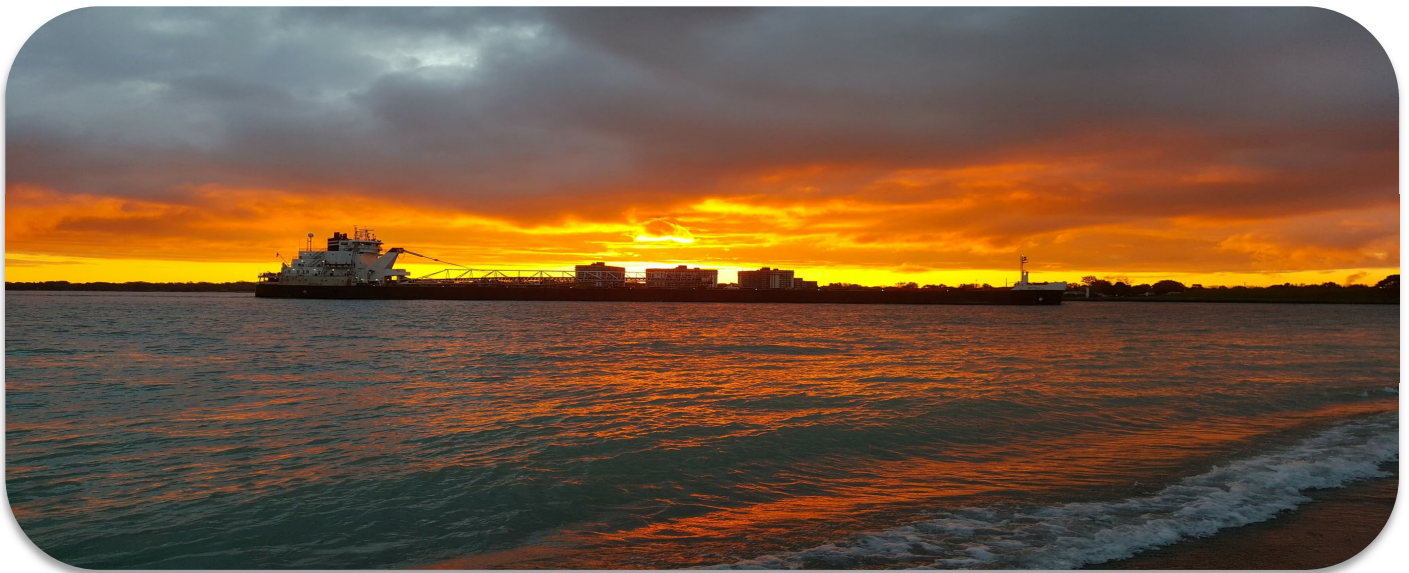




St. Clair County, Michigan



Annual Comprehensive
Financial Report
Administrator/Controller's Office
Year Ending December 31, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

ST. CLAIR COUNTY, MICHIGAN

FOR THE YEAR ENDED DECEMBER 31, 2021

Current members of the
BOARD OF COMMISSIONERS

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

Prepared by:
ADMINISTRATOR/CONTROLLER'S OFFICE

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

ST. CLAIR COUNTY, MICHIGAN

**TABLE OF CONTENTS
DECEMBER 31, 2021**

Page Number

SECTION ONE: INTRODUCTORY SECTION

Letter of Transmittal	I-1
List of Elected and Appointed Officials	I-8
GFOA Certificate of Achievement	I-9
Organizational Chart	I-10

SECTION TWO: FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet - Governmental Funds	22
Reconciliation of the Balance Sheet for Governmental Funds to the Statement of Net Position	24
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds to the Statement of Activities	27
Statement of Net Position - Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	30
Statement of Cash Flows - Proprietary Funds	31
Statement of Fiduciary Net Position - Fiduciary Funds	33
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	34
Component Units:	
Combining Statement of Net Position - Discretely Presented Component Units	35
Combining Statement of Activities - Discretely Presented Component Units	37
Notes to Basic Financial Statements	39

ST. CLAIR COUNTY, MICHIGAN

TABLE OF CONTENTS DECEMBER 31, 2021

	<u>Page Number</u>
Required Supplementary Information:	
Budgetary Comparison Information -	
Schedule of Revenues, Expenditures, and Change in Fund	
Balance - Budget and Actual	
General Fund	103
Parks and Recreation	106
Library	107
Senior Citizens Millage	108
Drug Task Force	109
American Rescue Plan	110
Notes to Required Supplementary Information	110
Schedules for the Pension and Other Postemployment Benefit Plans -	
Basic Retirement System -	
Schedule of Investment Returns	111
Schedule of Changes in Net Pension Liability and Related Ratios	112
Schedule of County Contributions	118
Retiree Health Benefits -	
Schedule of Investment Returns	120
Schedule of Change in Net OPEB Liability and Related Ratios	121
Schedule of County Contributions	125
Supplementary Information:	
Combined General Fund:	
Combining Balance Sheet	127
Combining Schedule of Revenues, Expenditures, and	
Changes in Fund Balances	128
Schedule of Revenues, Expenditures, and Change in	
Fund Balance - Budget and Actual - Budget Incentive	129
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds -	
Combining Balance Sheet	130
Combining Statement of Revenues, Expenditures,	
and Changes in Fund Balances	134
Schedule of Revenues, Expenditures, and Changes	
in Fund Balances - Budget and Actual	138
Nonmajor Enterprise Funds -	
Combining Statement of Net Position	145
Combining Statement of Revenues, Expenses and	
Changes in Net Position	146
Combining Statement of Cash Flows	147

ST. CLAIR COUNTY, MICHIGAN

TABLE OF CONTENTS DECEMBER 31, 2021

	<u>Page Number</u>
Supplementary Information (cont'd):	
Fiduciary Funds -	
Pension and Other Employee Benefit Trust Funds -	
Statement of Fiduciary Net Position	148
Combining Schedule of Changes in Fiduciary Net Position	149
Custodial Funds -	
Combining Statement of Fiduciary Net Position	151
Combining Statement of Changes in Fiduciary Net Position	152
Capital Assets Used in the Operation of Governmental Funds -	
Schedule of Changes in Capital Assets	153
Schedule of Capital Assets by Function and Activity	154
Schedule of Changes in Capital Assets by Function and Activity	156
Drainage Districts (Discretely Presented Component Unit) -	
Balance Sheet/Statement of Net Position	158
Reconciliation of the Balance Sheet for Drain Funds to Statement of Net Position of Drain Activities	160
Statement of Revenues, Expenditures, and Changes in Fund Balances/ Statement of Activities	161
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Drain Funds to the Statement of Activities	163
Brownfield Redevelopment Authority (Discretely Presented Component Unit) -	
Balance Sheet/Statement of Net Position	164
Reconciliation of the Balance Sheet for Brownfield Redevelopment Funds to Statement of Net Position of Brownfield Redevelopment Authority	165
Statement of Revenues, Expenditures, and Changes in Fund Balances/ Statement of Activities	166
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Brownfield Redevelopment Authority to the Statement of Activities	167

SECTION THREE: STATISTICAL SECTION

Financial Trends Information:

Net Position by Component	S-1
Changes in Net Position	S-2
Fund Balances of Governmental Funds	S-4
Changes in Fund Balances of Governmental Funds	S-5

Revenue Capacity:

Assessed Value and Estimated Actual Value of Taxable Property	S-6
Property Tax Rates Direct and Overlapping Governments	S-7
Principal Property Taxpayers	S-8
Property Tax Levies and Collections	S-9

ST. CLAIR COUNTY, MICHIGAN

**TABLE OF CONTENTS
DECEMBER 31, 2021**

Page Number

SECTION THREE: STATISTICAL SECTION (cont'd)

Debt Capacity:

Ratios of Outstanding Debt by Type	S-10
Ratios of General Bonded Debt Outstanding	S-11
Computation of Direct and Overlapping Debt	S-12
Legal Debt Margin Information	S-13

Demographic and Economic Information:

Demographic and Economical Statistics	S-14
Principal Employers	S-15

Operating Information:

Full-Time Equivalent County Government Employees by Function	S-16
Operating Indicators by Function	S-18
Capital Asset Statistics by Function	S-19



COUNTY OF ST. CLAIR



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June 27, 2022

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

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2021.

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

UHY LLP, has issued an unmodified (“clean”) opinion on St. Clair County’s financial statements for the year ended December 31, 2021. 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 Comprehensive Annual Financial Report, as required by the Governmental Accounting Standards Board.

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

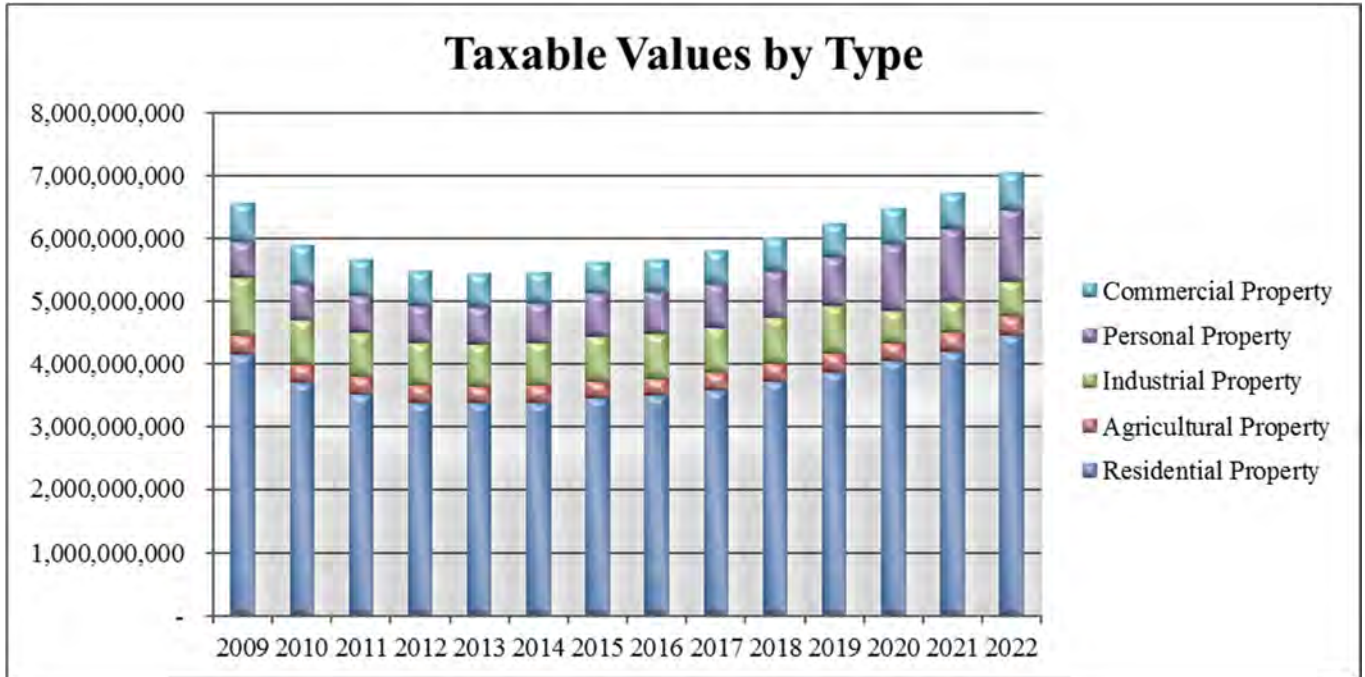
The County provides a wide range of services that are either mandated by state statute or authorized by the Board of Commissioners. These general areas include Legislative (i.e. Board of Commissioners), Judicial (i.e. Courts, Friend of the Court, and Probation), General Government (i.e. Elections, Equalization,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

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

Local Economy

The County is experiencing a strong housing market and increasing property values. Most of the local units of government in St. Clair County experienced an increase in taxable property values in 2021. Despite the phase out of personal property tax under the State of Michigan's

Personal Property Tax reform, the County still experienced an increase in taxable value of 3.8% in 2021 from 2020. The upward trend is expected to continue in 2022 with an expected increase of 4.9%. The chart below illustrates the changes in taxable values by property type.



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

Despite the ongoing impacts of the COVID 19 pandemic, the County achieved many successes in 2021. The Economic Development Alliance of St. Clair County reported 584 new jobs, \$22.1 million in community development, \$27 million in local business expansions and \$117.8 million in new business attractions. This resulted in an overall total investment of almost \$167 million.

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

Long-term Financial Planning and Major Initiatives

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

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

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 recover. The County's allocation of these funds was \$30.9 million. A portion of these funds will be used for a variety of projects to address internal operational needs to increase the efficiency and effectiveness of county government. The Board of Commissioners also intends to invest in infrastructure projects that will have lasting positive impacts on our communities. A corridor study is currently underway to evaluate a portion of 26 mile road for infrastructure needs as well as the possibility of future growth and development. The comprehensive evaluation will look at all existing infrastructure, community master plans, and existing capabilities while taking into account community input on what citizens would like to see happen. Once completed, this evaluation will provide assistance to communities along to corridor to manage future growth in a responsible way.

After a 20-year break, in 2021 the county experienced an unexpected and severe infestation of spongy moths. The county quickly reestablished a spongy moth program by contracting with an external vendor to manage the 2021-2022 program. An online reporting tool was created for citizens to report caterpillar activity and hundreds of properties were surveyed. Due to the severity of the infestation, the County funded an aerial suppression program with over 5,000 acres sprayed in May of 2022. The County plans to continue to monitor for activity annually and work with local communities to determine the best type of suppression activities going forward.

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

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

St. Clair County and the Community Foundation, along with other community partners are in the process of implementing the countywide trails strategic plan to address the existing gaps in the county trail networks. A 2019 economic impact analysis of our region's trail system

provided a full evaluation of the condition of the existing trail network along with long-term maintenance needs. Phase one of the project has been completed which included new trails segments along with maintenance projects in seven communities. The \$4.7 million investment to complete phase one was made possible through grants from the Michigan Department of Transportation, Michigan Department of Natural Resources, Community Foundation of Southeast Michigan, and the Ralph C. Wilson Jr. Foundation. Phase two implementation has begun as the County works with community partners to secure funding for nine new projects totaling approximately \$4.5 million.

The St. Clair County Park and Recreation Commission continues to secure grants to make improvements to our park system and add facilities to serve our citizens. In 2021 the land was acquired to construct a new park in Clay Township. The southern portion of the county has been lacking a county park for the citizens to enjoy. The park will be located on the beautiful St. Clair River. Amenities will be constructed over a period of years as grant funds are received

Relevant Financial Policies

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Clair County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2020. This was our twenty sixth time receiving this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the County Health Department has once again met all standards set by the Michigan Local Public Health Accreditation Program and has been awarded accreditation. This accreditation process looks at a mandatory standards-based system for accrediting local public health departments.

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

Respectively submitted,



Karry Hepting, CPA
Administrator/Controller



Dena Alderdyce, CGFM
Finance Director

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

Elected Officials

Board of Commissioners

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

31st Circuit Court

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

72nd District Court

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

Probate Court

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

Other Elected Officials

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

Appointed Official

Karry Hepting, CPA	Administrator/Controller
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Government Finance Officers Association

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

Presented to

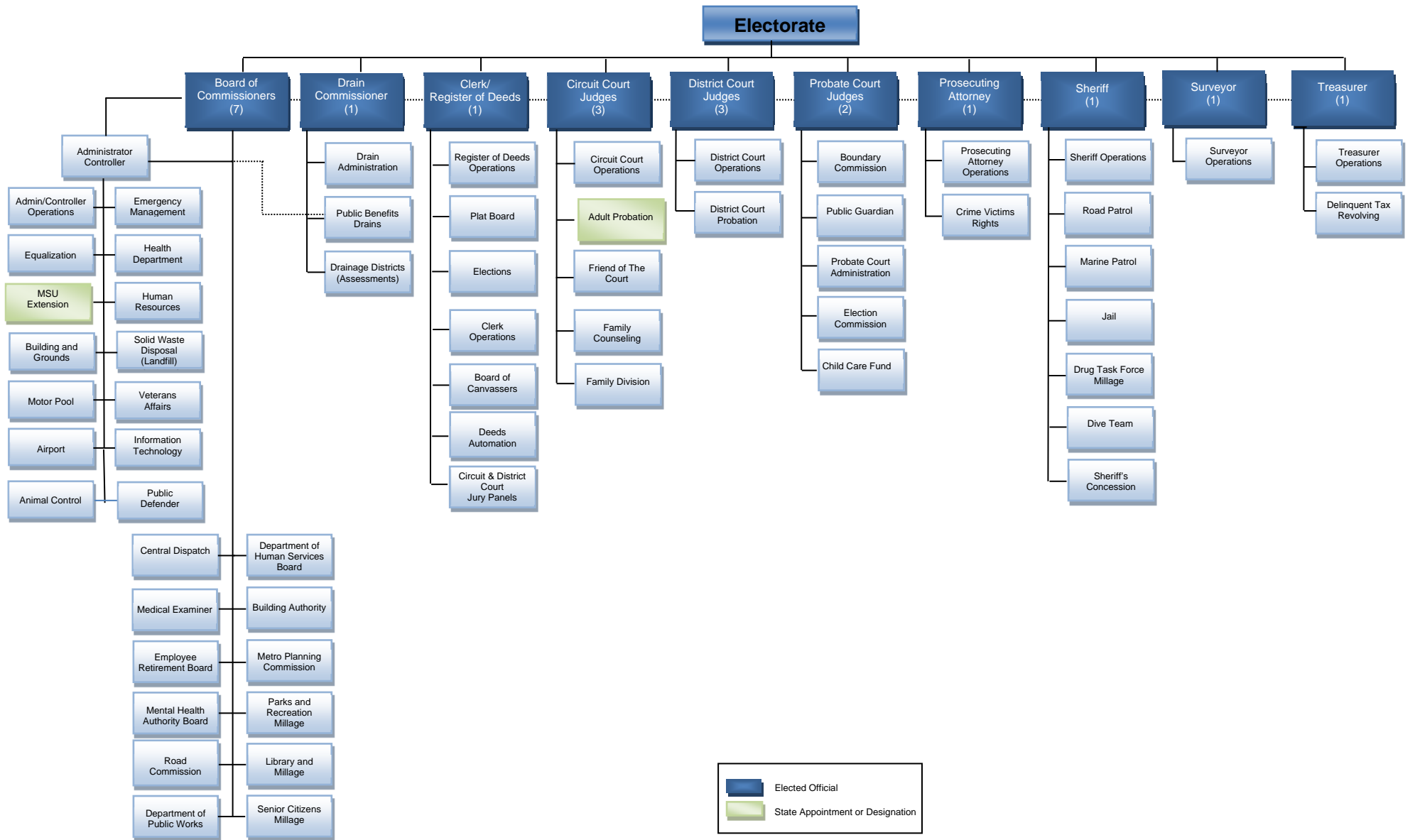
**St. Clair County
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2021 and the related notes to the financial statements which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Clair County, Michigan, as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller 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.

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 combining 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 27, 2022 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.



Port Huron, Michigan

June 27, 2022

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, 2021. 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, 2021 by \$80,795,773 (net position). Net position is either restricted for specific purposes or related to the County's investment in capital assets and is not available for spending.
- The government's total net position increased by \$2,435,551. Governmental activities increased by \$2,229,341 while Business-type activities increased by \$206,210.
- At December 31, 2021, the County's governmental funds reported combined ending fund balances of \$43,273,974, an increase of \$1,270,935. Approximately 23% of this amount (\$9,963,011) is available for spending at the government's discretion (unassigned fund balance).
- Total outstanding long-term liabilities increased by \$7,524,177. This was primarily due to a decrease from normal retirement of debt offset with an increase in the net OPEB liability due to changes in assumptions.
- The Development Revolving Fund as well as the Budget Incentive Fund are included as sub funds of the Combined General Fund and are reflected on pages 127-128. Government Accounting Standards Board requires any fund that is largely supported by transfers from the General Fund be included as part of the General Fund for reporting purposes.
- In 2021 the Board of Commissioners adopted a balanced budget for the 2022 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 similar to a private-sector business.

St. Clair County

Management's Discussion and Analysis

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

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

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

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

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds are reported using the modified accrual method of accounting. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing

St. Clair County
Management's Discussion and Analysis

requirements. Included are the Combined General Fund, the Special Revenue funds, the Debt Service funds, and the Capital Project funds.

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

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

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

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

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

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

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

St. Clair County
Management's Discussion and Analysis

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

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

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

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-102 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees and the budgetary information for the General Fund and four major governmental funds (Special Revenue Funds). This required supplementary information is found on pages 103-126 of this report.

The combining statements referred to earlier in connection with the Combined General Fund, non-major governmental, enterprise and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 127-167 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 exceeded liabilities and deferred inflows of resources by \$80,795,773 at December 31, 2021. This compares to \$78,360,222 at the close of the prior fiscal year, an increase of \$2,435,551.

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

Net Position

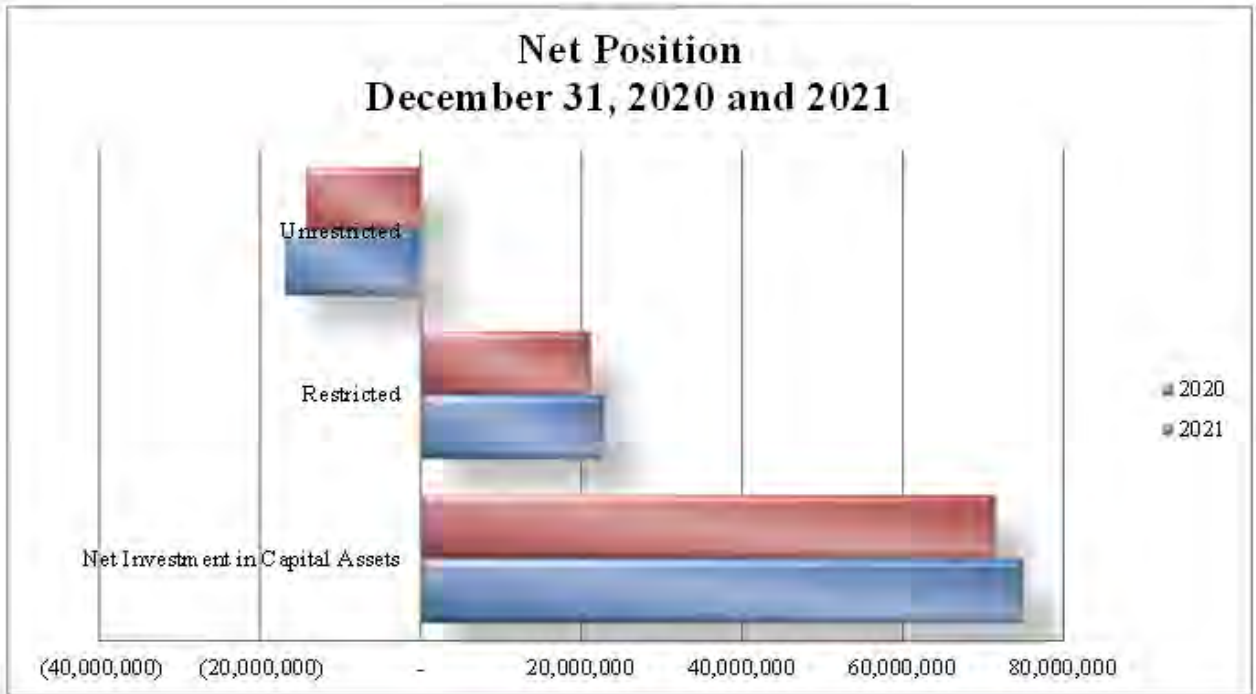
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	93,033,775	76,592,485	42,170,741	41,949,141	135,204,516	118,541,626
Capital Assets,						
Net of Accumulated Depreciation	80,701,586	81,830,832	25,240,619	24,770,203	105,942,205	106,601,035
Total Assets	173,735,361	158,423,317	67,411,360	66,719,344	241,146,721	225,142,661
Total Deferred Outflows of Resources	31,732,598	21,862,240	414,032	265,050	32,146,630	22,127,290
Current Liabilities	22,076,344	7,332,411	1,426,265	846,590	23,502,609	8,179,001
Other Liabilities	112,574,222	105,087,233	17,184,091	17,146,903	129,758,313	122,234,136
Total Liabilities	134,650,566	112,419,644	18,610,356	17,993,493	153,260,922	130,413,137
Total Deferred Inflows of Resources	38,945,736	38,223,597	290,920	272,995	39,236,656	38,496,592
Net Position						
Net Investment in capital assets	57,743,637	55,340,728	17,206,339	16,240,923	74,949,976	71,581,651
Restricted	20,456,120	19,891,331	2,334,926	1,185,304	22,791,046	21,076,635
Unrestricted	(46,328,100)	(45,589,743)	29,382,851	31,291,679	(16,945,249)	(14,298,064)
Total Net Position	31,871,657	29,642,316	48,924,116	48,717,906	80,795,773	78,360,222

St. Clair County's Net Position

The largest portion of the County's net position (93 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 (28 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a deficit balance (-21 percent) and is not available to meet the government's ongoing obligations to citizens and creditors.

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



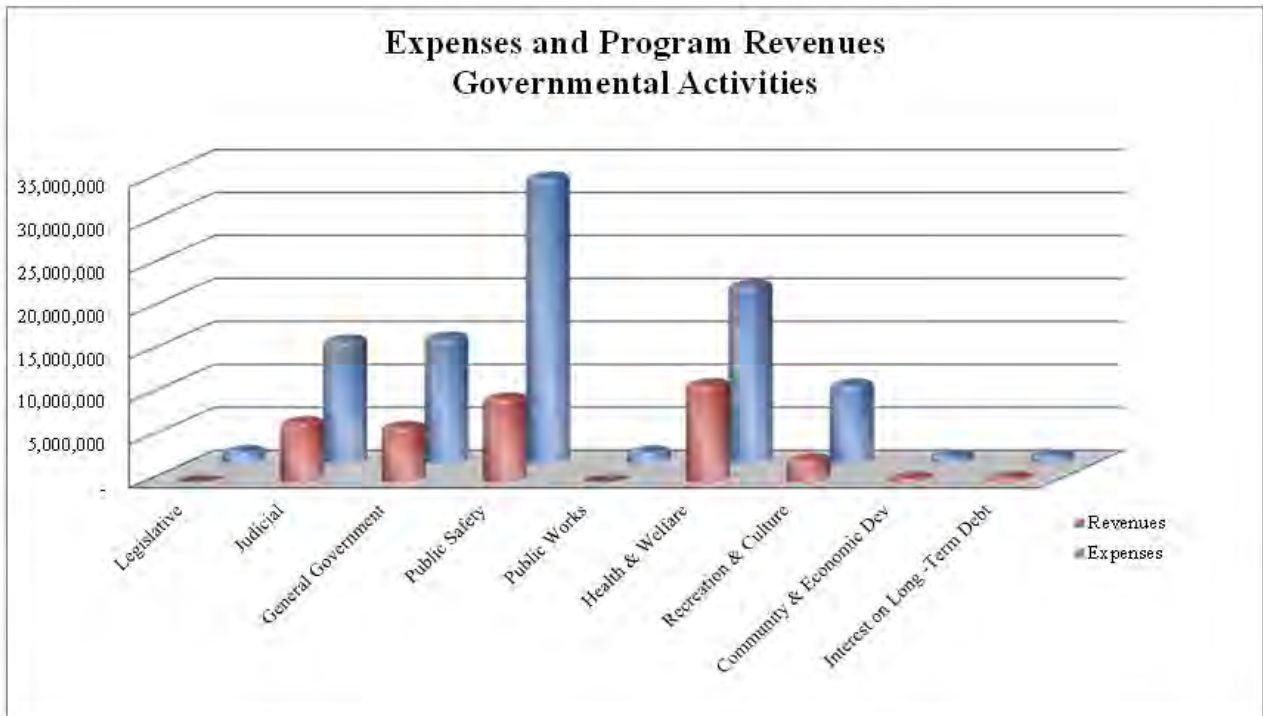
Governmental Activities. Governmental activities net position increased by \$2,229,341. The increase was primarily due to an increase in property tax revenues as well as an increase to grant program revenue.

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

Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	17,921,595	16,005,401	13,050,591	12,095,783	30,972,186	28,101,184
Operating Grants and Contributions	18,578,055	23,248,354	131,031	370,678	18,709,086	23,619,032
Capital Grants and Contributions	1,541,043	254,344	711,911	171,508	2,252,954	425,852
General revenues:						
Property Taxes	52,528,233	50,784,816	-	-	52,528,233	50,784,816
Intergovernmental revenues	4,307,896	3,570,501	-	-	4,307,896	3,570,501
Investment earnings	147,986	455,548	48,326	103,987	196,312	559,535
Gain on Sale of Assets	119,720	407,839	-	-	119,720	407,839
Interest & Penalties on Delinq Taxes	4,759	7,007	1,069,721	1,053,524	1,074,480	1,060,531
Total Revenues	95,149,287	94,733,810	15,011,580	13,795,480	110,160,867	108,529,290
Expenses:						
Legislative	1,411,789	1,369,734	-	-	1,411,789	1,369,734
Judicial	14,272,584	13,313,123	-	-	14,272,584	13,313,123
General Government	14,625,666	15,320,227	-	-	14,625,666	15,320,227
Public Safety	33,238,394	32,411,834	-	-	33,238,394	32,411,834
Public Works	1,377,440	1,101,683	-	-	1,377,440	1,101,683
Health and Welfare	20,688,721	21,275,816	-	-	20,688,721	21,275,816
Recreation and Culture	9,138,771	9,127,031	-	-	9,138,771	9,127,031
Community and Economic Development	794,849	597,970	-	-	794,849	597,970
Interest on Debt Service	882,610	1,400,463	-	-	882,610	1,400,463
Delinquent Tax Collections	-	-	546,461	397,844	546,461	397,844
Airport	-	-	1,110,412	959,931	1,110,412	959,931
Sheriff's Concession	-	-	788,543	758,955	788,543	758,955
School Tax Collections	-	-	-	-	-	-
Homestead Exemption Audits	-	-	30	-	30	-
Solid Waste Disposal	-	-	8,849,046	8,506,061	8,849,046	8,506,061
Total Expenses	96,430,824	95,917,881	11,294,492	10,622,791	107,725,316	106,540,672
Increase (Decrease) in Net Position, before transfers	(1,281,537)	(1,184,071)	3,717,088	3,172,689	2,435,551	1,988,618
Transfers	3,510,878	3,519,113	(3,510,878)	(3,519,113)	-	-
Change in Net Position	2,229,341	2,335,042	206,210	(346,424)	2,435,551	1,988,618
Net Position January 1	29,642,316	27,307,274	48,717,906	49,064,330	78,360,222	76,371,604
Net Position December 31	31,871,657	29,642,316	48,924,116	48,717,906	80,795,773	78,360,222

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



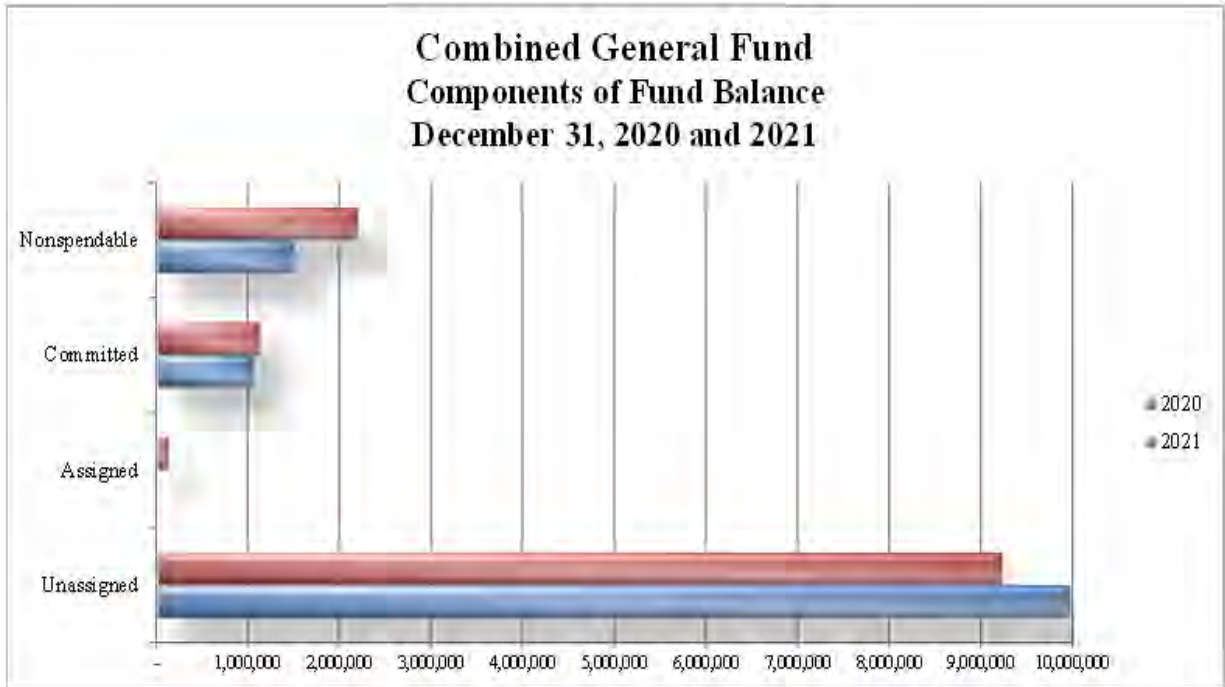
Financial Analysis of Governmental Funds

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

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

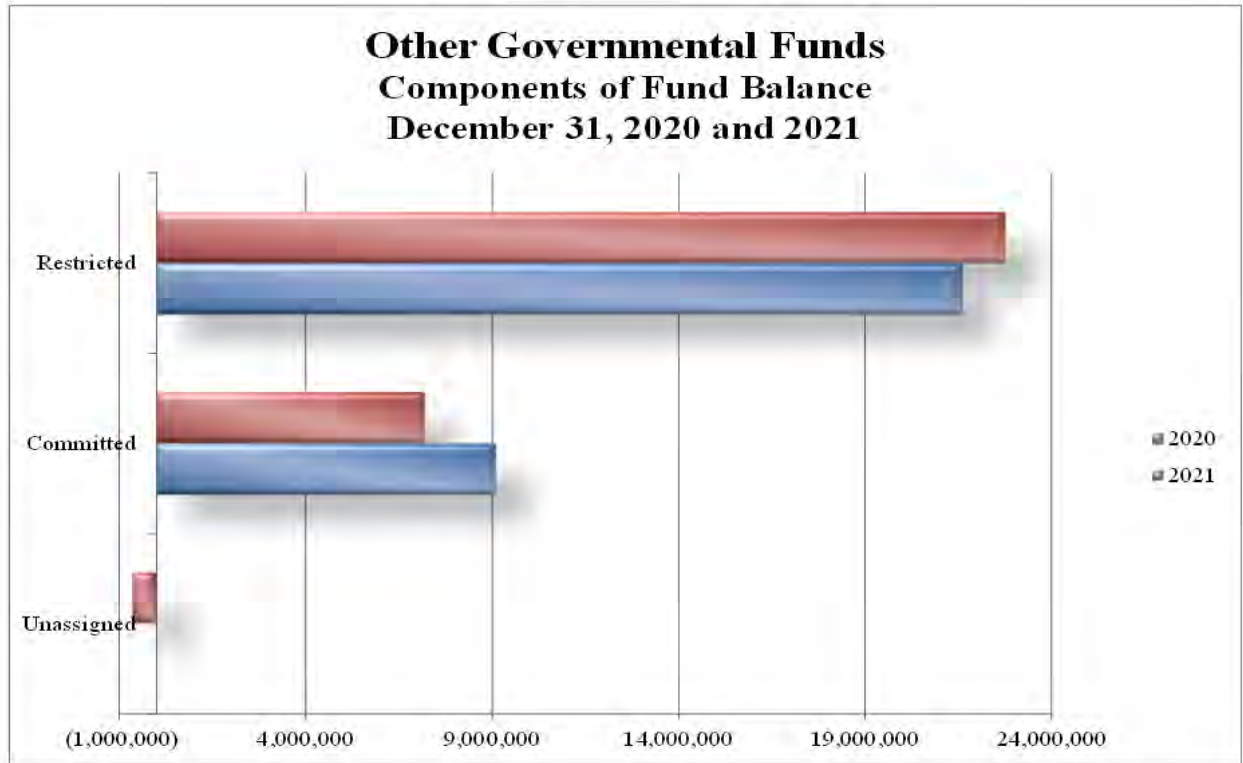
At December 31, 2021, the County's governmental funds reported combined ending fund balances of \$43,273,974, an increase of \$1,270,935 in comparison to the prior year. Approximately 23% of this fund balance (\$9,963,011) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted or committed to indicate that it is 1) not in spendable form (\$1,501,956), 2) restricted for particular purposes (\$21,634,095), or 3) committed for particular purposes (\$10,174,912).

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



The Combined General Fund is the chief operating fund of the County. At December 31, 2021, the Combined General Fund reported an ending fund balance of \$12,521,307. Of that amount \$9,963,011 is unassigned, \$1,056,340 is committed for specific departments in the budget incentive fund, and \$1,501,956 are nonspendable loans to the Drain Commissioner for funding drain projects, long-term receivables, and prepayments. As a measure of the combined general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 15.8 percent of total combined general fund expenditures and transfers, while total fund balance represents 19.9 percent of total combined general fund expenditures and transfers.

The Combined General Fund balance decreased by \$159,054 during the current fiscal year. The decrease is due to a transfer from the Development Revolving fund to the Convention Center debt fund to pay for debt service expenditures.



The second major governmental fund is the special millage Parks and Recreation Fund. At December 31, 2021, Parks and Recreation reported a fund balance of \$1,343,674. Fund balance decreased \$1,101,562 over the prior fiscal year. This fund had originally planned to use fund balance in the amount of \$801,400 in 2021 to acquire property for a new County park with reimbursement being received from the MNRTF in the following fiscal year.

The third major governmental fund is the special millage Library Fund. It reported \$3,628,328 in fund balance at December 31, 2021. Fund balance increased \$662,398 from the prior fiscal year. This fund also had originally planned to use fund balance in the amount of \$698,071 for 2021. However due to COVID-19, the Library operations had been suspended for a majority of the year. The Library also experienced significant staffing shortages and had to reduced operating hours among many of the Library branches. Due to the reduction of operations the fund also experienced a gain.

The fourth major governmental fund is the special millage Senior Citizens fund. It reported \$4,241,742 in fund balance at December 31, 2021. This fund also had originally planned to use fund balance in the amount of \$383,640 for 2021. This fund increased \$579,244 over the prior year due to lower than budgeted requests from senior service providers.

The fifth major governmental fund is the special millage Drug Task Force fund. It reported a \$1,982,420 fund balance at December 31, 2021. The fund increased \$211,942 over the prior year due to position vacancies throughout the year.

St. Clair County
Management's Discussion and Analysis

The last major governmental fund is the American Rescue Plan Fund. It reported a fund balance of \$2,455 at December 31, 2021. 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 are currently exploring allowable uses of 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, 2021.

Net position in the Solid Waste Disposal System at the end of the year amounted to \$11,202,276. Of this amount, \$9,230,396 is invested in capital assets. Net position decreased \$839,325 due to an increase in depreciation expense and supply costs.

The Delinquent Tax Revolving Fund reported net position of \$28,417,440, an increase of \$474,940 over the prior year. The earnings in this fund are dedicated to the annual debt payment requirements of the bond secured for the construction of the Jail/Juvenile facility.

The Airport Commission Fund reported net position of \$8,452,104, an increase of \$421,269 over the prior year. This increase is due to grant revenues earned for federal aviation projects at the Airport.

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 \$220,679. 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 a Headlee rollback of its taxable values.
- Charges for services were increased due to larger than anticipated mortgage recordings in Register of Deeds.
- Interest revenue was decreased due to removal of funds from investment in commercial paper and a significant drop in interest rates.
- Adjustments were done for salary and wage reclassifications.
- The Sheriff budget was increased for grant expenditures.
- 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 \$1,337,318 under budget. The majority of this difference is due to the timing and deferral of grant revenues along with less than anticipated tax and interest revenue as well as inmate housing revenues.

Amended expenditures and other financing uses differed \$1,357,448 from actual expenditures and other financing uses. Significant differences between the amended

St. Clair County
Management's Discussion and Analysis

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 occur throughout the year many departments such as District Court, Friend of the Court and Communications, Corrections/Jail and the Sheriff were under their amended budgets.
- Most departments were under their amended budgets in 2021 due to vacant positions from retirements and higher than normal staff turnover.

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, 2021 amounted to \$105,942,205 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, and vehicles. The total decrease in the County's capital assets for the current fiscal year was \$658,830.

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	15,012,266	13,394,807	2,160,779	2,160,779	17,173,045	15,555,586
Buildings and Improvements	53,939,765	55,399,479	4,642,379	4,960,467	58,582,144	60,359,946
Improvements other than Buildings	3,937,025	4,438,358	14,046,644	9,729,620	17,983,669	14,167,978
Equipment and Vehicles	6,449,200	6,086,589	3,735,769	4,182,060	10,184,969	10,268,649
Books	1,363,330	1,434,652	-	-	1,363,330	1,434,652
Construction in Progress	-	1,076,947	655,048	3,737,277	655,048	4,814,224
Total	80,701,586	81,830,832	25,240,619	24,770,203	105,942,205	106,601,035

Major capital asset events during the year included the following:

- The purchase of new county-wide printers/copiers
- The purchase of body cameras and an in-car camera system for the Sheriff
- Upgrade to the Jail camera system
- Replacement of various County vehicles
- Medical Examiner morgue renovations
- Upgrade of the 911 dispatch phone system
- The acquisition of a new county park on the South end of the county
- Addition of books to the County library collection

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

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

Long-term Debt/Liability. The County's long-term liability at December 31, 2021 totaled \$129,758,313.

Outstanding Debt/Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	27,140,000	31,345,000	8,034,280	8,529,280	35,174,280	39,874,280
Landfill Closure and Post Closure Costs			8,088,087	7,769,610	8,088,087	7,769,610
Drain Districts	3,341,065	3,260,730	-	-	3,341,065	3,260,730
Self-insurance Liability	754,000	585,000	-	-	754,000	585,000
Accumulated Employee Vacation, Sick and Compensatory Time	5,830,549	5,984,405	41,721	47,195	5,872,270	6,031,600
Net Premium	626,686	914,723	-	-	626,686	914,723
Net Pension Liability	24,273,555	27,387,770	316,093	335,451	24,589,648	27,723,221
Net OPEB Liability	50,608,367	35,609,605	703,910	465,367	51,312,277	36,074,972
Total	112,574,222	105,087,233	17,184,091	17,146,903	129,758,313	122,234,136

Significant portions of the debt include the following:

- The general obligation bonds sold in 2010 to construct a landfill leachate system and a gas to energy facility (\$5,009,280), net of 36.3% of forgivable portion. This debt is issued through the State of Michigan Municipal Bond Authority.
- The general obligation bonds sold in 2014 to expand the County's bioreactor system and to construct an additional landfill cell (\$3,025,000), 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 (\$4,275,000).
- The outstanding portion of the 2012 refunding of the 2003 issue sold to finance the construction of a Jail/Juvenile facility (\$1,645,000).
- The general obligation bonds sold in 2012 to construct and equip the Blue Water Area Convention Center (\$7,280,000).
- The 2017 refunding of the 2009 general obligation bonds to construct a communications tower and acquire the required equipment (\$870,000).
- The 2020 refunding of the outstanding portion of the 2012 refunded general obligation bonds to construct the Jail/Juvenile facility (\$13,070,000).
- The County operates the Smiths Creek Landfill and is required to record the estimated costs of closure and the post-closure costs of the Landfill to ensure that when the facility is closed in the future there will be sufficient funds available to maintain it in an environmentally sound way. The amount recorded for this obligation is \$8,088,087.
- Upon their leaving County employment, certain employees of the County have,

St. Clair County
Management's Discussion and Analysis

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, 2021 is \$5,872,270.

- The net pension liability of County employees/retirees amounts to \$24,589,648.
- The net OPEB liability of the County employees/retirees amounts to \$51,312,277.

Additional information on the County's long-term debt can be found in Note 9 beginning on page 66 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 2022 fiscal year. Several of the more telling factors are as follows:

- The taxable value of real and personal property within the County is expected to increase 2.5% in 2022.
- The new DTE power plant is expected to be operational in early 2022.
- County revenue sharing from the State increased 2% from the prior year original estimates.
- Costs of inmate medical and inmate housing expenses are expected to increase.
- Inmate housing revenues were held flat due to low prisoner counts for 2022.
- Interest rates are starting to slowly increase.
- State unemployment rates continue to decline.
- Community and economic development are on the rise.

The 2022 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, 2021**

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Assets:				
Cash and cash equivalents	\$ 50,280,853	\$ 30,282,252	\$ 80,563,105	\$ 27,797,182
Investments	9,615,085	3,011,367	12,626,452	-
Receivables (net of allowance)	26,870,084	7,132,919	34,003,003	23,965,267
Prepaid expenses and deposits	2,240,619	72,829	2,313,448	1,074,359
Internal balances	(1,500,000)	1,500,000	-	-
Inventory	-	62,925	62,925	1,831,416
Properties held for sale	-	-	-	8,449
Long-term notes receivable	4,587,134	108,449	4,695,583	-
Advance to component units	940,000	-	940,000	-
Restricted assets -				
Cash and cash equivalents	-	-	-	2,928,863
Accounts receivable	-	-	-	45,671
Contract receivables	-	-	-	3,065,019
Beneficial interest in assets held by others	-	-	-	144,928
Net OPEB asset	-	-	-	9,753
Capital assets (net of accumulated depreciation)				
Assets not being depreciated	15,012,266	2,815,827	17,828,093	33,793,301
Assets being depreciated	65,689,320	22,424,792	88,114,112	225,602,308
Total Assets	<u>173,735,361</u>	<u>67,411,360</u>	<u>241,146,721</u>	<u>320,266,516</u>
Deferred Outflows of Resources:				
Related to the pension plan	10,829,173	136,921	10,966,094	4,545,367
Related to the OPEB plan	20,369,688	277,111	20,646,799	10,210,947
Deferred charges on bond refunding	533,737	-	533,737	152,954
Total Deferred Outflows of Resources	<u>31,732,598</u>	<u>414,032</u>	<u>32,146,630</u>	<u>14,909,268</u>
Liabilities:				
Payables and accrued liabilities	5,006,957	1,397,812	6,404,769	8,635,288
Bonds and restitution payable	869,333	-	869,333	-
Advances and deposits	81,246	-	81,246	4,669,252
Advances from primary government	-	-	-	940,000
Unearned revenue	16,118,808	28,453	16,147,261	50,110
Liabilities payable from restricted assets	-	-	-	23,182
Non-current liabilities -				
Due within one year	5,287,450	510,000	5,797,450	8,033,419
Due in more than one year				
Long-term liabilities, net of current portion	32,404,850	15,654,088	48,058,938	25,123,870
Net pension liability	24,273,555	316,093	24,589,648	9,851,329
Net OPEB liability	50,608,367	703,910	51,312,277	12,088,240
Total Liabilities	<u>134,650,566</u>	<u>18,610,356</u>	<u>153,260,922</u>	<u>69,414,690</u>

(Continued)

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Deferred Inflows of Resources:				
Related to the pension plan	\$ 6,346,174	\$ 82,641	\$ 6,428,815	\$ 3,151,364
Related to the OPEB plan	14,974,426	208,279	15,182,705	7,918,106
Taxes levied for a subsequent period	17,625,136	-	17,625,136	1,298,026
Total Deferred Inflows of Resources	<u>38,945,736</u>	<u>290,920</u>	<u>39,236,656</u>	<u>12,367,496</u>
Net Position:				
Net investment in capital assets	57,743,637	17,206,339	74,949,976	231,798,098
Restricted - Expendable -				
Acquisition/construction of capital assets	6,270,847	-	6,270,847	407,592
Debt Service	104,247	-	104,247	18,954,227
Judicial	1,121,312	-	1,121,312	-
Recreation and Cultural	2,821,426	-	2,821,426	-
Health and Welfare	6,519,054	-	6,519,054	-
Public Safety	3,261,201	-	3,261,201	-
Foreclosure sales	-	2,334,926	2,334,926	-
Net OPEB asset	-	-	-	2,335,656
Other Purposes	358,033	-	358,033	197,483
Unrestricted (deficit)	<u>(46,328,100)</u>	<u>29,382,851</u>	<u>(16,945,249)</u>	<u>(299,458)</u>
Total Net Position	<u>\$ 31,871,657</u>	<u>\$ 48,924,116</u>	<u>\$ 80,795,773</u>	<u>\$ 253,393,598</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, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Legislative	\$ 1,411,789	\$ -	\$ -	\$ -
General Government	14,625,666	5,521,677	891,575	-
Judicial	14,272,584	1,856,027	5,107,208	-
Public Safety	33,238,394	5,129,386	4,479,696	124,031
Public Works	1,377,440	-	-	-
Health and Welfare	20,688,721	3,685,014	7,698,037	-
Community and Economic Development	794,849	233,204	199,610	-
Recreation and Culture	9,138,771	989,730	201,929	1,417,012
Interest on Long Term Debt	882,610	506,557	-	-
Total governmental activities	<u>96,430,824</u>	<u>17,921,595</u>	<u>18,578,055</u>	<u>1,541,043</u>
Business-type activities:				
Delinquent Tax Revolving	546,461	2,054,477	-	-
Airport Commission	1,110,412	586,770	23,000	711,911
Sheriff's Concession	788,543	935,171	-	-
School Tax Collections	-	-	-	-
Homestead Exemption Audits	30	381	-	-
Solid Waste Disposal System	8,849,046	9,473,792	108,031	-
Total business-type activities	<u>11,294,492</u>	<u>13,050,591</u>	<u>131,031</u>	<u>711,911</u>
Total Primary Government	<u>\$ 107,725,316</u>	<u>\$ 30,972,186</u>	<u>\$ 18,709,086</u>	<u>\$ 2,252,954</u>
Component Units				
Road Commission	\$ 28,840,537	\$ 5,510,806	\$ 21,199,299	\$ 9,137,009
Department of Public Works	2,496,011	1,864,368	-	235,398
Community Mental Health Authority	73,950,994	67,422,152	6,530,159	-
Land Bank Authority	10,986	13,892	-	-
Brownfield Redevelopment Authority	268,722	3,000	257,820	-
Drainage Districts	1,672,435	3,846,309	-	-
Total Component Units	<u>\$ 107,239,685</u>	<u>\$ 78,660,527</u>	<u>\$ 27,987,278</u>	<u>\$ 9,372,407</u>
General revenues:				
Property taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment income				
Gain on sale of assets				
Interest and penalties on delinquent taxes				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

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

Net (Expense) Revenue and Change in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$(1,411,789)	\$ -	\$(1,411,789)	\$ -
(8,212,414)	-	(8,212,414)	-
(7,309,349)	-	(7,309,349)	-
(23,505,281)	-	(23,505,281)	-
(1,377,440)	-	(1,377,440)	-
(9,305,670)	-	(9,305,670)	-
(362,035)	-	(362,035)	-
(6,530,100)	-	(6,530,100)	-
(376,053)	-	(376,053)	-
<u>(58,390,131)</u>	<u>-</u>	<u>(58,390,131)</u>	<u>-</u>
-	1,508,016	1,508,016	-
-	211,269	211,269	-
-	146,628	146,628	-
-	-	-	-
-	351	351	-
-	732,777	732,777	-
<u>-</u>	<u>2,599,041</u>	<u>2,599,041</u>	<u>-</u>
<u>(58,390,131)</u>	<u>2,599,041</u>	<u>(55,791,090)</u>	<u>-</u>
-	-	-	7,006,577
-	-	-	(396,245)
-	-	-	1,317
-	-	-	2,906
-	-	-	(7,902)
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,173,874</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,780,527</u>
52,528,233	-	52,528,233	1,345,389
4,307,896	-	4,307,896	-
147,986	48,326	196,312	92,840
119,720	-	119,720	-
4,759	1,069,721	1,074,480	-
<u>3,510,878</u>	<u>(3,510,878)</u>	<u>-</u>	<u>-</u>
<u>60,619,472</u>	<u>(2,392,831)</u>	<u>58,226,641</u>	<u>1,438,229</u>
2,229,341	206,210	2,435,551	10,218,756
<u>29,642,316</u>	<u>48,717,906</u>	<u>78,360,222</u>	<u>243,174,842</u>
<u>\$ 31,871,657</u>	<u>\$ 48,924,116</u>	<u>\$ 80,795,773</u>	<u>\$ 253,393,598</u>

ST. CLAIR COUNTY, MICHIGAN

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	<u>Combined General</u>	<u>Parks and Recreation</u>	<u>Library</u>	<u>Senior Citizens Millage</u>
Assets:				
Cash and cash equivalents	\$ 1,155,848	\$ 1,578,223	\$ 3,944,724	\$ 5,037,475
Investments	9,115,085	-	-	-
Receivables, net of allowance -				
Property taxes	2,045,435	3,127,749	4,425,396	5,050,521
Interest and accounts	523,522	446	1,874	-
Due from other governmental units	3,147,065	1,421,378	6,169	7,050
Long-term notes receivable	312,134	-	-	-
Advances to component units	940,000	-	-	-
Prepayments and deposits	22,160	-	57,506	-
	<u>\$ 17,261,249</u>	<u>\$ 6,127,796</u>	<u>\$ 8,435,669</u>	<u>\$ 10,095,046</u>
Liabilities:				
Accounts payable	\$ 840,024	\$ 41,241	\$ 96,793	\$ 539,300
Accrued liabilities	1,207,535	17,859	54,043	336
Advances and deposits	-	17,300	-	-
Due to other governmental units	1,512	-	-	-
Due to other funds	1,500,000	-	-	-
Bonds and restitution payable	869,333	-	-	-
Unearned revenue	-	-	-	-
	<u>4,418,404</u>	<u>76,400</u>	<u>150,836</u>	<u>539,636</u>
Deferred Inflows of Resources:				
Unavailable revenue -				
Delinquent property taxes	44,431	5,082	7,186	8,213
Lease contract/revolving loans	-	-	-	-
Grants/fees	277,107	1,417,012	-	-
Taxes levied for subsequent period	-	3,285,628	4,649,319	5,305,455
	<u>321,538</u>	<u>4,707,722</u>	<u>4,656,505</u>	<u>5,313,668</u>
Fund Balances:				
Nonspendable -				
Long-term receivables/advances	1,479,796	-	-	-
Prepayments and deposits	22,160	-	-	-
Restricted	-	1,343,674	3,628,328	4,241,742
Committed	1,056,340	-	-	-
Unassigned	9,963,011	-	-	-
	<u>12,521,307</u>	<u>1,343,674</u>	<u>3,628,328</u>	<u>4,241,742</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,261,249</u>	<u>\$ 6,127,796</u>	<u>\$ 8,435,669</u>	<u>\$ 10,095,046</u>

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

<u>Drug Task Force</u>	<u>American Rescue Plan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,348,546	\$ 15,455,845	\$ 19,095,671	\$ 48,616,332
-	-	500,000	9,615,085
3,541,450	-	632,671	18,823,222
-	-	1,594,702	2,120,544
1,102	-	1,101,704	5,684,468
-	-	4,275,000	4,587,134
-	-	-	940,000
-	-	-	79,666
<u>\$ 5,891,098</u>	<u>\$ 15,455,845</u>	<u>\$ 27,199,748</u>	<u>\$ 90,466,451</u>
\$ 138,593	\$ 5,759	\$ 441,166	\$ 2,102,876
44,115	-	223,563	1,547,451
-	-	63,946	81,246
-	-	347,696	349,208
-	-	-	1,500,000
-	-	-	869,333
-	15,447,631	671,177	16,118,808
<u>182,708</u>	<u>15,453,390</u>	<u>1,747,548</u>	<u>22,568,922</u>
5,756	-	1,024	71,692
-	-	4,936,498	4,936,498
-	-	296,110	1,990,229
3,720,214	-	664,520	17,625,136
<u>3,725,970</u>	<u>-</u>	<u>5,898,152</u>	<u>24,623,555</u>
-	-	-	1,479,796
-	-	-	22,160
1,982,420	-	10,437,931	21,634,095
-	2,455	9,116,117	10,174,912
-	-	-	9,963,011
<u>1,982,420</u>	<u>2,455</u>	<u>19,554,048</u>	<u>43,273,974</u>
<u>\$ 5,891,098</u>	<u>\$ 15,455,845</u>	<u>\$ 27,199,748</u>	<u>\$ 90,466,451</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET FOR
GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
DECEMBER 31, 2021**

Fund Balances - total governmental funds		\$ 43,273,974
Amounts reported for governmental activities in the statement of net position are different because:		
Expenses recorded in the funds on the purchase method		481,289
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Capital assets		156,914,587
Accumulated depreciation		(76,266,723)
Certain assets do not represent current financial resources and are therefore not recorded in the funds		
Interest receivable on capital lease contract		48,650
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		31,198,861
Deferred inflows of resources		(21,320,600)
Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds		
Delinquent personal property taxes	\$ 71,692	
Housing rehabilitation loan	661,498	
Capital lease contract	4,275,000	
Grants/fees	<u>1,990,229</u>	6,998,419
Internal Service Fund used by management to charge cost of property, liability, health, disability, workers compensation, and life insurance expenses and claims. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		2,032,983
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	(27,140,000)	
Drain District assessments payable	(3,341,065)	
Accrued interest on bonds/notes payable	(203,298)	
Net pension liability	(24,273,555)	
Net OPEB liability	(50,608,367)	
Accrued compensated absences	<u>(5,830,549)</u>	(111,396,834)
Charges on refunding are reported currently in the governmental funds, whereas they are capitalized and amortized from net position		533,737
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>(626,686)</u>
Net Position of governmental activities		<u><u>\$ 31,871,657</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, 2021**

	<u>Combined General</u>	<u>Parks and Recreation</u>	<u>Library</u>	<u>Senior Citizens Millage</u>
Revenues:				
Taxes	\$ 35,458,315	\$ 3,181,290	\$ 4,501,594	\$ 5,137,510
Licenses and permits	283,514	-	-	-
Intergovernmental	13,435,212	4,366	197,563	7,050
Charges for services	7,594,110	187,391	26,909	-
Fines and forfeits	331,625	-	519,643	-
Interest and rent	769,841	4,263	12,895	7,448
Other	1,646,473	245,347	10,423	3,210
Total Revenues	<u>59,519,090</u>	<u>3,622,657</u>	<u>5,269,027</u>	<u>5,155,218</u>
Expenditures:				
Current -				
Legislative	1,402,640	-	-	-
General Government	12,757,785	-	-	-
Judicial	11,293,388	-	-	-
Public Safety	26,255,753	-	-	-
Public Works	1,380,285	-	-	-
Health and Welfare	2,064,561	-	-	4,575,974
Community and Economic Development	800,091	-	-	-
Recreation and Cultural	-	4,724,219	4,606,629	-
Capital Outlay	-	-	-	-
Debt Service -				
Principal	347,065	-	-	-
Interest and charges	147,588	-	-	-
Total Expenditures	<u>56,449,156</u>	<u>4,724,219</u>	<u>4,606,629</u>	<u>4,575,974</u>
Revenues over (under) expenditures	<u>3,069,934</u>	<u>(1,101,562)</u>	<u>662,398</u>	<u>579,244</u>
Other Financing Sources (Uses):				
Issuance of debt	427,400	-	-	-
Sale of assets	-	-	-	-
Transfers from other funds	2,761,280	-	-	-
Transfers to other funds	<u>(6,417,668)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(3,228,988)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(159,054)</u>	<u>(1,101,562)</u>	<u>662,398</u>	<u>579,244</u>
Fund Balances at beginning of year	<u>12,680,361</u>	<u>2,445,236</u>	<u>2,965,930</u>	<u>3,662,498</u>
Fund Balances at end of year	<u>\$ 12,521,307</u>	<u>\$ 1,343,674</u>	<u>\$ 3,628,328</u>	<u>\$ 4,241,742</u>

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

<u>Drug Task Force</u>	<u>American Rescue Plan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,602,455	\$ -	\$ 641,873	\$ 52,523,037
-	-	513,081	796,595
8,043	6,744	10,087,443	23,746,421
-	-	4,545,228	12,353,638
-	-	190,708	1,041,976
3,790	2,455	1,047,826	1,848,518
19,846	-	693,086	2,618,385
<u>3,634,134</u>	<u>9,199</u>	<u>17,719,245</u>	<u>94,928,570</u>
-	-	-	1,402,640
-	6,744	235,940	13,000,469
-	-	2,491,331	13,784,719
2,902,856	-	188,718	29,347,327
-	-	-	1,380,285
-	-	13,746,283	20,386,818
-	-	-	800,091
-	-	852,173	10,183,021
-	-	1,832,698	1,832,698
-	-	4,205,000	4,552,065
-	-	897,912	1,045,500
<u>2,902,856</u>	<u>6,744</u>	<u>24,450,055</u>	<u>97,715,633</u>
<u>731,278</u>	<u>2,455</u>	<u>(6,730,810)</u>	<u>(2,787,063)</u>
-	-	-	427,400
-	-	119,720	119,720
-	-	9,032,400	11,793,680
<u>(519,336)</u>	<u>-</u>	<u>(1,345,798)</u>	<u>(8,282,802)</u>
<u>(519,336)</u>	<u>-</u>	<u>7,806,322</u>	<u>4,057,998</u>
211,942	2,455	1,075,512	1,270,935
<u>1,770,478</u>	<u>-</u>	<u>18,478,536</u>	<u>42,003,039</u>
<u>\$ 1,982,420</u>	<u>\$ 2,455</u>	<u>\$ 19,554,048</u>	<u>\$ 43,273,974</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, 2021**

Net change in fund balances - total governmental funds	\$	1,270,935
Change in prepaid expenses recorded in the funds on the purchase method		61,547
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		4,051,433
Depreciation expense	(5,157,603)
Loss from sale/disposal of assets	(19,156)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		100,997
The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position.		
Principal payments on long term liabilities		4,552,065
Issuance of debt - drain districts	(427,400)
Accrued interest expense on bonds and the amortization of bond discounts, premiums, and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for the purpose of net position.		
Decrease in accrued interest payable		40,735
Amortization of bond premium		288,037
Amortization of deferred charge on refunding	(165,882)
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.		(522,573)
Change in deferred outflows of resources and deferred inflows of resources related to the pension and OPEB plans		9,886,897
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.		
Increase in net OPEB liability	\$(14,998,762)
Decrease in net pension liability		3,114,215
Decrease in accrued compensated absences		153,856
		<u>11,730,691</u>
Change in net position of governmental activities	\$	<u><u>2,229,341</u></u>

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

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021**

	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	\$ 10,238,629	\$ 18,850,427	\$ 385,196	\$ 808,000	\$30,282,252	\$ 1,664,521
Investments	-	3,011,367	-	-	3,011,367	-
Receivables, net of allowance -						
Delinquent taxes	-	4,165,357	-	-	4,165,357	-
Interest and accounts	1,760,431	1,002,229	15,391	62,093	2,840,144	193,200
Due from other governmental units	56,889	27,244	43,285	-	127,418	-
Inventory	-	-	62,925	-	62,925	-
Prepaid expenses and deposits	15,058	17,821	39,950	-	72,829	1,679,664
Due from other funds	-	1,500,000	-	-	1,500,000	-
Total Current Assets	<u>12,071,007</u>	<u>28,574,445</u>	<u>546,747</u>	<u>870,093</u>	<u>42,062,292</u>	<u>3,537,385</u>
Noncurrent Assets:						
Capital assets	49,398,615	268,680	11,834,253	-	61,501,548	110,516
Less - accumulated depreciation	(32,133,939)	(268,680)	(3,858,310)	-	(36,260,929)	(56,794)
Capital assets, net	<u>17,264,676</u>	<u>-</u>	<u>7,975,943</u>	<u>-</u>	<u>25,240,619</u>	<u>53,722</u>
Notes receivable	100,000	8,449	-	-	108,449	-
Total Noncurrent Assets	<u>17,364,676</u>	<u>8,449</u>	<u>7,975,943</u>	<u>-</u>	<u>25,349,068</u>	<u>53,722</u>
Total Assets	<u>29,435,683</u>	<u>28,582,894</u>	<u>8,522,690</u>	<u>870,093</u>	<u>67,411,360</u>	<u>3,591,107</u>
Deferred Outflows of Resources:						
Related to pension plan	136,921	-	-	-	136,921	-
Related to OPEB plan	277,111	-	-	-	277,111	-
Total Deferred Outflows of Resources	<u>414,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>414,032</u>	<u>-</u>

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

	Business-type Activities - Enterprise Funds					Governmental
	Solid Waste	Delinquent	Airport	Other	Total	Internal
	Disposal System	Tax Revolving	Commission	Proprietary Funds		Service Fund
Liabilities:						
Current Liabilities:						
Accounts payable	\$ 1,094,089	\$ 27,851	\$ 32,950	\$ 16,712	\$ 1,171,602	\$ 401,644
Accrued expenses	10,284	129,377	3,169	1,085	143,915	402,480
Due to other governmental units	23,855	8,226	-	-	32,081	-
Accrued interest payable	50,214	-	-	-	50,214	-
Current portion of long-term liabilities	510,000	-	-	-	510,000	460,000
Unearned revenue	-	-	28,453	-	28,453	-
Total Current Liabilities	<u>1,688,442</u>	<u>165,454</u>	<u>64,572</u>	<u>17,797</u>	<u>1,936,265</u>	<u>1,264,124</u>
Long-term Liabilities (less current portions):						
Accrued vacation and sick	35,707	-	6,014	-	41,721	-
Accrued insurance claims	-	-	-	-	-	294,000
Net pension liability	316,093	-	-	-	316,093	-
Net OPEB liability	703,910	-	-	-	703,910	-
Bonds payable	7,524,280	-	-	-	7,524,280	-
Estimated closure and post closure costs	8,088,087	-	-	-	8,088,087	-
Total Long-term Liabilities	<u>16,668,077</u>	<u>-</u>	<u>6,014</u>	<u>-</u>	<u>16,674,091</u>	<u>294,000</u>
Total Liabilities	<u>18,356,519</u>	<u>165,454</u>	<u>70,586</u>	<u>17,797</u>	<u>18,610,356</u>	<u>1,558,124</u>
Deferred Inflows of Resources:						
Related to pension plan	82,641	-	-	-	82,641	-
Related to OPEB plan	208,279	-	-	-	208,279	-
Total Deferred Inflows of Resources	<u>290,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,920</u>	<u>-</u>
Net Position:						
Net investment in capital assets	9,230,396	-	7,975,943	-	17,206,339	53,722
Restricted - Expendable						
Foreclosure sales	-	2,334,926	-	-	2,334,926	-
Unrestricted	1,971,880	26,082,514	476,161	852,296	29,382,851	1,979,261
Total Net Position	<u>\$ 11,202,276</u>	<u>\$ 28,417,440</u>	<u>\$ 8,452,104</u>	<u>\$ 852,296</u>	<u>\$ 48,924,116</u>	<u>\$ 2,032,983</u>

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	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	\$ 9,460,749	\$ 2,054,477	\$ 358,145	\$ 927,655	\$ 12,801,026	\$ 12,877,709
Interest and rents	-	1,069,721	223,984	-	1,293,705	-
Other	13,043	-	4,641	7,897	25,581	445,246
Total Operating Revenues	<u>9,473,792</u>	<u>3,124,198</u>	<u>586,770</u>	<u>935,552</u>	<u>14,120,312</u>	<u>13,322,955</u>
Operating Expenses:						
Personal services	651,738	189,794	217,891	97,621	1,157,044	757,539
Supplies	897,776	-	267,672	7,607	1,173,055	7,495
Other services	4,648,807	356,667	335,048	683,345	6,023,867	13,076,574
Closure and post closure costs	318,477	-	-	-	318,477	-
Depreciation	2,123,860	-	289,801	-	2,413,661	3,920
Total Operating Expenses	<u>8,640,658</u>	<u>546,461</u>	<u>1,110,412</u>	<u>788,573</u>	<u>11,086,104</u>	<u>13,845,528</u>
Operating income (loss)	<u>833,134</u>	<u>2,577,737</u>	<u>(523,642)</u>	<u>146,979</u>	<u>3,034,208</u>	<u>(522,573)</u>
Non-Operating Revenues (Expenses):						
Interest revenue	22,759	23,220	-	2,347	48,326	-
Intergovernmental grants	108,031	-	23,000	-	131,031	-
Interest expense	(208,388)	-	-	-	(208,388)	-
Total Non-Operating Revenues (Expenses)	<u>(77,598)</u>	<u>23,220</u>	<u>23,000</u>	<u>2,347</u>	<u>(29,031)</u>	<u>-</u>
Net income (loss) before capital contributions and transfers	<u>755,536</u>	<u>2,600,957</u>	<u>(500,642)</u>	<u>149,326</u>	<u>3,005,177</u>	<u>(522,573)</u>
Capital Contributions	<u>-</u>	<u>-</u>	<u>711,911</u>	<u>-</u>	<u>711,911</u>	<u>-</u>
Net income (loss) before transfers	<u>755,536</u>	<u>2,600,957</u>	<u>211,269</u>	<u>149,326</u>	<u>3,717,088</u>	<u>(522,573)</u>
Transfers:						
Transfers from other funds	-	-	210,000	-	210,000	-
Transfers to other funds	(1,594,861)	(2,126,017)	-	-	(3,720,878)	-
Total Transfers	<u>(1,594,861)</u>	<u>(2,126,017)</u>	<u>210,000</u>	<u>-</u>	<u>(3,510,878)</u>	<u>-</u>
Change in Net Position	<u>(839,325)</u>	<u>474,940</u>	<u>421,269</u>	<u>149,326</u>	<u>206,210</u>	<u>(522,573)</u>
Net Position at beginning of year	<u>12,041,601</u>	<u>27,942,500</u>	<u>8,030,835</u>	<u>702,970</u>	<u>48,717,906</u>	<u>2,555,556</u>
Net Position at end of year	<u>\$ 11,202,276</u>	<u>\$ 28,417,440</u>	<u>\$ 8,452,104</u>	<u>\$ 852,296</u>	<u>\$ 48,924,116</u>	<u>\$ 2,032,983</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, 2021**

	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	\$ 9,716,794	\$12,165,527	\$ 602,537	\$ 1,022,844	\$23,507,702	\$ 444,683
Cash receipts from interfund services	-	-	-	-	-	12,877,709
Cash payments to suppliers	(4,983,642)	(9,155,234)	(650,385)	(713,348)	(15,502,609)	(12,622,299)
Cash payments to employees	(497,124)	(37,623)	(192,238)	(86,599)	(813,584)	(757,539)
Cash payments for interfund services	(62,967)	(25,309)	(31,121)	(11,591)	(130,988)	-
Other cash receipts	121,074	-	23,000	-	144,074	-
Net cash Provided by (Used in) Operating Activities	4,294,135	2,947,361	(248,207)	211,306	7,204,595	(57,446)
Cash Flows From Noncapital Financing Activities:						
Cash receipts/payments to other funds	-	4,815,000	-	-	4,815,000	-
Transfers from other funds	-	-	210,000	-	210,000	-
Transfers to other funds	(1,594,861)	(2,126,017)	-	-	(3,720,878)	-
Net cash Provided by (Used in) Non-capital Related Financing Activities	(1,594,861)	2,688,983	210,000	-	1,304,122	-
Cash Flows From Capital and Related Financing Activities:						
Payments on bonds	(495,000)	-	-	-	(495,000)	-
Interest paid	(211,482)	-	-	-	(211,482)	-
Acquisition and construction of capital assets	(2,164,977)	-	(7,189)	-	(2,172,166)	-
Net cash Provided by (Used in) Capital Related Financing Activities	(2,871,459)	-	(7,189)	-	(2,878,648)	-
Cash Flows From Investing Activities:						
Interest received	22,759	23,220	-	2,347	48,326	-
Purchase of investments	-	(11,141)	-	-	(11,141)	-
Net Cash Provided by Investing Activities	22,759	12,079	-	2,347	37,185	-
Net increase (decrease) in cash and cash equivalents	(149,426)	5,648,423	(45,396)	213,653	5,667,254	(57,446)
Cash and Cash Equivalents at beginning of year	10,388,055	13,202,004	430,592	594,347	24,614,998	1,721,967
Cash and Cash Equivalents at end of year	\$10,238,629	\$ 18,850,427	\$ 385,196	\$ 808,000	\$30,282,252	\$ 1,664,521

(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, 2021**

	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)	\$ 833,134	\$ 2,577,737	\$(523,642)	\$ 146,979	\$ 3,034,208	\$(522,573)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -						
Depreciation	2,123,860	-	289,801	-	2,413,661	3,920
Estimated closure and post closure costs	318,477	-	-	-	318,477	-
Intergovernmental grants	108,031	-	23,000	-	131,031	-
Change in assets and liabilities:						
Receivables	72,263	374,761	12,910	87,292	547,226	(563)
Inventory	-	-	(42,384)	-	(42,384)	-
Prepays and deposits	(7,604)	(246)	3,126	-	(4,724)	521,780
Deferred outflows/inflows of resources related to pension and OPEB plans	(131,057)	-	-	-	(131,057)	-
Accounts payable/ accrued expenses	800,498	14,214	(13,875)	(22,965)	777,872	(60,010)
Due to/from other governmental units	176,533	(19,105)	(23,000)	-	134,428	-
Unearned revenue	-	-	25,857	-	25,857	-
Net cash Provided by (Used in) Operating Activities	<u>\$ 4,294,135</u>	<u>\$ 2,947,361</u>	<u>\$(248,207)</u>	<u>\$ 211,306</u>	<u>\$ 7,204,595</u>	<u>\$(57,446)</u>
Non-Cash Capital and Related Financing Activities:						
Capital contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 711,911</u>	<u>\$ -</u>	<u>\$ 711,911</u>	<u>\$ -</u>

(Concluded)

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021**

	<u>Pension and Other Employee Benefits</u>	<u>Landfill Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
Assets:			
Cash and cash equivalents	\$ 25,899,482	\$ 2,390,660	\$ 4,323,767
Investments -			
U.S. Government/Agencies	20,893,033	-	-
Corporate Debt	20,396,182	-	-
Stocks	68,846,094	-	-
Mortgage-backed securities	17,433,092	-	-
Mutual Funds	176,878,922	-	-
Partnerships	29,170,360	-	-
Certificates of Deposit	209,556	-	17,120
Receivables -			
Interest/dividends and accounts	285,008	-	319,172
Other	209,875	-	-
Due from other governmental units	-	-	100,338
	<u>360,221,604</u>	<u>2,390,660</u>	<u>4,760,397</u>
Total Assets			
Liabilities:			
Accounts payable	418,984	-	-
Accrued liabilities	2,074	-	-
Due to individuals and agencies	-	-	3,062,273
Due to other governmental units	-	-	1,031,087
Undistributed taxes	-	-	667,037
	<u>421,058</u>	<u>-</u>	<u>4,760,397</u>
Total Liabilities			
Net Position:			
Restricted for pension benefits	296,859,177	-	-
Restricted for other postemployment benefits	62,941,369	-	-
Restricted for landfill perpetual care	-	2,390,660	-
	<u>\$ 359,800,546</u>	<u>\$ 2,390,660</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, 2021**

	<u>Pension and Other Employee Benefits</u>	<u>Landfill Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
Additions:			
Contributions -			
Member contributions	\$ 2,268,775	\$ -	\$ -
Employer contributions	10,640,578	-	-
Total Contributions	<u>12,909,353</u>	<u>-</u>	<u>-</u>
Investment income -			
Net appreciation in fair value of investments	37,062,475	-	-
Interest/dividends	6,868,626	310	-
Less investment expense	<u>(811,412)</u>	<u>(1,000)</u>	<u>-</u>
Net investment income	<u>43,119,689</u>	<u>(690)</u>	<u>-</u>
Other -			
Penal fines	-	-	15,213
Court costs	-	-	1,627,393
Transfer taxes collected	-	-	6,730,607
Concealed weapon permit fees	-	-	130,941
Taxes collected	-	-	70,426,398
Public Guardian trust receipts	-	-	5,935,067
Other	5,935	-	279,706
	<u>5,935</u>	<u>-</u>	<u>85,145,325</u>
Total Additions	<u>56,034,977</u>	<u>(690)</u>	<u>85,145,325</u>
Deductions:			
Retirement payroll	17,230,316	-	-
Health/dental insurance	3,550,767	-	-
Death benefits	49,000	-	-
Employee refunds	156,391	-	-
Administration	160,698	-	-
Penal fines paid to libraries	-	-	15,213
Court costs paid to State	-	-	1,627,393
Transfer taxes paid to State	-	-	6,730,607
Concealed weapon permit fees paid to State	-	-	130,941
Taxes paid to other entities	-	-	70,426,398
Payments made on-behalf of public guardian clients	-	-	5,935,067
Other	-	-	279,706
	<u>21,147,172</u>	<u>-</u>	<u>85,145,325</u>
Total Deductions	<u>21,147,172</u>	<u>-</u>	<u>85,145,325</u>
Net increase	34,887,805	(690)	-
Net position -			
Beginning of year	<u>324,912,741</u>	<u>2,391,350</u>	<u>-</u>
End of year	<u>\$ 359,800,546</u>	<u>\$ 2,390,660</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, 2021**

	Road Commission	Department of Public Works	Community Mental Health Authority
Assets:			
Cash and cash equivalents	\$ 9,603,279	\$ 574,525	\$ 10,856,993
Receivables (net of allowance)	6,147,376	293,589	2,444,548
Prepaid expenses	200,628	-	873,731
Inventory	1,831,416	-	-
Properties held for sale	-	-	-
Restricted Assets -			
Cash and cash equivalents	-	893,057	2,035,806
Accounts receivable	-	45,671	-
Contracts receivable	-	3,065,019	-
Beneficial interest in assets held by others	-	-	144,928
Net OPEB asset	-	-	9,753
Capital Assets (net of accumulated depreciation)			
Assets not being depreciated	27,713,252	83,776	1,709,751
Assets being depreciated	166,400,558	8,971,963	8,573,994
Total Assets	<u>211,896,509</u>	<u>13,927,600</u>	<u>26,649,504</u>
Deferred Outflows of Resources:			
Related to the pension plan	1,669,300	-	2,876,067
Related to the OPEB plan	5,900,895	-	4,310,052
Deferred charges on bond refunding	-	-	152,954
Total Deferred Outflows of Resources	<u>7,570,195</u>	<u>-</u>	<u>7,339,073</u>
Liabilities:			
Payables and accrued liabilities	552,797	179,158	7,397,916
Accrued interest	-	-	4,377
Advances and deposits	1,823,260	120,116	2,725,876
Advance from primary government	-	-	-
Unearned revenue	-	-	50,110
Liabilities payable from restricted assets	-	23,182	-
Non-current liabilities -			
Due within one year	346,000	600,000	3,273,897
Due in more than one year			
Long-term liabilities	78,000	2,972,973	6,146,542
Net pension liability	2,798,757	-	7,052,572
Net OPEB liability	12,088,240	-	-
Total Liabilities	<u>17,687,054</u>	<u>3,895,429</u>	<u>26,651,290</u>
Deferred Inflows of Resources:			
Related to the pension plan	1,322,889	-	1,828,475
Related to the OPEB plan	5,933,957	-	1,984,149
Taxes levied for a subsequent period	1,298,026	-	-
Total Deferred Inflows of Resources	<u>8,554,872</u>	<u>-</u>	<u>3,812,624</u>
Net Position:			
Net investment in capital assets	194,113,810	9,055,739	3,017,260
Restricted -			
Net OPEB asset	-	-	2,335,656
Donations	-	-	102,555
Beneficial interest	-	-	94,928
Equipment replacement	-	407,592	-
Debt Service	-	-	-
Unrestricted (Deficit)	<u>(889,032)</u>	<u>568,840</u>	<u>(2,025,736)</u>
Total Net Position	<u>\$ 193,224,778</u>	<u>\$ 10,032,171</u>	<u>\$ 3,524,663</u>

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

Land Bank Authority	Brownfield Redevelopment Authority	Drainage Districts	Totals
\$ 166,980	\$ 137,525	\$ 6,457,880	\$ 27,797,182
-	68,182	15,011,572	23,965,267
-	-	-	1,074,359
-	-	-	1,831,416
8,449	-	-	8,449
-	-	-	2,928,863
-	-	-	45,671
-	-	-	3,065,019
-	-	-	144,928
-	-	-	9,753
-	-	4,286,522	33,793,301
-	-	41,655,793	225,602,308
<u>175,429</u>	<u>205,707</u>	<u>67,411,767</u>	<u>320,266,516</u>
-	-	-	4,545,367
-	-	-	10,210,947
-	-	-	152,954
-	-	-	<u>14,909,268</u>
-	36,441	269,993	8,436,305
-	-	194,606	198,983
-	-	-	4,669,252
-	-	940,000	940,000
-	-	-	50,110
-	-	-	23,182
-	44,652	3,768,870	8,033,419
8,449	245,750	15,672,156	25,123,870
-	-	-	9,851,329
-	-	-	12,088,240
<u>8,449</u>	<u>326,843</u>	<u>20,845,625</u>	<u>69,414,690</u>
-	-	-	3,151,364
-	-	-	7,918,106
-	-	-	1,298,026
-	-	-	<u>12,367,496</u>
-	-	25,611,289	231,798,098
-	-	-	2,335,656
-	-	-	102,555
-	-	-	94,928
-	-	-	407,592
-	-	18,954,227	18,954,227
166,980	(121,136)	2,000,626	(299,458)
<u>\$ 166,980</u>	<u>\$ (121,136)</u>	<u>\$ 46,566,142</u>	<u>\$ 253,393,598</u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Road Commission				
Governmental activities:				
Highways and Streets	\$ 28,840,537	\$ 5,510,806	\$ 21,199,299	\$ 9,137,009
Department of Public Works				
Governmental activities:				
Interest on Long Term Debt	111,846	111,846	-	-
Business-type activities:				
Water and Sewer	2,384,165	1,752,522	-	235,398
Total Department of Public Works	2,496,011	1,864,368	-	235,398
Community Mental Health Authority				
Business type activities:				
Health and Welfare	73,950,994	67,422,152	6,530,159	-
Land Bank Authority				
Governmental activities:				
Community and Economic Development	10,986	13,892	-	-
Brownfield Redevelopment Authority				
Governmental activities:				
Community and Economic Development	268,722	3,000	257,820	-
Drainage Districts				
Governmental activities:				
Public Works	1,097,609	3,846,309	-	-
Interest on Long-term Debt	574,826	-	-	-
Total Drains	1,672,435	3,846,309	-	-
Total Component Units	\$ 107,239,685	\$ 78,660,527	\$ 27,987,278	\$ 9,372,407

General Revenues:
Property taxes
Unrestricted investment income
Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

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

Net (Expense) Revenue and Change in Net Position						
Road Commission	Department of Public Works	Community Mental Health Authority	Land Bank Authority	Brownfield Redevelopment Authority	Drainage Districts	Total
<u>\$ 7,006,577</u>						\$ 7,006,577
	\$ -					-
	<u>(396,245)</u>					(396,245)
	<u>(396,245)</u>					
		<u>\$ 1,317</u>				1,317
			<u>\$ 2,906</u>			2,906
				<u>\$(7,902)</u>		(7,902)
					\$ 2,748,700	2,748,700
					<u>(574,826)</u>	<u>(574,826)</u>
					<u>2,173,874</u>	<u>8,780,527</u>
1,239,870	-	-	23	105,496	-	1,345,389
13,150	709	76,046	161	-	2,774	92,840
<u>1,253,020</u>	<u>709</u>	<u>76,046</u>	<u>184</u>	<u>105,496</u>	<u>2,774</u>	<u>1,438,229</u>
8,259,597	(395,536)	77,363	3,090	97,594	2,176,648	10,218,756
<u>184,965,181</u>	<u>10,427,707</u>	<u>3,447,300</u>	<u>163,890</u>	<u>(218,730)</u>	<u>44,389,494</u>	<u>243,174,842</u>
<u>\$ 193,224,778</u>	<u>\$ 10,032,171</u>	<u>\$ 3,524,663</u>	<u>\$ 166,980</u>	<u>\$(121,136)</u>	<u>\$ 46,566,142</u>	<u>\$ 253,393,598</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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.

BLENDED COMPONENT UNIT -

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

DISCRETELY PRESENTED COMPONENT UNITS -

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

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2021

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

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

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

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

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2021

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

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

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

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

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

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

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

B. Government-wide and Fund Financial Statements -

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

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2021

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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

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

The County reports the following major proprietary funds:

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

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

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

Additionally, the County reports the following fund types:

Governmental Fund Types -

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

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

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

Proprietary Fund Types -

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Fiduciary Fund Types -

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

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

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

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

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

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

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

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

Deposits and Investments -

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2021

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

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

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

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

Receivables and Payables -

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

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

Inventories and Prepaid Items -

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

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

Properties Held for Sale -

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Property Tax Calendar -

The property taxes for the County’s general fund are levied on July 1 (the lien date), with all special purpose taxes levied on December 1 (the lien date), based on the taxable value of property located in the County as of the preceding December 31, by the various municipalities within the County. The July 1 taxes are due on or before September 15 and the December 1 taxes are due on or before February 15. The General Fund levy is recognized in the year of the levy. The special purpose taxes that are levied on December 1 are recorded as a receivable and deferred inflow of resources since they are levied for the subsequent year operations. For the year, the County levied 5.3153 mills for the General Fund, 0.4954 mills for Parks and Recreation, 0.7000 mills for Library, 0.8000 mills for Senior Citizens, 0.1000 mills for Veterans, 0.5610 mills for Drug Task Force, and 0.2500 mills for Roads.

Capital Assets -

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Compensated Absences -

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

Long-term Obligations -

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

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

Deferred Outflows/Inflows of Resources -

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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

Fund Balance -

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

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

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

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

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Estimates -

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

Federal Programs -

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary Information -

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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

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

Michigan Public Act 621 of 1978 Section 18, as amended, provides that local governmental units shall not incur expenditures in excess of the amount appropriated at the legally enacted level. The Michigan Department of Treasury requires the reporting of any significant overages at the legal level of budgetary control (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, 2021, the County had overages that exceeded these thresholds as follows:

Excess of Expenditures over Appropriations -

PRIMARY GOVERNMENT -

<u>Fund Type/Function/Activity</u>	<u>Appropriations</u>	<u>Expended</u>	<u>Variance</u>
Budget Incentive Fund -			
Transfers to Other Funds	\$ -	\$ 24,617	\$ 24,617

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2021

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, 2021**

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	\$ 48,350	\$ 3,985	\$ -	\$ 52,335
Deposits with Financial Institutions -				
Checking/Savings/Certificates of Deposit/Money Market	<u>50,637,138</u>	<u>30,722,060</u>	<u>7,080,971</u>	<u>88,440,169</u>
Investments -				
Money Market Funds	33,377,617	-	25,550,058	58,927,675
Commercial Paper	8,051,452	-	-	8,051,452
Marketable CD's	1,075,000	-	209,556	1,284,556
U.S. Government/Agencies	-	-	20,893,033	20,893,033
Corporate Debt	-	-	20,396,182	20,396,182
Stocks	-	-	68,846,094	68,846,094
Mortgage-backed Securities	-	-	17,433,092	17,433,092
Mutual Funds	-	-	176,878,922	176,878,922
Partnerships	-	-	<u>29,170,360</u>	<u>29,170,360</u>
Total Investments	<u>42,504,069</u>	<u>-</u>	<u>359,377,297</u>	<u>401,881,366</u>
Grand Total	<u>\$ 93,189,557</u>	<u>\$ 30,726,045</u>	<u>\$ 366,458,268</u>	<u>\$ 490,373,870</u>

Reconciliation to the Statements of Net Position -

Reported as Cash and Cash Equivalents -	
Petty Cash and Cash on Hand	\$ 52,335
Cash in Checking/Savings	84,923,049
Money Market Funds	<u>58,927,675</u>
Total Cash and Cash Equivalents Reported on Statements of Net Position	<u>143,903,059</u>

Reported as Investments -	
Marketable CD's/Certificates of Deposits	4,801,676
Commercial Paper	8,051,452
U.S. Government/Agencies	20,893,033
Corporate Debt	20,396,182
Stocks	68,846,094
Mortgage-backed securities	17,433,092
Mutual Funds	176,878,922
Partnerships	<u>29,170,360</u>
Total Investments Reported on Statements of Net Position	<u>346,470,811</u>

Grand Total - Statements of Net Position	<u>\$ 490,373,870</u>
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ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2021

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 \$89,562,408, of which \$47,934,516 was insured and the remaining \$41,627,892 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 \$8,051,452 invested in commercial paper at December 31, 2021, all of which were rated either A1 or A2 by Standard & Poor's and P1 or P2 by Moody's. The County has \$33,377,617 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	\$ 33,375,547	AAAm	Standard & Poor's	68
Dreyfus Govt Cash Mgmt Shares	2,070		Not Rated	27

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021, \$9,126,452 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	\$ 33,377,617	\$ 33,377,617	\$ -
Commercial Paper	8,051,452	8,051,452	-
Certificates of Deposit (1)	4,575,000	3,500,000	1,075,000

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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.

Mater 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, 2021**

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, 2021, the Retirement System had 10 investment advisors. As of December 31, 2021, the County had the following investment types in its Retirement System:

<u>Investment Types</u>	<u>Fair Value</u>	<u>Percentage</u>
Marketable CD's	\$ 209,556	0.06 %
U.S. Government/Agencies	20,893,033	5.81
Corporate Debt	20,396,182	5.67
Stocks	68,846,094	19.16
Mortgage-backed Securities	17,433,092	4.85
Mutual Funds	176,878,922	49.22
Partnerships	<u>29,170,360</u>	<u>8.12</u>
	333,827,239	92.89
Money Market Funds (1)	<u>25,550,058</u>	<u>7.11</u>
Total	<u>\$ 359,377,297</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	\$20,730,569	AAAm	Standard & Poor's	37
Govt. Obligations Tx Mgd Fund	4,819,489	AAAm	Standard & Poor's	42

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, 2021, 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 & Poors ratings:

<u>Fair Value</u>	<u>Ratings</u>
\$ 405,986	AA+
2,572,699	AA-
869,249	A+
3,054,580	A
1,862,238	A-
9,560,996	BBB+
101,056	BBB
958,090	BBB-
<u>1,011,288</u>	No Rating
<u>\$ 20,396,182</u>	

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021, \$304,656,879 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, 2021, the fiduciary funds' investments had the following maturities:

Investment	Fair Value	Years			
		<1	1-5	6-10	>10
Corporate Debt	\$ 20,396,182	\$ 8,126,840	\$ 7,142,082	\$ 5,127,260	\$ -
Mortgage-backed Securities	17,433,092	-	320,272	-	17,112,820
U.S. Government/Agencies	20,893,033	8,622,983	-	12,270,050	-

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

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

The County has the following recurring fair value measurements as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Commercial Paper	\$ -	\$ 8,051,452	\$ -	\$ 8,051,452
Corporate Debt	-	20,396,182	-	20,396,182
Stocks	68,846,094	-	-	68,846,094
Mutual Funds	176,878,922	-	-	176,878,922
U.S. Government/Agencies	-	20,893,033	-	20,893,033
Mortgage-backed Securities	-	17,433,092	-	17,433,092
Marketable CD's	-	1,284,556	-	1,284,556
	<u>\$ 245,725,016</u>	<u>\$ 68,058,315</u>	<u>\$ -</u>	313,783,331
Money Market Funds				58,927,675
Partnerships Valued at NAV				<u>29,170,360</u>
				<u>\$ 401,881,366</u>

The fair value of corporate debt and commercial paper are based on inputs (pricing) of similar assets at or near December 31, 2021.

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

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Partnerships	\$ 29,170,360	\$ 3,422,158	Varies*	Varies*

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

NOTE 4 - RECEIVABLES:

Receivables at December 31, 2021 in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 19,132,358	\$ 4,165,357
Interest and accounts	2,490,744	3,138,710
Intergovernmental	<u>5,733,118</u>	<u>127,418</u>
	27,356,220	7,431,485
Less - allowance for uncollectible	<u>(486,136)</u>	<u>(298,566)</u>
	<u>\$ 26,870,084</u>	<u>\$ 7,132,919</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 - CAPITAL ASSETS:

Primary Government -

Capital asset activity of the primary government for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Additions	Disposals/ Adjustments	Balance December 31, 2021
Governmental Activities:				
Capital assets, not being depreciated -				
Land	\$ 13,394,807	\$ 1,617,459	\$ -	\$ 15,012,266
Construction in progress	<u>1,076,947</u>	<u>181,296</u>	<u>1,258,243</u>	<u>-</u>
Total capital assets, not being depreciated	<u>14,471,754</u>	<u>1,798,755</u>	<u>1,258,243</u>	<u>15,012,266</u>
Capital assets, being depreciated -				
Buildings	99,705,204	1,161,091	-	100,866,295
Improvements other than buildings	9,620,098	-	-	9,620,098
Machinery and equipment	23,943,331	2,065,263	868,483	25,140,111
Books	<u>6,296,614</u>	<u>284,567</u>	<u>194,848</u>	<u>6,386,333</u>
Total capital assets being depreciated	<u>139,565,247</u>	<u>3,510,921</u>	<u>1,063,331</u>	<u>142,012,837</u>
Less accumulated depreciation for -				
Buildings	44,305,725	2,620,805	-	46,926,530
Improvements other than buildings	5,181,740	501,333	-	5,683,073
Machinery and equipment	17,856,742	1,683,496	849,327	18,690,911
Books	<u>4,861,962</u>	<u>355,889</u>	<u>194,848</u>	<u>5,023,003</u>
Total accumulated depreciation	<u>72,206,169</u>	<u>5,161,523</u>	<u>1,044,175</u>	<u>76,323,517</u>
Total capital assets being depreciated, net	<u>67,359,078</u>	<u>(1,650,602)</u>	<u>19,156</u>	<u>65,689,320</u>
Governmental activities capital assets, net	<u>\$ 81,830,832</u>	<u>\$ 148,153</u>	<u>\$ 1,277,399</u>	<u>\$ 80,701,586</u>
Business-type Activities:				
Capital assets, not being depreciated -				
Land	\$ 2,160,779	\$ -	\$ -	\$ 2,160,779
Construction in progress	<u>3,737,277</u>	<u>719,100</u>	<u>3,801,329</u>	<u>655,048</u>
Total capital assets, not being depreciated	<u>5,898,056</u>	<u>719,100</u>	<u>3,801,329</u>	<u>2,815,827</u>
Capital assets, being depreciated -				
Buildings	8,222,624	-	-	8,222,624
Improvements other than buildings	34,986,405	5,952,976	-	40,939,381
Machinery and equipment	<u>9,510,386</u>	<u>13,330</u>	<u>-</u>	<u>9,523,716</u>
Total capital assets being depreciated	<u>52,719,415</u>	<u>5,966,306</u>	<u>-</u>	<u>58,685,721</u>
Less accumulated depreciation for -				
Buildings	3,262,157	318,088	-	3,580,245
Improvements other than buildings	25,256,785	1,635,952	-	26,892,737
Machinery and equipment	<u>5,328,326</u>	<u>459,621</u>	<u>-</u>	<u>5,787,947</u>
	<u>33,847,268</u>	<u>2,413,661</u>	<u>-</u>	<u>36,260,929</u>
Total capital assets, being depreciated, net	<u>18,872,147</u>	<u>3,552,645</u>	<u>-</u>	<u>22,424,792</u>
Business-type activities capital assets, net	<u>\$ 24,770,203</u>	<u>\$ 4,271,745</u>	<u>\$ 3,801,329</u>	<u>\$ 25,240,619</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Depreciation expense for 2021 was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Judicial	\$ 89,317
General Government	1,250,855
Public Safety	2,472,769
Health and Welfare	211,494
Recreation and Cultural	<u>1,133,168</u>
Total depreciation expense - governmental activities	5,157,603
Depreciation in the internal service fund	<u>3,920</u>
	<u>\$ 5,161,523</u>
Business-type Activities:	
Solid Waste Disposal System	\$ 2,123,860
Airport Commission	<u>289,801</u>
Total depreciation expense - business-type activities	<u>\$ 2,413,661</u>

Construction/Purchase Commitments -

The County has committed to the following contracts at December 31, 2021 (These commitments do not include any change orders made after December 31, 2021):

	<u>Contract Amount</u>	<u>Payments Through 12/31/2021</u>	<u>Accounts Payable/ Retention</u>	<u>Remaining Balance 12/31/2021</u>
Landfill Cell Maintenance (a)	\$ 6,667,488	\$ 4,147,488	\$ -	\$ 2,520,000
Landfill Cell Construction (b)	5,754,289	5,256,552	-	497,737
Court Case Management Software System (c)	1,150,000	-	-	1,150,000

The County has open contracts at 12/31/21 for:

- (a) Cell maintenance at the landfill through December 31, 2024
- (b) Cell 8C construction
- (c) Case management software system for the Court

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Discretely Presented Component Units -

Drainage Districts - Activity for the Drainage Districts for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Capital assets, not being depreciated:				
Right-of-ways	\$ 1,062,724	\$ -	\$ -	\$ 1,062,724
Construction in progress	<u>3,143,355</u>	<u>430,934</u>	<u>350,491</u>	<u>3,223,798</u>
	<u>4,206,079</u>	<u>430,934</u>	<u>350,491</u>	<u>4,286,522</u>
Capital assets, being depreciated:				
Infrastructure	52,610,905	1,276,198	-	53,887,103
Equipment	<u>135,778</u>	<u>-</u>	<u>-</u>	<u>135,778</u>
	<u>52,746,683</u>	<u>1,276,198</u>	<u>-</u>	<u>54,022,881</u>
Less accumulated depreciation for:				
Infrastructure	11,429,476	812,995	-	12,242,471
Equipment	<u>113,973</u>	<u>10,644</u>	<u>-</u>	<u>124,617</u>
	<u>11,543,449</u>	<u>823,639</u>	<u>-</u>	<u>12,367,088</u>
Total capital assets being depreciated, net	<u>41,203,234</u>	<u>452,559</u>	<u>-</u>	<u>41,655,793</u>
Total capital assets, net	<u>\$ 45,409,313</u>	<u>\$ 883,493</u>	<u>\$ 350,491</u>	<u>\$ 45,942,315</u>

Depreciation expense for 2021 was \$823,639.

Road Commission - Activity for the Road Commission for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Additions	Deletions/ Removals	Balance December 31, 2021
Capital assets, not being depreciated:				
Land	\$ 65,629	\$ -	\$ -	\$ 65,629
Land Improvements	24,418,312	-	-	24,418,312
Right of Ways	<u>3,224,157</u>	<u>5,154</u>	<u>-</u>	<u>3,229,311</u>
Total capital assets, not being depreciated	<u>27,708,098</u>	<u>5,154</u>	<u>-</u>	<u>27,713,252</u>
Capital assets, being depreciated:				
Building and Improvements	6,283,906	49,845	-	6,333,751
Road Equipment	19,823,303	2,362,483	2,525,741	19,660,045
Shop Equipment	745,421	16,848	23,705	738,564
Office Equipment	184,097	5,653	-	189,750
Engineering Equipment	320,784	7,028	-	327,812
Infrastructure -				
Roads	167,651,879	10,669,421	6,257,963	172,063,337
Bridges	94,728,077	2,997,956	-	97,726,033
Traffic Signals	460,813	-	-	460,813
Depletable Assets -				
Gravel Pits	<u>163,455</u>	<u>-</u>	<u>-</u>	<u>163,455</u>
	<u>290,361,735</u>	<u>16,109,234</u>	<u>8,807,409</u>	<u>297,663,560</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

	Balance January 1, <u>2021</u>	<u>Additions</u>	Deletions/ <u>Removals</u>	Balance December 31, <u>2021</u>
Less - accumulated depreciation for:				
Buildings and Improvements	\$ 3,741,153	\$ 150,616	\$ -	\$ 3,891,769
Road Equipment	14,255,903	2,135,882	2,508,264	13,883,521
Shop Equipment	614,339	11,991	23,705	602,625
Office Equipment	176,716	2,786	-	179,502
Engineering Equipment	266,118	10,568	-	276,686
Infrastructure -				
Roads	78,531,772	8,615,164	6,257,963	80,888,973
Bridges	28,879,556	2,166,582	-	31,046,138
Traffic Signals	444,205	3,241	-	447,446
Depletable Assets	<u>46,342</u>	<u>-</u>	<u>-</u>	<u>46,342</u>
	<u>126,956,104</u>	<u>13,096,830</u>	<u>8,789,932</u>	<u>131,263,002</u>
Total capital assets being depreciated, net	<u>163,405,631</u>	<u>3,012,404</u>	<u>17,477</u>	<u>166,400,558</u>
Total capital assets, net	\$ <u>191,113,729</u>	\$ <u>3,017,558</u>	\$ <u>17,477</u>	\$ <u>194,113,810</u>

Depreciation expense for 2021 was \$13,096,830.

Department of Public Works - Activity for the Department of Public Works for the year ended December 31, 2021 was as follows:

	Balance January 1, <u>2021</u>	<u>Additions</u>	Deletions/ <u>Removals</u>	Balance December 31, <u>2021</u>
Business-type Activities:				
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>1,340,223</u>	<u>102,807</u>	<u>14,166</u>	<u>1,428,864</u>
	<u>28,865,092</u>	<u>102,807</u>	<u>14,166</u>	<u>28,953,733</u>
Less - accumulated depreciation for -				
Plant	7,002,681	216,328	-	7,219,009
Utility System	11,555,004	266,713	-	11,821,717
Machinery and Equipment	<u>776,090</u>	<u>179,120</u>	<u>14,166</u>	<u>941,044</u>
	<u>19,333,775</u>	<u>662,161</u>	<u>14,166</u>	<u>19,981,770</u>
Total capital assets, being depreciated, net	<u>9,531,317</u>	<u>(559,354)</u>	<u>-</u>	<u>8,971,963</u>
Total capital assets, net	\$ <u>9,615,093</u>	\$ <u>(559,354)</u>	\$ <u>-</u>	\$ <u>9,055,739</u>

Depreciation expense was charged to function/programs as follows:

Business-type activities - Water and Sewer	\$ <u>662,161</u>
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ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Community Mental Health Authority - Activity for the Community Mental Health Authority for the year ended September 30, 2021 was as follows:

	Balance October 1, 2020	Additions	Disposals/ Adjustments	Balance September 30, 2021
Capital assets, not being depreciated -				
Land	\$ 1,620,384	\$ -	\$ -	\$ 1,620,384
Non-depreciable equipment	5,252	-	-	5,252
Construction in progress	<u>30,081</u>	<u>391,276</u>	<u>337,242</u>	<u>84,115</u>
Total capital assets, not being depreciated	<u>1,655,717</u>	<u>391,276</u>	<u>337,242</u>	<u>1,709,751</u>
Capital assets, being depreciated -				
Building	16,135,757	422,435	-	16,558,192
Leasehold improvements	54,980	-	-	54,980
Equipment and Furniture	<u>3,008,498</u>	<u>194,200</u>	<u>40,230</u>	<u>3,162,468</u>
	<u>19,199,235</u>	<u>616,635</u>	<u>40,230</u>	<u>19,775,640</u>
Less accumulated depreciation for -				
Building	7,996,599	656,943	-	8,653,542
Leasehold improvements	54,980	-	-	54,980
Equipment	<u>2,298,329</u>	<u>235,025</u>	<u>40,230</u>	<u>2,493,124</u>
	<u>10,349,908</u>	<u>891,968</u>	<u>40,230</u>	<u>11,201,646</u>
Total capital assets, being depreciated, net	<u>8,849,327</u>	<u>(275,333)</u>	<u>-</u>	<u>8,573,994</u>
Total capital assets, net	<u>\$ 10,505,044</u>	<u>\$ 115,943</u>	<u>\$ 337,242</u>	<u>\$ 10,283,745</u>

Depreciation expense for 2021 was \$891,968.

NOTE 6 - PAYABLES:

Payables at December 31, 2021 in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Accounts payable/accrued expenses	\$ 2,907,000	\$ 1,171,602
Wages and fringe benefits	1,547,451	442,733
Accrued interest	203,298	50,214
Intergovernmental	<u>349,208</u>	<u>32,081</u>
	<u>\$ 5,006,957</u>	<u>\$ 1,696,630</u>

NOTE 7 - INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS:

The composition of interfund balances as of December 31, 2021 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>\$ 1,500,000 (1)</u>

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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>\$ 940,000</u> (1)

(1) Represents the long-term loan between entities for operating cash flow purposes (\$50,000) and capital purposes (\$890,000)

Transfers From/To Other Funds -

<u>Receiving Fund</u>	<u>Expending Fund</u>	<u>Amount</u>
Combined General	Drug Task Force	\$ 519,336 (4)
	Solid Waste Disposal System	900,000 (5)*
	E-911	1,341,944 (4)
Nonmajor Governmental Funds -		
Convention Center	Combined General	100,000 (1)
	Solid Waste Disposal System	484,861 (1)*
Health Department	Combined General	1,724,688 (1)
Human Services	Combined General	29,001 (1)
Child Care	Combined General	2,482,008 (1)
Indigent Defense	Combined General	579,439 (1)
Public Improvement	Combined General	1,331,163 (3)
Jail/Juvenile Facility Debt	Delinquent Tax Revolving	2,126,017 (2)*
Convention Center Debt	Combined General	171,369 (2)
Communications Series 2009 Debt	Building Authority Debt	3,854 (2)
Nonmajor Enterprise Fund -		
Airport Commission	Solid Waste Disposal System	<u>210,000</u> (1)
Total Transfers		<u>\$ 12,003,680</u>

(1) Annual appropriations for operations

(2) Transfers for the payment of debt

(3) Transfers for construction/equipment

(4) Transfers to cover costs

(5) Transfer to cover road appropriation

* Transfer between governmental and business-type activities

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 - LEASES:

Primary Government

Lessor Leases - The County has entered into an operating lease agreement with the State of Michigan to lease approximately 49.3% (33,694 square feet) of the County Administration Building with a cost of \$16,600,373 and accumulated depreciation of \$8,998,536. The agreement calls for annual rent payments of \$681,333 per year with an adjustment based on actual operating cost after the end of each year. The original lease is for 25 years ending May 31, 2023 with an option to rent for an additional five years. However, the lease may be cancelled with the State for various reasons with at least 60 days' notice. The noncancelable portion of the lease is \$96,140.

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

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

	<u>Principal</u>	<u>Interest</u>
2022	\$ 790,000	\$ 178,800
2023	840,000	142,000
2024	845,000	99,875
2025	900,000	56,250
2026	<u>900,000</u>	<u>16,875</u>
Total Receivable	<u>\$ 4,275,000</u>	<u>\$ 493,800</u>

Component Unit - Department of Public Works

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

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

	<u>Principal</u>	<u>Interest</u>
2022	\$ 600,000	\$ 102,616
2023	610,000	84,940
2024	475,000	68,767
2025	480,000	54,252
2026	485,000	39,554
2027-2031	876,954	45,290
2032-2034	<u>46,019</u>	<u>2,326</u>
	<u>\$ 3,572,973</u>	<u>\$ 397,745</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 - LEASES - (cont'd):

The aggregate future capital lease payments necessary for the retirement of the debt principal and accrued interest payable at December 31, 2021 have been reported net of available cash as a capital lease receivable.

Principal due	\$ 3,572,973
Accrued interest	<u>23,182</u>
	3,596,155
Less - Cash available after current liabilities	<u>(531,136)</u>
	<u>\$ 3,065,019</u>

NOTE 9 - LONG-TERM LIABILITIES:

PRIMARY GOVERNMENT -

The following is a summary of changes in the long-term debt (including current portions) of the Primary Government for the year ended December 31, 2021:

	<u>Balance January 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2021</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
Governmental Funds -					
General Obligation Bonds -					
2012 Refunding Bonds	\$ 3,185,000	\$ -	\$ 1,540,000	\$ 1,645,000	\$ 1,645,000
2012 General Obligation Bonds	7,510,000	-	230,000	7,280,000	240,000
2013 Refunding Bonds	745,000	-	745,000	-	-
2015 Refunding Bonds, Series A	5,070,000	-	795,000	4,275,000	790,000
2015 Refunding Bonds, Series B	415,000	-	415,000	-	-
2017 Refunding Bonds	1,115,000	-	245,000	870,000	265,000
2020 Refunding Bonds	13,305,000	-	235,000	13,070,000	240,000
Amounts for -					
Issuance Premiums	914,723	-	288,037	626,686	288,037
Other direct borrowings -					
Drain Districts	3,260,730	427,400	347,065	3,341,065	349,413
Other liabilities -					
Accumulated Vacation, Sick, & Compensatory Leave	<u>5,984,405</u>	<u>857,889</u>	<u>1,011,745</u>	<u>5,830,549</u>	<u>1,010,000</u>
Total Governmental Funds	<u>41,504,858</u>	<u>1,285,289</u>	<u>5,851,847</u>	<u>36,938,300</u>	<u>4,827,450</u>
Internal Service Fund -					
Other liabilities -					
Workers' Compensation Claims Liability	225,000	284,902	189,902	320,000	320,000
General, Auto, & Property Insurance Claims Liability	<u>360,000</u>	<u>365,792</u>	<u>291,792</u>	<u>434,000</u>	<u>140,000</u>
Total Internal Service Fund	<u>585,000</u>	<u>650,694</u>	<u>481,694</u>	<u>754,000</u>	<u>460,000</u>
Total Governmental Activities	<u>42,089,858</u>	<u>1,935,983</u>	<u>6,333,541</u>	<u>37,692,300</u>	<u>5,287,450</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2021</u>	Due Within <u>One Year</u>
Business-type Activities:					
Enterprise Funds -					
Solid Waste Disposal System -					
General Obligation Bonds -					
2010 General Obligation	\$ 5,364,280	\$ -	\$ 355,000	\$ 5,009,280	\$ 365,000
2014 General Obligation	3,165,000	-	140,000	3,025,000	145,000
Other liabilities -					
Closure and Post-closure Costs	7,769,610	318,477	-	8,088,087	-
Accumulated Vacation, Sick, & Compensatory Leave	35,413	294	-	35,707	-
Airport Commission -					
Other liabilities -					
Accumulated Vacation, Sick, & Compensatory Leave	<u>11,782</u>	<u>-</u>	<u>5,768</u>	<u>6,014</u>	<u>-</u>
Total Enterprise Funds	<u>16,346,085</u>	<u>318,771</u>	<u>500,768</u>	<u>16,164,088</u>	<u>510,000</u>
Total Primary Government	<u>\$ 58,435,943</u>	<u>\$ 2,254,754</u>	<u>\$ 6,834,309</u>	<u>\$ 53,856,388</u>	<u>\$ 5,797,450</u>

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

2012 Refunding Bonds -

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

\$ 1,645,000

2012 General Obligation Bonds -

The County issued \$9,000,000 of General Obligation Limited Tax Bonds, pursuant to the provisions of Act 34 Public Acts of Michigan of 2001. The bonds were issued for the cost of acquiring, constructing, and equipping a Convention Center. The bonds, dated September 11, 2012, are due in annual installments ranging from \$240,000 to \$490,000 through April 1, 2042, with interest ranging from 3.00% to 5.00%, payable semi-annually.

\$ 7,280,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

2015 Refunding Bonds, Series A -

The County issued \$7,480,000 of General Obligation Limited Tax Refunding Bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$8,000,000 of 2007 General Obligation Series A Bonds. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column in the statement of net position. The bonds, dated April 15, 2015, are due in annual installments ranging from \$790,000 to \$900,000 through April 1, 2026, with interest ranging from 3.75% to 5.00%, payable semi-annually.

\$ 4,275,000

2017 Refunding Bonds -

The County issued \$1,595,000 of General Obligation Limited Tax Refunding Bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$1,625,000 of 2009 General Obligation Bonds. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column in the statement of net position. The bonds, dated August 11, 2017, are due in annual installments of \$265,000 to \$315,000 through April 1, 2024 with interest of 4.00%, payable semi-annually.

\$ 870,000

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 \$240,000 to \$2,300,000 through April 1, 2028, with interest ranging from 1.641% to 2.172%, payable semi-annually.

\$ 13,070,000

2010 General Obligation Bonds -

The County issued \$14,045,000 of General Obligation Limited Tax Bonds through the Michigan Municipal Bond Authority to finance the construction of the Landfill Leachate System, of which \$5,096,000 or 36.30% of the bonds are forgivable. At December 31, 2019, the County had drawn \$12,605,659, including the forgivable portion of \$5,096,000. The bonds, dated January 22, 2010, are due in annual installments ranging from \$365,000 to \$474,280 through October 1, 2033, with interest of 2.50%, payable semi-annually.

\$ 5,009,280

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

2014 General Obligation Bonds -

The County issued \$6,870,000 of General Obligation Limited Tax Bonds through the Michigan Municipal Bond Authority to finance the construction of the Landfill Leachate System, of which \$3,435,000 or 50% of the bonds are forgivable. A capital grant has been reported for the forgivable portion of the obligation of \$3,434,990 in previous years. At December 31, 2021, the County had drawn \$6,869,990. The bonds, dated June 25, 2014, are due in annual installments ranging from \$145,000 to \$215,000 through April 1, 2038, with interest of 2.50% payable semi-annually.

\$ 3,025,000

The proceeds of the 2012, 2013, 2015A, 2015B, 2017, and 2020 Refunding Bond issues were placed in special escrow accounts and are invested in securities of the U.S. Government and its agencies. The maturities of these investments coincide with the principal and interest payments on the extinguished debts and are sufficient to pay all principal and interest on the 2003, 2007A, 2009, and 2012 General Obligation Bonds when due. Accordingly, the trust account assets and liabilities for the defeased bonds outstanding are not included in the Financial Statements. At December 31, 2021, the defeased bonds outstanding were \$14,700,000, \$4,550,000, \$900,000, and \$12,270,000, respectively.

Drain Districts -

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

\$ 3,341,065

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, 2021. The dollar amount of these claims is reflected on the Balance Sheet of the Self-Insurance Fund as a current obligation.

\$ 320,000

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, 2021. The dollar amount of these claims is reflected on the Balance Sheet of the Self-Insurance Fund, including the current portion of \$140,000.

\$ 434,000

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 \$41,721 has been recorded as a long-term liability on the government-wide and fund level financial statements. The governmental activities portion of \$5,830,549 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.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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, 2021, as reported in the Solid Waste Disposal System (Enterprise Fund/business activities), amounts to \$8,088,087. See Note 17 for additional information.

Letters of Credit - The County Landfill has letters of credit as a surety bond issued to the Michigan Department of Environmental Quality for \$2,595,000, to the Wetland - Stocks Creek Drain for \$149,062, and to Wetland - Stocks Creek II for \$60,000. The letters are set to mature August 1, 2022 and May 21, 2022 for the Michigan Department of Environmental Quality and the Stocks Creek Wetlands, respectively, with interest at the prime rate. As of December 31, 2021, there have been no claims on the letters of credit.

The County has a letter of credit issued for \$146,250 for the Day Treatment/Night Watch Wetlands. The letter is set to mature September 21, 2022 with interest at prime rate. As of December 31, 2021, there have been no claims on the letter of credit.

Annual Debt Requirements - The annual requirements to pay the debt outstanding at December 31, 2021 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	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 2,940,000	\$ 484,078	\$ 750,000	\$ 467,388	\$ 349,413	\$ 143,335
2023	3,085,000	385,121	770,000	446,088	352,161	128,843
2024	3,170,000	297,976	790,000	425,388	347,170	114,377
2025	3,005,000	212,215	810,000	404,047	343,464	99,698
2026	3,105,000	132,811	830,000	382,000	323,494	85,165
2027-2031	4,555,000	97,461	4,525,000	1,550,304	987,883	248,452
2032-2036	-	-	3,714,280	865,453	536,694	88,522
2037-2041	-	-	2,635,000	315,939	100,786	5,763
2042-2043	-	-	490,000	9,188	-	-
	<u>\$ 19,860,000</u>	<u>\$ 1,609,662</u>	<u>\$ 15,314,280</u>	<u>\$ 4,865,795</u>	<u>\$ 3,341,065</u>	<u>\$ 914,155</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

COMPONENT UNITS -

The following is a summary of changes in long-term debt (including current portions) of the Component Units for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year
Department of Public Works (DPW) -					
General Obligation Bonds	\$ 2,341,019	\$ -	\$ 345,000	\$ 1,996,019	\$ 350,000
Other Direct Borrowings -					
Drinking Water Revolving Loan	<u>1,816,954</u>	<u>-</u>	<u>240,000</u>	<u>1,576,954</u>	<u>250,000</u>
Total DPW	<u>4,157,973</u>	<u>-</u>	<u>585,000</u>	<u>3,572,973</u>	<u>600,000</u>
Road Commission -					
Other Liabilities -					
Accrued Vacation & Sick	<u>412,000</u>	<u>591,000</u>	<u>579,000</u>	<u>424,000</u>	<u>346,000</u>
Drainage Districts -					
General Obligation Bonds Payable	13,738,000	1,548,000	1,171,000	14,115,000	1,277,000
Amounts for -					
Issuance Premiums	62,163	-	3,454	58,709	3,453
Issuance Discounts	(56,934)	-	(7,117)	(49,817)	(7,117)
Other Direct Borrowings -					
Notes Payable	3,162,059	-	184,925	2,977,134	2,292,534
Loans Payable	<u>2,541,000</u>	<u>-</u>	<u>201,000</u>	<u>2,340,000</u>	<u>203,000</u>
Total Drainage Districts	<u>19,446,288</u>	<u>1,548,000</u>	<u>1,553,262</u>	<u>19,441,026</u>	<u>3,768,870</u>
Land Bank Authority -					
Other Direct Borrowings -					
Notes Payable	<u>8,449</u>	<u>-</u>	<u>-</u>	<u>8,449</u>	<u>-</u>
Brownfield Redevelopment Authority -					
Other Direct Borrowings -					
Notes Payable	280,000	-	89,598	190,402	44,652
Tipping Fees	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total Brownfield Authority	<u>380,000</u>	<u>-</u>	<u>89,598</u>	<u>290,402</u>	<u>44,652</u>
Community Mental Health Authority (A) -					
Other Direct Borrowings -					
Notes Payable	2,082,420	800,000	134,958	2,747,462	795,680
Contracts Payable	5,070,000	-	795,000	4,275,000	790,000
Amounts for -					
Issuance Premiums	485,194	-	88,217	396,977	88,217
Other Liabilities -					
Accrued Vacation & Sick	<u>1,974,065</u>	<u>1,966,256</u>	<u>1,939,321</u>	<u>2,001,000</u>	<u>1,600,000</u>
Total Mental Health	<u>9,611,679</u>	<u>2,766,256</u>	<u>2,957,496</u>	<u>9,420,439</u>	<u>3,273,897</u>
Total Component Units	<u>\$ 34,016,389</u>	<u>\$ 4,905,256</u>	<u>\$ 5,764,356</u>	<u>\$ 33,157,289</u>	<u>\$ 8,033,419</u>

(A) October 1, 2020 through September 30, 2021

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Department of Public Works -

General Obligation Bonds -

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

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

	<u>Interest Rate (Percent)</u>	<u>Principal Balance</u>
Governmental Activities (G.O. Bonds) -		
Water Supply System No. XII - Series 2008 Bonds (Cottrellville Township)	4.50-5.00	\$ 525,000
Water Supply System No. XIIA - Series 2009 Bonds (Cottrellville Township)	4.00-4.20	<u>1,000,000</u> 1,525,000
Sewage Disposal System I - 2012 Refunding Bonds (City of Algonac and Ira Township)	2.500-2.625	<u>275,000</u>
Total G.O. Bonds - Governmental Activities		<u>1,800,000</u>

Business-type Activities -

2014 General Obligation Bonds -

The Department of Public Works issued \$585,000 of General Obligation Limited Tax Bonds through the Michigan Municipal Bond Authority to finance construction at the Sewage Disposal System, of which \$292,500 or 50% of the bonds are forgivable. At December 31, 2021, the DPW had drawn \$583,519, including the forgivable portion of \$292,500. The bonds, dated July 1, 2014, are due in annual installments, ranging from \$10,000 to \$20,000 through October 1, 2034 with interest of 2.5%, payable semi-annually.

	<u>196,019</u>
Total G.O. Bonds	<u>\$ 1,996,019</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Drinking Water Revolving Loans -

Department of Environmental Quality Bonds have been sold through the State of Michigan Drinking Water Revolving Fund to construct water supply systems for three (3) townships in the County. The County, in turn, is leasing the systems to the townships and city that operate, maintain, and manage the systems. The full faith and credit of the townships, city, and County are pledged for the payments to the Drinking Water Revolving Fund. The original amount of the Drinking Water Revolving Fund loans drawn in prior years was \$4,581,954.

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

Governmental Activities (Revolving Loans) -

	<u>Interest Rate (Percent)</u>	<u>Principal Balance</u>
Water Supply System XI Series 2006 (Ira Township)	2.125	<u>\$ 1,576,954</u>

Annual debt service requirements to maturities are as follows:

<u>Year Ending December 31,</u>	<u>General Obligation Bonds</u>		<u>Drinking Water Revolving Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 350,000	\$ 71,762	\$ 250,000	\$ 30,854
2023	355,000	59,452	255,000	25,488
2024	215,000	48,750	260,000	20,017
2025	215,000	39,814	265,000	14,438
2026	215,000	30,800	270,000	8,754
2027-2031	600,000	42,347	276,954	2,943
2032-2034	<u>46,019</u>	<u>2,326</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,996,019</u>	<u>\$ 295,251</u>	<u>\$ 1,576,954</u>	<u>\$ 102,494</u>

Road Commission -

Letter of Credit -

The Road Commission has a letter of credit as a surety bond issued to the Michigan Department of Environmental Quality for \$40,250. The letter is set to mature on August 2, 2022 with interest of 1.0% in excess of the prime rate and collateralized by a hold on a checking account. As of December 31, 2021, there have been no claims on the letter of credit.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Accrued Sick and Vacation -

In accordance with contracts negotiated with the various employee groups of the Road Commission, individual employees have a vested right upon termination of employment to receive payment for unused sick leave and vacation under formulas and conditions specified in the contracts. The dollar amount of these vested rights, which has been accrued on the financial statements, amounted to approximately \$118,000 for sick leave and \$306,000 for vacation at December 31, 2021.

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 4.50% to 5.10%. \$ 180,000

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%. 2,000,000

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. 745,000

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

In December 2009, the Cox-Doty and Stein Drain and Railroad Drain Drainage Districts issued \$2,380,000 of bonds for improvements to the drainage districts. The bonds will be paid from special assessments against property and public corporations within the drainage districts. Principal on the bonds is due on May 1 of each year through 2030 with interest due semi-annually at interest rates ranging from 4.00% to 4.50%. 1,350,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Pelton Drain Drainage District Bonds -

In August 2011, the Pelton Drain Drainage District issued \$1,300,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due April 1 of each year through 2031 with interest due semi-annually at 4.25%. \$ 675,000

Lakeland Drain Drainage District Bonds -

In July 2014, the Lakeland Drain Drainage District issued \$675,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each June 1 through 2024 with interest due semi-annually at 2.52%. 195,000

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%. 600,000

Marine City Drain Drainage District Bonds -

In November 2016, the Marine City Drain Drainage District issued \$960,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due June 1 of each year through 2026 with interest due semi-annually at rates ranging from 1.65% to 2.50%. 485,000

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%. 380,000

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%. 2,222,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Green Drain Drainage District Bonds -

In March 2018, the Green Drain Drainage District issued \$1,465,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal on the bonds is due each March through 2038 with interest due semi-annually at rates ranging from 3.00%-4.00%. \$ 1,245,000

Stocks Creek and Branches Drain Drainage District Bonds -

In February 2018, the Stocks Creek and Branches Drain Drainage District issued \$560,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each March 1 through 2038 with interest due semi-annually at rates ranging from 3.20%-4.00%. 480,000

In March 2018, the Stocks Creek and Branches Drain Drainage District issued \$2,360,000 of bonds for improvements to the drainage district. The bonds will be paid from special assessments against property and public corporations within the drainage district. Principal is due on the bonds each March 1 through 2038 with interest due semi-annually at rates ranging from 3.00%-4.00%. 2,010,000

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%. 1,548,000
\$ 14,115,000

Loans -

Department of Environmental Quality Bonds have been sold for \$2,425,000 and \$560,000 through the State of Michigan Clean Water Revolving Fund to construct sanitary sewer improvements, including two sanitary sewage pump stations and a treatment lagoon for the South Branch Pine River Drain Drainage District. Payments on the loans will be paid through special assessments. Principal on the bonds is due on April 1 of each year through 2028 with interest due semi-annually at interest rates of 1.625% and 2.50%, respectively, for each of the bonds. \$ 1,200,000

Department of Agriculture Bonds have been sold for \$1,520,000 to finance the acquisition, construction, furnishing and equipping of improvements to the Number 211, Avoca Wastewater Treatment Project Drainage District. Payments on the loan will be paid through special assessments to the drainage district. Principal payments on the loan are due on September 1 of each year through 2039 with interest payable semi-annually at 4.25%. 1,140,000
\$ 2,340,000

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Notes Payable -

St. Clair County, through the Drain Commission, administers the construction of drains, which are deemed to benefit properties against which special assessments are levied. To finance the construction, notes are issued in accordance with the provisions of Act No. 40 of the Michigan Public Acts of 1956, as amended by Act No. 71, Public Acts of 1976 or has received loans from the primary government. Repayment of the notes is made from the special assessment revenues, payment from other government units, etc. During the year, the Drain Commission did not issue drain notes. The balance of the obligations at December 31, 2021 was as follows:

	<u>Interest Rate</u>	<u>Amount</u>
Governmental Activities -		
No. 202	1.05 %	\$ 102,000*
Fueslein Drain	3.75	36,000*
Howe Brandymore & Branches Drain	2.09	2,150,000
Macomb County Drain	2.00	120,000*
State Road Drain	2.77	341,000
Barringer Drain	3.77	174,000
Shea Drain	3.50	<u>54,134*</u>
		<u>\$ 2,977,134</u>

* Amounts held by Primary Government

Annual debt service requirements to maturities are as follows:

Year Ended <u>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>
2022	\$ 1,277,000	\$ 455,144	\$ 2,292,534	\$ 116,654	\$ 203,000	\$ 68,531
2023	1,283,000	406,718	142,534	26,176	210,000	63,801
2024	1,294,000	360,928	124,534	25,910	212,000	58,945
2025	1,241,000	316,293	90,532	26,524	224,000	53,900
2026	1,252,000	272,464	77,000	27,493	226,000	48,668
2027-2031	4,289,000	795,682	150,000	47,192	649,000	175,273
2032-2036	2,020,000	339,817	100,000	6,850	360,000	101,576
2037-2041	910,000	110,661	-	-	256,000	22,058
2042-2046	<u>549,000</u>	<u>37,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 14,115,000</u>	<u>\$ 3,095,327</u>	<u>\$ 2,977,134</u>	<u>\$ 276,799</u>	<u>\$ 2,340,000</u>	<u>\$ 592,752</u>

Land Bank Authority -

Notes Payable -

The Land Bank Authority issued notes in accordance with Provisions of Act No. 40 of the Michigan Public Acts of 1956, as Amended by Act No. 71 of the Public Acts of 1976. The Land Bank Authority has received a loan from the primary government to acquire foreclosed properties within the County. Repayment of the promissory notes will be made when the properties are ultimately sold. The balance at December 31, 2021 was \$8,449.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Brownfield Redevelopment Authority -

Notes Payable -

The Authority entered into an agreement with the City of Marine City for a loan on a site within the City. The loan payments are to begin in 2022, however, have no early payment penalty. Interest is due at a rate of 1.50% beginning in 2022. If payoff is made prior to that date, no interest will be paid. \$ 190,402

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
\$ 290,402

Annual debt service requirements at December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 41,422	\$ 2,856
2023	42,089	2,234
2024	45,970	1,603
2025	43,497	914
2026	36,645	261
2027-2030	<u>80,779</u>	<u>-</u>
	<u>\$ 290,402</u>	<u>\$ 7,868</u>

Community Mental Health Authority -

Loans Payable -

In August 2007, the Community Mental Health Authority entered into a loan agreement for \$1,250,000 for the purchase of six homes, which will be used to provide mental health services. The loan was refinanced in August 2017 for \$935,062. The loan agreement calls for 59 monthly payments of \$7,064 beginning September 18, 2017 including interest of 4.25% through August 18, 2022, at which time the remaining balance is due. \$ 724,107

On August 27, 2018, the Community Mental Health Authority entered into a promissory note for the purchase of the Mayfield Drive home for \$198,400. The note is to be repaid in monthly installments of \$1,946 including interest of 3.28% through August 27, 2023, at which time the remaining balance is due. The note is secured by the home and an assignment of any leases and rents. 141,723

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

On April 7, 2020, a note of \$675,119 was rolled over into a five-year note for \$1,030,000 to cover a prior capital purchase and an additional purchase of land and other improvements. The note calls for fifty-nine (59) payments of \$5,730, including interest of 2.99%, with a final payment of \$833,448. The note is secured by the building with additional collateral by way of a second real estate mortgage on the property financed in the above note. \$ 975,810

On October 1, 2013, a term loan was entered into for \$191,641. The loan calls for 59 monthly payments of \$1,540 including interest of 5.17% with a final payment of \$145,108 on October 1, 2018. The note was refinanced in December 2018 for \$143,891. The loan agreement calls for 58 monthly payments of \$1,540 beginning December 2018 including interest of 5.17% through September 2023, at which time the remaining balance is due. The note is secured by the property. 105,822

On September 10, 2021, a note was entered into for the development of a parking lot at the children's services building for \$800,000. The note is to be repaid on March 10, 2033. Interest is paid quarterly on the unpaid principal balance at the rate of 3.25%. 800,000
\$ 2,747,462

Contracts Payable -

The Community Mental Health Authority and County modified their lease agreement with the refunding of the bonds used to purchase, construct, and equip the office building of the Authority. Upon the retirement of debt, the site will be deeded to the Authority. The bonds, dated April 15, 2015, are due in annual installments of \$790,000 to \$900,000 through April 11, 2026 with interest ranging from 3.75% to 5.00% payable semi-annually. \$ 4,275,000

Accrued Vacation and Sick -

In accordance with contracts negotiated with various employee groups of the Community Mental Health Authority, individual employees have vested rights upon termination of employment to receive payments for unused vacation and sick leave under formulas and conditions specified in the contract. As of September 30, 2021, the vested benefits amounted to \$2,001,000.

Annual debt service requirements to pay the debt outstanding at September 30, 2021 are as follows:

Year Ended September 30,	Notes Payable		Contracts Payable	
	Principal	Interest	Principal	Interest
2022	\$ 795,680	\$ 93,401	\$ 790,000	\$ 178,800
2023	977,616	49,575	840,000	142,000
2024	121,164	26,916	845,000	99,875
2025	853,002	14,828	900,000	56,250
2026	-	-	900,000	16,875
	<u>\$ 2,747,462</u>	<u>\$ 184,720</u>	<u>\$ 4,275,000</u>	<u>\$ 493,800</u>

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 10 - RETIREMENT PLAN:

DEFINED BENEFIT PLAN

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

Plan Description -

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

The membership at December 31, 2020 was composed of 508 active participants, 784 retirees and beneficiaries, and 149 inactive but vested members. The membership at December 31, 2019 was composed of 549 active participants, 766 retirees and beneficiaries, and 142 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, 2021**

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

Since the County does not issue a stand-alone report for its County defined benefit plan, following are condensed financial statements for the period as of and including December 31, 2021:

Statement of Net Position

Cash and investments	\$ 296,841,877
Other assets	<u>423,900</u>
Total assets	297,265,777
Liabilities	<u>406,600</u>
Net position	<u>\$ 296,859,177</u>

Statement of Changes in Net Position

Additions:	
Contributions	\$ 9,607,946
Investment income	36,791,855
Other	<u>5,018</u>
Total additions	<u>46,404,819</u>
Deductions:	
Benefit payments	17,311,328
Other expenses	<u>159,517</u>
Total deductions	<u>17,470,845</u>
Change in net position	28,933,974
Net position, beginning of year	<u>267,925,203</u>
Net position, end of year	<u>\$ 296,859,177</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, 2021**

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

Contribution and Funding Policy -

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a level dollar amount designed to accumulate sufficient assets to pay benefits when due. During the year ended December 31, 2021, contributions totaling \$9,607,946 (\$7,717,981 employer and \$1,889,965 employee) were made in accordance with contribution requirements determined by an actuarial valuation for the Plan as of December 31, 2019. The required employer contributions were \$5,359,604 for General County, \$748,677 for the Road Commission, and \$1,400,249 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, 2019 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 market value of investments over a five-year period. The Plan's unfunded actuarial accrued liability is being amortized as a level percent of pay on an open period, with a remaining amortization period as of December 31, 2019 of 16 years for Community Mental Health and amortized as a level percent of pay on a closed period with a remaining amortization period as of December 31, 2019 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, 2021, which used updated procedures to roll forward the estimated liability of an actuarial valuation at December 31, 2020, and is composed of the following:

	<u>Total Pension Liability</u>	<u>Plan's Net Position</u>	<u>Net Pension Liability</u>
Beginning balance	\$ 302,366,180	\$ 267,925,203	\$ 34,440,977
Service cost	3,588,531	-	3,588,531
Interest on total pension liability	20,810,933	-	20,810,933
Net investment income	-	36,791,855	(36,791,855)
Changes in assumptions	(1,141,599)	-	(1,141,599)
Expected and actual differences	3,548,717	-	3,548,717
Contributions from employer	-	7,717,981	(7,717,981)
Contributions from employees	-	1,889,965	(1,889,965)
Other	-	5,018	(5,018)
Benefit payments	(17,311,328)	(17,311,328)	-
Administrative costs	-	(159,517)	159,517
Ending balance	<u>\$ 311,861,434</u>	<u>\$ 296,859,177</u>	<u>\$ 15,002,257</u>

Plan fiduciary net position as a percentage of the total pension liability 95.19%

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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

	<u>Total Pension Liability</u>	<u>Plan's Net Position</u>	<u>Net Pension Liability</u>
Primary Government			
Beginning balance	\$ 194,647,054	\$ 166,923,833	\$ 27,723,221
Service cost	2,647,191	-	2,647,191
Interest on total pension liability	14,435,914	-	14,435,914
Net investment income	-	16,108,661	(16,108,661)
Changes in assumptions	(418,920)	-	(418,920)
Expected and actual differences	1,529,289	-	1,529,289
Contributions from employer	-	3,923,266	(3,923,266)
Contributions from employees	-	1,399,291	(1,399,291)
Benefit payments	(12,289,005)	(12,289,005)	-
Administrative costs	-	(105,027)	105,027
Other	-	856	(856)
	<u>\$ 200,551,523</u>	<u>\$ 175,961,875</u>	<u>\$ 24,589,648</u>

Plan fiduciary net position as a percentage of the total pension liability 87.74%

	<u>Total Pension Liability</u>	<u>Plan's Net Position</u>	<u>Net Pension Liability</u>
Component Units			
Beginning balance	\$ 98,749,554	\$ 86,913,104	\$ 11,836,450
Service cost	1,060,542	-	1,060,542
Interest on total pension liability	5,783,444	-	5,783,444
Net investment income	-	6,683,289	(6,683,289)
Changes in assumptions	(167,832)	-	(167,832)
Expected and actual differences	612,677	-	612,677
Contributions from employer	-	2,071,789	(2,071,789)
Contributions from employees	-	560,596	(560,596)
Benefit payments	(4,223,728)	(4,223,728)	-
Administrative costs	-	(42,077)	42,077
Other	-	355	(355)
	<u>\$ 101,814,657</u>	<u>\$ 91,963,328</u>	<u>\$ 9,851,329</u>

Plan fiduciary net position as a percentage of the total pension liability 90.32%

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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

For the year ended December 31, 2021, the County recognized pension expense of \$7,169,652 in the government-wide and proprietary fund financial statements of the primary government and \$1,480,496 in the component units [\$(273,545) in the Road Commission and \$1,754,041 in the Community Mental Health Authority]. At December 31, 2021, 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	\$ 471,271	\$ 396,924
Changes in assumptions	4,045,489	1,727,225
Differences between expected and actual experience	1,089,730	438,423
Contributions made subsequent to the measurement date	<u>5,359,604</u>	<u>1,982,795</u>
	<u>\$ 10,966,094</u>	<u>\$ 4,545,367</u>
Deferred Inflows of Resources:		
Proportionate share difference	\$ -	\$ 868,195
Net difference between projected and actual earnings on Plan investments	6,149,535	2,171,281
Changes in assumptions	<u>279,280</u>	<u>111,888</u>
	<u>\$ 6,428,815</u>	<u>\$ 3,151,364</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>
2022	\$ 3,641,837	\$ 987,903
2023	274,335	406,348
2024	(3,977,517)	(1,678,172)
2025	<u>(760,980)</u>	<u>(304,871)</u>
	<u>\$(822,325)</u>	<u>\$(588,792)</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Investment Policy - The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Retirement Board to pursue an investment strategy that manages risk through diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of December 31, 2021 and 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	25.0 %
Domestic Equity	30.0
International Equity	20.0
Emerging Markets Equity	5.0
Alternatives	2.5
Real Estate	17.5
Cash	0.0

Rate of Return - For the years ended December 31, 2021 and 2020, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 13.92% and 9.12%, 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, 2019, which used updated procedures to roll forward the estimated liability to December 31, 2020, and by an actuarial valuation as of December 31, 2020, which also used updated procedures to roll forward this estimated liability to December 31, 2021. The valuations used the following actuarial assumptions based on the most recent experience study, completed December 31, 2019:

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent for the 2021 and 2020 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, 2021**

NOTE 10 - 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, 2021 and 2020 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.

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the County, calculated using the discount rate of 7.00 percent for 2021 and 2020, 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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1 % Increase (8.00%)
Net pension liability at December 31, 2021	\$ 50,763,995	\$ 15,002,257	\$(15,001,037)
Net pension liability at December 31, 2020 -			
Primary government	\$ 47,937,023	\$ 24,589,648	\$ 5,054,320
Component units	21,814,538	9,851,329	(155,562)
	\$ 69,751,561	\$ 34,440,977	\$ 4,898,758

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, 2021**

NOTE 10 - 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, 2021 were \$1,109,911.

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, 2021, the Road Commission contributed \$207,230 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, 2021, employer contributions were \$434,220.

NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN:

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

Plan Description -

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

Benefits Provided -

The membership at December 31, 2020 was composed of 473 active participants, 586 retirees and beneficiaries, and 61 terminated vested participants. The membership at December 31, 2019 was composed of 512 active participants, 572 retirees and beneficiaries, and 58 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, 2021:

Statement of Net Position

Cash and investments	\$ 62,884,844
Other assets	<u>70,983</u>
Total assets	62,955,827
Liabilities	<u>14,458</u>
Net position	<u>\$ 62,941,369</u>

Statement of Changes in Net Position

Additions:	
Contributions	\$ 3,301,407
Investment Income	6,327,834
Other	<u>917</u>
Total additions	<u>9,630,158</u>
Deductions:	
Benefit payments	3,675,146
Other expenses	<u>1,181</u>
Total deductions	<u>3,676,327</u>
Change in net position	5,953,831
Net position, beginning of year	<u>56,987,538</u>
Net position, end of year	<u>\$ 62,941,369</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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

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

Contribution and Funding Policy -

The OPEB Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a level dollar amount designed to accumulate sufficient assets to pay benefits when due. During the year ended December 31, 2021, contributions of \$3,301,407 (\$2,922,597 employer and \$378,810 employee) were made. The actuarial valuation dated December 31, 2020 determined a contribution of \$275,311 for Community Mental Health, \$3,891,144 for General County, and \$898,761 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, 2020 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 market value of investment over a five-year period. The OPEB Plan's unfunded actuarial accrued liability is being amortized as a level dollar amount for General County employees and as a level percentage of member payroll for Community Mental Health and Road Commission employees on a closed period, with a remaining amortization period as of December 31, 2020 of 9 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, 2021**

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

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy and the best estimates of arithmetic real rates of return for each asset class as of December 31, 2021 are as follows:

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

Rate of Return -

For the year ended December 31, 2021 and 2020, the annual money-weighted rate of return on OPEB Plan investments, net of investment expense, was 11.21% and 12.47%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the County -

The net OPEB liability of the County has been measured as of December 31, 2021, which used updated procedures to roll forward the estimated liability of an actuarial valuation at December 31, 2020, and is composed of the following:

	Total OPEB Liability	OPEB Plan's Net Position	Net OPEB Liability
Beginning balance	\$ 120,378,302	\$ 56,987,538	\$ 63,390,764
Service cost	2,304,584	-	2,304,584
Interest on total OPEB liability	4,713,653	-	4,713,653
Net investment income	-	6,327,834	(6,327,834)
Changes in assumptions	(16,571,142)	-	(16,571,142)
Expected and actual differences	(31,209,348)	-	(31,209,348)
Contributions from employer	-	2,922,597	(2,922,597)
Contributions from employees	-	378,810	(378,810)
Other revenue	-	917	(917)
Benefit payments	(3,675,146)	(3,675,146)	-
Administrative costs	-	(1,181)	1,181
Ending balance	\$ 75,940,903	\$ 62,941,369	\$ 12,999,534

OPEB Plan fiduciary net position as a percentage of the total OPEB liability 82.88%

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

The net OPEB liability of the County has been measured as of December 31, 2020, which used updated procedures to roll forward the estimated liability using the December 31, 2019 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	\$ 62,657,744	\$ 26,582,772	\$ 36,074,972
Service cost	968,599	-	968,599
Interest on total OPEB liability	3,449,856	-	3,449,856
Net investment income	-	3,166,151	(3,166,151)
Changes in assumptions	17,272,934	-	17,272,934
Expected and actual differences	(1,974,016)	-	(1,974,016)
Contributions from employer	-	995,689	(995,689)
Contributions from employees	-	318,453	(318,453)
Benefit payments	(1,827,809)	(1,827,809)	-
Administrative costs	-	(225)	225
Ending balance	<u>\$ 80,547,308</u>	<u>\$ 29,235,031</u>	<u>\$ 51,312,277</u>
OPEB Plan fiduciary net position as a percentage of the total OPEB liability			36.30%
	<u>Total OPEB Liability</u>	<u>OPEB Plan's Net Position</u>	<u>Net OPEB Liability</u>
Component Units:			
Beginning balance	\$ 31,037,284	\$ 24,600,283	\$ 6,437,001
Service cost	538,660	-	538,660
Interest on total OPEB liability	1,693,811	-	1,693,811
Net investment income	-	3,168,584	(3,168,584)
Changes in assumptions	8,461,157	-	8,461,157
Expected and actual differences	(319,991)	-	(319,991)
Contributions from employer	-	1,479,720	(1,479,720)
Contributions from employees	-	84,056	(84,056)
Benefit payments	(1,579,927)	(1,579,927)	-
Administrative costs	-	(209)	209
Ending balance	<u>\$ 39,830,994</u>	<u>\$ 27,752,507</u>	<u>\$ 12,078,487</u>
Road Commission Net OPEB Liability			\$ 12,088,240
CMHA Net OPEB Asset			(9,753)
Total Net OPEB Liability			<u>\$ 12,078,487</u>
OPEB Plan fiduciary net position as a percentage of the total OPEB liability			69.68%

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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

For the year ended December 31, 2021, the County recognized OPEB expense of \$1,581,752 in the government-wide and proprietary fund financial statements of the primary government and \$(408,907) in the component units [\$316,990 in the Road Commission and \$(91,917) in the Community Mental Health Authority]. At December 31, 2021, 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	\$ 2,316,935	\$ 3,684,654
Net difference between projected and actual earnings on OPEB Plan investments	-	184,018
Differences between expected and actual experience	121,433	207,671
Changes in assumptions	16,902,409	4,574,309
Contributions made subsequent to the measurement date	<u>1,306,022</u>	<u>1,560,295</u>
	<u>\$ 20,646,799</u>	<u>\$ 10,210,947</u>
Deferred Inflows of Resources:		
Proportionate share difference	\$ 1,969,466	\$ 4,032,123
Differences between expected and actual experience	4,376,194	1,340,289
Changes in assumptions	5,096,559	1,679,594
Net difference between projected and actual earnings on OPEB Plan investments	<u>3,740,486</u>	<u>866,100</u>
	<u>\$ 15,182,705</u>	<u>\$ 7,918,106</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>
2022	\$(957,148)	\$(1,063,547)
2023	2,959,298	428,274
2024	2,686,862	1,492,766
2025	<u>(530,940)</u>	<u>(124,947)</u>
	<u>\$ 4,158,072</u>	<u>\$ 732,546</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Actuarial Assumptions -

The total OPEB liability of the OPEB Plan was determined by an actuarial valuation as of December 31, 2019, which used updating procedures to roll forward the estimated liability to December 31, 2020 and by an actuarial valuation at December 31, 2020, which used updating procedures to roll forward the estimated liability to December 31, 2021, 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 2021, a version of Pub-2010 with Scale MP-2020 generational mortality improvement, and for 2020, RPH-2019 Total Data Set Fully Generational Mortality Table using scale MP-2019

Inflation Rate - 2.00%

Healthcare Cost Trend Rate - 8.00%, decreasing by 0.50% per year to 4.50%

Projected Cash Flows - For the 2021 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 \$2,508,371 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 2020 liability, the OPEB Plan's fiduciary net position was projected to cover projected benefit payments of current and active members through 2054. The discount rate used through this year was at 5.50% and the years thereafter at 3.26%, resulting in a single discount rate of 3.90% at December 31, 2020. This projection assumes a level of contributions from the employer and employees equal to the average contributions from the last 5 years.

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

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

	1% Decrease <u>(4.25%)</u>	Current Discount Rate <u>(5.25%)</u>	1% Increase <u>(6.25%)</u>
Net OPEB liability at December 31, 2021	\$ 22,614,394	\$ 12,999,534	\$ 5,023,824
		Current	
	1% Decrease <u>(2.90%)</u>	Discount Rate <u>(3.90%)</u>	1% Increase <u>(4.90%)</u>
Net OPEB liability at December 31, 2020			
Primary government	\$ 68,105,844	\$ 51,312,277	\$ 37,941,670
Component units	<u>14,895,664</u>	<u>12,078,487</u>	<u>9,835,523</u>
	<u>\$ 83,001,508</u>	<u>\$ 63,390,764</u>	<u>\$ 47,777,193</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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

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

	1% Decrease <u>(7.0-3.5%)</u>	Current Discount Rate <u>(8.0-4.5%)</u>	1% Increase <u>(9.0-5.5%)</u>
Net OPEB liability at December 31, 2021	\$ 3,885,955	\$ 12,999,534	\$ 24,085,586
	1% Decrease <u>(7.0-3.5%)</u>	Current Discount Rate <u>(8.0-4.50%)</u>	1% Increase <u>(9.0-5.5%)</u>
Net OPEB liability at December 31, 2020			
Primary government	\$ 36,379,953	\$ 51,312,277	\$ 70,218,817
Component units	<u>9,573,540</u>	<u>12,078,487</u>	<u>15,250,122</u>
	<u>\$ 45,953,493</u>	<u>\$ 63,390,764</u>	<u>\$ 85,468,939</u>

NOTE 12 - CONTINGENT LIABILITIES:

Primary Government -

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

Subsequent to year-end, the financial markets have experienced significant levels of volatility that caused a decline in the value of investments held at year-end. While such declines may be temporary, investment values are subject to market fluctuations, and the timing of any such recovery is unknown at the present time.

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.

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2021

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

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

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

Component Unit - Road Commission -

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

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

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

Component Unit - Community Mental Health Authority -

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

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 - RISK MANAGEMENT:

Primary Government -

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

The County is completely self-insured for unemployment compensation and short-term disability claims and is self-insured for workers' compensation claims up to an amount of \$500,000 in individual claims for 2021.

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 \$320,000 for unemployment compensation, disability, and workers' compensation, respectively.

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 2021, that Stop Loss Program limited the retention for St. Clair County to \$637,500 in aggregate claims paid during the year.

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

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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 \$434,000, which is recorded in the Self-Insurance Fund.

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 \$365,000 at December 31, 2021, 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning of year	\$ 360,000	\$ 192,000	\$ -	\$ -	\$ -	\$ -
Incurred claims (including IBNR's)	365,792	235,571	392,174	121,207	10,357	11,993
Claims paid	(291,792)	(67,571)	(392,174)	(121,207)	(10,357)	(11,993)
Unpaid claims, end of year	434,000	360,000	-	-	-	-
Less current portion	(140,000)	(167,000)	-	-	-	-
Long-term Liabilities	<u>\$ 294,000</u>	<u>\$ 193,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Workers' Compensation</u>		<u>Health Care</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning of year	\$ 225,000	\$ 147,000	\$ 700,000	\$ 350,000	\$1,285,000	\$ 689,000
Incurred claims (including IBNR's)	284,902	182,685	9,881,311	10,713,835	10,934,536	11,265,291
Claims paid	(189,902)	(104,685)	(10,216,311)	(10,363,835)	(11,100,536)	(10,669,291)
Unpaid claims, end of year	320,000	225,000	365,000	700,000	1,119,000	1,285,000
Less current portion	(320,000)	(225,000)	(365,000)	(700,000)	(825,000)	(1,092,000)
Long-term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,000</u>	<u>\$ 193,000</u>

ST. CLAIR COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2021

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

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.

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 \$52,000 at December 31, 2021, 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.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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

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

NOTE 14 - MAJOR TAXPAYER:

The County is economically dependent upon the Detroit Edison Company that has real and personal property within the County with a taxable value of \$954,583,394. This represents approximately 14 percent of the taxable value for the County.

NOTE 15 - DEFERRED COMPENSATION:

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

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

NOTE 16 - NET POSITION/FUND BALANCE:

NET INVESTMENT IN CAPITAL ASSETS -

Governmental Activities:

Capital Assets	\$ 80,701,586
Less related debt -	
2012 Refunding Bonds	(1,645,000)
2012 G.O. Bonds	(7,280,000)
2017 Refunding Bonds	(870,000)
2020 Refunding Bonds	(13,070,000)
Bond premiums	(626,686)
Deferred charges	<u>533,737</u>
	<u>\$ 57,743,637</u>

Business-type Activities:

Capital Assets	\$ 25,240,619
Less related debt -	
2010 G.O. Bond	(5,009,280)
2014 G.O. Bond	<u>(3,025,000)</u>
	<u>\$ 17,206,339</u>

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

RESTRICTED FUND BALANCE/NET POSITION -

The fund balances and net position the Primary Government have been restricted for the following purposes at December 31, 2021:

	<u>Major Fund</u>	<u>Non-major Fund</u>	<u>Total</u>
Governmental Funds:			
Acquisition/construction of capital assets:			
Public Improvement	\$ -	\$ 6,196,347	\$ <u>6,196,347*</u>
Debt Service:			
Mental Health Building Debt Fund	-	610	610
Communications Debt Fund - 2009	-	18,477	18,477*
Convention Center	-	78,762	78,762
Jail/Juvenile Facility	-	3,505	<u>3,505</u>
			<u>101,354</u>
Recreation and Cultural:			
Parks and Recreation	1,343,674	-	1,343,674*
Library	3,628,328	-	<u>3,628,328*</u>
			<u>4,972,002</u>
Health and Welfare:			
Senior Citizens Millage	4,241,742	-	4,241,742*
Health Department	-	502,119	502,119
CDBG Housing	-	422,149	422,149
HUD Housing	-	95,311	95,311
Veterans' Millage	-	368,781	<u>368,781*</u>
			<u>5,630,102</u>
Public Safety:			
Drug Task Force	1,982,420	-	1,982,420*
Drug Law Enforcement	-	589,489	589,489
Local Corrections and Training	-	47,847	47,847
Prosecutor's Drug Forfeitures	-	210,109	210,109
Concealed Pistol Licensing	-	406,090	406,090*
Animal Control Donations	-	19,490	<u>19,490</u>
			<u>3,255,445</u>
Judicial:			
Friend of Court	-	907,361	907,361
Family Counseling	-	131,834	131,834*
Indigent Defense	-	81,617	<u>81,617*</u>
			<u>1,120,812</u>
Other Purposes:			
Deeds Automation	-	358,033	<u>358,033*</u>
Total Restricted Fund Balance	<u>\$ 11,196,164</u>	<u>\$ 10,437,931</u>	<u>\$ 21,634,095</u>

* Restricted by Enabling Legislation

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Governmental Activities:

Total Restricted Fund Balance - Governmental Funds	\$ 21,634,095
Deferred Inflows of Resources:	
Judicial Programs	500
Recreation and Cultural Programs	1,429,280
Health and Welfare Programs	888,952
Public Safety Programs	5,756
Debt Service	2,893
Capital Projects	74,500
Net Pension Liability and Net OPEB Liability associated with Recreation and Cultural Programs	<u>(3,579,856)</u>
Total Restricted Net Position - Governmental Activities	<u>\$ 20,456,120</u>

Business-type Activities:

Foreclosure sales	<u>\$ 2,334,926</u>
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COMMITTED FUND BALANCES -

At December 31, 2021, the Board of Commissioners had committed the following fund balances:

Combined General Fund - Budget Incentive	\$ 1,056,340
Nonmajor Funds -	
General Government -	
Convention Center	588,645
American Rescue Plan	2,455
Health and Welfare -	
Health Department	6,479,183
Human Services	41,850
Child Care	1,911,087
Capital Outlay -	
Municipal Building	<u>95,352</u>
	<u>\$ 10,174,912</u>

NOTE 17 - CLOSURE AND POSTCLOSURE CARE COSTS:

State and federal laws and regulations require that the County of St. Clair place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of the landfill closure and postclosure care costs is based on the amount of the landfill capacity used during the year. The estimated liability for landfill closure and postclosure care costs was \$8,088,087 at December 31, 2021, which is based on the estimated percentage of capacity used to date of 43.92%.

ST. CLAIR COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 17 - 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 \$11,169,214 will be recognized as closure and post-closure care expense between the date of the balance sheet and the date the landfill is expected to be filled to capacity and monitored for 30 years. The estimated remaining life of the landfill is 75 years.

The estimated total cost of the landfill closure and post-closure care cost of \$19,257,301 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain that landfill were acquired as of December 31, 2021. However, the actual cost of closure and post-closure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

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

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

NOTE 18 - TAX ABATEMENTS:

The County has received reduced property tax revenues during 2021 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 \$90,000 in reduced County tax revenues in the General Fund and \$44,000 in reduced County tax revenues in the Special Revenue millage funds for 2021.

NOTE 19 - COVID-19:

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

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, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 35,897,634	\$ 35,841,303	\$ 35,458,315	\$(382,988)
Licenses and permits	470,000	295,000	283,514	(11,486)
Intergovernmental	13,517,939	13,946,637	13,435,212	(511,425)
Charges for services	7,121,524	7,730,554	7,594,110	(136,444)
Fines and forfeits	371,000	356,000	331,625	(24,375)
Interest and rent	1,342,808	1,020,506	769,841	(250,665)
Other	1,635,054	1,666,102	1,646,473	(19,629)
Total Revenues	60,355,959	60,856,102	59,519,090	(1,337,012)
Expenditures:				
Legislative -				
Board of Commissioners	230,493	213,493	207,237	6,256
Other Legislative Activities	1,082,500	1,241,500	1,195,403	46,097
	<u>1,312,993</u>	<u>1,454,993</u>	<u>1,402,640</u>	<u>52,353</u>
General Government -				
Administrator/Controller	596,298	596,298	586,702	9,596
Elections	96,801	109,117	82,916	26,201
Accounting	323,977	323,977	311,216	12,761
Clerk	843,893	831,577	770,538	61,039
Equalization	827,965	831,377	842,601	(11,224)
Human Resources	422,479	422,479	393,856	28,623
Prosecuting Attorney	3,203,323	3,253,323	3,204,428	48,895
Victims Rights	10,800	10,800	9,305	1,495
Purchasing	99,357	99,357	90,289	9,068
Register of Deeds	128,195	128,195	109,483	18,712
Treasurer	584,971	584,971	583,122	1,849
Cooperative Extension	196,433	217,433	210,197	7,236
Information Technology	2,468,115	2,468,115	2,399,299	68,816
Building and Grounds	2,426,477	2,477,477	2,448,586	28,891
Drain Commissioner	572,659	587,172	574,245	12,927
Motor Pool	169,500	103,836	95,132	8,704
	<u>12,971,243</u>	<u>13,045,504</u>	<u>12,711,915</u>	<u>333,589</u>
Judicial -				
Circuit Court	1,303,750	1,298,658	1,261,161	37,497
District Court	2,478,575	2,478,575	2,367,581	110,994
Courthouse Security	637,842	638,620	555,060	83,560
Friend of the Court	3,318,694	3,318,694	3,198,168	120,526
Probate Court	1,247,408	1,267,654	1,327,850	(60,196)
Family Division - Circuit Court	1,641,409	1,767,932	1,705,985	61,947
Probation	7,300	7,300	3,754	3,546
District Court Probation	871,161	873,536	868,644	4,892
	<u>11,506,139</u>	<u>11,650,969</u>	<u>11,288,203</u>	<u>362,766</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, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Public Safety -				
Sheriff	\$ 9,256,311	\$ 9,636,461	\$ 9,523,489	\$ 112,972
Training	15,000	15,000	26,581	(11,581)
Communications/Radio	1,974,012	1,959,499	1,881,295	78,204
Marine Law Enforcement	289,209	289,209	293,702	(4,493)
Dive Team	31,606	35,220	36,218	(998)
Corrections / Jail	13,495,221	13,420,221	13,148,869	271,352
Other Corrections Activities	100,000	125,000	122,687	2,313
Emergency Preparedness	619,055	717,645	673,887	43,758
Hazardous Material Handling	39,800	39,800	30,020	9,780
Animal Shelter/Dog Warden	490,022	555,522	519,005	36,517
	<u>26,310,236</u>	<u>26,793,577</u>	<u>26,255,753</u>	<u>537,824</u>
Public Works -				
Road Commission	900,000	900,000	900,000	-
Drains - Public Benefit	286,735	480,285	480,285	-
	<u>1,186,735</u>	<u>1,380,285</u>	<u>1,380,285</u>	<u>-</u>
Health and Welfare -				
Medical Examiner	541,731	560,266	559,644	622
Mental Health	955,672	955,672	955,672	-
Public Guardian	507,016	538,312	537,245	1,067
Veterans' Burial	15,000	15,000	12,000	3,000
	<u>2,019,419</u>	<u>2,069,250</u>	<u>2,064,561</u>	<u>4,689</u>
Community and Economic Development -				
Planning Commission	689,446	705,146	639,000	66,146
Transportation Planning	8,350	8,350	6,892	1,458
Redevelopment and Housing	-	-	1,377	(1,377)
	<u>697,796</u>	<u>713,496</u>	<u>647,269</u>	<u>66,227</u>
Other	<u>190,082</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service -				
Principal	318,572	347,065	347,065	-
Interest	146,608	147,588	147,588	-
	<u>465,180</u>	<u>494,653</u>	<u>494,653</u>	<u>-</u>
Total Expenditures	<u>56,659,823</u>	<u>57,602,727</u>	<u>56,245,279</u>	<u>1,357,448</u>
Revenues over expenditures	<u>3,696,136</u>	<u>3,253,375</u>	<u>3,273,811</u>	<u>20,436</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, 2021**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Amended Budget Positive (Negative)
Other Financing Sources (Uses):				
Issuance of debt	\$ -	\$ 427,400	\$ 427,400	\$ -
Transfers from other funds	2,679,499	2,786,203	2,785,897	(306)
Transfers to other funds	<u>(6,375,635)</u>	<u>(6,246,299)</u>	<u>(6,246,299)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(3,696,136)</u>	<u>(3,032,696)</u>	<u>(3,033,002)</u>	<u>(306)</u>
 Net Change in Fund Balance	-	220,679	240,809	20,130
 Fund Balance at beginning of year	<u>10,996,496</u>	<u>10,996,496</u>	<u>10,996,496</u>	<u>-</u>
 Fund Balance at end of year	<u>\$ 10,996,496</u>	<u>\$ 11,217,175</u>	<u>\$ 11,237,305</u>	<u>\$ 20,130</u>

Reconciliation of Budget-Basis to GAAP-Basis Reporting:

Net Change in General Fund Fund Balance (Budgetary Basis)	\$ 240,809
 Perspective difference - Other Budgeted Funds Net Change Allocated to the General Fund for GAAP-basis reporting	
Budget Incentive	(75,672)
Development Revolving	<u>(324,191)</u>
 Net Change in Combined General Fund Fund Balance (GAAP-Basis)	<u><u>\$(159,054)</u></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, 2021**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,124,000	\$ 3,181,413	\$ 3,181,290	\$(123)
Intergovernmental	1,431,300	1,431,300	4,366	(1,426,934)
Charges for services	76,400	131,186	187,391	56,205
Interest and rent	10,500	4,232	4,263	31
Other	11,000	26,683	245,347	218,664
Total Revenues	<u>4,653,200</u>	<u>4,774,814</u>	<u>3,622,657</u>	<u>(1,152,157)</u>
Expenditures:				
Recreation and Cultural	<u>5,454,600</u>	<u>5,449,100</u>	<u>4,724,219</u>	<u>724,881</u>
Net Change in Fund Balance	(801,400)	(674,286)	(1,101,562)	(427,276)
Fund Balance at beginning of year	<u>2,445,236</u>	<u>2,445,236</u>	<u>2,445,236</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 1,643,836</u>	<u>\$ 1,770,950</u>	<u>\$ 1,343,674</u>	<u>\$(427,276)</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, 2021**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,345,100	\$ 4,345,100	\$ 4,501,594	\$ 156,494
Intergovernmental	191,600	191,600	197,563	5,963
Charges for services	71,000	71,000	26,909	(44,091)
Fines and forfeits	326,000	326,000	519,643	193,643
Interest and rent	55,050	55,050	12,895	(42,155)
Other	2,650	2,650	10,423	7,773
Total Revenues	<u>4,991,400</u>	<u>4,991,400</u>	<u>5,269,027</u>	<u>277,627</u>
Expenditures:				
Recreation and Cultural	<u>5,689,471</u>	<u>5,689,471</u>	<u>4,606,629</u>	<u>1,082,842</u>
Net Change in Fund Balance	(698,071)	(698,071)	662,398	1,360,469
Fund Balance at beginning of year	<u>2,965,930</u>	<u>2,965,930</u>	<u>2,965,930</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 2,267,859</u></u>	<u><u>\$ 2,267,859</u></u>	<u><u>\$ 3,628,328</u></u>	<u><u>\$ 1,360,469</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, 2021**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,183,880	\$ 5,183,880	\$ 5,137,510	\$(46,370)
Intergovernmental	-	-	7,050	7,050
Interest and rent	20,000	20,000	7,448	(12,552)
Other	-	-	3,210	3,210
Total Revenues	<u>5,203,880</u>	<u>5,203,880</u>	<u>5,155,218</u>	<u>(48,662)</u>
Expenditures:				
Health and Welfare	<u>5,587,520</u>	<u>5,587,520</u>	<u>4,575,974</u>	<u>1,011,546</u>
Net Change in Fund Balance	(383,640)	(383,640)	579,244	962,884
Fund Balance at beginning of year	<u>3,662,498</u>	<u>3,662,498</u>	<u>3,662,498</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 3,278,858</u></u>	<u><u>\$ 3,278,858</u></u>	<u><u>\$ 4,241,742</u></u>	<u><u>\$ 962,884</u></u>

ST. CLAIR COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
DRUG TASK FORCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,624,520	\$ 3,624,520	\$ 3,602,455	\$(22,065)
Intergovernmental	5,000	5,000	8,043	3,043
Interest and rent	30,000	5,000	3,790	(1,210)
Other	10,000	10,000	19,846	9,846
Total Revenues	<u>3,669,520</u>	<u>3,644,520</u>	<u>3,634,134</u>	<u>(10,386)</u>
Expenditures:				
Public Safety	<u>3,234,799</u>	<u>3,234,799</u>	<u>2,902,856</u>	<u>331,943</u>
Revenues over expenditures	434,721	409,721	731,278	321,557
Other Financing Uses:				
Transfers to other funds	<u>(519,336)</u>	<u>(519,336)</u>	<u>(519,336)</u>	<u>-</u>
Net Change in Fund Balance	(84,615)	(109,615)	211,942	321,557
Fund Balance at beginning of year	<u>1,770,478</u>	<u>1,770,478</u>	<u>1,770,478</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,685,863</u></u>	<u><u>\$ 1,660,863</u></u>	<u><u>\$ 1,982,420</u></u>	<u><u>\$ 321,557</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, 2021**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
Revenues:				
Intergovernmental	-	3,600,000	6,744	(3,593,256)
Interest and rent	-	4,000	2,455	(1,545)
Total Revenues	-	3,604,000	9,199	(3,594,801)
Expenditures:				
General Government	-	100,000	6,744	93,256
Revenues over (under) expenditures	-	3,504,000	2,455	(3,501,545)
Other Financing Uses:				
Transfers to other funds	-	(3,500,000)	-	3,500,000
Net Change in Fund Balance	-	4,000	2,455	(1,545)
Fund Balance at beginning of year	-	-	-	-
Fund Balance at end of year	\$ -	\$ 4,000	\$ 2,455	\$ (1,545)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

	<u>Annual money-weighted rate of return, net of expenses</u>
2021	13.92%
2020	9.12%
2019	18.03%
2018	-4.72%
2017	11.89%
2016	8.13%
2015	1.60%
2014	5.62%

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

ST. CLAIR COUNTY, MICHIGAN

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

	Reporting Year**		
	2021	2020	2019
PRIMARY GOVERNMENT			
Total Pension Liability			
Service Cost	\$ 2,647,191	\$ 2,793,165	\$ 2,676,913
Interest	14,435,914	13,869,129	12,691,473
Changes of assumptions	(418,920)	12,136,467	(233,899)
Differences between expected and actual experience	1,529,289	210,610	(116,488)
Benefit payments, including refunds	(12,289,005)	(11,092,928)	(9,792,455)
Change in total pension liability	5,904,469	17,916,443	5,225,544
Total pension liability, beginning of year	<u>194,647,054</u>	<u>176,730,611</u>	<u>171,505,067</u>
Total pension liability, end of year	<u>\$ 200,551,523</u>	<u>\$ 194,647,054</u>	<u>\$ 176,730,611</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 3,923,266	\$ 3,555,904	\$ 3,737,255
Contributions - Member	1,399,291	1,282,569	1,222,685
Net investment income	16,108,661	26,134,016	(8,457,211)
Benefit payments, including refunds	(12,289,005)	(11,092,928)	(9,792,455)
Administrative expenses	(105,027)	(145,667)	(101,172)
Other	<u>856</u>	<u>15,325</u>	<u>-</u>
Net change in plan fiduciary net position	9,038,042	19,749,219	(13,390,898)
Plan fiduciary net position, beginning of year	<u>166,923,833</u>	<u>147,174,614</u>	<u>160,565,512</u>
Plan fiduciary net position, end of year	<u>\$ 175,961,875</u>	<u>\$ 166,923,833</u>	<u>\$ 147,174,614</u>
County's Net Pension Liability - Ending	<u>\$ 24,589,648</u>	<u>\$ 27,723,221</u>	<u>\$ 29,555,997</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.74%	85.76%	83.28%
Covered Payroll	\$ 20,338,799	\$ 21,840,966	\$ 21,648,797
County's Net Pension Liability as a Percentage of Covered Payroll	120.90%	126.93%	136.52%

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

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

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

	Reporting Year**		
	2021	2020	2019
COMPONENT UNITS			
Total Pension Liability			
Service Cost	\$ 1,060,542	\$ 1,192,543	\$ 1,383,784
Interest	5,783,444	5,921,437	6,560,638
Changes of assumptions	(167,832)	5,181,675	(120,909)
Differences between expected and actual experience	612,677	89,920	(60,217)
Benefit payments, including refunds	(4,223,728)	(4,680,755)	(5,487,673)
Change in total pension liability	3,065,103	7,704,820	2,275,623
Total pension liability, beginning of year	98,749,554	91,044,734	88,769,111
Total pension liability, end of year	<u>\$ 101,814,657</u>	<u>\$ 98,749,554</u>	<u>\$ 91,044,734</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,071,789	\$ 2,138,942	\$ 2,435,353
Contributions - Member	560,596	547,595	632,045
Net investment income	6,683,289	13,195,560	(2,790,735)
Benefit payments, including refunds	(4,223,728)	(4,680,755)	(5,487,673)
Administrative expenses	(42,077)	(62,193)	(52,299)
Other	355	7,737	-
Net change in plan fiduciary net position	5,050,224	11,146,886	(5,263,309)
Plan fiduciary net position, beginning of year	86,913,104	75,766,218	81,029,527
Plan fiduciary net position, end of year	<u>\$ 91,963,328</u>	<u>\$ 86,913,104</u>	<u>\$ 75,766,218</u>
County's Net Pension Liability - Ending	<u>\$ 9,851,329</u>	<u>\$ 11,836,450</u>	<u>\$ 15,278,516</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.32%	88.01%	83.22%
Covered Payroll	\$ 11,729,885	\$ 12,525,127	\$ 12,616,569
County's Net Pension Liability as a Percentage of Covered Payroll	83.98%	94.50%	121.10%

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

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

2018	2017	2016	2015
\$ 1,634,397	\$ 1,830,004	\$ 1,621,125	\$ 1,576,074
6,565,930	7,633,742	5,964,738	5,748,827
(270,272)	1,992,996	-	-
(2,607,396)	(352,270)	1,245,014	-
(4,929,768)	(7,203,403)	(4,528,882)	(4,453,389)
392,891	3,901,069	4,301,995	2,871,512
<u>88,376,220</u>	<u>84,475,151</u>	<u>80,173,156</u>	<u>77,301,644</u>
<u>\$ 88,769,111</u>	<u>\$ 88,376,220</u>	<u>\$ 84,475,151</u>	<u>\$ 80,173,156</u>
\$ 2,445,872	\$ 2,250,146	\$ 2,336,633	\$ 2,312,937
783,359	839,726	884,526	865,706
8,612,555	7,944,148	1,054,248	3,664,535
(4,929,768)	(7,203,403)	(4,528,882)	(4,453,389)
(56,194)	(94,459)	(47,584)	(51,466)
-	-	-	-
6,855,824	3,736,158	(301,059)	2,338,323
<u>74,173,703</u>	<u>70,437,545</u>	<u>70,738,604</u>	<u>68,400,281</u>
<u>\$ 81,029,527</u>	<u>\$ 74,173,703</u>	<u>\$ 70,437,545</u>	<u>\$ 70,738,604</u>
<u>\$ 7,739,584</u>	<u>\$ 14,202,517</u>	<u>\$ 14,037,606</u>	<u>\$ 9,434,552</u>
91.28%	83.93%	83.38%	88.23%
\$ 14,197,693	\$ 15,104,860	\$ 15,228,470	\$ 14,654,443
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 **		
	2021	2020	2019
Total Pension Liability			
Service Cost	\$ 3,588,531	\$ 3,707,733	\$ 3,985,708
Interest	20,810,933	20,219,358	19,790,566
Changes of assumptions	(1,141,599)	(586,752)	17,318,142
Differences between expected and actual experience	3,548,717	2,141,966	300,530
Benefit payments, including refunds	(17,311,328)	(16,512,733)	(15,773,683)
Change in total pension liability	9,495,254	8,969,572	25,621,263
Total pension liability, beginning of year	<u>302,366,180</u>	<u>293,396,608</u>	<u>267,775,345</u>
Total pension liability, end of year	<u>\$ 311,861,434</u>	<u>\$ 302,366,180</u>	<u>\$ 293,396,608</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 7,717,981	\$ 5,995,055	\$ 5,694,846
Contributions - Member	1,889,965	1,959,887	1,830,164
Net investment income	36,791,855	22,791,950	39,329,576
Benefit payments, including refunds	(17,311,328)	(16,512,733)	(15,773,683)
Administrative expenses	(159,517)	(147,104)	(207,860)
Other	5,018	1,211	23,062
Net change in plan fiduciary net position	28,933,974	14,088,266	30,896,105
Plan fiduciary net position, beginning of year	<u>267,925,203</u>	<u>253,836,937</u>	<u>222,940,832</u>
Plan fiduciary net position, end of year	<u>\$ 296,859,177</u>	<u>\$ 267,925,203</u>	<u>\$ 253,836,937</u>
County's Net Pension Liability - Ending	<u>\$ 15,002,257</u>	<u>\$ 34,440,977</u>	<u>\$ 39,559,671</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.19%	88.61%	86.52%
Covered Payroll	\$ 32,873,411	\$ 33,839,843	\$ 33,483,820
County's Net Pension Liability as a Percentage of Covered Payroll	45.6%	101.8%	118.1%

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

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

2018	2017	2016	2015	2014
\$ 4,060,697	\$ 4,207,259	\$ 4,334,943	\$ 4,389,780	\$ 4,781,202
19,252,111	18,951,625	18,082,930	17,509,331	16,948,045
(354,808)	(764,777)	4,721,041	-	-
(176,705)	(3,166,992)	(834,461)	(206,413)	(358,590)
<u>(15,280,128)</u>	<u>(14,868,027)</u>	<u>(14,320,304)</u>	<u>(13,659,456)</u>	<u>(13,331,371)</u>
7,501,167	4,359,088	11,984,149	8,033,242	8,039,286
<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>\$ 267,775,345</u>	<u>\$ 260,274,178</u>	<u>\$ 255,915,090</u>	<u>\$ 243,930,941</u>	<u>\$ 235,897,699</u>
\$ 6,172,608	\$ 6,392,847	\$ 6,264,277	\$ 7,179,980	\$ 7,192,197
1,854,730	1,888,806	1,989,155	2,038,958	2,093,855
(11,247,946)	26,077,017	16,974,234	3,454,816	11,448,618
(15,280,128)	(14,868,027)	(14,320,304)	(13,659,456)	(13,331,371)
(153,471)	(167,544)	(223,755)	(142,937)	(154,764)
-	-	-	-	-
(18,654,207)	19,323,099	10,683,607	(1,128,639)	7,248,535
<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>\$ 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>\$ 44,834,513</u>	<u>\$ 18,679,139</u>	<u>\$ 33,643,150</u>	<u>\$ 32,342,608</u>	<u>\$ 23,180,727</u>
83.26%	92.82%	86.85%	86.74%	90.17%
\$ 34,265,366	\$ 35,708,838	\$ 37,714,347	\$ 38,937,952	\$ 39,542,954
130.8%	52.3%	89.2%	83.1%	58.6%

ST. CLAIR COUNTY, MICHIGAN

**BASIC RETIREMENT SYSTEM
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					
2021	\$ 5,359,604	\$ 5,359,604	\$ -	\$ 20,338,799	26.35%
2020	3,908,222	3,923,266	(15,044)	21,840,966	17.96%
2019	3,500,277	3,555,904	(55,627)	21,648,797	16.43%
2018	3,517,819	3,737,255	(219,436)	21,511,145	17.37%
2017	3,822,897	3,947,749	(124,852)	22,609,487	17.46%
2016	3,551,582	4,014,131	(462,549)	23,709,482	16.93%
2015	4,062,123	4,841,086	(778,963)	24,888,512	19.45%
2014	4,879,260	4,879,260	-	26,897,465	18.14%
2013	5,164,114	5,164,114	-	29,675,363	17.40%
2012	4,490,006	4,547,153	(57,147)	27,131,512	16.76%
COMPONENT UNITS					
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%
2013	2,181,635	2,181,635	-	17,166,929	12.71%
2012	1,870,203	2,207,847	(337,644)	17,862,124	12.36%

* 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**

	<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>
PLAN TOTAL					
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%
2013	7,378,242	7,378,242	-	42,911,460	17.19%
2012	6,360,209	6,755,000	(394,791)	44,165,160	15.29%

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 percent of pay
Remaining amortization period	15 years for General and Road Commission, 16 years for Community Mental Health on a closed period
Asset valuation method	5-year smoothed market value
Salary increases	2.25% - 7.00% for 2021; 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	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/>
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**			
	2021	2020	2019	2018
PRIMARY GOVERNMENT				
Total OPEB Liability				
Service Cost	\$ 968,599	\$ 1,244,520	\$ 2,891,255	\$ 2,619,609
Interest	3,449,856	3,302,524	4,866,947	4,729,272
Changes in benefit terms	-	-	(49,455,733)	-
Changes of assumptions	17,272,934	(2,107,273)	(10,761,637)	6,184,642
Differences between expected and actual experience	(1,974,016)	(909,232)	(7,983,356)	1,660,027
Benefit payments, including refunds	(1,827,809)	(2,248,196)	(2,711,471)	(2,757,601)
Change in total OPEB liability	17,889,564	(717,657)	(63,153,995)	12,435,949
Total OPEB liability, beginning of year	<u>62,657,744</u>	<u>63,375,401</u>	<u>126,529,396</u>	<u>114,093,447</u>
Total OPEB liability, end of year	<u>\$ 80,547,308</u>	<u>\$ 62,657,744</u>	<u>\$ 63,375,401</u>	<u>\$ 126,529,396</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 995,689	\$ 986,546	\$ 959,219	\$ 841,331
Contributions - Member	318,453	327,237	342,549	353,887
Net investment income	3,166,151	4,155,708	(787,575)	2,878,791
Benefit payments, including refunds	(1,827,809)	(2,248,196)	(2,711,471)	(2,757,601)
Administrative expenses	(225)	(304)	(316)	(21,220)
Net change in plan fiduciary net position	2,652,259	3,220,991	(2,197,594)	1,295,188
Plan fiduciary net position, beginning of year	<u>26,582,772</u>	<u>23,361,781</u>	<u>25,559,375</u>	<u>24,264,187</u>
Plan fiduciary net position, end of year	<u>\$ 29,235,031</u>	<u>\$ 26,582,772</u>	<u>\$ 23,361,781</u>	<u>\$ 25,559,375</u>
County's Net OPEB Liability - Ending	<u>\$ 51,312,277</u>	<u>\$ 36,074,972</u>	<u>\$ 40,013,620</u>	<u>\$ 100,970,021</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	36.30%	42.43%	36.86%	20.20%
Covered Payroll	\$ 15,462,425	\$ 19,455,357	\$ 20,021,640	\$ 21,110,866
County's Net OPEB Liability as a Percentage of Covered Payroll	331.9%	185.4%	199.9%	478.3%

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

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

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

ST. CLAIR COUNTY, MICHIGAN

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

COMPONENT UNITS	Reporting Year**			
	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 538,660	\$ 729,526	\$ 1,858,363	\$ 1,711,610
Interest	1,693,811	1,738,847	2,559,282	2,539,458
Changes in benefit terms	-	-	(26,905,935)	-
Changes of assumptions	8,461,157	(2,702,348)	(5,469,086)	3,127,806
Differences between expected and actual experience	(319,991)	(948,479)	(3,676,283)	(775,585)
Benefit payments, including refunds	(1,579,927)	(967,952)	(1,327,251)	(1,348,601)
Change in total OPEB liability	8,793,710	(2,150,406)	(32,960,910)	5,254,688
Total OPEB liability, beginning of year	<u>31,037,284</u>	<u>33,187,690</u>	<u>66,148,600</u>	<u>60,893,912</u>
Total OPEB liability, end of year	<u>\$ 39,830,994</u>	<u>\$ 31,037,284</u>	<u>\$ 33,187,690</u>	<u>\$ 66,148,600</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,479,720	\$ 1,699,457	\$ 1,910,694	\$ 1,527,062
Contributions - Member	84,056	86,724	81,607	89,223
Net investment income	3,168,584	3,716,505	(645,767)	2,176,273
Benefit payments, including refunds	(1,579,927)	(967,952)	(1,327,251)	(1,348,601)
Administrative expenses	(209)	(260)	(248)	(15,407)
Net change in plan fiduciary net position	3,152,224	4,534,474	19,035	2,428,550
Plan fiduciary net position, beginning of year	<u>24,600,283</u>	<u>20,065,809</u>	<u>20,046,774</u>	<u>17,618,224</u>
Plan fiduciary net position, end of year	<u>\$ 27,752,507</u>	<u>\$ 24,600,283</u>	<u>\$ 20,065,809</u>	<u>\$ 20,046,774</u>
County's Net OPEB Liability - Ending	<u>\$ 12,078,487</u>	<u>\$ 6,437,001</u>	<u>\$ 13,121,881</u>	<u>\$ 46,101,826</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	69.68%	79.26%	60.46%	30.31%
Covered Payroll	\$ 11,783,235	\$ 12,316,538	\$ 12,718,123	\$ 14,257,669
County's Net OPEB Liability as a Percentage of Covered Payroll	102.5%	52.3%	103.2%	323.3%

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

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

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

ST. CLAIR COUNTY, MICHIGAN

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

	Plan Year **		
	2021	2020	2019
Total OPEB Liability			
Service Cost	\$ 2,304,584	\$ 1,507,259	\$ 1,974,046
Interest	4,713,653	5,143,667	5,041,371
Changes in benefit terms	-	-	-
Changes of assumptions	(16,571,142)	25,734,091	(4,809,621)
Differences between expected and actual experience	(31,209,348)	(2,294,007)	(1,857,711)
Benefit payments, including refunds	(3,675,146)	(3,407,736)	(3,216,148)
Change in total OPEB liability	(44,437,399)	26,683,274	(2,868,063)
Total OPEB liability, beginning of year	<u>120,378,302</u>	<u>93,695,028</u>	<u>96,563,091</u>
Total OPEB liability, end of year	<u>\$ 75,940,903</u>	<u>\$ 120,378,302</u>	<u>\$ 93,695,028</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,922,597	\$ 2,475,409	\$ 2,686,003
Contributions - Member	378,810	402,509	413,961
Net investment income	6,327,834	6,327,947	7,864,780
Benefit payments, including refunds	(3,675,146)	(3,407,736)	(3,216,148)
Administrative expenses	(1,181)	(433)	(564)
Other	917	6,787	7,433
Net change in plan fiduciary net position	5,953,831	5,804,483	7,755,465
Plan fiduciary net position, beginning of year	<u>56,987,538</u>	<u>51,183,055</u>	<u>43,427,590</u>
Plan fiduciary net position, end of year	<u>\$ 62,941,369</u>	<u>\$ 56,987,538</u>	<u>\$ 51,183,055</u>
County's Net OPEB Liability - Ending	<u>\$ 12,999,534</u>	<u>\$ 63,390,764</u>	<u>\$ 42,511,973</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	82.88%	47.34%	54.63%
Covered Payroll	\$ 27,245,660	\$ 31,487,706	\$ 31,771,895
County's Net OPEB Liability as a Percentage of Covered Payroll	47.7%	201.3%	133.8%

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

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

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

2018	2017
\$ 4,749,618	\$ 4,331,219
7,426,229	7,268,730
(76,361,668)	-
(16,230,723)	9,312,448
(11,659,639)	884,442
(4,038,722)	(4,106,202)
(96,114,905)	17,690,637
<u>192,677,996</u>	<u>174,987,359</u>
<u>\$ 96,563,091</u>	<u>\$ 192,677,996</u>
\$ 2,869,913	\$ 2,368,393
424,156	443,110
(1,433,342)	5,055,064
(4,038,722)	(4,106,202)
(564)	(36,627)
-	-
(2,178,559)	3,723,738
<u>45,606,149</u>	<u>41,882,411</u>
<u>\$ 43,427,590</u>	<u>\$ 45,606,149</u>
<u>\$ 53,135,501</u>	<u>\$ 147,071,847</u>
44.97%	23.67%
\$ 32,739,763	\$ 35,368,535
162.3%	415.8%

ST. CLAIR COUNTY, MICHIGAN

**RETIREE HEALTH BENEFITS
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>Actuarially determined contributions</u>	<u>Contributions in relation to the actuarially determined contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
PRIMARY GOVERNMENT					
2021	\$ 3,891,144	\$ 1,306,023	\$ 2,585,121	\$ 15,462,425	8.45%
2020	4,862,296	995,689	3,866,607	16,594,822	6.00%
2019	4,205,510	986,546	3,218,964	19,455,357	5.07%
2018	4,013,767	959,219	3,054,548	20,021,640	4.79%
COMPONENT UNITS					
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**

	Actuarially determined contributions	Contributions in relation to the actuarially determined contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of covered employee payroll
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	9 years for 2021
Asset valuation method	5-year smoothed market value
Inflation	2.0%, 2018 - 2.8%, 2017 - 3.0%
Salary increases	2.25-7.00% for 2019 and after; 3.5- 8.0% Road Commission and Community Mental Health for prior years
Investment rate of return	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, 2021**

	<u>General</u>	<u>Budget Incentive</u>	<u>Development Revolving</u>	<u>Combined General</u>
Assets:				
Cash and cash equivalents	\$ 99,508	\$ 1,056,340	\$ -	\$ 1,155,848
Investments	9,115,085	-	-	9,115,085
Receivables, net of allowance -				
Property taxes	2,045,435	-	-	2,045,435
Interest and accounts	523,522	-	-	523,522
Due from other governmental units	2,919,403	-	227,662	3,147,065
Long-term notes receivable	312,134	-	-	312,134
Advances to component units	940,000	-	-	940,000
Prepayments and deposits	22,160	-	-	22,160
	<u>\$ 15,977,247</u>	<u>\$ 1,056,340</u>	<u>\$ 227,662</u>	<u>\$ 17,261,249</u>
Liabilities:				
Accounts payable	\$ 840,024	\$ -	\$ -	\$ 840,024
Accrued liabilities	1,207,535	-	-	1,207,535
Due to other governmental units	1,512	-	-	1,512
Due to other funds	1,500,000	-	-	1,500,000
Bonds and restitution payable	869,333	-	-	869,333
	<u>4,418,404</u>	<u>-</u>	<u>-</u>	<u>4,418,404</u>
Deferred Inflows of Resources:				
Unavailable revenue -				
Property taxes	44,431	-	-	44,431
Grants/fees	277,107	-	-	277,107
	<u>321,538</u>	<u>-</u>	<u>-</u>	<u>321,538</u>
Fund Balances:				
Nonspendable -				
Long-term notes receivable/advances	1,252,134	-	227,662	1,479,796
Prepayments	22,160	-	-	22,160
Committed	-	1,056,340	-	1,056,340
Unassigned	9,963,011	-	-	9,963,011
	<u>11,237,305</u>	<u>1,056,340</u>	<u>227,662</u>	<u>12,521,307</u>
Total Fund Balances	<u>11,237,305</u>	<u>1,056,340</u>	<u>227,662</u>	<u>12,521,307</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,977,247</u>	<u>\$ 1,056,340</u>	<u>\$ 227,662</u>	<u>\$ 17,261,249</u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMBINED GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>General</u>	<u>Budget Incentive</u>	<u>Development Revolving</u>	<u>Eliminations</u>	<u>Combined General</u>
Revenues:					
Taxes	\$ 35,458,315	\$ -	\$ -	\$ -	\$ 35,458,315
Licenses and permits	283,514	-	-	-	283,514
Intergovernmental	13,435,212	-	-	-	13,435,212
Charges for services	7,594,110	-	-	-	7,594,110
Fines and forfeits	331,625	-	-	-	331,625
Interest and rent	769,841	-	-	-	769,841
Other	1,646,473	-	-	-	1,646,473
Total Revenues	<u>59,519,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,519,090</u>
Expenditures:					
Current -					
Legislative	1,402,640	-	-	-	1,402,640
General Government	12,711,915	45,870	-	-	12,757,785
Judicial	11,288,203	5,185	-	-	11,293,388
Public Safety	26,255,753	-	-	-	26,255,753
Public Works	1,380,285	-	-	-	1,380,285
Health and Welfare	2,064,561	-	-	-	2,064,561
Community and Economic Development	647,269	-	152,822	-	800,091
Debt Service -					
Principal	347,065	-	-	-	347,065
Interest	147,588	-	-	-	147,588
Total Expenditures	<u>56,245,279</u>	<u>51,055</u>	<u>152,822</u>	<u>-</u>	<u>56,449,156</u>
Revenues over (under) expenditures	<u>3,273,811</u>	<u>(51,055)</u>	<u>(152,822)</u>	<u>-</u>	<u>3,069,934</u>
Other Financing Sources (Uses):					
Issuance of debt	427,400	-	-	-	427,400
Transfers from other funds	2,785,897	-	-	(24,617)	2,761,280
Transfers to other funds	<u>(6,246,299)</u>	<u>(24,617)</u>	<u>(171,369)</u>	<u>24,617</u>	<u>(6,417,668)</u>
Total Other Financing Sources (Uses)	<u>(3,033,002)</u>	<u>(24,617)</u>	<u>(171,369)</u>	<u>-</u>	<u>(3,228,988)</u>
Net Change in Fund Balance	240,809	(75,672)	(324,191)	-	(159,054)
Fund Balance at beginning of year	<u>10,996,496</u>	<u>1,132,012</u>	<u>551,853</u>	<u>-</u>	<u>12,680,361</u>
Fund Balance at end of year	<u>\$ 11,237,305</u>	<u>\$ 1,056,340</u>	<u>\$ 227,662</u>	<u>\$ -</u>	<u>\$ 12,521,307</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, 2021**

	Amended Budget	Actual	Variance with Actual Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
General Government	\$ 144,000	\$ 45,870	\$ 98,130
Judicial	6,000	5,185	815
Total Expenditures	<u>150,000</u>	<u>51,055</u>	<u>98,945</u>
 Other Financing Uses:			
Transfers to other funds	<u>-</u>	<u>(24,617)</u>	<u>(24,617)</u>
 Net Change in Fund Balance	(150,000)	(75,672)	74,328
 Fund Balance at beginning of year	<u>1,132,012</u>	<u>1,132,012</u>	<u>-</u>
 Fund Balance at end of year	<u><u>\$ 982,012</u></u>	<u><u>\$ 1,056,340</u></u>	<u><u>\$ 74,328</u></u>

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SPECIAL REVENUE FUNDS (continued)

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

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

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

DEBT SERVICE FUNDS

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

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

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

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

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

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

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

CAPITAL PROJECTS FUNDS

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

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

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

ST. CLAIR COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Special Revenue Funds					
	Friend of Court	Convention Center	Drug Law Enforcement	Health Department	HUD Housing	CDBG Housing
Assets:						
Cash and cash equivalents	\$ 352,703	\$ 747,390	\$ 589,236	\$ 6,865,256	\$ 95,311	\$ 172,149
Investments	500,000	-	-	-	-	-
Receivables, net of allowance -						
Property taxes	-	-	-	-	-	-
Interest and accounts	887	2,088	297	519,564	149,572	803,562
Due from other						
governmental units	58,633	-	-	376,427	-	-
Long-term notes receivable	-	-	-	-	-	-
Total Assets	\$ 912,223	\$ 749,478	\$ 589,533	\$ 7,761,247	\$ 244,883	\$ 975,711
Liabilities:						
Accounts payable	\$ 500	\$ 96,887	\$ 44	\$ 70,190	\$ -	\$ -
Accrued liabilities	3,862	-	-	119,447	-	-
Advances and deposits	-	63,946	-	-	-	-
Due to other						
governmental units	-	-	-	306,060	-	41,636
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	66,031	-	-
Total Liabilities	4,362	160,833	44	561,728	-	41,636
Deferred Inflows of Resources:						
Unavailable revenue -						
Delinquent property taxes	-	-	-	-	-	-
Lease contract/revolving						
loans	-	-	-	-	149,572	511,926
Grants/fees	500	-	-	218,217	-	-
Taxes levied for a						
subsequent period	-	-	-	-	-	-
Total Deferred Inflows of Resources	500	-	-	218,217	149,572	511,926
Fund Balances:						
Restricted	907,361	-	589,489	502,119	95,311	422,149
Committed	-	588,645	-	6,479,183	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	907,361	588,645	589,489	6,981,302	95,311	422,149
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 912,223	\$ 749,478	\$ 589,533	\$ 7,761,247	\$ 244,883	\$ 975,711

Special Revenue Funds

Human Services	CARES Act	Child Care	Indigent Defense	Veterans' Millage	E - 911	Deeds Automation	Local Corrections and Training
\$ 42,167	\$ -	\$ 1,431,013	\$ 742,180	\$ 412,865	\$ -	\$ 359,699	\$ 49,422
-	-	-	-	-	-	-	-
-	-	-	-	632,671	-	-	-
-	-	31	-	-	-	300	-
-	-	665,762	-	882	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 42,167</u>	<u>\$ -</u>	<u>\$ 2,096,806</u>	<u>\$ 742,180</u>	<u>\$ 1,046,418</u>	<u>\$ -</u>	<u>\$ 359,999</u>	<u>\$ 49,422</u>
\$ -	\$ -	\$ 128,827	\$ 21,118	\$ 5,704	\$ -	\$ -	\$ 1,575
317	-	56,892	34,299	6,389	-	1,966	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	605,146	-	-	-	-
<u>317</u>	<u>-</u>	<u>185,719</u>	<u>660,563</u>	<u>12,093</u>	<u>-</u>	<u>1,966</u>	<u>1,575</u>
-	-	-	-	1,024	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	664,520	-	-	-
-	-	-	-	665,544	-	-	-
-	-	-	81,617	368,781	-	358,033	47,847
41,850	-	1,911,087	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>41,850</u>	<u>-</u>	<u>1,911,087</u>	<u>81,617</u>	<u>368,781</u>	<u>-</u>	<u>358,033</u>	<u>47,847</u>
<u>\$ 42,167</u>	<u>\$ -</u>	<u>\$ 2,096,806</u>	<u>\$ 742,180</u>	<u>\$ 1,046,418</u>	<u>\$ -</u>	<u>\$ 359,999</u>	<u>\$ 49,422</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Special Revenue Funds				Debt Service Funds	
	Family	Concealed	Animal	Prosecutor's	Communications	
	Counseling	Pistol	Control	Drug	Series B	Series 2009
		Licensing	Donations	Forfeitures		
Assets:						
Cash and cash equivalents	\$ 132,430	\$ 401,081	\$ 18,990	\$ 206,768	\$ -	\$ 18,477
Investments	-	-	-	-	-	-
Receivables, net of allowance -						
Property taxes	-	-	-	-	-	-
Interest and accounts	-	5,400	500	3,750	-	-
Due from other						
governmental units	-	-	-	-	-	-
Long-term notes receivable	-	-	-	-	-	-
Total Assets	\$ 132,430	\$ 406,481	\$ 19,490	\$ 210,518	\$ -	\$ 18,477
Liabilities:						
Accounts payable	\$ 596	\$ -	\$ -	\$ 409	\$ -	\$ -
Accrued liabilities	-	391	-	-	-	-
Advances and deposits	-	-	-	-	-	-
Due to other						
governmental units	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	596	391	-	409	-	-
Deferred Inflows of Resources:						
Unavailable revenue -						
Delinquent property taxes	-	-	-	-	-	-
Lease contract/revolving						
loans	-	-	-	-	-	-
Grants/fees	-	-	-	-	-	-
Taxes levied for a						
subsequent period	-	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-	-
of Resources	-	-	-	-	-	-
Fund Balances:						
Restricted	131,834	406,090	19,490	210,109	-	18,477
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	131,834	406,090	19,490	210,109	-	18,477
Total Liabilities, Deferred						
Inflows of Resources,						
and Fund Balances	\$ 132,430	\$ 406,481	\$ 19,490	\$ 210,518	\$ -	\$ 18,477

Debt Service Funds				Capital Projects Funds		
Mental Health Building	Building Authority	Convention Center	Jail/Juvenile Facility	Public Improvement	Municipal Building	Total
\$ 610	\$ -	\$ 48,905	\$ 3,505	\$ 6,310,060	\$ 95,454	\$ 19,095,671
-	-	-	-	-	-	500,000
-	-	-	-	-	-	632,671
-	-	32,750	-	75,831	170	1,594,702
-	-	-	-	-	-	1,101,704
<u>4,275,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,275,000</u>
<u>\$ 4,275,610</u>	<u>\$ -</u>	<u>\$ 81,655</u>	<u>\$ 3,505</u>	<u>\$ 6,385,891</u>	<u>\$ 95,624</u>	<u>\$ 27,199,748</u>
\$ -	\$ -	\$ -	\$ -	\$ 115,044	\$ 272	\$ 441,166
-	-	-	-	-	-	223,563
-	-	-	-	-	-	63,946
-	-	-	-	-	-	347,696
-	-	-	-	-	-	-
-	-	-	-	-	-	671,177
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,044</u>	<u>272</u>	<u>1,747,548</u>
-	-	-	-	-	-	1,024
4,275,000	-	-	-	-	-	4,936,498
-	-	2,893	-	74,500	-	296,110
-	-	-	-	-	-	664,520
<u>4,275,000</u>	<u>-</u>	<u>2,893</u>	<u>-</u>	<u>74,500</u>	<u>-</u>	<u>5,898,152</u>
610	-	78,762	3,505	6,196,347	-	10,437,931
-	-	-	-	-	95,352	9,116,117
-	-	-	-	-	-	-
<u>610</u>	<u>-</u>	<u>78,762</u>	<u>3,505</u>	<u>6,196,347</u>	<u>95,352</u>	<u>19,554,048</u>
<u>\$ 4,275,610</u>	<u>\$ -</u>	<u>\$ 81,655</u>	<u>\$ 3,505</u>	<u>\$ 6,385,891</u>	<u>\$ 95,624</u>	<u>\$ 27,199,748</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, 2021**

	Special Revenue Funds					
	Friend of Court	Convention Center	Drug Law Enforcement	Health Department	HUD Housing	CDBG Housing
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	397,272	-	-
Intergovernmental	261,153	-	-	5,188,079	-	-
Charges for services	41,650	226,035	-	2,495,575	-	-
Fines and forfeits	-	-	140,635	-	-	-
Interest and rent	1,453	39,617	-	-	-	359
Other	3,495	1,625	660	212,282	-	64,342
Total Revenues	307,751	267,277	141,295	8,293,208	-	64,701
Expenditures:						
Current -						
Judicial	228,706	-	-	-	-	-
General Government	-	-	-	-	-	-
Public Safety	-	-	124,298	-	-	-
Health and Welfare	-	-	-	8,216,654	-	6,567
Recreation and Cultural	-	852,173	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debit Service -						
Principal	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-
Total Expenditures	228,706	852,173	124,298	8,216,654	-	6,567
Revenues over (under) expenditures	79,045	(584,896)	16,997	76,554	-	58,134
Other Financing Sources (Uses):						
Sale of capital assets	-	-	51,072	-	-	-
Transfers from other funds	-	584,861	-	1,724,688	-	-
Transfers to other funds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	584,861	51,072	1,724,688	-	-
Net Change in Fund Balances	79,045	(35)	68,069	1,801,242	-	58,134
Fund Balances at beginning of year	828,316	588,680	521,420	5,180,060	95,311	364,015
Fund Balances at end of year	<u>\$ 907,361</u>	<u>\$ 588,645</u>	<u>\$ 589,489</u>	<u>\$ 6,981,302</u>	<u>\$ 95,311</u>	<u>\$ 422,149</u>

Special Revenue Funds

Human Services	CARES Act	Child Care	Indigent Defense	Veterans' Millage	E - 911	Deeds Automation	Local Corrections and Training
\$ -	\$ -	\$ -	\$ -	\$ 641,873	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	656,835	2,559,813	1,257,865	46,229	-	-	-
-	-	73,666	86,596	-	1,341,944	182,745	23,066
-	-	-	-	-	-	-	-
-	-	-	-	64	-	83	-
-	-	2,855	-	5,451	-	-	-
-	656,835	2,636,334	1,344,461	693,617	1,341,944	182,828	23,066
-	-	-	2,256,247	-	-	-	-
-	-	-	-	-	-	181,891	-
-	-	-	-	-	-	-	13,408
22,050	-	4,863,971	-	637,041	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
22,050	-	4,863,971	2,256,247	637,041	-	181,891	13,408
(22,050)	656,835	(2,227,637)	(911,786)	56,576	1,341,944	937	9,658
-	-	-	-	-	-	-	-
29,001	-	2,482,008	579,439	-	-	-	-
-	-	-	-	-	(1,341,944)	-	-
29,001	-	2,482,008	579,439	-	(1,341,944)	-	-
6,951	656,835	254,371	(332,347)	56,576	-	937	9,658
34,899	(656,835)	1,656,716	413,964	312,205	-	357,096	38,189
\$ 41,850	\$ -	\$ 1,911,087	\$ 81,617	\$ 368,781	\$ -	\$ 358,033	\$ 47,847

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Special Revenue Funds				Debt Service Funds	
	Family	Concealed	Animal	Prosecutor's	Communications	
	Counseling	Pistol	Control	Drug	Series B	Series 2009
		Licensing	Donations	Forfeitures		
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	115,809	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	14,148	-	-	19,125	15,678	-
Fines and forfeits	-	-	-	25,498	-	-
Interest and rent	-	-	-	-	-	-
Other	-	-	15,377	130	-	-
Total Revenues	14,148	115,809	15,377	44,753	15,678	-
Expenditures:						
Current -						
Judicial	6,378	-	-	-	-	-
General Government	-	54,049	-	-	-	-
Public Safety	-	-	20,298	30,714	-	-
Health and Welfare	-	-	-	-	-	-
Recreation and Cultural	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debit Service -						
Principal	-	-	-	-	415,000	245,000
Interest and charges	-	-	-	-	8,300	41,201
Total Expenditures	6,378	54,049	20,298	30,714	423,300	286,201
Revenues over (under) expenditures	7,770	61,760	(4,921)	14,039	(407,622)	(286,201)
Other Financing Sources (Uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	3,854
Transfers to other funds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	3,854
Net Change in Fund Balances	7,770	61,760	(4,921)	14,039	(407,622)	(282,347)
Fund Balances at beginning of year	124,064	344,330	24,411	196,070	407,622	300,824
Fund Balances at end of year	\$ 131,834	\$ 406,090	\$ 19,490	\$ 210,109	\$ -	\$ 18,477

Debt Service Funds				Capital Projects Funds		
Mental Health Building	Building Authority	Convention Center	Jail/Juvenile Facility	Public Improvement	Municipal Building	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 641,873
-	-	-	-	-	-	513,081
-	-	-	-	117,469	-	10,087,443
-	-	-	-	25,000	-	4,545,228
-	-	-	-	-	24,575	190,708
1,006,250	-	-	-	-	-	1,047,826
-	-	259,229	-	127,640	-	693,086
<u>1,006,250</u>	<u>-</u>	<u>259,229</u>	<u>-</u>	<u>270,109</u>	<u>24,575</u>	<u>17,719,245</u>
-	-	-	-	-	-	2,491,331
-	-	-	-	-	-	235,940
-	-	-	-	-	-	188,718
-	-	-	-	-	-	13,746,283
-	-	-	-	-	-	852,173
-	-	-	-	1,819,006	13,692	1,832,698
795,000	745,000	230,000	1,775,000	-	-	4,205,000
211,250	9,126	277,019	351,016	-	-	897,912
<u>1,006,250</u>	<u>754,126</u>	<u>507,019</u>	<u>2,126,016</u>	<u>1,819,006</u>	<u>13,692</u>	<u>24,450,055</u>
-	(754,126)	(247,790)	(2,126,016)	(1,548,897)	10,883	(6,730,810)
-	-	-	-	68,648	-	119,720
-	-	171,369	2,126,017	1,331,163	-	9,032,400
-	(3,854)	-	-	-	-	(1,345,798)
-	(3,854)	171,369	2,126,017	1,399,811	-	7,806,322
-	(757,980)	(76,421)	1	(149,086)	10,883	1,075,512
610	757,980	155,183	3,504	6,345,433	84,469	18,478,536
<u>\$ 610</u>	<u>\$ -</u>	<u>\$ 78,762</u>	<u>\$ 3,505</u>	<u>\$ 6,196,347</u>	<u>\$ 95,352</u>	<u>\$19,554,048</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, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
FRIEND OF COURT			
Revenues:			
Intergovernmental	\$ 256,000	\$ 261,153	\$ 5,153
Charges for services	40,000	41,650	1,650
Interest and rent	5,100	1,453	(3,647)
Other	3,000	3,495	495
Total Revenues	<u>304,100</u>	<u>307,751</u>	<u>3,651</u>
Expenditures:			
Judicial	<u>239,932</u>	<u>228,706</u>	<u>11,226</u>
Net Change in Fund Balance	64,168	79,045	14,877
Fund Balance at beginning of year	<u>828,316</u>	<u>828,316</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 892,484</u>	<u>\$ 907,361</u>	<u>\$ 14,877</u>

CONVENTION CENTER

Revenues:			
Charges for services	\$ 173,482	\$ 226,035	\$ 52,553
Interest and rent	61,911	39,617	(22,294)
Other	-	1,625	1,625
Total Revenues	<u>235,393</u>	<u>267,277</u>	<u>31,884</u>
Expenditures:			
Recreation and Cultural	<u>875,252</u>	<u>852,173</u>	<u>23,079</u>
Revenues under expenditures	(639,859)	(584,896)	54,963
Other Financing Sources:			
Transfers from other funds	<u>639,859</u>	<u>584,861</u>	<u>(54,998)</u>
Net Change in Fund Balance	-	(35)	(35)
Fund Balance at beginning of year	<u>588,680</u>	<u>588,680</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 588,680</u>	<u>\$ 588,645</u>	<u>\$(35)</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, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
DRUG LAW ENFORCEMENT			
Revenues:			
Fines and forfeits	\$ 105,000	\$ 140,635	\$ 35,635
Other	<u>50,000</u>	<u>660</u>	<u>(49,340)</u>
Total Revenues	155,000	141,295	(13,705)
Expenditures:			
Public Safety	<u>150,000</u>	<u>124,298</u>	<u>25,702</u>
Revenues over expenditures	5,000	16,997	11,997
Other Financing Sources:			
Sale of capital assets	<u>-</u>	<u>51,072</u>	<u>51,072</u>
Net Change in Fund Balance	5,000	68,069	63,069
Fund Balance at beginning of year	<u>521,420</u>	<u>521,420</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 526,420</u></u>	<u><u>\$ 589,489</u></u>	<u><u>\$ 63,069</u></u>

HEALTH DEPARTMENT			
Revenues:			
Licenses and permits	\$ 291,024	\$ 397,272	\$ 106,248
Intergovernmental	5,832,526	5,188,079	(644,447)
Charges for services	924,969	2,495,575	1,570,606
Other	<u>113,840</u>	<u>212,282</u>	<u>98,442</u>
Total Revenues	7,162,359	8,293,208	1,130,849
Expenditures:			
Health and Welfare	<u>8,887,047</u>	<u>8,216,654</u>	<u>670,393</u>
Revenues over (under) expenditures	(1,724,688)	76,554	1,801,242
Other Financing Sources:			
Transfers from other funds	<u>1,724,688</u>	<u>1,724,688</u>	<u>-</u>
Net Change in Fund Balance	-	1,801,242	1,801,242
Fund Balance at beginning of year	<u>5,180,060</u>	<u>5,180,060</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 5,180,060</u></u>	<u><u>\$ 6,981,302</u></u>	<u><u>\$ 1,801,242</u></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><u>\$ 95,311</u></u>	<u><u>\$ 95,311</u></u>	<u><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, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
CDBG HOUSING			
Revenues:			
Interest	\$ -	\$ 359	\$ 359
Other	<u>55,000</u>	<u>64,342</u>	<u>9,342</u>
Total Revenues	55,000	64,701	9,701
Expenditures:			
Health and Welfare	<u>20,000</u>	<u>6,567</u>	<u>13,433</u>
Net Change in Fund Balance	35,000	58,134	23,134
Fund Balance at beginning of year	<u>364,015</u>	<u>364,015</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 399,015</u>	<u>\$ 422,149</u>	<u>\$ 23,134</u>

HUMAN SERVICES			
Expenditures:			
Health and Welfare	\$ 29,001	\$ 22,050	\$ 6,951
Other Financing Sources:			
Transfers from other funds	<u>29,001</u>	<u>29,001</u>	<u>-</u>
Net Change in Fund Balance	-	6,951	6,951
Fund Balance at beginning of year	<u>34,899</u>	<u>34,899</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 34,899</u>	<u>\$ 41,850</u>	<u>\$ 6,951</u>

CARES ACT			
Revenues:			
Intergovernmental	<u>\$ 656,835</u>	<u>\$ 656,835</u>	<u>\$ -</u>
Net Change in Fund Balance	656,835	656,835	-
Fund Balance at beginning of year	<u>(656,835)</u>	<u>(656,835)</u>	<u>-</u>
Fund Balance at end of year	<u>\$ -</u>	<u>\$ -</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, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
CHILD CARE			
Revenues:			
Intergovernmental	\$ 3,030,222	\$ 2,559,813	\$(470,409)
Charges for services	-	73,666	73,666
Other	<u>74,000</u>	<u>2,855</u>	<u>(71,145)</u>
Total Revenues	<u>3,104,222</u>	<u>2,636,334</u>	<u>(467,888)</u>
Expenditures:			
Health and Welfare	<u>5,625,027</u>	<u>4,863,971</u>	<u>761,056</u>
Revenues under expenditures	(2,520,805)	(2,227,637)	293,168
Other Financing Sources:			
Transfers from other funds	<u>2,482,108</u>	<u>2,482,008</u>	<u>(100)</u>
Net Change in Fund Balance	(38,697)	254,371	293,068
Fund Balance at beginning of year	<u>1,656,716</u>	<u>1,656,716</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,618,019</u></u>	<u><u>\$ 1,911,087</u></u>	<u><u>\$ 293,068</u></u>
INDIGENT DEFENSE			
Revenues:			
Intergovernmental	\$ 2,039,111	\$ 1,257,865	\$(781,246)
Charges for services	<u>170,000</u>	<u>86,596</u>	<u>(83,404)</u>
Total Revenues	<u>2,209,111</u>	<u>1,344,461</u>	<u>(864,650)</u>
Expenditures:			
Judicial	<u>2,788,550</u>	<u>2,256,247</u>	<u>532,303</u>
Revenues under expenditures	(579,439)	(911,786)	(332,347)
Other Financing Sources:			
Transfers from other funds	<u>579,439</u>	<u>579,439</u>	<u>-</u>
Net Change in Fund Balance	-	(332,347)	(332,347)
Fund Balance at beginning of year	<u>413,964</u>	<u>413,964</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 413,964</u></u>	<u><u>\$ 81,617</u></u>	<u><u>\$(332,347)</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, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
VETERANS' MILLAGE			
Revenues:			
Taxes	\$ 646,245	\$ 641,873	\$(4,372)
Intergovernmental	46,229	46,229	-
Interest and rent	100	64	(36)
Other	5,500	5,451	(49)
Total Revenues	<u>698,074</u>	<u>693,617</u>	<u>(4,457)</u>
Expenditures:			
Health and Welfare	<u>704,134</u>	<u>637,041</u>	<u>67,093</u>
Net Change in Fund Balance	(6,060)	56,576	62,636
Fund Balance at beginning of year	<u>312,205</u>	<u>312,205</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 306,145</u>	<u>\$ 368,781</u>	<u>\$ 62,636</u>
E - 911			
Revenues:			
Charges for services	\$ 1,344,000	\$ 1,341,944	\$(2,056)
Other Financing Uses:			
Transfers to other funds	<u>(1,344,000)</u>	<u>(1,341,944)</u>	<u>2,056</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	\$ 184,000	\$ 182,745	\$(1,255)
Fines and forfeits	1,000	-	(1,000)
Interest	-	83	83
Total Revenues	<u>185,000</u>	<u>182,828</u>	<u>(2,172)</u>
Expenditures:			
General Government	<u>206,368</u>	<u>181,891</u>	<u>24,477</u>
Net Change in Fund Balance	(21,368)	937	22,305
Fund Balance at beginning of year	<u>357,096</u>	<u>357,096</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 335,728</u>	<u>\$ 358,033</u>	<u>\$ 22,305</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, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
LOCAL CORRECTIONS AND TRAINING			
Revenues:			
Charges for services	\$ 25,000	\$ 23,066	\$(1,934)
Expenditures:			
Public Safety	<u>20,000</u>	<u>13,408</u>	<u>6,592</u>
Net Change in Fund Balance	5,000	9,658	4,658
Fund Balance at beginning of year	<u>38,189</u>	<u>38,189</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 43,189</u></u>	<u><u>\$ 47,847</u></u>	<u><u>\$ 4,658</u></u>

FAMILY COUNSELING

Revenues:			
Charges for services	\$ 15,000	\$ 14,148	\$(852)
Expenditures:			
Judicial	<u>10,000</u>	<u>6,378</u>	<u>3,622</u>
Net Change in Fund Balance	5,000	7,770	2,770
Fund Balance at beginning of year	<u>124,064</u>	<u>124,064</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 129,064</u></u>	<u><u>\$ 131,834</u></u>	<u><u>\$ 2,770</u></u>

CONCEALED PISTOL LICENSING

Revenues:			
Licenses and permits	\$ 125,000	\$ 115,809	\$(9,191)
Expenditures:			
General Government	<u>65,651</u>	<u>54,049</u>	<u>11,602</u>
Net Change in Fund Balance	59,349	61,760	2,411
Fund Balance at beginning of year	<u>344,330</u>	<u>344,330</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 403,679</u></u>	<u><u>\$ 406,090</u></u>	<u><u>\$ 2,411</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, 2021**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
ANIMAL CONTROL DONATIONS			
Revenues:			
Other	\$ 25,000	\$ 15,377	\$(9,623)
Expenditures:			
Public Safety	<u>25,000</u>	<u>20,298</u>	<u>4,702</u>
Net Change in Fund Balance	-	(4,921)	(4,921)
Fund Balance at beginning of year	<u>24,411</u>	<u>24,411</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 24,411</u></u>	<u><u>\$ 19,490</u></u>	<u><u>\$(4,921)</u></u>

PROSECUTOR'S DRUG FORFEITURES

Revenues:			
Charges for services	\$ 15,000	\$ 19,125	\$ 4,125
Fines and forfeits	25,000	25,498	498
Other	<u>-</u>	<u>130</u>	<u>130</u>
Total Revenues	<u>40,000</u>	<u>44,753</u>	<u>4,753</u>
Expenditures:			
Public Safety	<u>40,000</u>	<u>30,714</u>	<u>9,286</u>
Net Change in Fund Balance	-	14,039	14,039
Fund Balance at beginning of year	<u>196,070</u>	<u>196,070</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 196,070</u></u>	<u><u>\$ 210,109</u></u>	<u><u>\$ 14,039</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, 2021

	Sheriff's Concession	Homestead Exemption Audits	School Tax Collection	Total
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 640,087	\$ 53,318	\$ 114,595	\$ 808,000
Interest and accounts receivable, net of allowance	62,093	-	-	62,093
Total Assets	702,180	53,318	114,595	870,093
Liabilities:				
Current Liabilities:				
Accounts payable	16,712	-	-	16,712
Accrued expenses	1,085	-	-	1,085
Total Liabilities	17,797	-	-	17,797
Net Position:				
Unrestricted	\$ 684,383	\$ 53,318	\$ 114,595	\$ 852,296

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Sheriff's Concession</u>	<u>Homestead Exemption Audits</u>	<u>School Tax Collection</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 927,274	\$ 381	\$ -	\$ 927,655
Other	7,897	-	-	7,897
Total Operating Revenues	<u>935,171</u>	<u>381</u>	<u>-</u>	<u>935,552</u>
Operating Expenses:				
Personal services	97,621	-	-	97,621
Supplies	7,607	-	-	7,607
Other services	683,315	30	-	683,345
Total Operating Expenses	<u>788,543</u>	<u>30</u>	<u>-</u>	<u>788,573</u>
Operating Income	146,628	351	-	146,979
Non-Operating Revenues:				
Interest revenue	<u>1,661</u>	<u>686</u>	<u>-</u>	<u>2,347</u>
Change in Net Position	148,289	1,037	-	149,326
Net Position at beginning of year	<u>536,094</u>	<u>52,281</u>	<u>114,595</u>	<u>702,970</u>
Net Position at end of year	<u>\$ 684,383</u>	<u>\$ 53,318</u>	<u>\$ 114,595</u>	<u>\$ 852,296</u>

ST. CLAIR COUNTY, MICHIGAN

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<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	\$ 1,022,463	\$ 381	\$ -	\$ 1,022,844
Cash payments to suppliers	(713,318)	(30)	-	(713,348)
Cash payments to employees	(86,599)	-	-	(86,599)
Cash payments for interfund services	(11,591)	-	-	(11,591)
Net Cash Provided by Operating Activities	<u>210,955</u>	<u>351</u>	<u>-</u>	<u>211,306</u>
Cash Flows From Investing Activities:				
Interest	<u>1,661</u>	<u>686</u>	<u>-</u>	<u>2,347</u>
Net Increase in Cash and Cash Equivalents	212,616	1,037	-	213,653
Cash and Cash Equivalents at Beginning of Year	<u>427,471</u>	<u>52,281</u>	<u>114,595</u>	<u>594,347</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 640,087</u></u>	<u><u>\$ 53,318</u></u>	<u><u>\$ 114,595</u></u>	<u><u>\$ 808,000</u></u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 146,628	\$ 351	\$ -	\$ 146,979
Adjustments to reconcile operating income to net cash provided by operating activities				
Change in assets and liabilities:				
Accounts receivable	87,292	-	-	87,292
Accounts payable	(22,396)	-	-	(22,396)
Accrued expenses	(569)	-	-	(569)
Net Cash Provided by Operating Activities	<u><u>\$ 210,955</u></u>	<u><u>\$ 351</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 211,306</u></u>

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the County for the other parties (either as a trustee or as an agent) that cannot be, or are not, used to finance the County's own operating programs.

Pension and Other Employee Benefits Trust Funds:

Basic Retirement System – is used to account for employer and employee pension contributions, investment income, accumulated assets and payments to beneficiaries including retiree health care.

Other Postemployment Benefits – is used to account for employer and employee contributions, investment income, accumulated assets and payment for post-employment benefits other than pension.

The Pension and Other Employee Benefits Trust Funds are accounted for in essentially the same manner as Proprietary Funds, but with an important expanded emphasis on net position restricted for pension and other post-employment benefits.

Custodial Funds:

Treasurer – is used to account for taxes collected, public guardian, and court costs collected by the County on behalf of individuals, private organizations, or other governments.

Clerk – is used to account for transfer taxes collected and court costs collected by the County on behalf of the State.

Penal Fines – is used to account for the portion of fines that are collected by the 72nd District Court and distributed to libraries within St. Clair County.

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
DECEMBER 31, 2021**

	<u>Basic Retirement System</u>	<u>Other Postemployment Benefits</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 20,722,740	\$ 5,176,742	\$ 25,899,482
Investments, at fair value -			
U.S. Government/Agencies	20,893,033	-	20,893,033
Corporate Debt	13,544,227	6,851,955	20,396,182
Stocks	44,256,330	24,589,764	68,846,094
Mortgage-backed securities	17,433,092	-	17,433,092
Mutual Funds	150,822,095	26,056,827	176,878,922
Partnerships	29,170,360	-	29,170,360
Certificates of Deposit	-	209,556	209,556
Receivables -			
Interest and dividends	224,820	60,188	285,008
Other	199,080	10,795	209,875
	<u>297,265,777</u>	<u>62,955,827</u>	<u>360,221,604</u>
Liabilities:			
Accounts payable	404,526	14,458	418,984
Accrued liabilities	2,074	-	2,074
	<u>406,600</u>	<u>14,458</u>	<u>421,058</u>
Net Position:			
Restricted for pension benefits	296,859,177	-	296,859,177
Restricted for other postemployment benefits	-	62,941,369	62,941,369
	<u>\$ 296,859,177</u>	<u>\$ 62,941,369</u>	<u>\$ 359,800,546</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, 2021**

	Basic Retirement System			
	Member Contributions	Employer Contributions	Pension Payments	Total
Additions:				
Contributions				
Member contributions	\$ 1,889,965	\$ -	\$ -	\$ 1,889,965
Employer contributions	-	7,717,981	-	7,717,981
Total contributions	<u>1,889,965</u>	<u>7,717,981</u>	<u>-</u>	<u>9,607,946</u>
Investment income				
Net appreciation in fair value of investments	-	31,460,979	-	31,460,979
Interest/Dividends	-	5,976,098	-	5,976,098
Less investment expense	-	(645,222)	-	(645,222)
Net investment income	<u>-</u>	<u>36,791,855</u>	<u>-</u>	<u>36,791,855</u>
Other	-	5,018	-	5,018
Total Additions	<u>1,889,965</u>	<u>44,514,854</u>	<u>-</u>	<u>46,404,819</u>
Deductions:				
Retirement payroll	-	-	17,230,316	17,230,316
Health/dental insurance	-	-	-	-
Death benefits	-	-	49,000	49,000
Employee refunds	32,012	-	-	32,012
Administration	-	159,517	-	159,517
Total Deductions	<u>32,012</u>	<u>159,517</u>	<u>17,279,316</u>	<u>17,470,845</u>
Net Increase (Decrease) before Transfers	1,857,953	44,355,337	(17,279,316)	28,933,974
Interfund Transfers In (Out):				
Retirees obligation	(2,449,376)	(2,469,439)	4,918,815	-
Interest	619,311	(26,692,984)	26,073,673	-
Net Increase	27,888	15,192,914	13,713,172	28,933,974
Net Position Restricted for Pension Benefits and Other Postemployment Benefits:				
Beginning of year	<u>31,706,587</u>	<u>62,387,583</u>	<u>173,831,033</u>	<u>267,925,203</u>
End of year	<u>\$ 31,734,475</u>	<u>\$ 77,580,497</u>	<u>\$ 187,544,205</u>	<u>\$ 296,859,177</u>

Other Postemployment Benefits	Total
\$ 378,810	\$ 2,268,775
<u>2,922,597</u>	<u>10,640,578</u>
<u>3,301,407</u>	<u>12,909,353</u>
5,601,496	37,062,475
892,528	6,868,626
(166,190)	(811,412)
<u>6,327,834</u>	<u>43,119,689</u>
<u>917</u>	<u>5,935</u>
<u>9,630,158</u>	<u>56,034,977</u>
-	17,230,316
3,550,767	3,550,767
-	49,000
124,379	156,391
1,181	160,698
<u>3,676,327</u>	<u>21,147,172</u>
5,953,831	34,887,805
-	-
<u>-</u>	<u>-</u>
5,953,831	34,887,805
<u>56,987,538</u>	<u>324,912,741</u>
<u>\$ 62,941,369</u>	<u>\$ 359,800,546</u>

ST. CLAIR COUNTY, MICHIGAN

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2021**

	<u>Treasurer</u>	<u>Clerk</u>	<u>Penal Fines</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 2,686,876	\$ 1,631,828	\$ 5,063	\$ 4,323,767
Investments	17,120	-	-	17,120
Accounts receivable	299,653	16,611	2,908	319,172
Due from other governmental units	<u>100,338</u>	<u>-</u>	<u>-</u>	<u>100,338</u>
 Total Assets	 <u>3,103,987</u>	 <u>1,648,439</u>	 <u>7,971</u>	 <u>4,760,397</u>
Liabilities:				
Due to other governmental units	145,350	883,452	2,285	1,031,087
Due to individual and agencies	2,291,600	764,987	5,686	3,062,273
Undistributed taxes	<u>667,037</u>	<u>-</u>	<u>-</u>	<u>667,037</u>
 Total Liabilities	 <u>3,103,987</u>	 <u>1,648,439</u>	 <u>7,971</u>	 <u>4,760,397</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, 2021**

	<u>Treasurer</u>	<u>Clerk</u>	<u>Penal Fines</u>	<u>Total</u>
Additions:				
Penal fines	\$ -	\$ -	\$ 15,213	\$ 15,213
Court costs	1,048,078	579,315	-	1,627,393
Transfer taxes collected	-	6,730,607	-	6,730,607
Concealed weapon permit fees	-	130,941	-	130,941
Taxes collected	70,426,398	-	-	70,426,398
Public Guardian trust receipts	5,935,067	-	-	5,935,067
Other collections	279,606	100	-	279,706
	<u>77,689,149</u>	<u>7,440,963</u>	<u>15,213</u>	<u>85,145,325</u>
Total Additions				
Deductions:				
Penal fines paid to libraries	-	-	15,213	15,213
Court costs paid to State	1,048,078	579,315	-	1,627,393
Transfer taxes paid to State	-	6,730,607	-	6,730,607
Concealed weapon permit fees paid to State	-	130,941	-	130,941
Taxes paid to other entities	70,426,398	-	-	70,426,398
Payments made on behalf of public guardian clients	5,935,067	-	-	5,935,067
Other	279,606	100	-	279,706
	<u>77,689,149</u>	<u>7,440,963</u>	<u>15,213</u>	<u>85,145,325</u>
Total Deductions				
Net Increase (Decrease)	-	-	-	-
Net Position:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

ST. CLAIR COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance January 1, 2021	Additions	Disposals/ Adjustments	Balance December 31, 2021
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
General County:				
Land	\$ 13,394,807	\$ 1,617,459	\$ -	\$ 15,012,266
Land improvements	9,620,098	-	-	9,620,098
Buildings	99,599,745	1,161,091	-	100,760,836
Equipment -				
Machinery	18,914,417	1,364,003	506,235	19,772,185
Marine	1,883,895	36,325	5,000	1,915,220
Vehicles	3,139,962	664,935	357,248	3,447,649
Books	6,296,614	284,567	194,848	6,386,333
	<u>152,849,538</u>	<u>5,128,380</u>	<u>1,063,331</u>	<u>156,914,587</u>
Less - Accumulated depreciation	<u>(72,153,295)</u>	<u>(5,157,603)</u>	<u>(1,044,175)</u>	<u>(76,266,723)</u>
	80,696,243	(29,223)	19,156	80,647,864
Construction in progress	<u>1,076,947</u>	<u>181,296</u>	<u>1,258,243</u>	<u>-</u>
Total Capital Assets, Net	<u><u>\$ 81,773,190</u></u>	<u><u>\$ 152,073</u></u>	<u><u>\$ 1,277,399</u></u>	<u><u>\$ 80,647,864</u></u>

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

ST. CLAIR COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2021**

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Equipment</u>
Judicial:				
Circuit Court	\$ 5,090	\$ -	\$ 5,090	\$ -
District Court	800,804	50,051	615,544	135,209
Friend of Court	303,704	-	104,983	198,721
Courthouse Security	40,859	-	-	40,859
Public Improvement	691,635	5,900	446,397	239,338
	<u>1,842,092</u>	<u>55,951</u>	<u>1,172,014</u>	<u>614,127</u>
General Government:				
Administrator/Controller	8,832,183	970,215	7,791,034	70,934
Communications	549,616	-	-	549,616
Information Technology	367,132	-	-	367,132
Clerk	62,247	-	32,524	29,723
Register of Deeds	86,399	-	14,700	71,699
Equalization	52,125	-	-	52,125
Prosecuting Attorney	26,714	-	-	26,714
Human Resources	13,702	-	-	13,702
Property Description	16,341	-	-	16,341
County Treasurer	7,500	-	7,500	-
Buildings and Grounds	184,449	-	67,027	117,422
Public Improvement	2,445,326	797,883	447,367	1,200,076
Drain Commissioner	263,503	12,286	-	251,217
MIDC	22,905	-	-	22,905
	<u>12,930,142</u>	<u>1,780,384</u>	<u>8,360,152</u>	<u>2,789,606</u>
Public Safety:				
Sheriff and Patrol	1,459,994	-	-	1,459,994
Marine Law Enforcement	2,047,428	-	-	2,047,428
Jail	46,788,004	103,335	45,636,761	1,047,908
Radio/Communications	11,573,956	-	376,203	11,197,753
Secondary Road Patrol	50,866	-	-	50,866
Energy Efficiency	465,696	-	465,696	-
Emergency Services	1,661,022	9,142	345,106	1,306,774
Hazardous Materials Handling	969,527	60,895	477,340	431,292
Animal Shelter	382,854	-	302,420	80,434
Drug Task Force	700,952	24,900	140,200	535,852
Public Improvement	1,342,140	8,700	186,167	1,147,273
	<u>67,442,439</u>	<u>206,972</u>	<u>47,929,893</u>	<u>19,305,574</u>

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2021**

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Equipment</u>
Health and Welfare:				
Veterans Counselor	\$ 14,013	\$ -	\$ 8,323	\$ 5,690
Medical Examiner	1,171,962	10,890	1,034,027	127,045
Day Treatment/Night Watch	1,874,709	132,407	1,548,944	193,358
Health Department	1,662,503	81,920	1,290,431	290,152
Child Care - Welfare	5,299	-	-	5,299
Motor Pool	144,264	-	-	144,264
Public Improvement	590,884	204,573	325,951	60,360
	<u>5,463,634</u>	<u>429,790</u>	<u>4,207,676</u>	<u>826,168</u>
Recreation and Cultural:				
Parks and Recreation	29,249,536	20,359,088	7,586,077	1,304,371
Public Library	7,673,835	111,759	889,004	6,673,072
Public Improvement	115,854	-	107,385	8,469
	<u>37,039,225</u>	<u>20,470,847</u>	<u>8,582,466</u>	<u>7,985,912</u>
General:				
Land and improvements	1,688,420	1,688,420	-	-
Buildings	30,508,635	-	30,508,635	-
	<u>32,197,055</u>	<u>1,688,420</u>	<u>30,508,635</u>	<u>-</u>
Total General Capital Assets	156,914,587	24,632,364	100,760,836	31,521,387
Less: Accumulated depreciation	<u>(76,266,723)</u>	<u>(5,683,073)</u>	<u>(46,872,999)</u>	<u>(23,710,651)</u>
	80,647,864	18,949,291	53,887,837	7,810,736
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>\$ 80,647,864</u>	<u>\$ 18,949,291</u>	<u>\$ 53,887,837</u>	<u>\$ 7,810,736</u>

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

(Concluded)

ST. CLAIR COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance January 1, 2021	Additions	Disposals/ Adjustments	Balance December 31, 2021
Judicial:				
Circuit Court	\$ -	\$ 5,090	\$ -	\$ 5,090
District Court	790,347	10,457	-	800,804
Friend of Court	303,704	-	-	303,704
Courthouse Security	40,859	-	-	40,859
Public Improvement	768,690	-	(77,055)	691,635
Total Judicial	1,903,600	15,547	(77,055)	1,842,092
General Government:				
Administrator/Controller	8,819,356	12,827	-	8,832,183
Communications	549,616	-	-	549,616
Information Technology	346,452	51,744	(31,064)	367,132
Clerk/Register	29,723	32,524	-	62,247
Register of Deeds	86,399	-	-	86,399
Equalization	46,225	5,900	-	52,125
Prosecuting Attorney	26,714	-	-	26,714
Human Resources	-	13,702	-	13,702
Property Description	16,341	-	-	16,341
County Treasurer	7,500	-	-	7,500
Buildings and Grounds	189,984	-	(5,535)	184,449
Public Improvement	2,666,063	-	(220,737)	2,445,326
Drain Commissioner	257,813	5,690	-	263,503
MIDC	5,690	17,215	-	22,905
Total General Government	13,047,876	139,602	(257,336)	12,930,142
Public Safety:				
Sheriff and Patrol	957,867	603,316	(101,189)	1,459,994
Marine Law Enforcement	1,928,147	124,281	(5,000)	2,047,428
Jail	46,162,311	625,693	-	46,788,004
Radio/Communications	11,420,542	153,414	-	11,573,956
Secondary Road Patrol	50,866	-	-	50,866
Energy Efficiency	465,696	-	-	465,696
Emergency Preparedness	1,675,633	6,480	(21,091)	1,661,022
Hazardous Materials Handling	969,527	-	-	969,527
Animal Shelter	361,741	21,113	-	382,854
Drug Task Force	692,851	29,336	(21,235)	700,952
Public Improvement	1,681,258	-	(339,118)	1,342,140
Total Public Safety	66,366,439	1,563,633	(487,633)	67,442,439

(Continued)

ST. CLAIR COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance January 1, 2021	Additions	Disposals/ Adjustments	Balance December 31, 2021
Health and Welfare:				
Veterans Counselor	\$ 14,013	\$ -	\$ -	\$ 14,013
Medical Examiner	143,878	1,049,169	(21,085)	1,171,962
Day Treatment/Night Watch	1,836,809	37,900	-	1,874,709
Health Department	1,625,794	36,709	-	1,662,503
Child Care - Welfare	5,299	-	-	5,299
Motor Pool	144,264	-	-	144,264
Public Improvement	590,884	-	-	590,884
Total Health and Welfare	<u>4,360,941</u>	<u>1,123,778</u>	<u>(21,085)</u>	<u>5,463,634</u>
Recreation and Cultural:				
Parks and Recreation	27,278,656	1,996,253	(25,373)	29,249,536
Public Library	7,579,117	289,567	(194,849)	7,673,835
Public Improvement	115,854	-	-	115,854
Total Recreation and Cultural	<u>34,973,627</u>	<u>2,285,820</u>	<u>(220,222)</u>	<u>37,039,225</u>
General:				
Land and improvements	1,688,420	-	-	1,688,420
Buildings	30,508,635	-	-	30,508,635
Total General	<u>32,197,055</u>	<u>-</u>	<u>-</u>	<u>32,197,055</u>
Construction in progress	<u>1,076,947</u>	<u>181,296</u>	<u>(1,258,243)</u>	<u>-</u>
Total Capital Assets	<u>\$ 153,926,485</u>	<u>\$ 5,309,676</u>	<u>\$(2,321,574)</u>	<u>\$ 156,914,587</u>

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

(Concluded)

DRAIN COMMISSIONER

ST. CLAIR COUNTY, MICHIGAN

**BALANCE SHEET/STATEMENT OF NET POSITION
DRAIN FUNDS
DECEMBER 31, 2021**

	<u>County Drain</u>	<u>Drain Revolving</u>	<u>Special Services</u>	<u>Drain Debt</u>
Assets:				
Cash and cash equivalents	\$ 2,824,100	\$ 212,154	\$ 10,568	\$ 3,247,261
Special assessments receivable	909,054	-	-	14,102,518
Due from other funds	-	890,000	-	-
Capital assets (net of accumulated depreciation) -				
Assets not being depreciated	-	-	-	-
Assets being depreciated	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,733,154</u>	<u>\$ 1,102,154</u>	<u>\$ 10,568</u>	<u>\$ 17,349,779</u>
Liabilities:				
Accounts payable	\$ 266,067	\$ -	\$ -	\$ -
Accrued interest	-	-	-	-
Due to other funds	890,000	-	-	-
Advances from primary government	-	940,000	-	-
Non-current liabilities				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total Liabilities	<u>1,156,067</u>	<u>940,000</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenue -				
Special Assessments	<u>909,054</u>	<u>-</u>	<u>-</u>	<u>14,102,518</u>
Fund Balances:				
Restricted	-	-	-	3,247,261
Committed	-	162,154	10,568	-
Unassigned	<u>1,668,033</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,668,033</u>	<u>162,154</u>	<u>10,568</u>	<u>3,247,261</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 3,733,154</u>	<u>\$ 1,102,154</u>	<u>\$ 10,568</u>	<u>\$ 17,349,779</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>
\$ 163,797	\$ 6,457,880	\$ -	\$ 6,457,880
-	15,011,572	-	15,011,572
-	890,000	(890,000)	-
-	-	4,286,522	4,286,522
-	-	41,655,793	41,655,793
<u>\$ 163,797</u>	<u>\$ 22,359,452</u>	<u>45,052,315</u>	<u>67,411,767</u>
\$ 3,926	\$ 269,993	-	269,993
-	-	194,606	194,606
-	890,000	(890,000)	-
-	940,000	-	940,000
-	-	3,768,870	3,768,870
-	-	15,672,156	15,672,156
<u>3,926</u>	<u>2,099,993</u>	<u>18,745,632</u>	<u>20,845,625</u>
-	15,011,572	(15,011,572)	-
-	3,247,261	(3,247,261)	-
159,871	332,593	(332,593)	-
-	1,668,033	(1,668,033)	-
<u>159,871</u>	<u>5,247,887</u>	<u>(5,247,887)</u>	<u>-</u>
<u>\$ 163,797</u>	<u>\$ 22,359,452</u>		
		25,611,289	25,611,289
		18,954,227	18,954,227
		<u>2,000,626</u>	<u>2,000,626</u>
		<u>\$ 46,566,142</u>	<u>\$ 46,566,142</u>

ST. CLAIR COUNTY, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET FOR DRAIN FUNDS
TO THE STATEMENT OF NET POSITION OF DRAIN ACTIVITIES
DECEMBER 31, 2021**

Fund Balances - Drain Funds		\$ 5,247,887
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		58,309,403
Accumulated depreciation		(12,367,088)
Other long term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds		
Special assessments		15,011,572
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		(58,709)
Bond discount		49,817
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	\$(2,977,134)	
Bonds payable	(14,115,000)	
Clean water revolving loans	(2,340,000)	
Accrued interest on bonds/notes payable	<u>(194,606)</u>	<u>(19,626,740)</u>
Net Position of Drainage Districts		<u><u>\$ 46,566,142</u></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, 2021**

	<u>County Drain</u>	<u>Drain Revolving</u>	<u>Special Services</u>	<u>Drain Debt</u>
Revenues:				
Charges for services	\$ 1,514,602	\$ -	\$ -	\$ 2,334,837
Interest and rent	2,774	-	-	-
Other	168,435	-	-	-
Total Revenues	<u>1,685,811</u>	<u>-</u>	<u>-</u>	<u>2,334,837</u>
Expenditures/Expenses:				
Public Works	1,562,819	-	-	-
Debt Service	-	-	-	2,085,405
Total Expenditures/Expenses	<u>1,562,819</u>	<u>-</u>	<u>-</u>	<u>2,085,405</u>
Revenues over (under) expenditures	<u>122,992</u>	<u>-</u>	<u>-</u>	<u>249,432</u>
Other Financing Sources (Uses):				
Bond/note proceeds	1,548,000	-	-	-
Transfer from other funds	1,250	-	-	83,207
Transfer to other funds	<u>(179,425)</u>	<u>-</u>	<u>-</u>	<u>(1,250)</u>
Total Other Financing Sources (Uses)	<u>1,369,825</u>	<u>-</u>	<u>-</u>	<u>81,957</u>
Net Change in Fund Balance/Net Position	1,492,817	-	-	331,389
Fund Balances/Net Position at beginning of year	<u>175,216</u>	<u>162,154</u>	<u>10,568</u>	<u>2,915,872</u>
Fund Balances/Net Position at end of year	<u>\$ 1,668,033</u>	<u>\$ 162,154</u>	<u>\$ 10,568</u>	<u>\$ 3,247,261</u>

<u>Equipment</u>	<u>Total</u>	<u>GASB No. 34 Adjustments</u>	<u>Statement of Activities</u>
\$ -	\$ 3,849,439	\$ (171,565)	\$ 3,677,874
-	2,774	-	2,774
-	168,435	-	168,435
<u>-</u>	<u>4,020,648</u>	<u>(171,565)</u>	<u>3,849,083</u>
67,792	1,630,611	(533,002)	1,097,609
-	2,085,405	(1,510,579)	574,826
<u>67,792</u>	<u>3,716,016</u>	<u>(2,043,581)</u>	<u>1,672,435</u>
<u>(67,792)</u>	<u>304,632</u>	<u>1,872,016</u>	<u>2,176,648</u>
-	1,548,000	(1,548,000)	-
96,218	180,675	(180,675)	-
-	(180,675)	180,675	-
<u>96,218</u>	<u>1,548,000</u>	<u>(1,548,000)</u>	<u>-</u>
28,426	1,852,632	324,016	2,176,648
<u>131,445</u>	<u>3,395,255</u>	<u>40,994,239</u>	<u>44,389,494</u>
<u>\$ 159,871</u>	<u>\$ 5,247,887</u>	<u>\$ 41,318,255</u>	<u>\$ 46,566,142</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, 2021**

Net change in fund balances - Drain Fund	\$ 1,852,632
<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	1,356,641
Depreciation expense	(823,639)
<p>Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	(171,565)
<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	1,556,925
Bond/note proceeds	(1,548,000)
<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	(42,683)
Amortization of bond premium	3,454
Amortization of bond discount	<u>(7,117)</u>
Change in net position of Drainage Districts	<u>\$ 2,176,648</u>

BROWNFIELD REDEVELOPMENT AUTHORITY

ST. CLAIR COUNTY, MICHIGAN

**BALANCE SHEET/STATEMENT OF NET POSITION
BROWNFIELD REDEVELOPMENT AUTHORITY
DECEMBER 31, 2021**

	Operating	GASB No. 34 Adjustments	Statement of Net Position
Assets:			
Cash and cash equivalents	\$ 137,525	\$ -	\$ 137,525
Due from other governmental units	68,182	-	68,182
Total Assets	\$ 205,707	-	205,707
Liabilities:			
Accounts payable	\$ 36,441	-	36,441
Non-current liabilities			
Due within one year	-	44,652	44,652
Due in more than one year	-	245,750	245,750
Total Liabilities	36,441	290,402	326,843
Deferred Inflows of Resources:			
Unavailable revenue - Grants	38,169	(38,169)	-
Fund Balances:			
Unassigned	131,097	(131,097)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 205,707		
Net Position:			
Unrestricted		\$(121,136)	\$(121,136)

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, 2021**

Fund Balance - Brownfield Redevelopment Authority	\$	131,097
Amounts reported for governmental activities in the statement of net position are different because:		
Other long term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds		
Grants		38,169
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>290,402</u>)
Net Position of Brownfield Redevelopment Authority	\$	<u><u>(121,136)</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, 2021**

	<u>Operating</u>	<u>GASB No. 34 Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property taxes	\$ 105,496	\$ -	\$ 105,496
Intergovernmental	219,651	38,169	257,820
Charges for services	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Revenues	328,147	38,169	366,316
Expenditures/Expenses:			
Community and Economic Development	268,722	-	268,722
Debt Service	<u>89,598</u>	<u>(89,598)</u>	<u>-</u>
Total Expenditures/Expenses	<u>358,320</u>	<u>(89,598)</u>	<u>268,722</u>
Net Change in Fund Balance/Net Position	(30,173)	127,767	97,594
Fund Balances/Net Position at beginning of year	<u>161,270</u>	<u>(380,000)</u>	<u>(218,730)</u>
Fund Balances/Net Position at end of year	<u>\$ 131,097</u>	<u>\$(252,233)</u>	<u>\$(121,136)</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, 2021**

Net change in fund balances	\$(30,173)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	38,169
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>89,598</u>
Change in net position of Brownfield Authority	<u><u>\$ 97,594</u></u>

STATISTICAL SECTION

STATISTICAL SECTION
(Unaudited)

This part of St. Clair County, Michigan's comprehensive annual financial report presents detailed information as a context for understanding what the information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	S - 1 to S - 5
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	S - 6 to S - 9
Debt Capacity	
<i>These schedules present the information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	S - 10 to S - 13
Demographic and Economic Information	
<i>These schedules offer demographic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	S - 14 to S - 15
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	S - 16 to S - 19

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

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 1

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS - UNAUDITED
(accrual basis of accounting)
(amounts expressed in thousands)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
Net investment in capital assets	\$ 54,475	\$ 53,667	\$ 54,114	\$ 54,417	\$ 54,110	\$ 53,996	\$ 53,387	\$ 54,447	\$ 55,341	\$ 57,744
Restricted	12,905	13,540	14,037	15,230	12,682	13,472	14,983	17,886	19,891	20,456
Unrestricted	(23,262)	(27,904)	(33,040)	(45,509)	(46,735)	(52,293)	(87,523)	(45,026)	(45,590)	(46,328)
Total Governmental Activities Net Position	<u>\$ 44,118</u>	<u>\$ 39,303</u>	<u>\$ 35,111</u>	<u>\$ 24,138</u>	<u>\$ 20,057</u>	<u>\$ 15,175</u>	<u>\$ (19,153)</u>	<u>\$ 27,307</u>	<u>\$ 29,642</u>	<u>\$ 31,872</u>
Business-Type Activities										
Net investment in capital assets	\$ 14,988	\$ 14,836	\$ 17,036	\$ 16,256	\$ 15,360	\$ 13,028	\$ 13,803	\$ 17,089	\$ 16,241	\$ 17,206
Restricted	2,078	2,417	2,735	3,008	3,531	3,715	770	784	1,185	2,335
Unrestricted	28,096	31,005	31,640	31,203	30,252	30,604	32,312	31,192	31,292	29,383
Total Business-Type Activities Net Position	<u>\$ 45,162</u>	<u>\$ 48,258</u>	<u>\$ 51,411</u>	<u>\$ 50,467</u>	<u>\$ 49,143</u>	<u>\$ 47,347</u>	<u>\$ 46,885</u>	<u>\$ 49,064</u>	<u>\$ 48,718</u>	<u>\$ 48,924</u>
Primary Government										
Net investment in capital assets	\$ 69,463	\$ 68,503	\$ 71,150	\$ 70,672	\$ 69,470	\$ 67,024	\$ 67,190	\$ 71,536	\$ 71,582	\$ 74,950
Restricted	14,983	15,957	16,772	18,238	16,212	17,187	15,753	18,670	21,076	22,791
Unrestricted	4,834	3,101	(1,400)	(14,306)	(16,483)	(21,690)	(55,211)	(13,834)	(14,298)	(16,945)
Total Primary Government Net Position	<u>\$ 89,280</u>	<u>\$ 87,561</u>	<u>\$ 86,522</u>	<u>\$ 74,604</u>	<u>\$ 69,200</u>	<u>\$ 62,522</u>	<u>\$ 27,732</u>	<u>\$ 76,372</u>	<u>\$ 78,360</u>	<u>\$ 80,796</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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
Legislative	\$ 1,086	\$ 1,847	\$ 1,653	\$ 1,026	\$ 1,247	\$ 1,184	\$ 1,209	\$ 1,231	\$ 1,370	\$ 1,412
Judicial	13,140	11,213	11,302	10,953	11,635	13,965	12,393	5,486	13,313	14,272
General Government	13,832	12,685	13,734	13,311	14,840	12,038	14,755	6,055	15,320	14,625
Public Safety	34,740	29,208	28,362	28,042	29,258	32,127	32,189	9,654	32,412	33,238
Public Works	1,247	1,008	1,111	1,045	1,083	971	2,187	982	1,102	1,377
Health and Welfare	20,888	20,709	20,135	19,589	20,412	20,845	21,992	16,125	21,276	20,689
Community and Economic Development	844	788	1,015	705	592	2,605	682	719	598	795
Recreation and Culture	8,567	8,802	7,802	9,479	9,586	10,362	10,367	7,376	9,127	9,139
Interest on Long Term Debt	2,710	2,318	2,065	2,260	1,863	1,795	1,654	1,510	1,400	883
Total Governmental Activities Expenses	97,054	88,577	87,179	86,410	90,515	95,893	97,428	49,137	95,918	96,430
Business-Type Activities:										
Delinquent Revolving Tax	557	534	461	413	430	423	400	406	398	547
Airport Commission	490	1,063	1,125	1,039	925	1,088	1,070	1,024	960	1,110
Sheriff Concession	509	631	620	572	798	1,156	1,161	1,014	759	789
Solid Waste Disposal System	5,103	1,348	4,647	6,864	7,084	8,462	7,656	7,530	8,506	8,849
Total Business-Type Activities Expenses	6,659	3,576	6,853	8,888	9,237	11,129	10,286	9,974	10,623	11,295
Total Primary Government Expenses	\$ 103,713	\$ 92,153	\$ 94,032	\$ 95,298	\$ 99,753	\$ 107,022	\$ 107,714	\$ 59,112	\$ 106,541	\$ 107,725
Program Revenues										
Governmental Activities:										
Charges for Services:										
Legislative	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	2,404	2,440	2,240	2,136	1,987	1,977	1,961	2,055	1,651	1,856
General Government	4,871	5,215	4,359	4,653	4,937	5,117	5,194	4,614	5,108	5,522
Public Safety	7,446	6,828	6,133	5,244	6,264	6,320	7,493	6,554	4,699	5,129
Health and Welfare	1,663	3,076	3,211	3,527	2,543	2,997	3,057	3,791	2,942	3,685
Community and Economic Development	73	76	69	420	663	811	777	945	173	233
Recreation and Culture	1,026	1,078	1,034	1,021	783	848	768	871	618	990
Interest on Long Term Debt	394	695	676	485	970	945	933	940	815	507
Operating Grants and Contributions	15,558	14,809	13,987	13,742	14,380	17,102	15,539	16,534	23,248	18,578
Capital Grants and Contributions	1,042	1,770	2,132	1,292	641	231	96	570	254	1,541
Total Governmental Activities Program Revenues	34,477	35,988	33,841	32,520	33,168	36,348	35,818	36,873	39,508	38,041

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type Activities:										
Charges for Services:										
Delinquent Revolving Tax	\$ 1,219	\$ 1,310	\$ 1,175	\$ 1,099	\$ 1,259	\$ 920	\$ 990	\$ 925	\$ 1,319	\$ 2,055
Airport Commission	128	527	669	651	577	553	585	587	507	587
Sheriff Concession	578	643	649	603	832	1,201	1,337	1,098	851	935
School Tax Collection	-	-	-	-	-	-	-	-	-	-
Homestead Exemption Audits	-	-	-	-	1	-	-	-	-	-
Solid Waste Disposal System	4,692	4,933	5,598	7,209	6,808	8,800	8,944	8,325	9,419	9,474
Operating Grants and Contributions	159	335	137	505	68	75	112	119	371	131
Capital Grants and Contributions	24	224	3,309	314	760	-	226	3,360	171	712
Total Business-Type Activities Program Revenues	6,800	7,972	11,537	10,381	10,305	11,549	12,193	14,415	12,638	13,894
Total Primary Government Program Revenues	\$ 41,277	\$ 43,960	\$ 45,378	\$ 42,901	\$ 43,472	\$ 47,897	\$ 48,012	\$ 51,288	\$ 52,146	\$ 51,935
Net (expense)/revenue										
Governmental Activities	\$ (62,577)	\$ (52,589)	\$ (53,338)	\$ (53,890)	\$ (57,348)	\$ (59,545)	\$ (61,610)	\$ (12,264)	\$ (56,410)	\$ (58,389)
Business-Type Activities	141	4,396	4,684	1,493	1,068	421	1,907	4,440	2,015	2,599
Total Primary Government Net Expense	\$ (62,436)	\$ (48,193)	\$ (48,654)	\$ (52,397)	\$ (56,280)	\$ (59,124)	\$ (59,703)	\$ (7,824)	\$ (54,395)	\$ (55,790)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 41,670	\$ 42,145	\$ 41,955	\$ 43,235	\$ 43,557	\$ 45,983	\$ 47,282	\$ 49,197	\$ 50,785	\$ 52,528
Unrestricted Grants and Contributions	660	2,779	3,909	4,129	5,675	4,549	4,265	4,526	3,571	4,308
Unrestricted Investment Income	263	176	234	257	417	657	1,031	1,331	456	148
Interest and Penalties on Delinquent Taxes	10	9	6	11	5	14	5	4	7	5
Gain/Loss on Disposal of Capital Assets							(62)	-	408	119
Transfers	3,495	2,666	3,042	3,648	3,613	3,461	3,516	3,666	3,519	3,511
Total Governmental Activities	46,098	47,774	49,146	51,280	53,267	54,664	56,037	58,724	58,746	60,619
Business-Type Activities										
Unrestricted Investment Income	56	24	32	49	103	168	279	145	104	48
Interest and Penalties on Delinquent Taxes	2,185	1,342	1,479	1,249	1,119	1,075	1,101	1,260	1,053	1,070
Transfers	(3,495)	(2,666)	(3,042)	(3,648)	(3,613)	(3,461)	(3,516)	(3,666)	(3,519)	(3,511)
Total Business-Type Activities	(1,254)	(1,300)	(1,531)	(2,350)	(2,391)	(2,217)	(2,135)	(2,261)	(2,362)	(2,393)
Total Primary Government	\$ 44,844	\$ 46,474	\$ 47,615	\$ 48,930	\$ 50,876	\$ 52,447	\$ 53,902	\$ 56,463	\$ 56,384	\$ 58,226
Change in Net Position										
Governmental Activities	\$ (16,479)	\$ (4,815)	\$ (4,192)	\$ (2,609)	\$ (4,081)	\$ (4,881)	\$ (5,572)	\$ 46,460	\$ 2,336	\$ 2,230
Business-Type Activities	(1,113)	3,096	3,153	(857)	(1,323)	(1,796)	(228)	2,180	(347)	206
Total Primary Government	\$ (17,592)	\$ (1,719)	\$ (1,039)	\$ (3,466)	\$ (5,404)	\$ (6,678)	\$ (5,801)	\$ 48,640	\$ 1,989	\$ 2,436

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 4,408	\$ 4,736	\$ 5,452	\$ 5,766	\$ 5,800	\$ 3,063	\$ 2,567	\$ 2,389	\$ 2,189	\$ 1,502
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	686	1,093	1,364	1,353	1,438	1,548	1,303	1,235	1,132	1,056
Assigned	2,928	1,577	926	580	552	-	38	76	133	-
Unassigned	4,917	4,702	4,036	4,040	4,242	7,694	8,487	8,916	9,226	9,963
Total General Fund	<u>\$ 12,939</u>	<u>\$ 12,108</u>	<u>\$ 11,778</u>	<u>\$ 11,739</u>	<u>\$ 12,032</u>	<u>\$ 12,305</u>	<u>\$ 12,394</u>	<u>\$ 12,616</u>	<u>\$ 12,680</u>	<u>\$ 12,521</u>
All other Governmental Funds										
Restricted	\$ 19,720	\$ 18,827	\$ 14,314	\$ 14,506	\$ 15,741	\$ 16,703	\$ 18,084	\$ 20,692	\$ 22,769	\$ 21,634
Committed	2,402	2,437	3,115	3,329	3,800	3,847	5,033	3,540	7,211	9,119
Unassigned	-	-	-	-	-	-	-	-	(657)	-
Total all other Governmental Funds	<u>\$ 22,122</u>	<u>\$ 21,264</u>	<u>\$ 17,429</u>	<u>\$ 17,835</u>	<u>\$ 19,542</u>	<u>\$ 20,550</u>	<u>\$ 23,117</u>	<u>\$ 24,232</u>	<u>\$ 29,323</u>	<u>\$ 30,753</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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 41,637	\$ 42,153	\$ 41,966	\$ 43,292	\$ 43,570	\$ 45,986	\$ 47,290	\$ 49,195	\$ 50,794	\$ 52,523
Licenses and Permits	717	749	758	794	766	813	754	802	791	797
Intergovernmental	16,816	19,370	19,703	19,338	20,769	21,250	20,027	20,849	27,428	23,746
Charges for Services	12,299	12,365	11,868	11,112	12,611	13,484	14,708	14,533	11,050	12,354
Fines and Forfeits	1,366	1,530	1,356	1,273	949	987	937	1,015	823	1,042
Interest and Rent	1,079	1,648	1,681	1,786	1,893	2,117	2,567	2,983	2,165	1,849
Other	3,033	3,220	2,845	3,410	3,024	2,683	2,792	2,431	2,425	2,618
Total Revenues	76,947	81,035	80,177	81,005	83,582	87,318	89,074	91,809	95,476	94,929
Expenditures:										
Legislative	1,054	1,839	1,643	1,028	1,242	1,178	1,193	1,289	1,366	1,403
Judicial	11,262	10,462	10,383	10,543	10,696	11,499	11,226	11,872	12,656	13,785
General Government	11,957	11,145	10,958	11,436	11,575	10,879	12,199	12,298	12,991	13,000
Public Safety	25,227	25,063	23,918	24,152	24,826	26,160	26,399	28,272	28,177	29,347
Public Works	1,248	1,004	1,107	1,042	1,086	977	2,179	985	1,104	1,380
Health and Welfare	19,321	19,967	19,330	19,196	19,589	19,971	21,082	21,592	20,760	20,387
Community and Economic Development	791	790	999	717	592	2,610	661	723	596	800
Recreation and Cultural	9,150	7,986	7,695	9,229	9,176	9,927	9,409	10,279	8,756	10,183
Capital Outlay	3,501	2,180	6,270	1,966	1,313	1,086	1,364	1,132	2,443	1,833
Debt Service										
Principal	2,364	2,622	3,066	3,187	3,385	3,480	3,691	3,981	4,225	4,552
Interest/Issuance Costs	2,369	2,453	2,123	2,210	1,978	1,929	1,789	1,665	1,560	1,046
Total Expenditures	88,244	85,511	87,492	84,705	85,458	89,697	91,192	94,088	94,634	97,716
Revenues over (under) expenditures	(11,297)	(4,476)	(7,315)	(3,700)	(1,876)	(2,379)	(2,118)	(2,279)	842	(2,787)
Other Financing Sources (Uses):										
Transfers In	15,665	15,557	11,546	11,888	12,526	12,470	13,641	15,055	13,598	11,794
Transfers Out	(12,170)	(12,891)	(8,504)	(8,240)	(8,913)	(9,009)	(10,125)	(11,440)	(10,079)	(8,283)
Issuance of debt	9,622	-	107	232	263	127	1,287	178	178	427
Issuance of Refunding Bonds	24,365	5,380	-	9,280	-	1,595	-	-	13,305	-
Sale of assets									408	120
Premium on Debt	2,620	-	-	1,138	-	156	-	-	-	-
Payment to Refunding Bond Escrow Agent	(26,874)	(5,259)	-	(10,231)	-	(1,679)	-	-	(13,097)	-
Total Other Financing Sources (Uses)	13,228	2,787	3,149	4,067	3,875	3,661	4,802	3,616	4,313	4,058
Net Change in Fund Balances	\$ 1,931	\$ (1,689)	\$ (4,166)	\$ 367	\$ 2,000	\$ 1,282	\$ 2,684	\$ 1,337	\$ 5,155	\$ 1,271
Debt Service as a Percentage of Noncapital Expenditures	5.78%	6.18%	6.50%	6.63%	6.45%	6.18%	6.14%	6.18%	6.33%	5.98%

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 5

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

Fiscal Year Ended 12/31/2021	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					
2012	3,538,223,638	610,977,218	698,943,058	401,257,193	595,313,942	5,844,715,049	7.9522	11,753,145,749	49.73%
2013	3,544,001,864	567,319,100	701,020,790	399,395,970	607,263,019	5,819,000,743	7.9522	11,700,887,497	49.73%
2014	3,647,452,119	514,049,239	704,585,720	477,832,025	629,706,602	5,973,625,705	7.9522	12,020,528,102	49.70%
2015	3,866,047,148	519,097,300	729,895,238	475,635,547	711,895,854	6,302,571,087	7.9522	12,676,913,578	49.72%
2016	4,133,911,528	565,812,942	727,091,150	442,567,334	673,454,031	6,542,836,985	8.2329	13,158,800,715	49.72%
2017	4,408,301,523	594,112,810	749,080,816	447,497,500	715,405,067	6,914,397,716	8.2329	13,912,504,690	49.70%
2018	4,563,302,894	632,776,798	787,646,500	457,459,860	751,715,432	7,192,901,484	8.2329	14,447,177,908	49.79%
2019	4,926,686,250	727,881,650	881,363,100	483,262,272	782,040,598	7,801,233,870	8.2329	15,689,217,728	49.72%
2020	5,336,286,542	759,296,900	585,743,640	481,075,525	1,064,013,180	8,226,415,787	8.2329	16,517,857,736	49.80%
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%

Source: County Equalization Department

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 6

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

(Per \$1,000 of Assessed Value)

Fiscal Year	Townships**	Cities and Villages**	County								Community College	Intermediate School	Local Schools**	Total
			Operating	Senior Citizens	Drug Task Force	Library	Parks	Roads	Veterans	Total				
2012	2.55	15.06	5.3265	0.8000	0.2803	0.7000	0.4954	0.2500	0.1000	7.9522	1.89	3.43	29.78	60.66
2013	2.50	15.80	5.3265	0.8000	0.2803	0.7000	0.4954	0.2500	0.1000	7.9522	1.89	3.43	29.80	61.37
2014	2.66	16.28	5.3265	0.8000	0.2803	0.7000	0.4954	0.2500	0.1000	7.9522	1.89	3.43	30.23	62.44
2015	2.69	17.01	5.3265	0.8000	0.2803	0.7000	0.4954	0.2500	0.1000	7.9522	1.89	3.43	29.91	62.88
2016	2.72	16.57	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	8.2329	1.89	3.43	29.83	62.67
2017	2.77	16.50	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	8.2329	1.89	3.43	29.86	62.69
2018	2.90	17.27	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	8.2329	1.89	3.43	29.82	63.54
2019	2.98	17.18	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	8.2329	1.89	3.43	29.81	63.52
2020	3.07	17.10	5.3265	0.8000	0.5610	0.7000	0.4954	0.2500	0.1000	8.2329	1.89	3.43	29.95	63.67
2021	3.15	17.31	5.3153	0.7983	0.5598	0.6985	0.4944	0.2495	0.0998	8.2156	1.88	3.42	29.86	63.83

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

		2021			2012		
		Taxable Valuation	Rank	Percentage of Total Taxable Value	Taxable Valuation	Rank	Percentage of Total Taxable Value
DTE Companies	Electrical Utility	\$ 954,583,394	1	14.20%	\$ 686,159,063	1	12.52%
ITC Transmission	Electrical Transmission	115,405,215	2	1.72%	55,663,568	3	1.02%
Consumers Energy Company	Liquid Natural Gas Storage	85,128,716	3	1.27%	13,788,200	10	0.25%
Enbridge Energy	Natural Gas & Pipeline	66,028,803	4	0.98%	N/A		N/A
Semco Energy Gas Company	Gas Utility	49,935,169	5	0.74%	26,769,198	5	0.49%
Marysville Hydrocarbon LLC	Propane and Butane Storage	20,718,413	6	0.31%	N/A		N/A
Blue Water Natural Gas Holdings	Natural Gas Storage	19,142,624	7	0.28%	20,132,873	7	0.37%
New Carco Acquisition LLC	Automobile Manufacturing	19,135,299	8	0.28%	N/A		N/A
MPT of Port Huron LLC	Petroleum Distributor	12,038,632	9	0.18%	N/A		N/A
Meijer Inc.	Retail	9,710,456	10	0.14%	14,122,500	9	0.26%
Mich-Con	Gas Production	N/A	-	N/A	62,862,528	2	1.15%
ZF Industries	Automobile Manufacturing	N/A	-	N/A	43,519,100	4	0.79%
Marysville Ethanol	Gas Production	N/A	-	N/A	20,138,876	6	0.37%
Birchwood Mall	Retail	5,279,703	15	0.08%	14,852,037	8	0.27%
		<u>\$ 1,357,106,424</u>		20.18%	<u>\$ 958,007,943</u>		17.49%

Source: Equalization Department

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 8

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS - UNAUDITED

Year	Total Tax Levy	Current Tax Collections to March 1	Percentage of Levy Collected	Delinquent Tax Collections to December 31	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes **	Percentage of Delinquent Taxes to Tax Levy
2012	44,247,974	42,158,910	95.3%	1,894,263	44,053,173	99.6%	194,801	0.4%
2013	44,024,180	41,340,361	93.9%	2,491,636	43,831,996	99.6%	192,184	0.4%
2014	44,138,950	41,649,782	94.4%	2,305,638	43,955,420	99.6%	183,530	0.4%
2015	45,488,432	43,323,968	95.2%	1,981,333	45,305,300	99.6%	183,132	0.4%
2016	47,048,311	44,803,444	95.2%	2,100,442	46,903,886	99.7%	144,425	0.3%
2017	48,222,693	46,107,827	95.6%	1,987,468	48,095,295	99.7%	127,398	0.3%
2018	49,767,833	47,517,704	95.5%	2,108,820	49,626,524	99.7%	141,309	0.3%
2019	51,533,061	49,293,110	95.7%	2,058,171	51,351,281	99.6%	181,780	0.4%
2020	53,615,087	51,223,311	95.5%	2,198,612	53,421,922	99.6%	193,164	0.4%
2021	55,441,606	53,062,636	95.7%	2,221,463	55,284,099	99.7%	157,507	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	Premiums/ Discounts	General Obligation Bonds			
2012	55,665,000	3,588,472	2,518,799	6,623,535	68,395,806	1.19%	419.50
2013	53,680,000	3,311,730	2,183,303	7,041,911	66,216,944	1.14%	406.14
2014	50,935,000	3,098,484	2,016,276	7,055,760	63,105,520	1.05%	387.06
2015	47,480,000	3,028,889	2,953,413	7,497,077	60,959,379	0.96%	373.89
2016	44,385,000	3,001,226	2,685,017	8,452,477	58,523,721	0.90%	358.95
2017	41,180,000	2,823,141	2,553,994	8,757,681	55,314,816	0.82%	339.27
2018	37,825,000	3,773,915	2,265,957	8,941,711	52,806,583	0.75%	323.89
2019	34,180,000	3,438,118	1,977,920	8,930,432	48,526,470	0.67%	297.64
2020	31,345,000	3,260,730	914,723	8,529,280	44,049,733	0.55%	274.65
2021	27,140,000	3,341,065	626,686	8,034,280	39,142,031	0.49%	244.05

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 & Adjustments	Less: Amounts Available in Debt Service Funds	Total	Ratio of Net Bonded Debt to Assessed Value	Per Capita
2012	163,040	5,844,715	63,365,232	1,076,697	973,741	63,468,188	0.54	389.28
2013	163,040	5,819,001	61,522,919	801,008	1,750,395	60,573,532	0.52	371.53
2014	163,040	5,973,626	57,990,760	764,303	1,795,436	56,959,627	0.47	349.36
2015	163,040	6,302,571	54,977,077	1,415,235	1,909,191	54,483,121	0.43	334.17
2016	163,040	6,542,837	52,837,477	1,320,656	1,662,063	52,496,070	0.40	321.98
2017	163,040	6,914,398	49,937,681	1,315,841	1,445,250	49,808,272	0.36	305.50
2018	163,040	7,192,901	46,766,711	1,208,423	1,300,644	46,674,490	0.32	286.28
2019	163,040	7,801,234	43,110,432	1,101,005	972,680	43,238,757	0.28	265.20
2020	163,040	8,226,416	39,874,280	215,104	1,626,527	38,462,857	0.23	235.91
2021	160,383	8,641,855	35,174,280	92,949	101,354	35,165,875	0.20	219.26

* 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, 2021 - UNAUDITED**

Direct Debt:

Communication System - Refunding Bonds		\$ 870,000.00
Comm. Mental Health - Refunding Bonds		4,275,000
Jail Refunding Bonds		1,645,000
Jail Refunding Bonds		13,070,000
Convention Center - General Obligation Bonds		7,280,000
Drain Districts		3,341,065
Premiums, Discounts, and Adjustments		92,949
Net Direct Debt		<u>30,574,014</u>

Overlapping Debt:

Cities	\$ 101,575,790	
Townships	13,851,028	
Villages	21,332	
School Districts	351,632,906	
Intermediate School District	33,555	
Community College	<u>4,059,716</u>	<u>471,174,326</u>

Net Direct and Overlapping Debt \$ 501,748,340

Source: Debt information provided by Municipal Advisory Council of Michigan and Bendzinski and Co., Detroit, Michigan

Note: Percentage of overlap based on assessed property values.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 12

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS - UNAUDITED

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin
2012	584,459,452	60,330,169	524,129,283
2013	581,900,074	57,792,738	524,107,336
2014	597,362,571	54,797,787	542,564,784
2015	630,257,109	51,924,124	578,332,985
2016	654,283,699	48,706,882	605,576,817
2017	691,556,650	44,003,141	647,553,509
2018	719,290,148	41,598,915	677,691,233
2019	780,123,387	37,618,118	742,505,269
2020	822,641,579	34,820,834	787,820,745
2021	864,185,526	30,574,014	833,611,512

Legal Debt Margin Calculation for Fiscal Year 2021

State Equalized Value	<u>\$ 8,641,855,260</u>
Legal Debt Limit (10% of State Equalized Value)	\$ 864,185,526
Less: Total Long-Term Debt	<u>30,574,014</u>
Legal Debt Margin	<u>\$ 833,611,512</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>
2012	160,182	163,040	5,770,156	35,924	24,875	12.2
2013	160,327	163,040	5,811,259	36,254	24,184	10.6
2014	160,506	163,040	6,026,586	37,646	23,867	9.9
2015	160,025	163,040	6,326,372	39,602	23,396	7.1
2016	159,699	163,040	6,527,171	40,937	22,974	6.2
2017	159,719	163,040	6,747,630	42,381	22,497	5
2018	159,134	163,040	7,061,186	44,316	21,892	4.7
2019	159,390	163,040	7,266,059	45,662	21,479	4.9
2020	159,042	160,383	7,981,688	50,107	20,406	12.0
2021	160,229	160,383	7,981,688	50,107	20,266	5.9

Sources

- * Southeast Michigan Council of Governments
- ** U.S. Department of Commerce - Bureau of Economic Analysis. Numbers are in thousands.
- *** St. Clair County Regional Educational Service Agency
- **** Michigan Department of Labor and Economic Growth

Bold Data was not available at the time of publication, so the previous year data was used.

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 14

PRINCIPAL EMPLOYERS
PRIOR YEAR AND NINE YEARS AGO - UNAUDITED

Employer	Product/Service	2021			2011		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
McLaren Port Huron	Health Care	1,375	1	1.90%	1,750	1	2.82%
Motherson (SMR Automotive)	Manufacturing	1,054	2	1.46%	425	10	0.68%
St. Clair County	Municipal Government	983	3	1.36%	988	3	1.82%
ZF Marysville	Manufacturing	921	4	1.27%	N/A	N/A	N/A
Port Huron School District	Education	793	5	1.10%	1,111	2	1.79%
DTE Energy	Utility	747	6	1.03%	915	4	1.47%
Lake Huron Medical Center	Health Care	559	7	0.77%	770	5	1.24%
Marysville	Education	446	8	0.62%	N/A	N/A	N/A
East China School District	Education	425	9	0.59%	600	7	0.97%
US Farathane	Manufacturing	413	10	0.57%	N/A	N/A	N/A
AT & T	Utility	N/A	N/A	N/A	500	8	0.82%
Ascension River District Hospital	Health Care Services	252	21	0.35%	450	9	0.74%
Meijer (Both Marysville & Fort Gratiot)	Grocery/Retail	609	16 & 19	0.84%	650	6	1.05%
		<u>8,577</u>		<u>11.84%</u>	<u>8,159</u>		<u>13.40%</u>

Source: Economic Development Alliance of St. Clair County

*Data was not surveyed in 2012 used 2011 data for 10 year comparison

ST. CLAIR COUNTY, MICHIGAN

SCHEDULE 15

FULL - TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS - UNAUDITED

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Legislative										
Board of Commissioners	7	7	7	7	7	7	7	7	7	7
Judicial										
Circuit Court	13	13	13	12	12	12	13	13	13	14
District Court	27	27	28	27	27	27	28	28	28	28
Courthouse Security	7	5	5	5	5	5	5	5	5	5
Friend of the Court	35	32	32	33	33	33	35	37	37	37
Probate Court - Adult	9	9	9	9	10	10	11	11	10	11
Probate Court - Juvenile	19	17	17	15	15	16	14	14	14	14
Probation - Adult	8	8	8	8	8	8	7	9	9	10
General Government										
Administrator/Controller	3	3	3	4	4	4	4	4	4	4
Elections	1	1	0	0	0	0	0	0	0	1
Accounting	4	4	4	4	4	4	4	4	4	4
Purchasing	2	2	2	1	1	1	1	1	1	1
Clerk	10	10	9	9	9	9	9	9	9	9
Equalization	10	9	8	8	8	8	8	9	9	9
Human Resources	4	5	5	5	7	7	6	7	7	7
Prosecuting Attorney	25	24	24	25	26	26	28	27	28	28
Register of Deeds	2	2	2	2	2	2	2	2	2	2
Treasurer	7	7	7	7	7	7	7	8	8	8
Cooperative Extension	2	2	2	2	2	2	2	2	2	2
Information Technology	14	14	15	15	15	16	16	16	16	16
Buildings and Grounds	20	19	20	20	20	20	20	20	20	20
Drain Commissioner	8	8	7	7	7	7	6	6	6	6
Public Defender									20	23
Public Safety										
Sheriff Department	79	86	85	85	85	86	86	87	90	90
Communications	26	23	21	21	22	22	22	22	22	22
Marine Patrol	1	1	1	1	1	1	1	1	1	1
Jail	96	95	100	100	100	100	100	101	100	102
Emergency Services	3	3	3	3	3	3	3	4	4	4
Animal Control	3	3	3	3	3	3	3	5	5	5
Metropolitan Planning	5	5	5	5	6	7	7	7	7	7

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Health and Welfare										
Medical Examiner	2	2	2	2	2	2	1	1	2	0
Veterans Counselor	4	4	4	6	6	6	6	6	6	6
Public Guardian	3	3	3	4	4	5	5	5	6	8
Health Department	75	68	61	61	61	64	65	73	78	85
Child Care	48	48	42	40	40	40	40	41	42	41
Recreation and Culture										
Parks and Recreation	10	10	11	11	11	11	11	11	11	11
Library	37	37	36	37	37	35	35	35	35	37
Proprietary Activities										
Landfill	5	5	4	4	4	5	4	4	4	4
Airport	1	1	1	1	1	1	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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Judicial										
Circuit Court Cases Filed	3,764	3,843	3,616	3,721	3,638	3,732	3,650	3,623	2,197	2,979
Circuit Court Cases Dispositions	3,952	4,099	3,797	3,836	3,818	3,797	3,699	3,725	2,145	3,066
General Government										
Marriage licenses	937	937	964	963	968	970	938	832	804	947
Births Certificates	1,496	1,462	1,501	1,429	1,435	1,262	1,335	1,368	1,265	1,212
Divorces Filed	743	787	780	735	525	550	503	539	339	586
Death Certificates	1,472	1,633	1,608	1,632	1,592	1,653	1,538	1,608	1,905	2,164
Public Safety										
Inmate bookings	5,794	5,935	5,646	6,047	5,164	4,442	4,160	3,598	2,719	2,978
Dispatch Calls	123,958	122,499	119,743	116,294	114,070	118,884	126,247	141,156	116,629	133,857
Dog Licenses Issued (1)	27,023	25,719	25,600	27,019	26,405	25,582	19,570	23,727	13,379	10,230
Airport										
Take-offs and Landings (2)	18,775	27,500	25,689	26,230	26,500	27,011	27,000	25,000	15,000	27,838
Landfill										
Tons of Waste Collected	171,072	176,671	221,912	293,962	297,049	384,686	308,774	303,275	345,953	360,624

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Judicial										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	3	2	0	0	0	0	0	0	0	0
General Government										
Buildings	2	3	3	4	4	4	4	4	4	4
Vehicles	20	26	28	27	25	25	23	24	23	22
Public Safety										
Buildings	3	4	5	5	5	5	5	5	5	5
Jail Beds Available	491	491	491	491	491	491	491	491	491	491
Vehicles										
Patrol	43	41	35	35	34	39	40	34	40	40
Other	30	33	34	35	40	40	34	38	33	33
Health & Welfare										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	6	8	8	11	12	12	13	11	12	12
Recreation & Cultural										
Buildings	43	43	47	47	47	47	47	47	47	47
Vehicles	10	10	10	10	10	9	9	10	10	10
Park Acreage	562	565.25	566	568	632.78	633	633	633	633	646
Airport										
Buildings	6	7	7	7	7	7	7	7	7	7
Vehicles	2	3	2	2	2	2	2	2	2	2
Landfill										
Buildings	3	3	6	6	6	6	6	6	6	6
Vehicles	3	3	3	3	3	3	2	4	4	4

Source: Accounting Department