It is estimated that an additional \$12,233,465 will be recognized as closure and post-closure care expense between the date of the balance sheet and the date the landfill is expected to be filled to capacity and monitored for 30 years. The estimated remaining life of the landfill is 75 years.

The estimated total cost of the landfill closure and post-closure care cost of \$21,656,150 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain that landfill were acquired as of December 31, 2023. However, the actual cost of closure and post-closure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

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

The County is also required by the State to purchase an irrevocable line of credit in the amount of \$3,595,000 that can be drawn on by the State of Michigan to pay any necessary closure and post-closure costs. The County is in compliance with this requirement.

NOTE 20 - TAX ABATEMENTS:

The County has received reduced property tax revenues during 2023 as a result of industrial facilities tax exemptions (IFT's) entered into by cities, villages, and townships within the County.

The IFT's were entered into based upon the Industrial Development Districts Act, PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high-tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements amounted to approximately \$100,958 in reduced County tax revenues in the General Fund and \$57,978 in reduced County tax revenues in the Special Revenue millage funds for 2023.

NOTE 21 - DISSOLUTION OF DEPARTMENT OF PUBLIC WORKS (COMPONENT UNIT):

During 2022, the DPW had agreed to transfer the activity of the SDS I Waste Water Treatment Plant Fund to a newly formed Southwater Municipal Utility Authority created by the participating townships and city. The date of transfer was determined during 2023 and occurred December 31, 2023. All of the assets, liabilities, net position, and operations of the SDS I Waste Water Treatment Plant Fund will be transferred to the new entity.

The Utility Operation and Maintenance Receiving Fund will be transferred to the County and Greenwood Township at amounts agreed upon. The governmental funds' amounts and activities will be transferred to the County to continue collecting and making payments on behalf of the respective townships.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 22 - PRIOR PERIOD ADJUSTMENT:

The prior period adjustment in the Community Mental Health Authority consists of a fiscal year 2022 compliance examination adjustment of \$104,675 and adjustments to a right-to-use asset and corresponding liability of \$104,158 and \$105,418, respectively, with the effect on net position of \$1,260. Both of these items reduced net position by \$105,935.

NOTE 23 - CHANGE IN ACCOUNTING PRINCIPLE:

The County implemented GASB No. 96, *Subscription-Based Information Technology Arrangements*. It (1) defines a subscription-based information technology arrangement (SBITA) as a contract that conveys control of the right to use an SBITA vendor's IT software, either alone or in combination with tangible capital assets, as specified in the contract, for a period of time in an exchange or exchange-like transaction; (2) requires governments with SBITA's to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. As a result, subscription assets and liabilities were reported at January 1, 2023 of \$375,422.

REQUIRED SUPPLEMENTARY INFORMATION

ST. CLAIR COUNTY, MICHIGAN

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

FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 38,742,631	\$ 39,828,646	\$ 39,843,705	\$ 15,059
Licenses and permits	432,700	282,700	228,974	(53,726)
Intergovernmental	15,012,129	15,450,326	14,922,938	(527,388)
Charges for services	7,393,795	8,202,040	7,642,087	(559,953)
Fines and forfeits	358,000	358,000	326,375	(31,625)
Interest and rent	1,041,066	2,122,989	2,324,825	201,836
Other	1,474,110	1,478,504	1,482,622	4,118
Total Revenues	<u>64,454,431</u>	<u>67,723,205</u>	<u>66,771,526</u>	<u>(951,679)</u>
Expenditures:				
General Government -				
Board of Commissioners	226,977	231,968	222,158	9,810
Other Legislative Activities	1,183,000	2,983,000	2,930,052	52,948
Administrator/Controller	633,832	642,103	640,254	1,849
Elections	144,637	144,637	138,146	6,491
Accounting	362,397	379,892	373,468	6,424
Clerk	905,018	905,018	746,490	158,528
Equalization	886,953	886,953	808,528	78,425
Human Resources	489,346	515,390	510,286	5,104
Purchasing	130,661	130,661	103,415	27,246
Treasurer	647,821	647,821	608,880	38,941
Information Technology	2,519,770	2,419,770	2,253,015	166,755
Building and Grounds	2,615,444	2,655,344	2,551,658	103,686
Motor Pool	160,500	160,500	116,652	43,848
Other	224,506	-	-	-
	<u>11,130,862</u>	<u>12,703,057</u>	<u>12,003,002</u>	<u>700,055</u>
Judicial -				
Circuit Court	1,386,746	1,386,746	1,454,852	(68,106)
District Court	2,513,160	2,513,160	2,378,215	134,945
Courthouse Security	699,315	699,315	669,601	29,714
Friend of the Court	3,393,867	3,393,867	3,166,330	227,537
Probate Court	1,359,687	1,443,207	1,435,696	7,511
Family Division - Circuit Court	1,695,883	1,703,919	1,696,798	7,121
Probation	7,300	7,300	3,637	3,663
District Court Probation	950,234	950,234	948,767	1,467
Prosecuting Attorney	3,465,325	3,445,515	3,437,111	8,404
Victims Rights	10,800	10,800	6,092	4,708
	<u>15,482,317</u>	<u>15,554,063</u>	<u>15,197,099</u>	<u>356,964</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Public Safety -				
Sheriff	\$ 9,319,821	\$ 9,745,146	\$ 9,684,985	\$ 60,161
Training	15,000	28,866	11,269	17,597
Communications/Radio	2,005,388	2,037,551	2,008,819	28,732
Marine Law Enforcement	304,660	304,660	259,036	45,624
Dive Team	53,342	53,342	52,071	1,271
Corrections / Jail	14,480,739	14,587,511	14,370,576	216,935
Other Corrections Activities	120,000	145,000	155,892	(10,892)
Emergency Preparedness	781,973	626,573	562,336	64,237
Hazardous Material Handling	39,817	39,817	38,659	1,158
Animal Shelter/Dog Warden	661,248	661,248	643,315	17,933
	<u>27,781,988</u>	<u>28,229,714</u>	<u>27,786,958</u>	<u>442,756</u>
Public Works -				
Road Commission	900,000	900,000	900,000	-
Drain Commissioner	594,724	594,724	515,993	78,731
Drains - Public Benefit	677,208	449,756	451,074	(1,318)
	<u>2,171,932</u>	<u>1,944,480</u>	<u>1,867,067</u>	<u>77,413</u>
Health and Welfare -				
Medical Examiner	674,580	677,455	675,532	1,923
Mental Health	955,672	955,672	955,672	-
Public Guardian	718,041	718,041	685,669	32,372
Veterans' Burial	15,000	15,000	8,400	6,600
	<u>2,363,293</u>	<u>2,366,168</u>	<u>2,325,273</u>	<u>40,895</u>
Community and Economic Development -				
Planning Commission	750,993	750,993	718,594	32,399
Transportation Planning	8,350	8,350	6,142	2,208
Redevelopment and Housing	-	2,500	1,467	1,033
Cooperative Extension	244,761	275,161	274,238	923
Register of Deeds	135,679	135,679	86,382	49,297
	<u>1,139,783</u>	<u>1,172,683</u>	<u>1,086,823</u>	<u>85,860</u>
Debt Service -				
Principal	-	393,566	393,566	-
Interest	-	133,105	133,105	-
	<u>-</u>	<u>526,671</u>	<u>526,671</u>	<u>-</u>
Total Expenditures	<u>60,070,175</u>	<u>62,496,836</u>	<u>60,792,893</u>	<u>1,703,943</u>
Revenues over expenditures	<u>4,384,256</u>	<u>5,226,369</u>	<u>5,978,633</u>	<u>752,264</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Amended Budget Positive (Negative)
Other Financing Sources (Uses):				
Issuance of debt	\$ -	\$ 399,000	\$ 400,318	\$ 1,318
Transfers from other funds	2,932,304	2,902,868	2,911,440	8,572
Transfers to other funds	<u>(7,316,560)</u>	<u>(8,047,513)</u>	<u>(8,965,846)</u>	<u>(918,333)</u>
Total Other Financing Sources (Uses)	<u>(4,384,256)</u>	<u>(4,745,645)</u>	<u>(5,654,088)</u>	<u>(908,443)</u>
 Net Change in Fund Balance	-	480,724	324,545	(156,179)
 Fund Balance at beginning of year	<u>11,551,184</u>	<u>11,551,184</u>	<u>11,551,184</u>	<u>-</u>
 Fund Balance at end of year	<u>\$ 11,551,184</u>	<u>\$ 12,031,908</u>	<u>\$ 11,875,729</u>	<u>\$(156,179)</u>

Reconciliation of Budget-Basis to GAAP-Basis Reporting:

Net Change in General Fund Fund Balance (Budgetary Basis)	\$ 324,545
 Perspective difference - Other Budgeted Funds Net Change Allocated to the General Fund for GAAP-basis reporting	
Budget Incentive	149,186
Development Revolving	<u>(37,944)</u>
 Net Change in Combined General Fund Fund Balance (GAAP-Basis)	<u>\$ 435,787</u>

(Concluded)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
PARKS AND RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,441,834	\$ 3,452,500	\$ 3,451,458	\$(1,042)
Intergovernmental	12,000	167,335	36,799	(130,536)
Charges for services	140,118	225,000	236,683	11,683
Interest and rent	4,250	75,050	95,924	20,874
Other	43,500	50,644	58,269	7,625
Total Revenues	<u>3,641,702</u>	<u>3,970,529</u>	<u>3,879,133</u>	(91,396)
Expenditures:				
Recreation and Cultural	<u>4,521,373</u>	<u>4,050,879</u>	<u>3,222,513</u>	<u>828,366</u>
Net Change in Fund Balance	(879,671)	(80,350)	656,620	736,970
Fund Balance at beginning of year	<u>2,231,871</u>	<u>2,231,871</u>	<u>2,231,871</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 1,352,200</u>	<u>\$ 2,151,521</u>	<u>\$ 2,888,491</u>	<u>\$ 736,970</u>

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
LIBRARY
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 8,473,750	\$ 8,473,750	\$ 8,390,955	\$(82,795)
Intergovernmental	220,000	220,000	270,844	50,844
Charges for services	44,800	44,800	53,720	8,920
Fines and forfeits	375,000	375,000	422,881	47,881
Interest and rent	13,850	13,850	222,948	209,098
Other	6,475	6,475	32,545	26,070
Total Revenues	<u>9,133,875</u>	<u>9,133,875</u>	<u>9,393,893</u>	<u>260,018</u>
Expenditures:				
Recreation and Cultural	<u>7,858,203</u>	<u>7,858,203</u>	<u>6,425,388</u>	<u>1,432,815</u>
Revenues over expenditures	1,275,672	1,275,672	2,968,505	1,692,833
Other Financing Sources:				
SBITA proceeds	<u>-</u>	<u>-</u>	<u>247,647</u>	<u>247,647</u>
Net Change in Fund Balance	1,275,672	1,275,672	3,216,152	1,940,480
Fund Balance at beginning of year	<u>3,955,613</u>	<u>3,955,613</u>	<u>3,955,613</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 5,231,285</u></u>	<u><u>\$ 5,231,285</u></u>	<u><u>\$ 7,171,765</u></u>	<u><u>\$ 1,940,480</u></u>

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
SENIOR CITIZENS MILLAGE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Taxes	\$ 5,634,518	\$ 5,634,518	\$ 5,573,166	\$(61,352)
Intergovernmental	10,000	10,000	54,251	44,251
Interest and rent	10,000	10,000	170,352	160,352
Other	-	-	7,950	7,950
Total Revenues	<u>5,654,518</u>	<u>5,654,518</u>	<u>5,805,719</u>	<u>151,201</u>
 Expenditures:				
Health and Welfare	<u>6,019,396</u>	<u>6,019,396</u>	<u>5,569,801</u>	<u>449,595</u>
 Net Change in Fund Balance	(364,878)	(364,878)	235,918	600,796
 Fund Balance at beginning of year	<u>4,432,405</u>	<u>4,432,405</u>	<u>4,432,405</u>	<u>-</u>
 Fund Balance at end of year	<u>\$ 4,067,527</u>	<u>\$ 4,067,527</u>	<u>\$ 4,668,323</u>	<u>\$ 600,796</u>

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
DRUG TASK FORCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Taxes	\$ 3,898,894	\$ 3,910,007	\$ 3,907,990	\$(2,017)
Intergovernmental	5,000	5,000	716	(4,284)
Interest and rent	20,000	100,000	94,953	(5,047)
Other	10,000	12,000	12,750	750
Total Revenues	<u>3,933,894</u>	<u>4,027,007</u>	<u>4,016,409</u>	<u>(10,598)</u>
Expenditures:				
Public Safety	3,544,797	3,523,125	3,111,908	411,217
Debt Service -				
Principal	-	17,313	17,313	-
Interest	-	4,359	4,359	-
Total Expenditures	<u>3,544,797</u>	<u>3,544,797</u>	<u>3,133,580</u>	<u>411,217</u>
Revenues over expenditures	389,097	482,210	882,829	400,619
Other Financing Uses:				
Transfers to other funds	<u>(747,172)</u>	<u>(747,172)</u>	<u>(541,868)</u>	<u>205,304</u>
Net Change in Fund Balance	(358,075)	(264,962)	340,961	605,923
Fund Balance at beginning of year	<u>1,918,952</u>	<u>1,918,952</u>	<u>1,918,952</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,560,877</u></u>	<u><u>\$ 1,653,990</u></u>	<u><u>\$ 2,259,913</u></u>	<u><u>\$ 605,923</u></u>

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
AMERICAN RESCUE PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 3,000,000	\$ 2,500,000	\$ 3,419,381	\$ 919,381
Interest and rent	250,000	1,450,000	1,425,804	(24,196)
Total Revenues	<u>3,250,000</u>	<u>3,950,000</u>	<u>4,845,185</u>	<u>895,185</u>
Expenditures:				
Judicial	300,000	-	191,165	(191,165)
General Government	2,700,000	2,500,000	275,133	2,224,867
Public Safety	-	-	1,550,178	(1,550,178)
Public Works	-	-	78,935	(78,935)
Health and Welfare	-	-	330,511	(330,511)
Recreation and Cultural	-	-	487,748	(487,748)
Community and Economic Development	-	-	505,711	(505,711)
Total Expenditures	<u>3,000,000</u>	<u>2,500,000</u>	<u>3,419,381</u>	<u>(919,381)</u>
Net Change in Fund Balance	250,000	1,450,000	1,425,804	(24,196)
Fund Balance at beginning of year	<u>474,723</u>	<u>474,723</u>	<u>474,723</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 724,723</u>	<u>\$ 1,924,723</u>	<u>\$ 1,900,527</u>	<u>\$(24,196)</u>

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
OPIOID SETTLEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Other	\$ -	\$ 389,295	\$ 389,294	\$(1)
Expenditures:				
Health and Welfare	-	341,913	327,619	14,294
Net Change in Fund Balance	-	47,382	61,675	14,293
Fund Balance at beginning of year	1,336,995	1,336,995	1,336,995	-
Fund Balance at end of year	\$ 1,336,995	\$ 1,384,377	\$ 1,398,670	\$ 14,293

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

Annual money-weighted rate of return,
net of expenses

2023	11.72%
2022	-15.05%
2021	13.92%
2020	9.12%
2019	18.03%
2018	-4.72%
2017	11.89%
2016	8.13%
2015	1.60%
2014	5.62%

ST. CLAIR COUNTY, MICHIGAN

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

	Reporting Year**			
	2023	2022	2021	2020
PRIMARY GOVERNMENT				
Total Pension Liability				
Service Cost	\$ 2,165,620	\$ 2,349,386	\$ 2,647,191	\$ 2,793,165
Interest	14,160,546	13,795,460	14,435,914	13,869,129
Changes of assumptions	327,600	(725,138)	(418,920)	12,136,467
Differences between expected and actual experience	(1,695,348)	1,903,303	1,529,289	210,610
Benefit payments, including refunds	(12,201,657)	(11,645,804)	(12,289,005)	(11,092,928)
Change in total pension liability	2,756,761	5,677,207	5,904,469	17,916,443
Total pension liability, beginning of year	<u>206,228,730</u>	<u>200,551,523</u>	<u>194,647,054</u>	<u>176,730,611</u>
Total pension liability, end of year	<u>\$ 208,985,491</u>	<u>\$ 206,228,730</u>	<u>\$ 200,551,523</u>	<u>\$ 194,647,054</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 5,344,705	\$ 5,359,604	\$ 3,923,266	\$ 3,555,904
Contributions - Member	1,158,785	1,221,286	1,399,291	1,282,569
Net investment income	(28,645,016)	24,162,657	16,108,661	26,134,016
Benefit payments, including refunds	(12,201,657)	(11,645,804)	(12,289,005)	(11,092,928)
Administrative expenses	(104,553)	(104,764)	(105,027)	(145,667)
Other	<u>11,452</u>	<u>3,295</u>	<u>856</u>	<u>15,325</u>
Net change in plan fiduciary net position	(34,436,284)	18,996,274	9,038,042	19,749,219
Plan fiduciary net position, beginning of year	<u>194,958,149</u>	<u>175,961,875</u>	<u>166,923,833</u>	<u>147,174,614</u>
Plan fiduciary net position, end of year	<u>\$ 160,521,865</u>	<u>\$ 194,958,149</u>	<u>\$ 175,961,875</u>	<u>\$ 166,923,833</u>
County's Net Pension Liability - Ending	<u>\$ 48,463,626</u>	<u>\$ 11,270,581</u>	<u>\$ 24,589,648</u>	<u>\$ 27,723,221</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.81%	94.53%	87.74%	85.76%
Covered Payroll	\$ 19,404,248	\$ 19,688,620	\$ 20,338,799	\$ 21,840,966
County's Net Pension Liability as a Percentage of Covered Payroll	249.76%	57.24%	120.90%	126.93%

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

** The amount reported for each reporting year is the net pension liability as of December 31 of the prior year (2023 is the December 31, 2022 net pension liability).

2019	2018	2017	2016	2015
\$ 2,676,913	\$ 2,572,862	\$ 2,504,939	\$ 2,768,655	\$ 2,871,556
12,691,473	12,385,695	10,449,188	11,544,593	11,174,200
(233,899)	(494,505)	2,728,045	-	-
(116,488)	(559,596)	(482,191)	(1,451,427)	-
(9,792,455)	(9,938,259)	(7,116,901)	(9,130,574)	(8,877,982)
5,225,544	3,966,197	8,083,080	3,731,247	5,167,774
<u>171,505,067</u>	<u>167,538,870</u>	<u>159,455,790</u>	<u>155,724,543</u>	<u>150,556,769</u>
<u>\$ 176,730,611</u>	<u>\$ 171,505,067</u>	<u>\$ 167,538,870</u>	<u>\$ 159,455,790</u>	<u>\$ 155,724,543</u>
\$ 3,737,255	\$ 3,946,975	\$ 4,014,131	\$ 4,843,347	\$ 4,879,260
1,222,685	1,105,447	1,149,429	1,154,432	1,228,149
(8,457,211)	17,464,462	9,030,086	2,400,568	7,784,083
(9,792,455)	(9,938,259)	(7,116,901)	(9,130,574)	(8,877,982)
(101,172)	(111,350)	(129,296)	(95,353)	(103,298)
-	-	-	-	-
(13,390,898)	12,467,275	6,947,449	(827,580)	4,910,212
<u>160,565,512</u>	<u>148,098,237</u>	<u>141,150,788</u>	<u>141,978,368</u>	<u>137,068,156</u>
<u>\$ 147,174,614</u>	<u>\$ 160,565,512</u>	<u>\$ 148,098,237</u>	<u>\$ 141,150,788</u>	<u>\$ 141,978,368</u>
<u>\$ 29,555,997</u>	<u>\$ 10,939,555</u>	<u>\$ 19,440,633</u>	<u>\$ 18,305,002</u>	<u>\$ 13,746,175</u>
83.28%	93.62%	88.40%	88.52%	91.17%
\$ 21,648,797	\$ 21,511,145	\$ 22,609,487	\$ 23,709,482	\$ 24,888,511
136.52%	50.86%	85.98%	77.21%	55.23%

ST. CLAIR COUNTY, MICHIGAN

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

COMPONENT UNITS	Reporting Year**			
	2023	2022	2021	2020
Total Pension Liability				
Service Cost	\$ 1,181,016	\$ 1,239,145	\$ 1,060,542	\$ 1,192,543
Interest	7,262,926	7,015,473	5,783,444	5,921,437
Changes of assumptions	176,754	(416,461)	(167,832)	5,181,675
Differences between expected and actual experience	(1,186,328)	1,645,414	612,677	89,920
Benefit payments, including refunds	(6,115,283)	(5,665,524)	(4,223,728)	(4,680,755)
Change in total pension liability	1,319,085	3,818,047	3,065,103	7,704,820
Total pension liability, beginning of year	<u>105,632,704</u>	<u>101,814,657</u>	<u>98,749,554</u>	<u>91,044,734</u>
Total pension liability, end of year	<u>\$ 106,951,789</u>	<u>\$ 105,632,704</u>	<u>\$ 101,814,657</u>	<u>\$ 98,749,554</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 6,293,675	\$ 2,358,377	\$ 2,071,789	\$ 2,138,942
Contributions - Member	651,471	668,679	560,596	547,595
Net investment income	(15,376,815)	12,629,198	6,683,289	13,195,560
Benefit payments, including refunds	(6,115,283)	(5,665,524)	(4,223,728)	(4,680,755)
Administrative expenses	(54,648)	(54,753)	(42,077)	(62,193)
Other	6,148	1,723	355	7,737
Net change in plan fiduciary net position	(14,595,452)	9,937,700	5,050,224	11,146,886
Plan fiduciary net position, beginning of year	<u>101,901,028</u>	<u>91,963,328</u>	<u>86,913,104</u>	<u>75,766,218</u>
Plan fiduciary net position, end of year	<u>\$ 87,305,576</u>	<u>\$ 101,901,028</u>	<u>\$ 91,963,328</u>	<u>\$ 86,913,104</u>
County's Net Pension Liability - Ending	<u>\$ 19,646,213</u>	<u>\$ 3,731,676</u>	<u>\$ 9,851,329</u>	<u>\$ 11,836,450</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.63%	96.47%	90.32%	88.01%
Covered Payroll	\$ 11,432,656	\$ 11,205,193	\$ 11,729,885	\$ 12,525,127
County's Net Pension Liability as a Percentage of Covered Payroll	171.84%	33.30%	83.98%	94.50%

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

** The amount reported for each reporting year is the net pension liability as of December 31 of the prior year (2023 is the December 31, 2022 net pension liability).

2019	2018	2017	2016	2015
\$ 1,383,784	\$ 1,634,397	\$ 1,830,004	\$ 1,621,125	\$ 1,576,074
6,560,638	6,565,930	7,633,742	5,964,738	5,748,827
(120,909)	(270,272)	1,992,996	-	-
(60,217)	(2,607,396)	(352,270)	1,245,014	-
(5,487,673)	(4,929,768)	(7,203,403)	(4,528,882)	(4,453,389)
2,275,623	392,891	3,901,069	4,301,995	2,871,512
88,769,111	88,376,220	84,475,151	80,173,156	77,301,644
<u>\$ 91,044,734</u>	<u>\$ 88,769,111</u>	<u>\$ 88,376,220</u>	<u>\$ 84,475,151</u>	<u>\$ 80,173,156</u>
\$ 2,435,353	\$ 2,445,872	\$ 2,250,146	\$ 2,336,633	\$ 2,312,937
632,045	783,359	839,726	884,526	865,706
(2,790,735)	8,612,555	7,944,148	1,054,248	3,664,535
(5,487,673)	(4,929,768)	(7,203,403)	(4,528,882)	(4,453,389)
(52,299)	(56,194)	(94,459)	(47,584)	(51,466)
-	-	-	-	-
(5,263,309)	6,855,824	3,736,158	(301,059)	2,338,323
81,029,527	74,173,703	70,437,545	70,738,604	68,400,281
<u>\$ 75,766,218</u>	<u>\$ 81,029,527</u>	<u>\$ 74,173,703</u>	<u>\$ 70,437,545</u>	<u>\$ 70,738,604</u>
<u>\$ 15,278,516</u>	<u>\$ 7,739,584</u>	<u>\$ 14,202,517</u>	<u>\$ 14,037,606</u>	<u>\$ 9,434,552</u>
83.22%	91.28%	83.93%	83.38%	88.23%
\$ 12,616,569	\$ 14,197,693	\$ 15,104,860	\$ 15,228,470	\$ 14,654,443
121.10%	54.51%	94.03%	92.18%	64.38%

ST. CLAIR COUNTY, MICHIGAN

BASIC RETIREMENT SYSTEM

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Plan Year *			
	2023	2022	2021	2020
TOTAL PLAN				
Total Pension Liability				
Service Cost	\$ 3,117,168	\$ 3,346,636	\$ 3,588,531	\$ 3,707,733
Interest	21,660,187	21,423,472	20,810,933	20,219,358
Changes of assumptions	-	503,097	(1,141,599)	(586,752)
Change in benefit terms	-	1,257	-	-
Differences between expected and actual experience	2,604,745	(2,881,676)	3,548,717	2,141,966
Benefit payments, including refunds	(19,246,412)	(18,316,940)	(17,311,328)	(16,512,733)
Change in total pension liability	8,135,688	4,075,846	9,495,254	8,969,572
Total pension liability, beginning of year	<u>315,937,280</u>	<u>311,861,434</u>	<u>302,366,180</u>	<u>293,396,608</u>
Total pension liability, end of year	<u>\$ 324,072,968</u>	<u>\$ 315,937,280</u>	<u>\$ 311,861,434</u>	<u>\$ 302,366,180</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 7,723,557	\$ 11,638,380	\$ 7,717,981	\$ 5,995,055
Contributions - Member	1,719,723	1,810,256	1,889,965	1,959,887
Net investment income	28,508,591	(44,021,831)	36,791,855	22,791,950
Benefit payments, including refunds	(19,246,412)	(18,316,940)	(17,311,328)	(16,512,733)
Administrative expenses	(165,300)	(159,201)	(159,517)	(147,104)
Other	-	17,600	5,018	1,211
Net change in plan fiduciary net position	18,540,159	(49,031,736)	28,933,974	14,088,266
Plan fiduciary net position, beginning of year	<u>247,827,441</u>	<u>296,859,177</u>	<u>267,925,203</u>	<u>253,836,937</u>
Plan fiduciary net position, end of year	<u>\$ 266,367,600</u>	<u>\$ 247,827,441</u>	<u>\$ 296,859,177</u>	<u>\$ 267,925,203</u>
County's Net Pension Liability - Ending	<u>\$ 57,705,368</u>	<u>\$ 68,109,839</u>	<u>\$ 15,002,257</u>	<u>\$ 34,440,977</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.19%	78.44%	95.19%	88.61%
Covered Payroll	\$ 28,778,107	\$ 30,836,904	\$ 32,873,411	\$ 33,839,843
County's Net Pension Liability as a Percentage of Covered Payroll	200.5%	220.9%	45.6%	101.8%

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

2019	2018	2017	2016	2015	2014
\$ 3,985,708	\$ 4,060,697	\$ 4,207,259	\$ 4,334,943	\$ 4,389,780	\$ 4,781,202
19,790,566	19,252,111	18,951,625	18,082,930	17,509,331	16,948,045
17,318,142	(354,808)	(764,777)	4,721,041	-	-
-	-	-	-	-	-
300,530	(176,705)	(3,166,992)	(834,461)	(206,413)	(358,590)
(15,773,683)	(15,280,128)	(14,868,027)	(14,320,304)	(13,659,456)	(13,331,371)
25,621,263	7,501,167	4,359,088	11,984,149	8,033,242	8,039,286
<u>267,775,345</u>	<u>260,274,178</u>	<u>255,915,090</u>	<u>243,930,941</u>	<u>235,897,699</u>	<u>227,858,413</u>
<u>\$ 293,396,608</u>	<u>\$ 267,775,345</u>	<u>\$ 260,274,178</u>	<u>\$ 255,915,090</u>	<u>\$ 243,930,941</u>	<u>\$ 235,897,699</u>
\$ 5,694,846	\$ 6,172,608	\$ 6,392,847	\$ 6,264,277	\$ 7,179,980	\$ 7,192,197
1,830,164	1,854,730	1,888,806	1,989,155	2,038,958	2,093,855
39,329,576	(11,247,946)	26,077,017	16,974,234	3,454,816	11,448,618
(15,773,683)	(15,280,128)	(14,868,027)	(14,320,304)	(13,659,456)	(13,331,371)
(207,860)	(153,471)	(167,544)	(223,755)	(142,937)	(154,764)
23,062	-	-	-	-	-
30,896,105	(18,654,207)	19,323,099	10,683,607	(1,128,639)	7,248,535
<u>222,940,832</u>	<u>241,595,039</u>	<u>222,271,940</u>	<u>211,588,333</u>	<u>212,716,972</u>	<u>205,468,437</u>
<u>\$ 253,836,937</u>	<u>\$ 222,940,832</u>	<u>\$ 241,595,039</u>	<u>\$ 222,271,940</u>	<u>\$ 211,588,333</u>	<u>\$ 212,716,972</u>
<u>\$ 39,559,671</u>	<u>\$ 44,834,513</u>	<u>\$ 18,679,139</u>	<u>\$ 33,643,150</u>	<u>\$ 32,342,608</u>	<u>\$ 23,180,727</u>
86.52%	83.26%	92.82%	86.85%	86.74%	90.17%
\$ 33,483,820	\$ 34,265,366	\$ 35,708,838	\$ 37,714,347	\$ 38,937,952	\$ 39,542,954
118.1%	130.8%	52.3%	89.2%	83.1%	58.6%

ST. CLAIR COUNTY, MICHIGAN

**BASIC RETIREMENT SYSTEM
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>Actuarially determined contributions</u>	<u>Contributions in relation to the actuarially determined contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
PRIMARY GOVERNMENT					
2023	\$ 4,660,241	\$ 5,749,762	\$(1,089,521)	\$ 18,749,277	30.67%
2022	5,344,705	5,344,705	-	18,826,099	28.39%
2021	5,359,604	5,359,604	-	19,688,620	27.22%
2020	3,908,222	3,923,266	(15,044)	20,388,799	19.24%
2019	3,500,277	3,555,904	(55,627)	21,840,966	16.28%
2018	3,517,819	3,737,255	(219,436)	21,648,797	17.26%
2017	3,822,897	3,947,749	(124,852)	21,511,145	18.35%
2016	3,551,582	4,014,131	(462,549)	22,609,487	17.75%
2015	4,062,123	4,841,086	(778,963)	23,709,482	20.42%
2014	4,879,260	4,879,260	-	24,888,511	19.60%
COMPONENT UNITS					
2023	\$ 1,953,610	\$ 1,998,025	\$(44,415)	\$ 10,746,879	18.59%
2022	2,243,783	6,280,578	(4,036,795)	11,828,764	53.10%
2021	2,140,611	2,266,840	(126,229)	11,870,072	19.10%
2020	1,738,935	2,063,461	(324,526)	12,525,127	16.47%
2019	1,705,957	2,126,341	(420,384)	13,158,103	16.16%
2018	1,919,500	2,476,820	(557,320)	12,759,059	19.41%
2017	2,195,477	2,373,562	(178,085)	13,933,660	17.03%
2016	2,101,104	2,275,043	(173,939)	15,356,127	14.82%
2015	2,146,742	2,348,157	(201,415)	15,286,757	15.36%
2014	2,322,948	2,328,973	(6,025)	15,564,359	14.96%

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

ST. CLAIR COUNTY, MICHIGAN

**BASIC RETIREMENT SYSTEM
SCHEDULE OF COUNTY CONTRIBUTIONS (PLAN YEAR)**

	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered employee payroll
PLAN TOTAL					
2023	\$ 6,567,873	\$ 7,723,557	\$(1,155,684)	\$ 29,062,897	26.58%
2022	7,601,585	11,638,380	(4,036,795)	30,275,367	38.44%
2021	7,508,530	7,717,981	(209,451)	32,068,684	24.07%
2020	5,655,485	5,995,055	(339,570)	33,483,820	17.90%
2019	5,174,822	5,694,846	(520,024)	34,265,366	16.62%
2018	5,396,056	6,172,608	(776,552)	34,585,027	17.85%
2017	6,090,683	6,392,847	(302,164)	35,512,868	18.00%
2016	5,620,520	6,264,277	(643,757)	37,413,854	16.74%
2015	6,197,341	7,179,980	(982,639)	38,496,661	18.65%
2014	7,192,197	7,192,197	-	42,461,824	16.94%

Valuation Date December 31 of the second previous fiscal year

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Individual Entry Age
Amortization method	Level dollar
Remaining amortization period	15 years on a closed period
Asset valuation method	5-year smoothed fair value
Salary increases	2.25% - 7.00% for 2021 and after; previous years: 3.5- 8.0% for General and Road Commission, 2.0% for Community Mental Health
Investment rate of return	7.00%
Retirement age	Earliest age participant becomes eligible for normal retirement
Mortality	2022: Pub-2010 General, Public Safety, or Blue Collar mortality table with generational improvements from 2010 based on the SOA Scale MP-2020 2021: Pub-2010 General, Public Safety, or Blue Collar mortality table with generational improvements from 2010 based on the SOA Scale MP-2019 2020 and prior: RP-2014 Mortality Table with generational improvements from 2006 based on MP-18

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

	Annual money-weighted rate of return, net of expenses
	<hr/>
2023	13.94%
2022	-13.51%
2021	11.21%
2020	12.47%
2019	18.14%
2018	-3.18%
2017	20.08%

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

ST. CLAIR COUNTY, MICHIGAN

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

	Reporting Year**		
	2023	2022	2021
PRIMARY GOVERNMENT			
Total OPEB Liability			
Service Cost	\$ 788,162	\$ 1,492,709	\$ 968,599
Interest	2,668,711	3,161,353	3,449,856
Changes in benefit terms	-	-	-
Changes of assumptions	1,261,865	(11,074,270)	17,272,934
Differences between expected and actual experience	(9,514,087)	(21,186,858)	(1,974,016)
Benefit payments, including refunds	(1,858,908)	(1,978,269)	(1,827,809)
Change in total OPEB liability	(6,654,257)	(29,585,335)	17,889,564
Total OPEB liability, beginning of year	50,961,973	80,547,308	62,657,744
Total OPEB liability, end of year	<u>\$ 44,307,716</u>	<u>\$ 50,961,973</u>	<u>\$ 80,547,308</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 815,382	\$ 1,306,023	\$ 995,689
Contributions - Member	257,667	297,250	318,453
Net investment income	(4,272,046)	3,236,486	3,166,151
Benefit payments, including refunds	(1,858,908)	(1,978,269)	(1,827,809)
Administrative expenses	-	(606)	(225)
Net change in plan fiduciary net position	(5,057,905)	2,860,884	2,652,259
Plan fiduciary net position, beginning of year	32,095,915	29,235,031	26,582,772
Plan fiduciary net position, end of year	<u>\$ 27,038,010</u>	<u>\$ 32,095,915</u>	<u>\$ 29,235,031</u>
County's Net OPEB Liability - Ending	<u>\$ 17,269,706</u>	<u>\$ 18,866,058</u>	<u>\$ 51,312,277</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	61.02%	62.98%	36.30%
Covered Payroll	\$ 18,749,794	\$ 18,783,130	\$ 15,462,425
County's Net OPEB Liability as a Percentage of Covered Payroll	92.1%	100.4%	331.9%

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

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

** The amount reported for each reporting year is the net OPEB liability as of December 31 of the prior year (2023 is the December 31, 2022 net OPEB liability).

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 1,244,520	\$ 2,891,255	\$ 2,619,609
3,302,524	4,866,947	4,729,272
-	(49,455,733)	-
(2,107,273)	(10,761,637)	6,184,642
(909,232)	(7,983,356)	1,660,027
(2,248,196)	(2,711,471)	(2,757,601)
(717,657)	(63,153,995)	12,435,949
<u>63,375,401</u>	<u>126,529,396</u>	<u>114,093,447</u>
<u>\$ 62,657,744</u>	<u>\$ 63,375,401</u>	<u>\$ 126,529,396</u>
\$ 986,546	\$ 959,219	\$ 841,331
327,237	342,549	353,887
4,155,708	(787,575)	2,878,791
(2,248,196)	(2,711,471)	(2,757,601)
(304)	(316)	(21,220)
3,220,991	(2,197,594)	1,295,188
<u>23,361,781</u>	<u>25,559,375</u>	<u>24,264,187</u>
<u>\$ 26,582,772</u>	<u>\$ 23,361,781</u>	<u>\$ 25,559,375</u>
<u>\$ 36,074,972</u>	<u>\$ 40,013,620</u>	<u>\$ 100,970,021</u>
42.43%	36.86%	20.20%
\$ 19,455,357	\$ 20,021,640	\$ 21,110,866
185.4%	199.9%	478.3%

ST. CLAIR COUNTY, MICHIGAN

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

COMPONENT UNITS	Reporting Year**		
	2023	2022	2021
Total OPEB Liability			
Service Cost	\$ 408,339	\$ 811,875	\$ 538,660
Interest	1,304,828	1,552,300	1,693,811
Changes in benefit terms	-	-	-
Changes of assumptions	686,514	(5,496,872)	8,461,157
Differences between expected and actual experience	(4,586,523)	(10,022,490)	(319,991)
Benefit payments, including refunds	(1,080,601)	(1,696,877)	(1,579,927)
Change in total OPEB liability	(3,267,443)	(14,852,064)	8,793,710
Total OPEB liability, beginning of year	24,978,930	39,830,994	31,037,284
Total OPEB liability, end of year	<u>\$ 21,711,487</u>	<u>\$ 24,978,930</u>	<u>\$ 39,830,994</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,719,065	\$ 1,613,592	\$ 1,479,720
Contributions - Member	85,927	84,542	84,056
Net investment income	(4,205,298)	3,092,265	3,168,584
Benefit payments, including refunds	(1,080,601)	(1,696,877)	(1,579,927)
Administrative expenses	-	(575)	(209)
Net change in plan fiduciary net position	(3,480,907)	3,092,947	3,152,224
Plan fiduciary net position, beginning of year	30,845,454	27,752,507	24,600,283
Plan fiduciary net position, end of year	<u>\$ 27,364,547</u>	<u>\$ 30,845,454</u>	<u>\$ 27,752,507</u>
County's Net OPEB Liability (Asset)- Ending	<u>\$(5,653,060)</u>	<u>\$(5,866,524)</u>	<u>\$ 12,078,487</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	126.04%	123.49%	69.68%
Covered Payroll	\$ 11,534,797	\$ 11,849,570	\$ 11,783,235
County's Net OPEB Liability as a Percentage of Covered Payroll	-49.0%	-49.5%	102.5%

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

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

** The amount reported for each reporting year is the net OPEB liability as of December 31 of the prior year (2023 is the December 31, 2022 net OPEB liability).

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 729,526	\$ 1,858,363	\$ 1,711,610
1,738,847	2,559,282	2,539,458
-	(26,905,935)	-
(2,702,348)	(5,469,086)	3,127,806
(948,479)	(3,676,283)	(775,585)
(967,952)	(1,327,251)	(1,348,601)
(2,150,406)	(32,960,910)	5,254,688
<u>33,187,690</u>	<u>66,148,600</u>	<u>60,893,912</u>
<u>\$ 31,037,284</u>	<u>\$ 33,187,690</u>	<u>\$ 66,148,600</u>
\$ 1,699,457	\$ 1,910,694	\$ 1,527,062
86,724	81,607	89,223
3,716,505	(645,767)	2,176,273
(967,952)	(1,327,251)	(1,348,601)
(260)	(248)	(15,407)
4,534,474	19,035	2,428,550
<u>20,065,809</u>	<u>20,046,774</u>	<u>17,618,224</u>
<u>\$ 24,600,283</u>	<u>\$ 20,065,809</u>	<u>\$ 20,046,774</u>
<u>\$ 6,437,001</u>	<u>\$ 13,121,881</u>	<u>\$ 46,101,826</u>
79.26%	60.46%	30.31%
\$ 12,316,538	\$ 12,718,123	\$ 14,257,669
52.3%	103.2%	323.3%

ST. CLAIR COUNTY, MICHIGAN

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

	Plan Year **		
	2023	2022	2021
TOTAL PLAN			
Total OPEB Liability			
Service Cost	\$ 1,016,572	\$ 1,196,501	\$ 2,304,584
Interest	3,442,049	3,973,539	4,713,653
Changes in benefit terms	-	-	-
Changes of assumptions	(8,743,789)	1,948,379	(16,571,142)
Differences between expected and actual experience	(6,244,189)	(14,100,610)	(31,209,348)
Benefit payments, including refunds	(2,984,051)	(2,939,509)	(3,675,146)
Change in total OPEB liability	(13,513,408)	(9,921,700)	(44,437,399)
Total OPEB liability, beginning of year	66,019,203	75,940,903	120,378,302
Total OPEB liability, end of year	<u>\$ 52,505,795</u>	<u>\$ 66,019,203</u>	<u>\$ 75,940,903</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,959,929	\$ 2,534,447	\$ 2,922,597
Contributions - Member	323,813	343,594	378,810
Net investment income	7,553,052	(8,484,521)	6,327,834
Benefit payments, including refunds	(2,984,051)	(2,939,509)	(3,675,146)
Administrative expenses	-	-	(1,181)
Other	8,032	7,177	917
Net change in plan fiduciary net position	7,860,775	(8,538,812)	5,953,831
Plan fiduciary net position, beginning of year	54,402,557	62,941,369	56,987,538
Plan fiduciary net position, end of year	<u>\$ 62,263,332</u>	<u>\$ 54,402,557</u>	<u>\$ 62,941,369</u>
County's Net OPEB Liability (Asset) - Ending	<u>\$(9,757,537)</u>	<u>\$ 11,616,646</u>	<u>\$ 12,999,534</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	118.58%	82.40%	82.88%
Covered Payroll	\$ 26,148,592	\$ 28,214,243	\$ 27,245,660
County's Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-37.3%	41.2%	47.7%

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

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

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

2020	2019	2018	2017
\$ 1,507,259	\$ 1,974,046	\$ 4,749,618	\$ 4,331,219
5,143,667	5,041,371	7,426,229	7,268,730
-	-	(76,361,668)	-
25,734,091	(4,809,621)	(16,230,723)	9,312,448
(2,294,007)	(1,857,711)	(11,659,639)	884,442
(3,407,736)	(3,216,148)	(4,038,722)	(4,106,202)
26,683,274	(2,868,063)	(96,114,905)	17,690,637
93,695,028	96,563,091	192,677,996	174,987,359
<u>\$ 120,378,302</u>	<u>\$ 93,695,028</u>	<u>\$ 96,563,091</u>	<u>\$ 192,677,996</u>
\$ 2,475,409	\$ 2,686,003	\$ 2,869,913	\$ 2,368,393
402,509	413,961	424,156	443,110
6,327,947	7,864,780	(1,433,342)	5,055,064
(3,407,736)	(3,216,148)	(4,038,722)	(4,106,202)
(433)	(564)	(564)	(36,627)
6,787	7,433	-	-
5,804,483	7,755,465	(2,178,559)	3,723,738
51,183,055	43,427,590	45,606,149	41,882,411
<u>\$ 56,987,538</u>	<u>\$ 51,183,055</u>	<u>\$ 43,427,590</u>	<u>\$ 45,606,149</u>
<u>\$ 63,390,764</u>	<u>\$ 42,511,973</u>	<u>\$ 53,135,501</u>	<u>\$ 147,071,847</u>
47.34%	54.63%	44.97%	23.67%
\$ 31,487,706	\$ 31,771,895	\$ 32,739,763	\$ 35,368,535
201.3%	133.8%	162.3%	415.8%

ST. CLAIR COUNTY, MICHIGAN

**RETIREE HEALTH BENEFITS
SCHEDULE OF COUNTY CONTRIBUTIONS**

	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered employee payroll
PRIMARY GOVERNMENT					
2023	\$ 3,218,049	\$ 1,291,929	\$ 1,926,120	\$ 18,749,794	6.89%
2022	4,128,109	815,382	3,312,727	17,884,191	4.56%
2021	3,891,144	1,306,023	2,585,121	18,783,130	6.95%
2020	4,862,296	995,689	3,866,607	15,462,425	6.44%
2019	4,205,510	986,546	3,218,964	19,455,357	5.07%
2018	4,013,767	959,219	3,054,548	20,021,640	4.79%
COMPONENT UNITS					
2023	\$ 454,592	\$ 1,677,750	\$(1,223,158)	\$ 11,034,552	15.20%
2022	817,924	1,701,862	(883,938)	11,946,885	14.25%
2021	898,761	1,582,925	(684,164)	12,064,465	13.12%
2020	1,219,087	1,457,090	(238,003)	12,495,298	11.66%
2019	1,530,849	1,766,524	(235,675)	12,388,218	14.26%
2018	2,858,768	1,901,430	957,338	12,759,059	14.90%

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**RETIREE HEALTH BENEFITS
SCHEDULE OF COUNTY CONTRIBUTIONS(PLAN YEAR)**

		Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered employee payroll
PLAN TOTAL						
	2023	\$ 3,910,035	\$ 2,959,929	\$ 950,106	\$ 26,148,592	11.32%
	2022	5,221,344	2,534,447	2,686,897	28,214,243	8.98%
	2021	5,065,216	2,922,597	2,142,619	27,245,660	10.73%
	2020	6,081,383	2,475,409	3,605,974	29,487,706	8.39%
	2019	5,675,768	2,686,003	2,989,765	31,771,895	8.45%
	2018	5,772,415	2,869,913	2,902,502	32,739,763	8.77%
	2017	14,223,015	2,368,393	11,854,622	35,368,535	6.70%

Valuation Date December 31 of the previous fiscal year

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Individual Entry Age
Amortization method	Level dollar for General, level percent of pay for Road Commission and Community Mental Health
Remaining amortization period	8 years
Asset valuation method	5-year smoothed fair value
Inflation	2.0%, 2018 - 2.8%, 2017 - 3.0%
Salary increases	2.25% in 2022; 2.25-7.00% for 2019 -2021; 3.5- 8.0% Road Commission and Community Mental Health for prior years
Investment rate of return	5.25%, 2020 - 6.00%, 2019 - 6.34%, 2018 - 6.50%, 2017 - 5.00%
Retirement age	Earliest age participant becomes eligible for normal retirement
Mortality	Pub-2010 General, Public Safety, or Blue Collar weighted Mortality Table fully generational using scale MP-2018; Pub-2010 Non-Public Safety, Public Safety, or RPH-2006 Disabled Mortality Table Fully generational using scale MP-2018 for Disabled Retirees; and Pub-2010 General Headcount-weighted Mortality Table fully generational using scale MP-2018. For 2018 and 2017 - RP-2017 Mortality Table with generational improvements from 2006 based on the Social Security mortality improvement assumptions

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

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

SUPPLEMENTARY INFORMATION

ST. CLAIR COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
COMBINED GENERAL FUND
DECEMBER 31, 2023**

	<u>General</u>	<u>Budget Incentive</u>	<u>Development Revolving</u>	<u>Combined General</u>
Assets:				
Cash and cash equivalents	\$ 138,670	\$ 1,437,369	\$ -	\$ 1,576,039
Investments	9,917,362		-	9,917,362
Receivables, net of allowance -				
Property taxes	1,724,423	-	-	1,724,423
Interest and accounts	373,188	-	-	373,188
Due from other governmental units	2,785,000	-	-	2,785,000
Long-term notes receivable	896,877	-	151,774	1,048,651
Advances to component units	1,150,000	-	-	1,150,000
Deposits	35,240	-	-	35,240
	<u>17,020,760</u>	<u>1,437,369</u>	<u>151,774</u>	<u>18,609,903</u>
Total Assets	<u>\$ 17,020,760</u>	<u>\$ 1,437,369</u>	<u>\$ 151,774</u>	<u>\$ 18,609,903</u>
Liabilities:				
Accounts payable	\$ 760,349	\$ -	\$ -	\$ 760,349
Accrued liabilities	1,194,331	-	-	1,194,331
Due to other governmental units	48,336	-	-	48,336
Due to other funds	2,000,000	-	-	2,000,000
Bonds and restitution payable	805,613	-	-	805,613
	<u>4,808,629</u>	<u>-</u>	<u>-</u>	<u>4,808,629</u>
Total Liabilities	<u>4,808,629</u>	<u>-</u>	<u>-</u>	<u>4,808,629</u>
Deferred Inflows of Resources:				
Unavailable revenue -				
Property taxes	37,760	-	-	37,760
Grants/fees	298,642	-	-	298,642
	<u>336,402</u>	<u>-</u>	<u>-</u>	<u>336,402</u>
Total Deferred Inflows of Resources	<u>336,402</u>	<u>-</u>	<u>-</u>	<u>336,402</u>
Fund Balances:				
Nonspendable -				
Long-term notes receivable/advances	2,046,877	-	151,774	2,198,651
Deposits	35,240	-	-	35,240
Committed	-	1,437,369	-	1,437,369
Unassigned	9,793,612	-	-	9,793,612
	<u>11,875,729</u>	<u>1,437,369</u>	<u>151,774</u>	<u>13,464,872</u>
Total Fund Balances	<u>11,875,729</u>	<u>1,437,369</u>	<u>151,774</u>	<u>13,464,872</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,020,760</u>	<u>\$ 1,437,369</u>	<u>\$ 151,774</u>	<u>\$ 18,609,903</u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMBINED GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>General</u>	<u>Budget Incentive</u>	<u>Development Revolving</u>	<u>Eliminations</u>	<u>Combined General</u>
Revenues:					
Taxes	\$ 39,843,705	\$ -	\$ -	\$ -	\$ 39,843,705
Licenses and permits	228,974	-	-	-	228,974
Intergovernmental	14,922,938	-	-	-	14,922,938
Charges for services	7,642,087	-	-	-	7,642,087
Fines and forfeits	326,375	-	-	-	326,375
Interest and rent	2,324,825	-	-	-	2,324,825
Other	1,482,622	-	-	-	1,482,622
Total Revenues	<u>66,771,526</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,771,526</u>
Expenditures:					
Current -					
General Government	12,003,002	28,031	-	-	12,031,033
Judicial	15,197,099	18,194	-	-	15,215,293
Public Safety	27,786,958	-	-	-	27,786,958
Public Works	1,867,067	-	-	-	1,867,067
Health and Welfare	2,325,273	-	-	-	2,325,273
Community and Economic Development	1,086,823	-	-	-	1,086,823
Debt Service -					
Principal	393,566	-	-	-	393,566
Interest	133,105	-	-	-	133,105
Total Expenditures	<u>60,792,893</u>	<u>46,225</u>	<u>-</u>	<u>-</u>	<u>60,839,118</u>
Revenues over (under) expenditures	<u>5,978,633</u>	<u>(46,225)</u>	<u>-</u>	<u>-</u>	<u>5,932,408</u>
Other Financing Sources (Uses):					
Issuance of debt	400,318	-	-	-	400,318
Transfers from other funds	2,911,440	195,411	-	(195,411)	2,911,440
Transfers to other funds	(8,965,846)	-	(37,944)	195,411	(8,808,379)
Total Other Financing Sources (Uses)	<u>(5,654,088)</u>	<u>195,411</u>	<u>(37,944)</u>	<u>-</u>	<u>(5,496,621)</u>
Net Change in Fund Balance	324,545	149,186	(37,944)	-	435,787
Fund Balance at beginning of year	<u>11,551,184</u>	<u>1,288,183</u>	<u>189,718</u>	<u>-</u>	<u>13,029,085</u>
Fund Balance at end of year	<u>\$ 11,875,729</u>	<u>\$ 1,437,369</u>	<u>\$ 151,774</u>	<u>\$ -</u>	<u>\$ 13,464,872</u>

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
BUDGET INCENTIVE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Amended Budget	Actual	Variance with Actual Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
General Government	\$ 70,000	\$ 28,031	\$ 41,969
Judicial	25,000	18,194	6,806
Total Expenditures	<u> 95,000</u>	<u> 46,225</u>	<u> 48,775</u>
 Other Financing Sources:			
Transfers from other funds	<u> -</u>	<u> 195,411</u>	<u> 195,411</u>
 Net Change in Fund Balance	(95,000)	149,186	244,186
 Fund Balance at beginning of year	<u> 1,288,183</u>	<u> 1,288,183</u>	<u> -</u>
 Fund Balance at end of year	<u><u> \$ 1,193,183</u></u>	<u><u> \$ 1,437,369</u></u>	<u><u> \$ 244,186</u></u>

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SPECIAL REVENUE FUNDS (continued)

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

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

DEBT SERVICE FUNDS

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

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

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

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

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

CAPITAL PROJECTS FUNDS

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue Funds					
	Friend of Court	Convention Center	Drug Law Enforcement	Health Department	HUD Housing	CDBG Housing
Assets:						
Cash and cash equivalents	\$ 490,372	\$ 1,328,598	\$ 714,727	\$ 7,924,160	\$ 95,311	\$ 492,299
Investments	500,000	-	-	-	-	-
Receivables, net of allowance -						
Property taxes	-	-	-	-	-	-
Interest and accounts	12,713	71,282	725	163,423	149,572	519,452
Due from other						
governmental units	77,051	-	-	453,821	-	-
Long-term notes receivable	-	-	-	-	-	-
Total Assets	\$ 1,080,136	\$ 1,399,880	\$ 715,452	\$ 8,541,404	\$ 244,883	\$ 1,011,751
Liabilities:						
Accounts payable	\$ 350	\$ 47,705	\$ 1,693	\$ 60,355	\$ -	\$ -
Accrued liabilities	5,469	3,816	-	120,832	-	-
Advances and deposits	-	54,793	-	17,875	-	-
Due to other						
governmental units	-	-	-	958,105	-	41,636
Unearned revenue	-	-	-	236,554	-	-
Total Liabilities	5,819	106,314	1,693	1,393,721	-	41,636
Deferred Inflows of Resources:						
Unavailable revenue -						
Delinquent property taxes	-	-	-	-	-	-
Lease contract/revolving						
loans	-	-	-	-	149,572	477,816
Grants/fees	-	-	-	49,640	-	-
Total Deferred Inflows						
of Resources	-	-	-	49,640	149,572	477,816
Fund Balances:						
Restricted	1,074,317	-	713,759	670,144	95,311	492,299
Committed	-	1,293,566	-	6,427,899	-	-
Total Fund Balances	1,074,317	1,293,566	713,759	7,098,043	95,311	492,299
Total Liabilities, Deferred						
 Inflows of Resources,						
 and Fund Balances	\$ 1,080,136	\$ 1,399,880	\$ 715,452	\$ 8,541,404	\$ 244,883	\$ 1,011,751

Special Revenue Funds

Human Services	Child Care	Indigent Defense	Veterans' Millage	E - 911	Deeds Automation	Local Corrections and Training	Family Counseling
\$ 44,138	\$ 1,730,332	\$ 959,996	\$ 617,874	\$ -	\$ 135,290	\$ 56,166	\$ 137,516
-	-	-	-	-	-	-	-
-	-	-	596	-	-	-	-
-	3,279	-	3,529	-	9,002	-	15
-	1,007,447	-	2,880	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 44,138</u>	<u>\$ 2,741,058</u>	<u>\$ 959,996</u>	<u>\$ 624,879</u>	<u>\$ -</u>	<u>\$ 144,292</u>	<u>\$ 56,166</u>	<u>\$ 137,531</u>
\$ -	\$ 140,959	\$ 96,269	\$ 7,999	\$ -	\$ -	\$ -	\$ -
331	60,914	35,799	6,807	-	2,193	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	800,372	-	-	-	-	-
<u>331</u>	<u>201,873</u>	<u>932,440</u>	<u>14,806</u>	<u>-</u>	<u>2,193</u>	<u>-</u>	<u>-</u>
-	-	-	596	-	-	-	-
-	-	-	-	-	-	-	-
-	46,373	-	4,745	-	-	-	-
-	46,373	-	5,341	-	-	-	-
-	-	27,556	604,732	-	142,099	56,166	137,531
43,807	2,492,812	-	-	-	-	-	-
<u>43,807</u>	<u>2,492,812</u>	<u>27,556</u>	<u>604,732</u>	<u>-</u>	<u>142,099</u>	<u>56,166</u>	<u>137,531</u>
<u>\$ 44,138</u>	<u>\$ 2,741,058</u>	<u>\$ 959,996</u>	<u>\$ 624,879</u>	<u>\$ -</u>	<u>\$ 144,292</u>	<u>\$ 56,166</u>	<u>\$ 137,531</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue Funds		
	Concealed Pistol Licensing	Animal Control Donations	Prosecutor's Drug Forfeitures
Assets:			
Cash and cash equivalents	\$ 427,507	\$ 76,562	\$ 230,625
Investments	-	-	-
Receivables, net of allowance -			
Property taxes	-	-	-
Interest and accounts	216	-	-
Due from other			
governmental units	3,744	-	-
Long-term notes receivable	-	-	-
Total Assets	\$ 431,467	\$ 76,562	\$ 230,625
Liabilities:			
Accounts payable	\$ 264	\$ -	\$ 780
Accrued liabilities	1,895	-	-
Advances and deposits	-	-	-
Due to other			
governmental units	-	-	-
Unearned revenue	-	-	-
Total Liabilities	2,159	-	780
Deferred Inflows of Resources:			
Unavailable revenue -			
Delinquent property taxes	-	-	-
Lease contract/revolving			
loans	-	-	-
Grants/fees	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances:			
Restricted	429,308	76,562	229,845
Committed	-	-	-
Total Fund Balances	429,308	76,562	229,845
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 431,467	\$ 76,562	\$ 230,625

Debt Service Funds				Capital Projects Funds		
Communications Series 2009	Mental Health Building	Convention Center	Jail/Juvenile Facility	Public Improvement	Municipal Building	Total
\$ 18,417	\$ 610	\$ 62,320	\$ 2,005	\$ 9,067,597	\$ 123,759	\$ 24,736,181
-	-	-	-	-	-	500,000
-	-	-	-	-	-	596
-	-	18,420	-	-	250	951,878
-	-	-	-	-	-	1,544,943
-	2,645,000	-	-	-	-	2,645,000
<u>\$ 18,417</u>	<u>\$ 2,645,610</u>	<u>\$ 80,740</u>	<u>\$ 2,005</u>	<u>\$ 9,067,597</u>	<u>\$ 124,009</u>	<u>\$ 30,378,598</u>
\$ -	\$ -	\$ -	\$ -	\$ 34,074	\$ 220	\$ 390,668
-	-	-	-	-	-	238,056
-	-	-	-	-	-	72,668
-	-	-	-	-	-	999,741
-	-	-	-	-	-	1,036,926
-	-	-	-	34,074	220	2,738,059
-	-	-	-	-	-	596
-	2,645,000	-	-	-	-	3,272,388
-	-	9,483	-	-	-	110,241
-	2,645,000	9,483	-	-	-	3,383,225
18,417	610	71,257	2,005	9,033,523	-	13,875,441
-	-	-	-	-	123,789	10,381,873
<u>18,417</u>	<u>610</u>	<u>71,257</u>	<u>2,005</u>	<u>9,033,523</u>	<u>123,789</u>	<u>24,257,314</u>
<u>\$ 18,417</u>	<u>\$ 2,645,610</u>	<u>\$ 80,740</u>	<u>\$ 2,005</u>	<u>\$ 9,067,597</u>	<u>\$ 124,009</u>	<u>\$ 30,378,598</u>

(Concluded)

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Special Revenue Funds					
	Friend of Court	Convention Center	Drug Law Enforcement	Health Department	HUD Housing	CDBG Housing
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	338,889	-	-
Intergovernmental	301,585	-	-	3,978,216	-	-
Charges for services	37,570	899,155	-	2,861,013	-	7,500
Fines and forfeits	-	-	69,002	-	-	-
Interest and rent	19,808	238,910	-	-	-	26,732
Other	7,320	8,484	-	193,589	-	11,253
Total Revenues	366,283	1,146,549	69,002	7,371,707	-	45,485
Expenditures:						
Current -						
Judicial	298,020	-	-	-	-	-
General Government	-	-	-	-	-	-
Public Safety	-	-	68,787	-	-	-
Health and Welfare	-	-	-	8,777,412	-	11,662
Recreation and Cultural	-	1,846,730	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debit Service -						
Principal	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-
Total Expenditures	298,020	1,846,730	68,787	8,777,412	-	11,662
Revenues over (under) expenditures	68,263	(700,181)	215	(1,405,705)	-	33,823
Other Financing Sources (Uses):						
Sale of capital assets	-	-	65,138	-	-	-
Transfers from other funds	15,000	508,333	-	1,785,052	-	-
Transfers to other funds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	15,000	508,333	65,138	1,785,052	-	-
Net Change in Fund Balances	83,263	(191,848)	65,353	379,347	-	33,823
Fund Balances at beginning of year	991,054	1,485,414	648,406	6,718,696	95,311	458,476
Fund Balances at end of year	<u>\$ 1,074,317</u>	<u>\$ 1,293,566</u>	<u>\$ 713,759</u>	<u>\$ 7,098,043</u>	<u>\$ 95,311</u>	<u>\$ 492,299</u>

Special Revenue Funds

Human Services	Child Care	Indigent Defense	Veterans' Millage	E - 911	Deeds Automation	Local Corrections and Training	Family Counseling
\$ -	\$ -	\$ -	\$ 696,368	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	3,018,045	1,924,188	110,148	-	-	-	-
-	43,595	16,973	-	1,383,572	113,145	21,106	13,646
-	-	-	-	-	-	-	-
-	-	-	24	-	8,899	-	-
-	500	-	10,479	-	-	-	-
-	<u>3,062,140</u>	<u>1,941,161</u>	<u>817,019</u>	<u>1,383,572</u>	<u>122,044</u>	<u>21,106</u>	<u>13,646</u>
-	-	2,616,258	-	-	-	-	234
-	-	-	-	-	230,167	-	-
-	-	-	-	-	-	19,379	-
24,202	5,056,616	-	622,694	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	78,205	-	-	-	-	-
-	-	5,795	-	-	-	-	-
<u>24,202</u>	<u>5,056,616</u>	<u>2,700,258</u>	<u>622,694</u>	<u>-</u>	<u>230,167</u>	<u>19,379</u>	<u>234</u>
<u>(24,202)</u>	<u>(1,994,476)</u>	<u>(759,097)</u>	<u>194,325</u>	<u>1,383,572</u>	<u>(108,123)</u>	<u>1,727</u>	<u>13,412</u>
-	-	-	-	-	-	-	-
29,001	3,044,553	763,182	-	-	-	-	-
-	-	-	-	(1,383,572)	-	-	(15,000)
<u>29,001</u>	<u>3,044,553</u>	<u>763,182</u>	<u>-</u>	<u>(1,383,572)</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>
4,799	1,050,077	4,085	194,325	-	(108,123)	1,727	(1,588)
39,008	1,442,735	23,471	410,407	-	250,222	54,439	139,119
<u>\$ 43,807</u>	<u>\$ 2,492,812</u>	<u>\$ 27,556</u>	<u>\$ 604,732</u>	<u>\$ -</u>	<u>\$ 142,099</u>	<u>\$ 56,166</u>	<u>\$ 137,531</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Special Revenue Funds		
	Concealed Pistol Licensing	Animal Control Donations	Prosecutor's Drug Forfeitures
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	104,407	-	-
Intergovernmental	-	-	-
Charges for services	-	-	19,125
Fines and forfeits	-	-	14,214
Interest and rent	-	-	-
Other	-	53,396	8,287
Total Revenues	104,407	53,396	41,626
Expenditures:			
Current -			
Judicial	-	-	-
General Government	127,916	-	-
Public Safety	-	31	31,089
Health and Welfare	-	-	-
Recreation and Cultural	-	-	-
Capital Outlay	-	-	-
Debit Service -			
Principal	-	-	-
Interest and charges	-	-	-
Total Expenditures	127,916	31	31,089
Revenues over (under) expenditures	(23,509)	53,365	10,537
Other Financing Sources (Uses):			
Sale of capital assets	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(23,509)	53,365	10,537
Fund Balances at beginning of year	452,817	23,197	219,308
Fund Balances at end of year	\$ 429,308	\$ 76,562	\$ 229,845

Communications Series 2009	Debt Service Funds			Capital Projects Funds		Total
	Mental Health Building	Convention Center	Jail/Juvenile Facility	Public Improvement	Municipal Building	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696,368
-	-	-	-	-	-	443,296
-	-	-	-	28,026	-	9,360,208
-	-	-	-	-	-	5,416,400
-	-	-	-	-	21,116	104,332
-	982,750	-	-	-	-	1,277,123
690	-	287,948	-	51,019	-	632,965
<u>690</u>	<u>982,750</u>	<u>287,948</u>	<u>-</u>	<u>79,045</u>	<u>21,116</u>	<u>17,930,692</u>
-	-	-	-	-	-	2,914,512
-	-	-	-	-	-	358,083
-	-	-	-	-	-	119,286
-	-	-	-	-	-	14,492,586
-	-	-	-	-	-	1,846,730
-	-	-	-	1,096,931	12,304	1,109,235
290,000	840,000	250,000	1,955,000	-	-	3,413,205
18,400	142,750	198,369	225,471	-	-	590,785
<u>308,400</u>	<u>982,750</u>	<u>448,369</u>	<u>2,180,471</u>	<u>1,096,931</u>	<u>12,304</u>	<u>24,844,422</u>
(307,710)	-	(160,421)	(2,180,471)	(1,017,886)	8,812	(6,913,730)
-	-	-	-	79,774	-	144,912
308,400	-	152,944	2,179,721	2,006,914	-	10,793,100
-	-	-	-	-	-	(1,398,572)
<u>308,400</u>	<u>-</u>	<u>152,944</u>	<u>2,179,721</u>	<u>2,086,688</u>	<u>-</u>	<u>9,539,440</u>
690	-	(7,477)	(750)	1,068,802	8,812	2,625,710
17,727	610	78,734	2,755	7,964,721	114,977	21,631,604
<u>\$ 18,417</u>	<u>\$ 610</u>	<u>\$ 71,257</u>	<u>\$ 2,005</u>	<u>\$ 9,033,523</u>	<u>\$ 123,789</u>	<u>\$24,257,314</u>

(Concluded)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
FRIEND OF COURT			
Revenues:			
Intergovernmental	\$ 283,214	\$ 301,585	\$ 18,371
Charges for services	50,000	37,570	(12,430)
Interest and rent	6,000	19,808	13,808
Other	<u>3,000</u>	<u>7,320</u>	<u>4,320</u>
Total Revenues	342,214	366,283	24,069
Expenditures:			
Judicial	<u>336,253</u>	<u>298,020</u>	<u>38,233</u>
Revenues over expenditures	5,961	68,263	62,302
Other Financing Sources:			
Transfers from other funds	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balance	20,961	83,263	62,302
Fund Balance at beginning of year	<u>991,054</u>	<u>991,054</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 1,012,015</u>	<u>\$ 1,074,317</u>	<u>\$ 62,302</u>

CONVENTION CENTER

Revenues:			
Charges for services	\$ 900,000	\$ 899,155	\$(845)
Interest and rent	222,400	238,910	16,510
Other	<u>7,800</u>	<u>8,484</u>	<u>684</u>
Total Revenues	1,130,200	1,146,549	16,349
Expenditures:			
Recreation and Cultural	<u>1,934,714</u>	<u>1,846,730</u>	<u>87,984</u>
Revenues under expenditures	(804,514)	(700,181)	104,333
Other Financing Sources:			
Transfers from other funds	<u>479,514</u>	<u>508,333</u>	<u>28,819</u>
Net Change in Fund Balance	(325,000)	(191,848)	133,152
Fund Balance at beginning of year	<u>1,485,414</u>	<u>1,485,414</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 1,160,414</u>	<u>\$ 1,293,566</u>	<u>\$ 133,152</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
DRUG LAW ENFORCEMENT			
Revenues:			
Fines and forfeits	\$ 85,000	\$ 69,002	\$(15,998)
Other	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Total Revenues	125,000	69,002	(55,998)
Expenditures:			
Public Safety	<u>150,000</u>	<u>68,787</u>	<u>81,213</u>
Revenues over (under) expenditures	(25,000)	215	25,215
Other Financing Sources:			
Sale of capital assets	<u>-</u>	<u>65,138</u>	<u>65,138</u>
Net Change in Fund Balance	(25,000)	65,353	90,353
Fund Balance at beginning of year	<u>648,406</u>	<u>648,406</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 623,406</u>	<u>\$ 713,759</u>	<u>\$ 90,353</u>

HEALTH DEPARTMENT

Revenues:			
Licenses and permits	\$ 323,725	\$ 338,889	\$ 15,164
Intergovernmental	4,831,024	3,978,216	(852,808)
Charges for services	1,949,345	2,861,013	911,668
Other	<u>66,035</u>	<u>193,589</u>	<u>127,554</u>
Total Revenues	7,170,129	7,371,707	201,578
Expenditures:			
Health and Welfare	<u>8,894,817</u>	<u>8,777,412</u>	<u>117,405</u>
Revenues under expenditures	(1,724,688)	(1,405,705)	318,983
Other Financing Sources:			
Transfers from other funds	<u>1,724,688</u>	<u>1,785,052</u>	<u>60,364</u>
Net Change in Fund Balance	-	379,347	379,347
Fund Balance at beginning of year	<u>6,718,696</u>	<u>6,718,696</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 6,718,696</u>	<u>\$ 7,098,043</u>	<u>\$ 379,347</u>

HUD HOUSING

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

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
CDBG HOUSING			
Revenues:			
Intergovernmental	\$ 69,000	\$ -	\$(69,000)
Charges for services	15,000	7,500	(7,500)
Interest	30,000	26,732	(3,268)
Other	20,000	11,253	(8,747)
Total Revenues	<u>134,000</u>	<u>45,485</u>	<u>(88,515)</u>
Expenditures:			
Health and Welfare	<u>119,000</u>	<u>11,662</u>	<u>107,338</u>
Net Change in Fund Balance	15,000	33,823	18,823
Fund Balance at beginning of year	<u>458,476</u>	<u>458,476</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 473,476</u>	<u>\$ 492,299</u>	<u>\$ 18,823</u>

HUMAN SERVICES

Expenditures:			
Health and Welfare	\$ 29,001	\$ 24,202	\$ 4,799
Other Financing Sources:			
Transfers from other funds	<u>29,001</u>	<u>29,001</u>	<u>-</u>
Net Change in Fund Balance	-	4,799	4,799
Fund Balance at beginning of year	<u>39,008</u>	<u>39,008</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 39,008</u>	<u>\$ 43,807</u>	<u>\$ 4,799</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
CHILD CARE			
Revenues:			
Intergovernmental	\$ 3,179,769	\$ 3,018,045	\$(161,724)
Charges for services	-	43,595	43,595
Other	48,000	500	(47,500)
Total Revenues	<u>3,227,769</u>	<u>3,062,140</u>	<u>(165,629)</u>
Expenditures:			
Health and Welfare	<u>6,334,281</u>	<u>5,056,616</u>	<u>1,277,665</u>
Revenues under expenditures	(3,106,512)	(1,994,476)	1,112,036
Other Financing Sources:			
Transfers from other funds	<u>3,044,553</u>	<u>3,044,553</u>	<u>-</u>
Net Change in Fund Balance	(61,959)	1,050,077	1,112,036
Fund Balance at beginning of year	<u>1,442,735</u>	<u>1,442,735</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 1,380,776</u>	<u>\$ 2,492,812</u>	<u>\$ 1,112,036</u>

INDIGENT DEFENSE

Revenues:			
Intergovernmental	\$ 2,549,690	\$ 1,924,188	\$(625,502)
Charges for services	18,990	16,973	(2,017)
Total Revenues	<u>2,568,680</u>	<u>1,941,161</u>	<u>(627,519)</u>
Expenditures:			
Judicial	3,221,735	2,616,258	605,477
Debt Service -			
Principal	78,205	78,205	-
Interest	5,795	5,795	-
Total Expenditures	<u>3,305,735</u>	<u>2,700,258</u>	<u>605,477</u>
Revenues under expenditures	(737,055)	(759,097)	(22,042)
Other Financing Sources:			
Transfers from other funds	<u>763,182</u>	<u>763,182</u>	<u>-</u>
Net Change in Fund Balance	26,127	4,085	(22,042)
Fund Balance at beginning of year	<u>23,471</u>	<u>23,471</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 49,598</u>	<u>\$ 27,556</u>	<u>\$(22,042)</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
VETERANS' MILLAGE			
Revenues:			
Taxes	\$ 696,926	\$ 696,368	\$(558)
Intergovernmental	98,734	110,148	11,414
Interest and rent	100	24	(76)
Other	10,000	10,479	479
Total Revenues	<u>805,760</u>	<u>817,019</u>	<u>11,259</u>
Expenditures:			
Health and Welfare	<u>740,857</u>	<u>622,694</u>	<u>118,163</u>
Net Change in Fund Balance	64,903	194,325	129,422
Fund Balance at beginning of year	<u>410,407</u>	<u>410,407</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 475,310</u>	<u>\$ 604,732</u>	<u>\$ 129,422</u>

E - 911

Revenues:			
Charges for services	\$ 1,375,000	\$ 1,383,572	\$ 8,572
Other Financing Uses:			
Transfers to other funds	<u>(1,375,000)</u>	<u>(1,383,572)</u>	<u>(8,572)</u>
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEEDS AUTOMATION

Revenues:			
Charges for services	\$ 130,000	\$ 113,145	\$(16,855)
Fines and forfeits	9,500	-	(9,500)
Interest	-	8,899	8,899
Total Revenues	<u>139,500</u>	<u>122,044</u>	<u>(17,456)</u>
Expenditures:			
General Government	<u>239,283</u>	<u>230,167</u>	<u>9,116</u>
Net Change in Fund Balance	(99,783)	(108,123)	(8,340)
Fund Balance at beginning of year	<u>250,222</u>	<u>250,222</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 150,439</u>	<u>\$ 142,099</u>	<u>\$(8,340)</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
LOCAL CORRECTIONS AND TRAINING			
Revenues:			
Charges for services	\$ 25,000	\$ 21,106	\$(3,894)
Expenditures:			
Public Safety	<u>30,000</u>	<u>19,379</u>	<u>10,621</u>
Net Change in Fund Balance	(5,000)	1,727	6,727
Fund Balance at beginning of year	<u>54,439</u>	<u>54,439</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 49,439</u></u>	<u><u>\$ 56,166</u></u>	<u><u>\$ 6,727</u></u>

FAMILY COUNSELING

Revenues:			
Charges for services	\$ 16,000	\$ 13,646	\$(2,354)
Expenditures:			
Judicial	<u>2,000</u>	<u>234</u>	<u>1,766</u>
Revenues over expenditures	14,000	13,412	(588)
Other Financing Uses:			
Transfers to other funds	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,000)	(1,588)	(588)
Fund Balance at beginning of year	<u>139,119</u>	<u>139,119</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 138,119</u></u>	<u><u>\$ 137,531</u></u>	<u><u>\$(588)</u></u>

CONCEALED PISTOL LICENSING

Revenues:			
Licenses and permits	\$ 115,000	\$ 104,407	\$(10,593)
Expenditures:			
General Government	<u>145,837</u>	<u>127,916</u>	<u>17,921</u>
Net Change in Fund Balance	(30,837)	(23,509)	7,328
Fund Balance at beginning of year	<u>452,817</u>	<u>452,817</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 421,980</u></u>	<u><u>\$ 429,308</u></u>	<u><u>\$ 7,328</u></u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
ANIMAL CONTROL DONATIONS			
Revenues:			
Other	\$ 27,000	\$ 53,396	\$ 26,396
Expenditures:			
Public Safety	<u>5,000</u>	<u>31</u>	<u>4,969</u>
Net Change in Fund Balance	22,000	53,365	31,365
Fund Balance at beginning of year	<u>23,197</u>	<u>23,197</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 45,197</u></u>	<u><u>\$ 76,562</u></u>	<u><u>\$ 31,365</u></u>

PROSECUTOR'S DRUG FORFEITURES

Revenues:			
Charges for services	\$ 20,000	\$ 19,125	\$(875)
Fines and forfeits	30,000	14,214	(15,786)
Other	<u>-</u>	<u>8,287</u>	<u>8,287</u>
Total Revenues	50,000	41,626	(8,374)
Expenditures:			
Public Safety	<u>55,000</u>	<u>31,089</u>	<u>23,911</u>
Net Change in Fund Balance	(5,000)	10,537	15,537
Fund Balance at beginning of year	<u>219,308</u>	<u>219,308</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 214,308</u></u>	<u><u>\$ 229,845</u></u>	<u><u>\$ 15,537</u></u>

(Concluded)

NON-MAJOR ENTERPRISE FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to report operations that provide services, which are financed primarily by user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes. The Nonmajor Enterprise Funds of the County are as follows:

Sheriff's Concession – is used to account for the concession operations in the County Jail complex, which sells various items to the jail inmates.

Homestead Exemption Audits – is used to account for the operations of administering audits of County residents claiming homestead exemption on their property.

School Tax Collection – is used to account for the administrative fees charged to school districts for the collection of their taxes.

ST. CLAIR COUNTY, MICHIGAN
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2023

	Sheriff's Concession	Homestead Exemption Audits	School Tax Collection	Total
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 655,187	\$ 53,292	\$ 114,595	\$ 823,074
Interest and accounts receivable, net of allowance	96,093	-	-	96,093
Total Assets	751,280	53,292	114,595	919,167
Liabilities:				
Current Liabilities:				
Accounts payable	35,860	-	-	35,860
Accrued expenses	1,308	-	-	1,308
Total Liabilities	37,168	-	-	37,168
Net Position:				
Unrestricted	\$ 714,112	\$ 53,292	\$ 114,595	\$ 881,999

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Sheriff's Concession	Homestead Exemption Audits	School Tax Collection	Total
Operating Revenues:				
Charges for services	\$ 882,251	\$ -	\$ -	\$ 882,251
Operating Expenses:				
Personal services	70,869	-	-	70,869
Supplies	8,127	-	-	8,127
Other services	741,112	15	-	741,127
Total Operating Expenses	820,108	15	-	820,123
Operating Income (Loss)	62,143	(15)	-	62,128
Non-Operating Revenues:				
Interest revenue	2,502	-	-	2,502
Net Income (Loss) Before Contributions and Transfers	64,645	(15)	-	64,630
Transfers:				
Transfers to other funds	(86,000)	-	-	(86,000)
Change in Net Position	(21,355)	(15)	-	(21,370)
Net Position at beginning of year	735,467	53,307	114,595	903,369
Net Position at end of year	\$ 714,112	\$ 53,292	\$ 114,595	\$ 881,999

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Sheriff's Concession</u>	<u>Homestead Exemption Audits</u>	<u>School Tax Collection</u>	<u>Total</u>
Cash Flows From Operating Activities:				
Cash receipts from customers	\$ 869,710	\$ -	\$ -	\$ 869,710
Cash payments to suppliers	(766,489)	(15)	-	(766,504)
Cash payments to employees	(64,061)	-	-	(64,061)
Cash payments for interfund services	(6,718)	-	-	(6,718)
Net Cash Provided by (Used in) Operating Activities	<u>32,442</u>	<u>(15)</u>	<u>-</u>	<u>32,427</u>
Cash Flows From Noncapital Financing Activities:				
Transfers to other funds	(86,000)	-	-	(86,000)
Cash Flows From Investing Activities:				
Interest	<u>2,502</u>	<u>-</u>	<u>-</u>	<u>2,502</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(51,056)	(15)	-	(51,071)
Cash and Cash Equivalents at Beginning of Year	<u>706,243</u>	<u>53,307</u>	<u>114,595</u>	<u>874,145</u>
Cash and Cash Equivalents at End of Year	<u>\$ 655,187</u>	<u>\$ 53,292</u>	<u>\$ 114,595</u>	<u>\$ 823,074</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ 62,143	\$(15)	\$ -	\$ 62,128
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Change in assets and liabilities:				
Accounts receivable	(12,541)	-	-	(12,541)
Accounts payable	(17,250)	-	-	(17,250)
Accrued expenses	<u>90</u>	<u>-</u>	<u>-</u>	<u>90</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 32,442</u>	<u>\$(15)</u>	<u>\$ -</u>	<u>\$ 32,427</u>

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the County for the other parties (either as a trustee or as an agent) that cannot be, or are not, used to finance the County's own operating programs.

Pension and Other Employee Benefits Trust Funds:

Basic Retirement System – is used to account for employer and employee pension contributions, investment income, accumulated assets and payments to beneficiaries including retiree health care.

Other Postemployment Benefits – is used to account for employer and employee contributions, investment income, accumulated assets and payment for post-employment benefits other than pension.

The Pension and Other Employee Benefits Trust Funds are accounted for in essentially the same manner as Proprietary Funds, but with an important expanded emphasis on net position restricted for pension and other post-employment benefits.

Custodial Funds:

Treasurer – is used to account for taxes collected, public guardian, and court costs collected by the County on behalf of individuals, private organizations, or other governments.

Clerk – is used to account for transfer taxes collected and court costs collected by the County on behalf of the State.

Penal Fines – is used to account for the portion of fines that are collected by the 72nd District Court and distributed to libraries within St. Clair County.

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
DECEMBER 31, 2023**

	<u>Basic Retirement System</u>	<u>Other Postemployment Benefits</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 3,181,738	\$ 4,495,144	\$ 7,676,882
Investments, at fair value -			
U.S. Government/Agencies	8,546,781	5,469,414	14,016,195
Corporate Debt	2,560,418	1,055,400	3,615,818
Stocks	16,610,331	24,414,207	41,024,538
Mortgage-backed securities	13,898,025	-	13,898,025
Mutual Funds	198,079,719	26,503,139	224,582,858
Partnerships	21,962,726	-	21,962,726
Certificates of Deposit	-	199,237	199,237
Receivables -			
Interest and dividends	154,690	126,516	281,206
Other	29,975	13,315	43,290
Prepayments	1,423,486	-	1,423,486
	<u>266,447,889</u>	<u>62,276,372</u>	<u>328,724,261</u>
Liabilities:			
Accounts payable	77,917	13,040	90,957
Accrued liabilities	2,372	-	2,372
	<u>80,289</u>	<u>13,040</u>	<u>93,329</u>
Net Position:			
Restricted for pension benefits	266,367,600	-	266,367,600
Restricted for other postemployment benefits	-	62,263,332	62,263,332
	<u>\$ 266,367,600</u>	<u>\$ 62,263,332</u>	<u>\$ 328,630,932</u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Basic Retirement System			
	Member Contributions	Employer Contributions	Pension Payments	Total
Additions:				
Contributions				
Member contributions	\$ 1,719,723	\$ -	\$ -	\$ 1,719,723
Employer contributions	-	7,723,557	-	7,723,557
Total contributions	<u>1,719,723</u>	<u>7,723,557</u>	<u>-</u>	<u>9,443,280</u>
Investment income				
Net appreciation				
in fair value of investments	-	22,975,450	-	22,975,450
Interest/Dividends	-	5,896,163	-	5,896,163
Less investment expense	-	(363,022)	-	(363,022)
Net investment income	<u>-</u>	<u>28,508,591</u>	<u>-</u>	<u>28,508,591</u>
Other	-	-	-	-
Total Additions	<u>1,719,723</u>	<u>36,232,148</u>	<u>-</u>	<u>37,951,871</u>
Deductions:				
Retirement payroll	-	-	19,052,153	19,052,153
Health/dental insurance	-	-	-	-
Death benefits	-	73,500	-	73,500
Employee refunds	120,759	-	-	120,759
Administration	-	165,300	-	165,300
Total Deductions	<u>120,759</u>	<u>238,800</u>	<u>19,052,153</u>	<u>19,411,712</u>
Net Increase (Decrease) before Transfers	1,598,964	35,993,348	(19,052,153)	18,540,159
Interfund Transfers In (Out):				
Retirees obligation	(2,350,631)	(55,226,273)	57,576,904	-
Interest	576,002	(21,829,463)	21,253,461	-
Net Increase (Decrease)	(175,665)	(41,062,388)	59,778,212	18,540,159
Net Position Restricted for Pension Benefits and Other Postemployment Benefits:				
Beginning of year	29,662,886	74,935,444	143,229,111	247,827,441
End of year	<u>\$ 29,487,221</u>	<u>\$ 33,873,056</u>	<u>\$ 203,007,323</u>	<u>\$ 266,367,600</u>

Other Postemployment Benefits	Total
\$ 323,813	\$ 2,043,536
<u>2,959,929</u>	<u>10,683,486</u>
3,283,742	12,727,022
6,247,487	29,222,937
1,479,639	7,375,802
(174,074)	(537,096)
<u>7,553,052</u>	<u>36,061,643</u>
8,032	8,032
<u>10,844,826</u>	<u>48,796,697</u>
-	19,052,153
2,893,615	2,893,615
-	73,500
90,436	211,195
-	165,300
<u>2,984,051</u>	<u>22,395,763</u>
7,860,775	26,400,934
-	-
<u>-</u>	<u>-</u>
7,860,775	26,400,934
54,402,557	302,229,998
<u>\$ 62,263,332</u>	<u>\$ 328,630,932</u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023**

	<u>Treasurer</u>	<u>Clerk</u>	<u>Penal Fines</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 3,226,941	\$ 351,124	\$ 2,797	\$ 3,580,862
Investments	2,531,504	-	-	2,531,504
Accounts receivable	302,620	17,548	2,635	322,803
Due from other governmental units	<u>100,997</u>	<u>-</u>	<u>-</u>	<u>100,997</u>
Total Assets	<u>6,162,062</u>	<u>368,672</u>	<u>5,432</u>	<u>6,536,166</u>
Liabilities:				
Due to other governmental units	143,869	368,672	5,432	517,973
Due to individual and agencies	4,940,119	-	-	4,940,119
Undistributed taxes	<u>1,078,074</u>	<u>-</u>	<u>-</u>	<u>1,078,074</u>
Total Liabilities	<u>6,162,062</u>	<u>368,672</u>	<u>5,432</u>	<u>6,536,166</u>
Net Position:				
Unrestricted	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Treasurer</u>	<u>Clerk</u>	<u>Penal Fines</u>	<u>Total</u>
Additions:				
Penal fines	\$ -	\$ -	\$ 12,185	\$ 12,185
Court costs	920,724	503,832	-	1,424,556
Transfer taxes collected	-	5,308,343	-	5,308,343
Concealed weapon permit fees	-	121,616	-	121,616
Taxes collected	85,521,810	-	-	85,521,810
Public Guardian trust receipts	7,214,240	-	-	7,214,240
Other collections	348,728	-	-	348,728
	<u>94,005,502</u>	<u>5,933,791</u>	<u>12,185</u>	<u>99,951,478</u>
Total Additions				
Deductions:				
Penal fines paid to libraries	-	-	12,185	12,185
Court costs paid to State	920,724	503,832	-	1,424,556
Transfer taxes paid to State	-	5,308,343	-	5,308,343
Concealed weapon permit fees paid to State	-	121,616	-	121,616
Taxes paid to other entities	85,521,810	-	-	85,521,810
Payments made on behalf of public guardian clients	7,214,240	-	-	7,214,240
Other	348,728	-	-	348,728
	<u>94,005,502</u>	<u>5,933,791</u>	<u>12,185</u>	<u>99,951,478</u>
Total Deductions				
Net Increase (Decrease)	-	-	-	-
Net Position:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DRAIN COMMISSIONER

ST. CLAIR COUNTY, MICHIGAN

**BALANCE SHEET/STATEMENT OF NET POSITION
DRAIN FUNDS
DECEMBER 31, 2023**

	<u>County Drain</u>	<u>Drain Revolving</u>	<u>Special Services</u>	<u>Drain Debt</u>
Assets:				
Cash and cash equivalents	\$ 2,932,067	\$ 212,154	\$ 10,568	\$ 3,402,170
Special assessments receivable	842,678	-	-	14,625,613
Due from other funds	-	1,100,000	-	-
Capital assets (net of accumulated depreciation) -				
Assets not being depreciated	-	-	-	-
Assets being depreciated	-	-	-	-
	<u>\$ 3,774,745</u>	<u>\$ 1,312,154</u>	<u>\$ 10,568</u>	<u>\$ 18,027,783</u>
Liabilities:				
Accounts payable	\$ 274,593	\$ -	\$ -	\$ -
Accrued interest	-	-	-	-
Due to other funds	1,100,000	-	-	-
Advances from primary government	-	1,150,000	-	-
Non-current liabilities				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total Liabilities	<u>1,374,593</u>	<u>1,150,000</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenue -				
Special Assessments	<u>842,678</u>	<u>-</u>	<u>-</u>	<u>14,625,613</u>
Fund Balances:				
Restricted	-	-	-	3,402,170
Committed	-	162,154	10,568	-
Unassigned	<u>1,557,474</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,557,474</u>	<u>162,154</u>	<u>10,568</u>	<u>3,402,170</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 3,774,745</u>	<u>\$ 1,312,154</u>	<u>\$ 10,568</u>	<u>\$ 18,027,783</u>
Net Position:				
Net investment in capital assets				
Restricted				
Unrestricted				
Total Net Position				

<u>Equipment</u>	<u>Total</u>	<u>GASB No. 34 Adjustments</u>	<u>Statement of Net Position</u>
\$ 70,494	\$ 6,627,453	\$ -	\$ 6,627,453
-	15,468,291	-	15,468,291
-	1,100,000	(1,100,000)	-
-	-	4,299,135	4,299,135
-	-	43,681,244	43,681,244
<u>\$ 70,494</u>	<u>\$ 23,195,744</u>	<u>46,880,379</u>	<u>70,076,123</u>
\$ 4,231	\$ 278,824	-	278,824
-	-	154,407	154,407
-	1,100,000	(1,100,000)	-
-	1,150,000	-	1,150,000
-	-	2,003,872	2,003,872
-	-	15,766,413	15,766,413
<u>4,231</u>	<u>2,528,824</u>	<u>16,824,692</u>	<u>19,353,516</u>
-	15,468,291	(15,468,291)	-
-	3,402,170	(3,402,170)	-
66,263	238,985	(238,985)	-
-	1,557,474	(1,557,474)	-
<u>66,263</u>	<u>5,198,629</u>	<u>(5,198,629)</u>	<u>-</u>
<u>\$ 70,494</u>	<u>\$ 23,195,744</u>		
		29,110,094	29,110,094
		19,816,054	19,816,054
		1,796,459	1,796,459
		<u>\$ 50,722,607</u>	<u>\$ 50,722,607</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET FOR DRAIN FUNDS
TO THE STATEMENT OF NET POSITION OF DRAIN ACTIVITIES
DECEMBER 31, 2023**

Fund Balances - Drain Funds		\$ 5,198,629
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds		
Capital assets		62,002,754
Accumulated depreciation		(14,022,375)
Other long term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds		
Special assessments		15,468,291
Discounts and premiums on bonds are reported as other financing sources or uses in the governmental funds, whereas they are capitalized and amortized from net position (netted against long-term debt)		
Bond premium		(51,802)
Bond discount		35,584
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds		
Notes payable	\$(812,067)	
Bonds payable	(15,015,000)	
Clean water revolving loans	(1,927,000)	
Accrued interest on bonds/notes payable	(154,407)	(17,908,474)
Net Position of Drainage Districts		<u>\$ 50,722,607</u>

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES/STATEMENT OF ACTIVITIES
DRAIN FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	County Drain	Drain Revolving	Special Services	Drain Debt
Revenues:				
Charges for services	\$ 1,481,860	\$ -	\$ -	\$ 2,192,188
Interest and rent	59,888	-	-	-
Other	66,847	-	-	-
Total Revenues	1,608,595	-	-	2,192,188
Expenditures/Expenses:				
Public Works	2,103,464	-	-	-
Debt Service	-	-	-	4,604,436
Total Expenditures/Expenses	2,103,464	-	-	4,604,436
Revenues over (under) expenditures	(494,869)	-	-	(2,412,248)
Other Financing Sources (Uses):				
Bond/note proceeds	3,460,000	-	-	-
Transfer from other funds	-	-	-	2,652,322
Transfer to other funds	(2,653,788)	-	-	-
Total Other Financing Sources (Uses)	806,212	-	-	2,652,322
Net Change in Fund Balance/Net Position	311,343	-	-	240,074
Fund Balances/Net Position at beginning of year	1,246,131	162,154	10,568	3,162,096
Fund Balances/Net Position at end of year	\$ 1,557,474	\$ 162,154	\$ 10,568	\$ 3,402,170

<u>Equipment</u>	<u>Total</u>	<u>GASB No. 34 Adjustments</u>	<u>Statement of Activities</u>
\$ -	\$ 3,674,048	\$ 1,664,685	\$ 5,338,733
-	59,888	-	59,888
1,283	68,130	-	68,130
<u>1,283</u>	<u>3,802,066</u>	<u>1,664,685</u>	<u>5,466,751</u>
61,253	2,164,717	(1,008,424)	1,156,293
-	4,604,436	(3,968,517)	635,919
<u>61,253</u>	<u>6,769,153</u>	<u>(4,976,941)</u>	<u>1,792,212</u>
<u>(59,970)</u>	<u>(2,967,087)</u>	<u>6,641,626</u>	<u>3,674,539</u>
-	3,460,000	(3,460,000)	-
1,466	2,653,788	(2,653,788)	-
-	(2,653,788)	2,653,788	-
<u>1,466</u>	<u>3,460,000</u>	<u>(3,460,000)</u>	<u>-</u>
(58,504)	492,913	3,181,626	3,674,539
<u>124,767</u>	<u>4,705,716</u>	<u>42,342,352</u>	<u>47,048,068</u>
<u>\$ 66,263</u>	<u>\$ 5,198,629</u>	<u>\$ 45,523,978</u>	<u>\$ 50,722,607</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF DRAIN FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Net change in fund balances - Drain Fund	\$	492,913
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		1,878,808
Depreciation expense	(	870,384)
<p>Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		1,664,685
<p>The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position.</p>		
Principal payments on long-term liabilities		3,985,533
Bond/note proceeds	(	3,460,000)
<p>Accrued interest expense on bonds and the amortization of bond issuance costs, discounts, and premiums are not recorded by governmental funds, but are reported under interest and fiscal charges for the purpose of net position.</p>		
Increase in accrued interest payable	(	13,353)
Amortization of bond premium		3,454
Amortization of bond discount	(	7,117)
Change in net position of Drainage Districts	\$	<u>3,674,539</u>

BROWNFIELD REDEVELOPMENT AUTHORITY

ST. CLAIR COUNTY, MICHIGAN

**BALANCE SHEET/STATEMENT OF NET POSITION
BROWNFIELD REDEVELOPMENT AUTHORITY
DECEMBER 31, 2023**

	Operating	GASB No. 34 Adjustments	Statement of Net Position
Assets:			
Cash and cash equivalents	\$ 198,732	\$ -	\$ 198,732
Liabilities:			
Accounts payable	\$ 9,612	-	9,612
Non-current liabilities			
Due within one year	-	48,677	48,677
Due in more than one year	-	150,813	150,813
Total Liabilities	9,612	199,490	209,102
Fund Balances:			
Unassigned	189,120	(189,120)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 198,732		
Net Position:			
Unrestricted		\$(10,370)	\$(10,370)

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET FOR BROWNFIELD
REDEVELOPMENT AUTHORITY TO THE STATEMENT OF NET POSITION OF
BROWNFIELD REDEVELOPMENT AUTHORITY
DECEMBER 31, 2023**

Fund Balance - Brownfield Redevelopment Authority	\$ 189,120
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds	
Notes payable	<u>(199,490)</u>
Net Position of Brownfield Redevelopment Authority	<u><u>\$(10,370)</u></u>

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES/STATEMENT OF ACTIVITIES
BROWNFIELD REDEVELOPMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Operating</u>	<u>GASB No. 34 Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property taxes	\$ 44,418	\$ -	\$ 44,418
Intergovernmental	<u>2,177</u>	<u>(1,008)</u>	<u>1,169</u>
Total Revenues	<u>46,595</u>	<u>(1,008)</u>	<u>45,587</u>
Expenditures/Expenses:			
Community and Economic Development	6,255	-	6,255
Debt Service	<u>51,916</u>	<u>(49,490)</u>	<u>2,426</u>
Total Expenditures/Expenses	<u>58,171</u>	<u>(49,490)</u>	<u>8,681</u>
Net Change in Fund Balance/Net Position	(11,576)	48,482	36,906
Fund Balances/Net Position at beginning of year	<u>200,696</u>	<u>(247,972)</u>	<u>(47,276)</u>
Fund Balances/Net Position at end of year	<u>\$ 189,120</u>	<u>\$(199,490)</u>	<u>\$(10,370)</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF BROWNFIELD AUTHORITY
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Net change in fund balances	\$(11,576)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,008)
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	<u>49,490</u>
Change in net position of Brownfield Authority	<u><u>\$ 36,906</u></u>

STATISTICAL SECTION

STATISTICAL SECTION
(Unaudited)

This part of St. Clair County, Michigan's comprehensive annual financial report presents detailed information as a context for understanding what the information says about the government's overall financial health.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

S - 1 to S - 5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

S - 6 to S - 9

Debt Capacity

These schedules present the information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

S - 10 to S - 13

Demographic and Economic Information

These schedules offer demographic indicators to help the reader understand the environment within which the government's financial activities take place.

S - 14 to S - 15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

S - 16 to S - 19

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

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 1

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS - UNAUDITED
(accrual basis of accounting)
(amounts expressed in thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net investment in capital assets	\$ 54,114	\$ 54,417	\$ 54,110	\$ 53,996	\$ 53,387	\$ 54,447	\$ 55,341	\$ 57,744	\$ 57,109	\$ 57,866
Restricted	14,037	15,230	12,682	13,472	14,983	17,886	19,891	20,456	27,924	40,416
Unrestricted	(33,040)	(45,509)	(46,735)	(52,293)	(87,523)	(45,026)	(45,590)	(46,328)	(35,210)	(26,042)
Total Governmental Activities Net Position	<u>\$ 35,111</u>	<u>\$ 24,138</u>	<u>\$ 20,057</u>	<u>\$ 15,175</u>	<u>\$ (19,153)</u>	<u>\$ 27,307</u>	<u>\$ 29,642</u>	<u>\$ 31,872</u>	<u>\$ 49,823</u>	<u>\$ 72,240</u>
Business-Type Activities										
Net investment in capital assets	\$ 17,036	\$ 16,256	\$ 15,360	\$ 13,028	\$ 13,803	\$ 17,089	\$ 16,241	\$ 17,206	\$ 17,508	\$ 16,209
Restricted	2,735	3,008	3,531	3,715	770	784	1,185	2,335	2,358	2,979
Unrestricted	31,640	31,203	30,252	30,604	32,312	31,192	31,292	29,383	26,655	26,736
Total Business-Type Activities Net Position	<u>\$ 51,411</u>	<u>\$ 50,467</u>	<u>\$ 49,143</u>	<u>\$ 47,347</u>	<u>\$ 46,885</u>	<u>\$ 49,064</u>	<u>\$ 48,718</u>	<u>\$ 48,924</u>	<u>\$ 46,521</u>	<u>\$ 45,924</u>
Primary Government										
Net investment in capital assets	\$ 71,150	\$ 70,672	\$ 69,470	\$ 67,024	\$ 67,190	\$ 71,536	\$ 71,582	\$ 74,950	\$ 74,617	\$ 74,075
Restricted	16,772	18,238	16,212	17,187	15,753	18,670	21,076	22,791	30,282	43,395
Unrestricted	(1,400)	(14,306)	(16,483)	(21,690)	(55,211)	(13,834)	(14,298)	(16,945)	(8,555)	694
Total Primary Government Net Position	<u>\$ 86,522</u>	<u>\$ 74,604</u>	<u>\$ 69,200</u>	<u>\$ 62,522</u>	<u>\$ 27,732</u>	<u>\$ 76,372</u>	<u>\$ 78,360</u>	<u>\$ 80,796</u>	<u>\$ 96,344</u>	<u>\$ 118,164</u>

* The change of balances between 2014 and 2015 differs from the amount shown on Schedule 2 due to the prior period adjustment for GASB 68 implementation.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 2

CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS - UNAUDITED
 (accrual basis of accounting)
 (amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
Legislative	\$ 1,653	\$ 1,026	\$ 1,247	\$ 1,184	\$ 1,209	\$ 1,231	\$ 1,370	\$ 1,412	\$ 1,625	\$ -
Judicial	11,302	10,953	11,635	13,965	12,393	5,486	13,313	14,272	13,008	17,650
General Government	13,734	13,311	14,840	12,038	14,755	6,055	15,320	14,625	17,417	12,228
Public Safety	28,362	28,042	29,258	32,127	32,189	9,654	32,412	33,238	28,308	30,822
Public Works	1,111	1,045	1,083	971	2,187	982	1,102	1,377	1,076	1,942
Health and Welfare	20,135	19,589	20,412	20,845	21,992	16,125	21,276	20,689	20,286	22,512
Community and Economic Development	1,015	705	592	2,605	682	719	598	795	725	1,462
Recreation and Culture	7,802	9,479	9,586	10,362	10,367	7,376	9,127	9,139	9,966	11,602
Interest on Long Term Debt	2,065	2,260	1,863	1,795	1,654	1,510	1,400	883	899	669
Total Governmental Activities Expenses	87,179	86,410	90,515	95,893	97,428	49,137	95,918	96,430	93,310	98,887
Business-Type Activities:										
Delinquent Revolving Tax	461	413	430	423	400	406	398	547	527	549
Airport Commission	1,125	1,039	925	1,088	1,070	1,024	960	1,110	1,478	1,487
Sheriff Concession	620	572	798	1,156	1,161	1,014	759	789	772	820
Solid Waste Disposal System	4,647	6,864	7,084	8,462	7,656	7,530	8,506	8,849	9,103	9,195
Total Business-Type Activities Expenses	6,853	8,888	9,237	11,129	10,286	9,974	10,623	11,295	11,880	12,051
Total Primary Government Expenses	\$ 94,032	\$ 95,298	\$ 99,753	\$ 107,022	\$ 107,714	\$ 59,112	\$ 106,541	\$ 107,725	\$ 105,190	\$ 110,938
Program Revenues										
Governmental Activities:										
Charges for Services:										
Judicial	\$ 2,240	\$ 2,136	\$ 1,987	\$ 1,977	\$ 1,961	\$ 2,055	\$ 1,651	\$ 1,856	\$ 1,734	\$ 1,651
General Government	4,359	4,653	4,937	5,117	5,194	4,614	5,108	5,522	4,951	4,975
Public Safety	6,133	5,244	6,264	6,320	7,493	6,554	4,699	5,129	5,891	5,467
Health and Welfare	3,211	3,527	2,543	2,997	3,057	3,791	2,942	3,685	8,081	9,996
Community and Economic Development	69	420	663	811	777	945	173	233	1,091	941
Recreation and Culture	1,034	1,021	783	848	768	871	618	990	731	795
Interest on Long Term Debt	676	485	970	945	933	940	815	507	487	420
Operating Grants and Contributions	13,987	13,742	14,380	17,102	15,539	16,534	23,248	18,578	24,174	23,059
Capital Grants and Contributions	2,132	1,292	641	231	96	570	254	1,541	-	-
Total Governmental Activities Program Revenues	33,841	32,520	33,168	36,348	35,818	36,873	39,508	38,041	47,140	47,304

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-Type Activities:										
Charges for Services:										
Delinquent Revolving Tax	\$ 1,175	\$ 1,099	\$ 1,259	\$ 920	\$ 990	\$ 925	\$ 1,319	\$ 2,055	\$ 786	\$ 1,553
Airport Commission	669	651	577	553	585	587	507	587	893	746
Sheriff Concession	649	603	832	1,201	1,337	1,098	851	935	883	882
Homestead Exemption Audits	-	-	1	-	-	-	-	-	-	-
Solid Waste Disposal System	5,598	7,209	6,808	8,800	8,944	8,325	9,419	9,474	8,861	9,119
Operating Grants and Contributions	137	505	68	75	112	119	371	131	92	106
Capital Grants and Contributions	3,309	314	760	-	226	3,360	171	712	165	180
Total Business-Type Activities Program Revenues	11,537	10,381	10,305	11,549	12,193	14,415	12,638	13,894	11,680	12,586
Total Primary Government Program Revenues	\$ 45,378	\$ 42,901	\$ 43,472	\$ 47,897	\$ 48,012	\$ 51,288	\$ 52,146	\$ 51,935	\$ 58,820	\$ 59,890
Net (expense)/revenue										
Governmental Activities	\$ (53,338)	\$ (53,890)	\$ (57,348)	\$ (59,545)	\$ (61,610)	\$ (12,264)	\$ (56,410)	\$ (58,389)	\$ (46,170)	\$ (51,583)
Business-Type Activities	4,684	1,493	1,068	421	1,907	4,440	2,015	2,599	(200)	535
Total Primary Government Net Expense	\$ (48,654)	\$ (52,397)	\$ (56,280)	\$ (59,124)	\$ (59,703)	\$ (7,824)	\$ (54,395)	\$ (55,790)	\$ (46,370)	\$ (51,048)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 41,955	\$ 43,235	\$ 43,557	\$ 45,983	\$ 47,282	\$ 49,197	\$ 50,785	\$ 52,528	\$ 54,888	\$ 61,864
Unrestricted Grants and Contributions	3,909	4,129	5,675	4,549	4,265	4,526	3,571	4,308	4,587	5,025
Unrestricted Investment Income	234	257	417	657	1,031	1,331	456	148	1,232	4,009
Interest and Penalties on Delinquent Taxes	6	11	5	14	5	4	7	5	3	1
Gain/Loss on Disposal of Capital Assets	-	-	-	-	(62)	-	408	119	55	145
Transfers	3,042	3,648	3,613	3,461	3,516	3,666	3,519	3,511	3,356	2,956
Total Governmental Activities	49,146	51,280	53,267	54,664	56,037	58,724	58,746	60,619	64,121	74,000
Business-Type Activities										
Unrestricted Investment Income	32	49	103	168	279	145	104	48	167	713
Interest and Penalties on Delinquent Taxes	1,479	1,249	1,119	1,075	1,101	1,260	1,053	1,070	986	1,111
Transfers	(3,042)	(3,648)	(3,613)	(3,461)	(3,516)	(3,666)	(3,519)	(3,511)	(3,356)	(2,956)
Total Business-Type Activities	(1,531)	(2,350)	(2,391)	(2,217)	(2,135)	(2,261)	(2,362)	(2,393)	(2,203)	(1,132)
Total Primary Government	\$ 47,615	\$ 48,930	\$ 50,876	\$ 52,447	\$ 53,902	\$ 56,463	\$ 56,384	\$ 58,226	\$ 61,918	\$ 72,868
Change in Net Position										
Governmental Activities	\$ (4,192)	\$ (2,609)	\$ (4,081)	\$ (4,881)	\$ (5,572)	\$ 46,460	\$ 2,336	\$ 2,230	\$ 17,951	\$ 22,417
Business-Type Activities	3,153	(857)	(1,323)	(1,796)	(228)	2,180	(347)	206	(2,403)	(597)
Total Primary Government	\$ (1,039)	\$ (3,466)	\$ (5,404)	\$ (6,678)	\$ (5,801)	\$ 48,640	\$ 1,989	\$ 2,436	\$ 15,548	\$ 21,820

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 3

FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS - UNAUDITED
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 5,452	\$ 5,766	\$ 5,800	\$ 3,063	\$ 2,567	\$ 2,389	\$ 2,189	\$ 1,502	\$ 1,506	\$ 2,234
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	1,364	1,353	1,438	1,548	1,303	1,235	1,132	1,056	1,288	1,437
Assigned	926	580	552	-	38	76	133	-	-	-
Unassigned	4,036	4,040	4,242	7,694	8,487	8,916	9,226	9,963	10,235	9,794
Total General Fund	<u>\$ 11,778</u>	<u>\$ 11,739</u>	<u>\$ 12,032</u>	<u>\$ 12,305</u>	<u>\$ 12,394</u>	<u>\$ 12,616</u>	<u>\$ 12,680</u>	<u>\$ 12,521</u>	<u>\$ 13,029</u>	<u>\$ 13,465</u>
All other Governmental Funds										
Restricted	\$ 14,314	\$ 14,506	\$ 15,741	\$ 16,703	\$ 18,084	\$ 20,692	\$ 22,769	\$ 21,634	\$ 26,377	\$ 32,263
Committed	3,115	3,329	3,800	3,847	5,033	3,540	7,211	9,119	9,605	12,282
Unassigned	-	-	-	-	-	-	(657)	-	-	-
Total all other Governmental Funds	<u>\$ 17,429</u>	<u>\$ 17,835</u>	<u>\$ 19,542</u>	<u>\$ 20,550</u>	<u>\$ 23,117</u>	<u>\$ 24,232</u>	<u>\$ 29,323</u>	<u>\$ 30,753</u>	<u>\$ 35,982</u>	<u>\$ 44,545</u>

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS - UNAUDITED
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$ 41,966	\$ 43,292	\$ 43,570	\$ 45,986	\$ 47,290	\$ 49,195	\$ 50,794	\$ 52,523	\$ 54,902	\$ 61,864
Licenses and Permits	758	794	766	813	754	802	791	797	705	672
Intergovernmental	19,703	19,338	20,769	21,250	20,027	20,849	27,428	23,746	30,005	28,065
Charges for Services	11,868	11,112	12,611	13,484	14,708	14,533	11,050	12,354	12,610	13,349
Fines and Forfeits	1,356	1,273	949	987	937	1,015	823	1,042	1,218	853
Interest and Rent	1,681	1,786	1,893	2,117	2,567	2,983	2,165	1,849	2,818	5,612
Other	2,845	3,410	3,024	2,683	2,792	2,431	2,425	2,618	3,811	2,616
Total Revenues	80,177	81,005	83,582	87,318	89,074	91,809	95,476	94,929	106,069	113,031
Expenditures:										
Legislative	1,643	1,028	1,242	1,178	1,193	1,289	1,366	1,403	1,644	-
Judicial	10,383	10,543	10,696	11,499	11,226	11,872	12,656	13,785	13,917	18,321
General Government	10,958	11,436	11,575	10,879	12,199	12,298	12,991	13,000	17,451	12,664
Public Safety	23,918	24,152	24,826	26,160	26,399	28,272	28,177	29,347	30,588	32,568
Public Works	1,107	1,042	1,086	977	2,179	985	1,104	1,380	1,071	1,946
Health and Welfare	19,330	19,196	19,589	19,971	21,082	21,592	20,760	20,387	21,629	23,046
Community and Economic Development	999	717	592	2,610	661	723	596	800	718	1,593
Recreation and Cultural	7,695	9,229	9,176	9,927	9,409	10,279	8,756	10,183	10,847	11,982
Capital Outlay	6,270	1,966	1,313	1,086	1,364	1,132	2,443	1,833	1,690	1,109
Debt Service										
Principal	3,066	3,187	3,385	3,480	3,691	3,981	4,225	4,552	3,653	3,824
Interest/Issuance Costs	2,123	2,210	1,978	1,929	1,789	1,665	1,560	1,046	944	728
Total Expenditures	87,492	84,705	85,458	89,697	91,192	94,088	94,634	97,716	104,152	107,781
Revenues over (under) expenditures	(7,315)	(3,700)	(1,876)	(2,379)	(2,118)	(2,279)	842	(2,787)	1,917	5,250
Other Financing Sources (Uses):										
Transfers In	11,546	11,888	12,526	12,470	13,641	15,055	13,598	11,794	14,080	13,705
Transfers Out	(8,504)	(8,240)	(8,913)	(9,009)	(10,125)	(11,440)	(10,079)	(8,283)	(10,724)	(10,749)
Lease proceeds	-	-	-	-	-	-	-	-	132	-
Issuance of debt	107	232	263	127	1,287	-	178	427	133	648
Issuance of Refunding Bonds	-	9,280	-	1,595	-	-	13,305	-	6,890	-
Sale of assets	-	-	-	-	-	-	408	120	54	145
Premium on Debt	-	1,138	-	156	-	-	-	-	428	-
Payment to Refunding Bond Escrow Agent	-	(10,231)	-	(1,679)	-	-	(13,097)	-	(7,173)	-
Total Other Financing Sources (Uses)	3,149	4,067	3,875	3,661	4,802	3,616	4,313	4,058	3,820	3,749
Net Change in Fund Balances	\$ (4,166)	\$ 367	\$ 2,000	\$ 1,282	\$ 2,684	\$ 1,337	\$ 5,155	\$ 1,271	\$ 5,737	\$ 8,999
Debt Service as a Percentage of Noncapital Expenditures	6.50%	6.63%	6.45%	6.18%	6.14%	6.18%	6.33%	5.98%	4.53%	4.37%

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 5

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

Fiscal Year Ended	Real Property				Total Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Other Property					
2014	3,647,452,119	514,049,239	704,585,720	477,832,025	629,706,602	5,973,625,705	7.9522	12,020,528,102	49.70%
2015	3,866,047,148	519,097,300	729,895,238	475,635,547	711,895,854	6,302,571,087	7.9522	12,676,913,578	49.72%
2016	4,133,911,528	565,812,942	727,091,150	442,567,334	673,454,031	6,542,836,985	8.2329	13,158,800,715	49.72%
2017	4,408,301,523	594,112,810	749,080,816	447,497,500	715,405,067	6,914,397,716	8.2329	13,912,504,690	49.70%
2018	4,563,302,894	632,776,798	787,646,500	457,459,860	751,715,432	7,192,901,484	8.2329	14,447,177,908	49.79%
2019	4,926,686,250	727,881,650	881,363,100	483,262,272	782,040,598	7,801,233,870	8.2329	15,689,217,728	49.72%
2020	5,336,286,542	759,296,900	585,743,640	481,075,525	1,064,013,180	8,226,415,787	8.2329	16,517,857,736	49.80%
2021	5,686,004,860	763,780,500	543,518,300	481,816,700	1,166,734,900	8,641,855,260	8.2156	17,361,608,443	49.78%
2022	6,109,184,271	791,350,500	610,829,000	498,810,880	1,131,672,900	9,141,847,551	9.2171	18,361,962,566	49.79%
2023	6,842,038,349	866,291,900	601,236,300	527,324,536	1,272,740,200	10,109,631,285	9.1173	20,332,716,785	49.72%

Source: County Equalization Department

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 6

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

(Per \$1,000 of Assessed Value)

Fiscal Year	Townships**	Cities and Villages**	County									Community College	Intermediate School	Local Schools**	Total
			Operating	Senior Citizens	Drug Task Force	Library	Parks	Roads	Veterans	Ambulance	Total				
2014	2.66	16.28	5.3265	0.8000	0.2803	0.7000	0.4954	0.2500	0.1000	0.0000	7.9522	1.89	3.43	30.23	62.44
2015	2.69	17.01	5.3265	0.8000	0.2803	0.7000	0.4954	0.2500	0.1000	0.0000	7.9522	1.89	3.43	29.91	62.88
2016	2.72	16.57	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	0.0000	8.2329	1.89	3.43	29.83	62.67
2017	2.77	16.50	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	0.0000	8.2329	1.89	3.43	29.86	62.69
2018	2.90	17.27	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	0.0000	8.2329	1.89	3.43	29.82	63.54
2019	2.98	17.18	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	0.0000	8.2329	1.89	3.43	29.81	63.52
2020	3.07	17.10	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	0.0000	8.2329	1.89	3.43	29.95	63.67
2021	3.15	17.31	5.3153	0.7983	0.5598	0.6985	0.4944	0.2495	0.0998	0.0000	8.2156	1.88	3.42	29.86	63.83
2022	3.35	17.08	5.3153	0.7983	0.5598	1.2000	0.4944	0.2495	0.0998	0.5000	9.2171	1.88	3.42	29.72	64.67
2023	3.40	16.80	5.3153	0.7983	0.5598	1.2000	0.4944	0.2495	0.0000	0.5000	9.1173	1.88	3.42	29.66	64.28

Note: All tax rates rounded to two (2) decimal places, except the County rates.

** Average from Townships, Cities and Villages, and Local Schools are presented as these units have varying rates.

Source: Equalization Department

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 7

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO - UNAUDITED

		2023			2014		
		Taxable Valuation	Rank	Percentage of Total Taxable Value	Taxable Valuation	Rank	Percentage of Total Taxable Value
DTE Companies	Electrical Utility	\$ 1,085,657,789	1	14.35%	\$ 728,916,844	1	13.35%
ITC Transmission	Electrical Transmission	130,199,483	2	1.72%	58,203,544	2	1.07%
Consumers Energy Company	Liquid Natural Gas Storage	80,180,781	3	1.06%	19,792,462	4	0.36%
Enbridge Energy	Natural Gas & Pipeline	72,629,500	4	0.96%	N/A		N/A
Semco Energy Gas Company	Gas Utility	55,055,708	5	0.73%	N/A		N/A
Marysville Hydrocarbon LLC	Propane and Butane Storage	21,645,396	7	0.29%	N/A		N/A
Blue Water Natural Gas Holdings	Natural Gas Storage	18,848,653	6	0.25%	24,148,953	3	0.44%
ZF Industries	Automobile Manufacturing	14,448,500	8	0.19%	N/A		N/A
MPT of Port Huron LLC	Petroleum Distributor	13,039,353	9	0.17%	N/A		N/A
Meijer Inc.	Retail	10,437,197	10	0.14%	N/A		N/A
Acheson Ventures LLC	Community Development	N/A	-	N/A	12,514,481	5	0.23%
Domtar Ind	Paper Production	N/A	-	N/A	11,594,700	6	0.21%
Consumers Energy Company	Natural Gas Co.	N/A	-	N/A	11,356,291	7	0.21%
Mueller Brass Company	Brass Rod Manufacturing	N/A	-	N/A	11,217,800	8	0.21%
Cargill Salt Inc.	Salt Production	N/A	-	N/A	10,989,757	9	0.20%
Birchwood Mall	Retail	N/A	-	N/A	10,955,245	10	0.20%
		<u>\$ 1,502,142,360</u>		19.86%	<u>\$ 899,690,077</u>		16.48%

Source: Equalization Department

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 8

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS - UNAUDITED**

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections to March 1</u>	<u>Percentage of Levy Collected</u>	<u>Delinquent Tax Collections to December 31</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes **</u>	<u>Percentage of Delinquent Taxes to Tax Levy</u>
2014	44,138,950	41,649,782	94.4%	2,305,638	43,955,420	99.6%	183,530	0.4%
2015	45,488,432	43,323,968	95.2%	1,981,333	45,305,300	99.6%	183,132	0.4%
2016	47,048,311	44,803,444	95.2%	2,100,442	46,903,886	99.7%	144,425	0.3%
2017	48,222,693	46,107,827	95.6%	1,987,468	48,095,295	99.7%	127,398	0.3%
2018	49,767,833	47,517,704	95.5%	2,108,820	49,626,524	99.7%	141,309	0.3%
2019	51,533,061	49,293,110	95.7%	2,058,171	51,351,281	99.6%	181,780	0.4%
2020	53,615,087	51,223,311	95.5%	2,198,612	53,421,922	99.6%	193,164	0.4%
2021	55,441,606	53,062,636	95.7%	2,221,463	55,284,099	99.7%	157,507	0.3%
2022	65,241,916	62,443,595	95.7%	2,644,148	65,087,743	99.8%	154,173	0.2%
2023	69,109,563	66,166,783	95.7%	2,732,336	68,899,119	99.7%	210,444	0.3%

** Represents Delinquent Personal Property Taxes and Chargebacks

Note: The Delinquent Tax Revolving Fund purchases the delinquent real taxes of each unit in March of each year. Taxes levied are for County general operations and six extra-voted millages (Senior Citizens, Drug Task Force, Library, Veterans, Roads, and Parks).

Source: County Treasurer's Office

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 9

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS - UNAUDITED**

Fiscal Year	Governmental Activities						Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Drain Districts	Installment Purchase	Leases	Subscriptions	Premiums/Discounts	General Obligation Bonds			
2014	50,935,000	3,098,484	-	-	-	2,016,276	7,055,760	63,105,520	1.05%	387.06
2015	47,480,000	3,028,889	-	-	-	2,953,413	7,497,077	60,959,379	0.96%	373.89
2016	44,385,000	3,001,226	-	-	-	2,685,017	8,452,477	58,523,721	0.90%	358.95
2017	41,180,000	2,823,141	-	-	-	2,553,994	8,757,681	55,314,816	0.82%	339.27
2018	37,825,000	3,773,915	-	-	-	2,265,957	8,941,711	52,806,583	0.75%	323.89
2019	34,180,000	3,438,118	-	-	-	1,977,920	8,930,432	48,526,470	0.67%	297.64
2020	31,345,000	3,260,730	-	-	-	914,723	8,529,280	44,049,733	0.55%	274.65
2021	27,140,000	3,341,065	-	-	-	626,686	8,034,280	39,142,031	0.46%	244.05
2022	23,810,000	2,991,428	99,792	297,308	-	768,930	7,524,280	35,491,738	0.42%	221.29
2023	20,475,000	2,998,180	66,168	201,790	526,660	647,144	7,004,280	31,919,222	0.38%	199.02

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 10

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS - UNAUDITED

Fiscal Year	Population *	Assessed Value (000)	Bonded Debt	Premiums, Discounts	Less: Amounts Available in Debt Service Funds	Total	Ratio of Net Bonded Debt to Assessed Value	Per Capita
2014	163,040	5,973,626	57,990,760	2,016,276	1,795,436	58,211,600	0.50	357.04
2015	163,040	6,302,571	54,977,077	2,953,413	1,909,191	56,021,299	0.47	343.60
2016	163,040	6,542,837	52,837,477	2,685,017	1,662,063	53,860,431	0.42	330.35
2017	163,040	6,914,398	49,937,681	2,553,994	1,445,250	51,046,425	0.39	313.09
2018	163,040	7,192,901	46,766,711	2,265,957	1,300,644	47,732,024	0.34	292.76
2019	163,040	7,801,234	43,110,432	1,977,920	972,680	44,115,672	0.31	270.58
2020	163,040	8,226,416	39,874,280	914,723	1,626,527	39,162,476	0.25	240.20
2021	160,383	8,641,855	35,174,280	626,686	101,354	35,699,612	0.22	222.59
2022	160,383	9,141,848	31,334,280	768,930	99,826	32,003,384	0.17	199.54
2023	160,383	10,109,631	27,479,280	647,144	92,289	28,034,135	0.14	174.79

* U.S. Census

Note: Net Bonded Debt represents the Building Authority Debt, less debt service money available.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 11

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2023 - UNAUDITED**

Direct Debt:

Communication System - Refunding Bonds	\$	315,000
Comm. Mental Health - Refunding Bonds		2,645,000
Jail Refunding Bonds		10,875,000
Convention Center - Refunding Bonds		6,640,000
Installment purchase		66,168
Leases		201,790
Subscriptions		526,660
Drain Districts		2,998,180
Premiums, Discounts		647,144
Net Direct Debt		24,914,942

Overlapping Debt:

Cities	\$	104,512,435	
Townships		28,238,346	
Villages		17,326	
School Districts		339,776,814	
Intermediate School District		1,286,396	
Community College		2,531,705	476,363,022

Net Direct and Overlapping Debt \$ 501,277,964

Source: Debt information provided by Municipal Advisory Council of Michigan and Bendzinski and Co., Detroit, Michigan

Note: Percentage of overlap based on assessed property values.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 12

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS - UNAUDITED**

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>
2014	\$ 597,362,571	\$ 54,797,787	\$ 542,564,784
2015	630,257,109	51,924,124	578,332,985
2016	654,283,699	48,706,882	605,576,817
2017	691,556,650	44,003,141	647,553,509
2018	719,290,148	41,598,915	677,691,233
2019	780,123,387	37,618,118	742,505,269
2020	822,641,579	34,820,834	787,820,745
2021	864,185,526	30,574,014	833,611,512
2022	914,184,755	27,570,358	886,614,397
2023	1,010,963,129	24,914,942	986,048,187

Legal Debt Margin Calculation for Fiscal Year 2023

State Equalized Value	<u><u>\$ 10,109,631,285</u></u>
Legal Debt Limit (10% of State Equalized Value)	\$ 1,010,963,129
Less: Total Long-Term Debt	<u>24,914,942</u>
Legal Debt Margin	<u><u>\$ 986,048,187</u></u>

Note: Total Long-Term Debt does not include accumulated vacation, sick and compensatory time, net OPEB obligation, accrued insurance liability claims, and Landfill closure and post-closure costs.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 13

DEMOGRAPHIC AND ECONOMICAL STATISTICS
LAST TEN FISCAL YEARS - UNAUDITED

<u>Fiscal Year</u>	<u>Population *</u>	<u>U. S. Census</u>	<u>Personal Income **</u>	<u>Per Capita Income **</u>	<u>K - 12 School Enrollment ***</u>	<u>Unemployment Rate ****</u>
2014	160,506	163,040	6,026,586	37,646	23,867	9.9
2015	160,025	163,040	6,326,372	39,602	23,396	7.1
2016	159,699	163,040	6,527,171	40,937	22,974	6.2
2017	159,719	163,040	6,747,630	42,381	22,497	5
2018	159,134	163,040	7,061,186	44,316	21,892	4.7
2019	159,390	163,040	7,266,059	45,662	21,479	4.9
2020	159,042	160,383	7,981,688	50,107	20,406	12.0
2021	160,229	160,383	8,451,582	52,805	20,266	5.9
2022	160,502	160,383	8,417,015	52,557	19,794	3.9
2023	160,081	160,383	8,417,015	52,557	19,504	3.8

Sources

- * Southeast Michigan Council of Governments
- ** U.S. Department of Commerce - Bureau of Economic Analysis. Numbers are in thousands.
- *** St. Clair County Regional Educational Service Agency
- **** Michigan Department of Labor and Economic Growth

Bold Data was not available at the time of publication, so the previous year data was used.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 14

**PRINCIPAL EMPLOYERS
PRIOR YEAR AND NINE YEARS AGO - UNAUDITED**

<u>Employer</u>	<u>Product/Service</u>	<u>2023</u>			<u>2014</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
McLaren Port Huron	Health Care	1,264	1	1.71%	1,500	1	2.23%
Motherson (SMR Automotive)	Manufacturing	1,050	2	1.42%	502	8	0.75%
St. Clair County	Municipal Government	988	3	1.34%	872	3	1.29%
Port Huron School District	Education	873	4	1.18%	1,065	2	1.58%
DTE Energy	Utility	747	5	1.01%	850	4	1.26%
ZF Marysville	Manufacturing	602	6	0.82%	N/A	N/A	N/A
US Farathane	Manufacturing	576	7	0.78%	N/A	N/A	N/A
PTM Corporation	Manufacturing	571	8	0.77%	N/A	N/A	N/A
Magna Electric Vehicle Structures	Manufacturing	563	9	0.76%	N/A	N/A	N/A
St. Clair County Community Mental Health	Health Care	463	10	0.63%	N/A	N/A	N/A
East China School District	Education	425	12	0.58%	550	7	0.82%
Lake Huron Medical Center	Health Care	407	13	0.55%	802	5	1.19%
Meijer (Both Marysville & Fort Gratiot)	Grocery/Retail	609	19 & 22	0.83%	630	6	0.94%
Engineered Plastic Components	Manufacturing	240	25	0.33%	485	9	0.72%
IAC	Manufacturing	N/A	N/A	N/A	461	10	0.68%
		<u>7,697</u>		<u>10.63%</u>	<u>7,717</u>		<u>11.46%</u>

Source: Economic Development Alliance of St. Clair County

* Meijer is now broke out separately by the EDA for Marysville & Fort Gratiot, previously it was combined

** East China School District, Lake Huron Medical Center, Meijer, Engineered Plastic Components, and IAC shown in 2023 for comparison to 2014 and not included in Total Employees and Employment %

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 15

FULL - TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Legislative										
Board of Commissioners	7	7	7	7	7	7	7	7	7	7
Judicial										
Circuit Court	13	12	12	12	13	13	13	14	14	14
District Court	28	27	27	27	28	28	28	28	28	28
Courthouse Security	5	5	5	5	5	5	5	5	5	5
Friend of the Court	32	33	33	33	35	37	37	37	38	38
Probate Court - Adult	9	9	10	10	11	11	10	11	12	12
Probate Court - Juvenile	17	15	15	16	14	14	14	14	14	14
Probation - Adult	8	8	8	8	7	9	9	10	10	11
General Government										
Administrator/Controller	3	4	4	4	4	4	4	4	4	4
Elections	0	0	0	0	0	0	0	1	1	1
Accounting	4	4	4	4	4	4	4	4	4	4
Purchasing	2	1	1	1	1	1	1	1	1	1
Clerk	9	9	9	9	9	9	9	9	10	10
Equalization	8	8	8	8	8	9	9	9	8	8
Human Resources	5	5	7	7	6	7	7	7	7	7
Prosecuting Attorney	24	25	26	26	28	27	28	28	29	30
Register of Deeds	2	2	2	2	2	2	2	2	2	3
Treasurer	7	7	7	7	7	8	8	8	8	8
Cooperative Extension	2	2	2	2	2	2	2	2	2	2
Information Technology	15	15	15	16	16	16	16	16	16	15
Buildings and Grounds	20	20	20	20	20	20	20	20	20	20
Drain Commissioner	7	7	7	7	6	6	6	6	6	6
Public Defender							20	23	23	23
Public Safety										
Sheriff Department	85	85	85	86	86	87	90	90	90	91
Communications	21	21	22	22	22	22	22	22	22	26
Marine Patrol	1	1	1	1	1	1	1	1	1	1
Jail	100	100	100	100	100	101	100	102	102	102
Emergency Services	3	3	3	3	3	4	4	4	4	4
Animal Control	3	3	3	3	3	5	5	5	7	7
Metropolitan Planning	5	5	6	7	7	7	7	7	8	8

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Health and Welfare										
Medical Examiner	2	2	2	2	1	1	2	0	0	0
Veterans Counselor	4	6	6	6	6	6	6	6	6	6
Public Guardian	3	4	4	5	5	5	6	8	8	8
Health Department	61	61	61	64	65	73	78	85	88	88
Child Care	42	40	40	40	40	41	42	41	42	42
Recreation and Culture										
Parks and Recreation	11	11	11	11	11	11	11	11	14.5	15
Library	36	37	37	35	35	35	35	37	41	53
Proprietary Activities										
Landfill	4	4	4	5	4	4	4	4	4	4
Airport	1	1	1	1	2	2	2	2	2	2

(Concluded)

Source: Accounting Department, Annual Budget by Department Sheets and Annual Budget book.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 16

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Judicial										
Circuit Court Cases Filed	3,616	3,721	3,638	3,732	3,650	3,623	2,197	2,979	3,252	3,172
Circuit Court Cases Dispositions	3,797	3,836	3,818	3,797	3,699	3,725	2,145	3,066	3,347	3,324
General Government										
Marriage licenses	964	963	968	970	938	832	804	947	949	889
Births Certificates	1,501	1,429	1,435	1,262	1,335	1,368	1,265	1,212	1,082	967
Divorces Filed	780	735	525	550	503	539	339	586	616	572
Death Certificates	1,608	1,632	1,592	1,653	1,538	1,608	1,905	2,164	1,771	1,651
Public Safety										
Inmate bookings	5,646	6,047	5,164	4,442	4,160	3,598	2,719	2,978	3,051	2,905
Dispatch Calls	119,743	116,294	114,070	118,884	126,247	141,156	116,629	133,857	191,064	255,013
Dog Licenses Issued (1)	25,600	27,019	26,405	25,582	19,570	23,727	13,379	10,230	9,699	8,126
Airport										
Take-offs and Landings (2)	25,689	26,230	26,500	27,011	27,000	25,000	15,000	27,838	27,839	27,839
Landfill										
Tons of Waste Collected	221,912	293,962	297,049	384,686	308,774	303,275	345,953	360,624	335,992	323,519

Source: Various County Departments

(1) Starting in 2019 the purchase of a 3 year dog license is available

(2) These numbers were estimates

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 17

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Judicial										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	0	0	0	0	0	0	0	0	0	1
General Government										
Buildings	3	4	4	4	4	4	4	4	4	4
Vehicles	28	27	25	25	23	24	23	22	12	10
Public Safety										
Buildings	5	5	5	5	5	5	5	5	5	5
Jail Beds Available	491	491	491	491	491	491	491	491	491	491
Vehicles										
Patrol	35	35	34	39	40	34	40	40	40	38
Other	34	35	40	40	34	38	33	33	35	36
Health & Welfare										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	8	11	12	12	13	11	12	12	14	14
Recreation & Cultural										
Buildings	47	47	47	47	47	47	47	47	47	47
Vehicles	10	10	10	9	9	10	10	10	11	11
Park Acreage	566	568	632.78	633	633	633	633	646	646	646
Airport										
Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles	2	2	2	2	2	2	2	2	4	4
Landfill										
Buildings	6	6	6	6	6	6	6	6	6	6
Vehicles	3	3	3	3	2	4	4	4	4	3

Source: Accounting Department



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