

Clinton
County,
Michigan



Year Ended
December 31,
2019

Financial
Statements

CLINTON COUNTY, MICHIGAN

ELECTED OFFICERS

For the Year Ended December 31, 2019

BOARD OF COMMISSIONERS

Robert Showers
Chair

Kam Washburn
Vice Chair

Adam Stacey
Bruce DeLong
Ken Mitchell

David Pohl
Dwight Washington

Ryan Wood
Administrator

Tina Ward
Treasurer

Diane Zuker
Clerk / Register of Deeds

Phil Hanses
Drain Commissioner

Charles Sherman
Prosecuting Attorney

Lawrence Jerue
Sheriff

Lisa Sullivan
Chief Circuit Court Judge

Michael Clarizio
District Court Judge

Randy Tahvonen
Circuit Court Judge

Michelle Rick
Circuit Court Judge

CLINTON COUNTY, MICHIGAN

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INDEPENDENT AUDITORS' REPORT

May 11, 2020

Board of Commissioners
Clinton County
St. Johns, Michigan 48879**Report on the Financial Statements**

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

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Clinton County Road Commission component unit, which represent 74 percent, 72 percent, and 91 percent, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Clinton County Road Commission component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons of the general fund and the major special revenue fund, for the year then ended in conformity with accounting principles general accepted in the United States of America.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated May 11, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rehmann Johnson LLC". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Ryan L. Wood
County Administrator

Craig Longnecker
Deputy Administrator



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Management's Discussion and Analysis

As management of Clinton County, we offer this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2019.

Financial Highlights

- The assets and deferred outflows of the County's primary government exceeded its liabilities and deferred inflows at the close of the fiscal year by approximately \$98.3 million (net position). Of this amount, approximately \$36.4 million (unrestricted net position) may be used to meet the government's ongoing obligations.
- The government's total net position increased by approximately \$6.0 million, or 6.5 percent over the prior year.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$41.3 million, an increase of approximately \$4.2 million, or 11.4 percent more than the prior year. Of this total, approximately \$10.6 million or 25.6 percent is classified as unassigned and available for spending at the government's discretion. Approximately \$5.6 million is assigned and approximately \$387,000 is considered nonspendable. The remaining \$24.7 million is made up of restricted funds and those committed to specific purposes by the Board of Commissioners.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was approximately \$10.6 million, an amount equal to 44.6 percent of total General Fund expenditures and transfers.
- The County's total net bonded debt (excluding drain notes), including that of the Drainage Districts and Department of Public Works component units, decreased by a net of \$376,000 or 28.9 percent during the current fiscal year.

Overview of the Financial Statements

The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position indicate 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.

Management's Discussion and Analysis

Both of the government-wide financial statements distinguish functions of Clinton County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, health and welfare, community and economic development, and recreation and cultural functions. The business-type activities primarily represent the administration of the delinquent property tax system and the building code enforcement program.

The government-wide financial statements include not only the County itself (*known as the primary government*), but also three legally separate entities: the Clinton County Road Commission, the County Drain Commissioner, and the Department of Public Works. Financial information for the *component units* is reported separately from the financial information presented for the primary government itself.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. 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.

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. 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*.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, 911 Central Dispatch, and Public Improvement funds, each of which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General, special revenue, debt service, capital projects, internal service, and enterprise funds. A budgetary comparison statement has been provided herein to demonstrate compliance with the County General Fund and the major special revenue fund.

Proprietary funds. The County maintains two types of proprietary funds: enterprise and internal service. *Enterprise funds* report the same functions as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the Delinquent Tax Revolving fund which is considered to be a major fund. Data from the other nonmajor enterprise funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.

Internal service funds account for and allocate costs internally among the County's various functions. The County uses nine internal service funds to account for the following functions: management information services, central stores, telecommunications, vehicle purchases, drain equipment, and employee benefits. Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

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.

Management's Discussion and Analysis

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information, including combining statements of the nonmajor governmental funds, nonmajor enterprise funds, and internal service funds information.

Government-wide Financial Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 57,856,472	\$ 49,042,603	\$ 14,169,974	\$ 13,458,962	\$ 72,026,446	\$ 62,501,565
Capital assets, net	30,388,998	30,991,399	26,670	43,875	30,415,668	31,035,274
Total assets	88,245,470	80,034,002	14,196,644	13,502,837	102,442,114	93,536,839
Deferred outflows of resources	448,904	6,226,180	-	-	448,904	6,226,180
Long-term liabilities	1,191,690	1,169,249	14,217	9,493	1,205,907	1,178,742
Other liabilities	1,121,351	3,976,796	218,658	14,082	1,340,009	3,990,878
Total liabilities	2,313,041	5,146,045	232,875	23,575	2,545,916	5,169,620
Deferred inflows of resources	2,017,995	2,306,239	-	-	2,017,995	2,306,239
Net position						
Investment in capital assets	30,388,998	30,991,399	26,670	43,875	30,415,668	31,035,274
Restricted	31,551,318	27,966,965	-	-	31,551,318	27,966,965
Unrestricted	22,423,022	19,849,534	13,937,099	13,435,387	36,360,121	33,284,921
Total net position	\$ 84,363,338	\$ 78,807,898	\$ 13,963,769	\$ 13,479,262	\$ 98,327,107	\$ 92,287,160

As noted previously, net position serves over time as a useful indicator of a government's financial position. In the case of Clinton County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$98.3 million at the close of the fiscal year.

The County's net position includes approximately \$30.4 million in capital assets comprised of land, buildings, vehicles, and equipment less accumulated depreciation and any outstanding related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Certain other limitations on the use of net position apply due primarily to legal restrictions. Restrictions on net position total approximately \$31.6 million. The remaining balance of unrestricted net position (\$36.4 million or 37.0 percent) may be used to meet the government's ongoing obligations.

Management's Discussion and Analysis

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenue:						
Charges for services	\$ 5,866,726	\$ 5,537,356	\$ 1,605,196	\$ 2,224,532	\$ 7,471,922	\$ 7,761,888
Operating grants and contributions	3,345,244	2,770,553	-	-	3,345,244	2,770,553
General revenues:						
Property taxes	16,698,555	15,978,095	-	-	16,698,555	15,978,095
State revenue sharing	1,797,851	1,727,776	-	-	1,797,851	1,727,776
Investment earnings	982,889	608,726	196,244	129,989	1,179,133	738,715
911 Surcharge	2,493,539	2,542,328	-	-	2,493,539	2,542,328
Gain on disposal of capital assets	23,307	27,525	-	-	23,307	27,525
Total revenues	31,208,111	29,192,359	1,801,440	2,354,521	33,009,551	31,546,880
Expenses						
General government	11,585,615	10,389,940	-	-	11,585,615	10,389,940
Public safety	10,902,729	10,347,858	-	-	10,902,729	10,347,858
Public works	466,684	421,037	-	-	466,684	421,037
Health and welfare	2,033,732	2,045,484	-	-	2,033,732	2,045,484
Community and economic development	433,375	419,885	-	-	433,375	419,885
Recreation and cultural	294,545	284,226	-	-	294,545	284,226
Other	319,991	311,120	-	-	319,991	311,120
Delinquent tax collection and other business-type activities	-	-	932,933	845,980	932,933	845,980
Total expenses	26,036,671	24,219,550	932,933	845,980	26,969,604	25,065,530
Change in net position before transfers	5,171,440	4,972,809	868,507	1,508,541	6,039,947	6,481,350
Transfers	384,000	384,000	(384,000)	(384,000)	-	-
Change in net position	5,555,440	5,356,809	484,507	1,124,541	6,039,947	6,481,350
Net position:						
Beginning of year	78,807,898	74,378,883	13,479,262	12,354,721	92,287,160	86,733,604
Restatement for GASB 75	-	(927,794)	-	-	-	(927,794)
End of Year	\$ 84,363,338	\$ 78,807,898	\$ 13,963,769	\$ 13,479,262	\$ 98,327,107	\$ 92,287,160

Governmental Activities

The preceding table shows that the net position of governmental activities increased by approximately \$5.6 million or 7.0 percent during 2019. This is similar to the increase of \$5.4 million in 2018.

Management's Discussion and Analysis

Business-Type Activities

Net position of the County's business-type activities increased by \$484,507 in 2019.

Financial Analysis of the Government's 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. At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$41.3 million. This represents an increase of approximately \$4.2 million in comparison with the prior year. This increase is mainly due to a positive variance of General fund revenue over expenditures, transfers to the Public Improvement Fund from the Delinquent Tax Revolving fund and an increase in the fund balance of 911 Central Dispatch Fund.

Approximately \$10.6 million or 25.6 percent of total fund balance is classified as unassigned and available for spending at the government's discretion. Approximately \$5.6 million is assigned and approximately \$387,000 is considered nonspendable. The remaining \$24.7 million is made up of restricted funds and those committed for specific purposes by the Board of Commissioners.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the total fund balance was approximately \$18.5 million, the unassigned fund balance of the General Fund was approximately \$10.6 million, an amount equal to 44.6 percent of total General Fund expenditures and transfers. This level of General Fund unassigned fund balance is consistent with the Board's desire to maintain services throughout challenging economic cycles.

The fund balance of the County's General Fund increased by approximately \$2.0 million during the current fiscal year. This increase is the net result of slightly higher revenues and significant expenditure savings in several areas of the General Fund budget. (See subsequent section entitled "General Fund Budgetary Highlights").

The 911 Central Dispatch Fund has a total fund balance of approximately \$4.4 million. The fund accounts for the collection of the 911 telephone surcharges. The primary function of Central Dispatch is to handle emergency and non-emergency requests for police, fire, and medical service, determine the dispatch needed, and dispatch the appropriate personnel to the requested location. A healthy fund balance is necessary for cash flow purposes as well as major capital improvements, which are listed in the County's five-year capital improvement plan.

The Public Improvement Fund is used to address infrastructure needs by financing capital projects. The fund currently has a total fund balance of approximately \$14.1 million. The budget document contains a five-year capital improvement plan listing all major projects, their costs, and their priority for implementation. Each year, funds are transferred into the Public Improvement Fund based on plan priorities.

General Fund Budgetary Highlights

The original General Fund total revenue budget of \$21.6 million was revised to \$24.6 million. Actual expenditures and transfers totaled only \$23.7 million or 3.8 percent under the revised budget. Actual revenues came in at \$25.7 million or slightly higher than the revised budget. Significant changes to the original budget occurred in the category of transfers to other funds and primarily consisted of \$1.6 million to the Public Improvement Fund for capital expenditures and \$1.9 million to the Retirement Fund in order to make surplus contributions.

The original to budget for tax revenue increased by \$1 million due to a better than projected actual increase of 4.4%. The intergovernmental revenue budget increased approximately \$1.1 million due primarily to a \$725,000 adjustment to state revenue sharing and \$124,000 for local community stabilization share. Charges for services revenue increased by \$882,000 due to better than anticipated collections in District Court, Jail and ROD revenue. Better than anticipated interest rates resulted in a \$600,000 increase in the interest and rents category. Conservative budgeting and cautious spending resulted in a \$636,000 savings in general government expenditures.

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital assets. As of December 31, 2019, the County's investment in capital assets, net of accumulated depreciation, totaled approximately \$30.4 million for its governmental and business-type activities. This investment in capital assets includes land and land improvements, buildings and improvements, construction in progress, vehicles, furniture, fixtures, and equipment.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and land improvements	\$ 3,116,074	\$ 3,116,074	\$ -	\$ -	\$ 3,116,074	\$ 3,116,074
Buildings and improvements	21,124,514	21,501,321	-	-	21,124,514	21,501,321
Furniture, fixtures, and equipment	5,283,617	5,592,750	8,768	12,413	5,292,385	5,605,163
Vehicles	738,504	730,838	17,902	31,462	756,406	762,300
Construction in progress	126,289	50,416	-	-	126,289	50,416
Total capital assets, net	\$ 30,388,998	\$ 30,991,399	\$ 26,670	\$ 43,875	\$ 30,415,668	\$ 31,035,274

Additional information regarding the County's capital assets can be found in Note 5 of the financial statements.

Long-term debt. At the end of the current fiscal year, the County's Drain Commission and component unit had total general obligation bonds outstanding of \$924,250 (this amount does not include the debt of the separately audited Road Commission component unit). The Department of Public Works component unit fully repaid its bonds during 2019. All of the bonds are backed by the County's full faith and credit.

Clinton County's Bond Indebtedness

	Drainage District and DPW Component Units	
	2019	2018
General obligations bonds	<u>\$ 924,250</u>	<u>\$ 1,300,250</u>

The net decrease in the County's total general obligation bonded debt was \$376,000 or 28.9 percent during the current fiscal year. The County intends to issue an \$8,000,000 bond to finance the upgrade to the new central dispatch radio system.

Standard and Poor's bond rating for both general obligation unlimited and limited tax bonds is "AA".

Additionally, the Clinton County Drainage District has long-term notes from direct borrowings and direct placements totaling \$1,286,034 at December 31, 2019 for which the County has pledged its full faith and credit. The balance on these notes payable increased by \$330,742 or 34.62 percent. The County (primary government) also has accrued compensated absences at December 31, 2019 of \$1,205,907.

The County's outstanding general obligation debt is well within its current debt limitation of \$382,028,614 (10 percent of total assessed valuation).

Additional information regarding the County's long-term debt can be found in Note 8 of the financial statements.

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the 2020 fiscal year:

- The continued uncertainty over the State's budget situation may lead to decreases in state funding.
- Low inflation is capping property tax revenue growth.
- Healthcare costs will continue to escalate at a rate higher than inflation and require continued cost containment measures.

Subsequent to December 31, 2019, the world experienced the beginning of the global COVID-19 pandemic requiring great changes in activity of the public and of governmental agencies. It is in the early stages, so we cannot quantify the effect this will have on our previous expectations. We do, however, expect that it will have a material effect on our assumptions and our operations. The County, through several years of exceptional fiscal management and a focus on preparing for the future, is comfortable that we will be able to strongly face any challenges that may arise from this new normal.

Highlights of the 2020 budget are as follows:

- Major Capital Improvements totaling \$4,995,000
- Ordinary Capital Improvements totaling \$547,500
- Continuation of the personnel hiring freeze
- General fund contingency of 1.9%

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

- Clinton County Administrative Services-Office of Accounting
- 100 East State Street, Suite 2700
- St Johns, Michigan 48879

BASIC FINANCIAL STATEMENTS

CLINTON COUNTY, MICHIGAN

Statement of Net Position

December 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 10,508,420	\$ 8,610,326	\$ 19,118,746	\$ 6,487,236
Investments	37,896,829	4,193,822	42,090,651	1,250,000
Receivables	2,533,654	1,366,273	3,899,927	5,672,072
Internal balances	652	(652)	-	-
Inventory	8,598	205	8,803	929,793
Prepays	11,917	-	11,917	161,927
Advance to component unit	250,000	-	250,000	-
Restricted cash and cash equivalents	-	-	-	157,973
Capital assets not being depreciated	3,242,363	-	3,242,363	12,272,282
Capital assets being depreciated, net	27,146,635	26,670	27,173,305	81,718,513
Net pension asset	1,985,063	-	1,985,063	-
Net other postemployment benefits asset	4,661,339	-	4,661,339	1,489,509
Total assets	88,245,470	14,196,644	102,442,114	110,139,305
Deferred outflows of resources				
Deferred pension amounts	401,012	-	401,012	3,391,628
Deferred other postemployment benefits amounts	47,892	-	47,892	266,828
Total deferred outflows of resources	448,904	-	448,904	3,658,456
Liabilities				
Accounts payable and accrued liabilities	1,110,351	218,658	1,329,009	794,292
Due to other governmental units	-	-	-	-
Unearned revenue	11,000	-	11,000	4,251,250
Performance bonds payable	-	-	-	73,928
Advance from primary government	-	-	-	250,000
Advances from State	-	-	-	275,544
Long-term liabilities:				
Due within one year	807,675	14,217	821,892	672,449
Due in more than one year	384,015	-	384,015	2,128,224
Net pension liability, due in more than one year	-	-	-	8,596,983
Total liabilities	2,313,041	232,875	2,545,916	17,042,670
Deferred inflows of resources				
Deferred pension amounts	631,821	-	631,821	291,631
Deferred other postemployment benefits amounts	1,386,174	-	1,386,174	721,370
Total deferred inflows of resources	2,017,995	-	2,017,995	1,013,001
Net position				
Net investment in capital assets	\$ 30,388,998	\$ 26,670	\$ 30,415,668	\$ 91,780,511
Restricted for:				
Public safety	18,612,765	-	18,612,765	-
Other employee benefits	4,328,022	-	4,328,022	-
Pension and OPEB benefits	5,077,311	-	5,077,311	1,034,967
Child care	2,130,689	-	2,130,689	-
Other	1,402,531	-	1,402,531	341,031
Unrestricted	22,423,022	13,937,099	36,360,121	2,585,581
Total net position	\$ 84,363,338	\$ 13,963,769	\$ 98,327,107	\$ 95,742,090

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

CLINTON COUNTY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 11,585,615	\$ 4,136,490	\$ 2,537,318	\$ -	\$ (4,911,807)
Public safety	10,902,729	1,208,428	209,384	-	(9,484,917)
Public works	466,684	460,510	-	-	(6,174)
Health and welfare	2,033,732	26,055	498,263	-	(1,509,414)
Community and economic development	433,375	32,293	77,710	-	(323,372)
Recreation and cultural	294,545	2,950	4,570	-	(287,025)
Other	319,991	-	17,999	-	(301,992)
Total governmental activities	26,036,671	5,866,726	3,345,244	-	(16,824,701)
Business-type activities:					
Delinquent tax	14,172	396,409	-	-	382,237
Other	918,761	1,208,787	-	-	290,026
Total business-type activities	932,933	1,605,196	-	-	672,263
Total primary government	\$ 26,969,604	\$ 7,471,922	\$ 3,345,244	\$ -	\$ (16,152,438)
Component units					
Drainage Districts	\$ 1,166,291	\$ 53,643	\$ -	\$ 2,041,511	\$ 928,863
Department of Public Works	3,431	-	3,431	-	-
Road Commission	12,326,481	1,258,754	8,120,045	11,809,681	8,861,999
Total component units	\$ 13,496,203	\$ 1,312,397	\$ 8,123,476	\$ 13,851,192	\$ 9,790,862

continued...

CLINTON COUNTY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net revenue (expense)	\$ (16,824,701)	\$ 672,263	\$ (16,152,438)	\$ 9,790,862
General revenues:				
Property taxes	16,698,555	-	16,698,555	-
State shared revenue	1,797,851	-	1,797,851	-
Investment/interest earnings	982,889	196,244	1,179,133	127,798
911 Surcharge	2,493,539	-	2,493,539	-
Gain on disposal of capital assets	23,307	-	23,307	102,872
Transfers - internal activities	384,000	(384,000)	-	-
Total general revenues and transfers	22,380,141	(187,756)	22,192,385	235,748
Change in net position	5,555,440	484,507	6,039,947	10,026,610
Net position, beginning of year	78,807,898	13,479,262	92,287,160	85,715,480
Net position, end of year	\$ 84,363,338	\$ 13,963,769	\$ 98,327,107	\$ 95,742,090

concluded

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

CLINTON COUNTY, MICHIGAN

Balance Sheet Governmental Funds December 31, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
		911 Central Dispatch	Public Improvement		
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 3,473,987	\$ 3,473,987
Investments	36,592,598	-	-	-	36,592,598
Receivables:					
Taxes:					
Current	699,568	-	-	-	699,568
Delinquent	15,116	-	-	-	15,116
Accounts	25,759	558,510	-	33,600	617,869
Interest	219,708	-	-	-	219,708
Due from other governments	501,551	77,195	-	310,855	889,601
Due from other funds	9,240	3,833,323	14,163,215	740,146	18,745,924
Prepays	11,917	-	-	-	11,917
Advance to other funds	125,000	-	-	-	125,000
Advance to component unit	250,000	-	-	-	250,000
Total assets	\$ 38,450,457	\$ 4,469,028	\$ 14,163,215	\$ 4,558,588	\$ 61,641,288
Liabilities					
Accounts payable	\$ 394,425	\$ 47,806	\$ 31,414	\$ 198,917	\$ 672,562
Accrued liabilities	256,695	23,885	-	35,495	316,075
Deposits payable	-	4,500	-	-	4,500
Due to other funds	18,774,650	3,277	-	4,297	18,782,224
Unearned revenue	11,000	-	-	-	11,000
Advance from other funds	-	-	-	90,000	90,000
Total liabilities	19,436,770	79,468	31,414	328,709	19,876,361
Deferred inflows of resources					
Unavailable revenue - property taxes	501,875	-	-	-	501,875
Fund balances					
Nonspendable	386,917	-	-	-	386,917
Restricted	-	4,389,560	14,131,801	3,624,624	22,145,985
Committed	2,564,262	-	-	-	2,564,262
Assigned	5,000,000	-	-	605,255	5,605,255
Unassigned	10,560,633	-	-	-	10,560,633
Total fund balances	18,511,812	4,389,560	14,131,801	4,229,879	41,263,052
Total liabilities, deferred inflows of resources and fund balances	\$ 38,450,457	\$ 4,469,028	\$ 14,163,215	\$ 4,558,588	\$ 61,641,288

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

CLINTON COUNTY, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
To Net Position of Governmental Activities
December 31, 2019

Fund balances - total governmental funds	\$ 41,263,052
Amounts reported for <i>governmental activities</i> 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 fund statement.	
Capital assets not being depreciated	3,242,363
Capital assets being depreciated, net	27,146,635
The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows or otherwise not recorded in the governmental funds, and thus are not included in fund balance.	
Unavailable revenue - property taxes	501,875
Certain pension and OPEB-related amounts, such as the net pension asset, OPEB asset and deferred amounts, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds.	
Net pension asset	1,985,063
Net other postemployment benefits asset	4,661,339
Deferred inflows related to the net pension asset	(631,821)
Deferred outflows related to the net pension asset	401,012
Deferred inflows related to net other postemployment benefits asset	(1,386,174)
Deferred outflows related to net other postemployment benefits asset	47,892
Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities.	
Net position of governmental activities accounted for in internal service funds	9,668,231
Net capital assets of internal service funds included in total capital assets above	(1,398,831)
Compensated absences of internal service funds included in total compensated absences below	54,392
Certain liabilities, such as compensated absences, are not due and payable in the current period, and therefore are not reported in the funds.	
Compensated absences	<u>(1,191,690)</u>
Net position of governmental activities	<u>\$ 84,363,338</u>

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

CLINTON COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2019

	General Fund	Special Revenue Fund 911 Central Dispatch	Capital Projects Fund Public Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 16,678,711	\$ -	\$ -	\$ -	\$ 16,678,711
Licenses and permits	148,476	-	-	42,852	191,328
Intergovernmental	3,062,465	-	-	1,725,426	4,787,891
Charges for services	3,662,866	2,503,139	-	604,645	6,770,650
Fines and forfeitures	-	-	-	14,716	14,716
Interest and rents	914,752	45,814	-	314	960,880
Other	1,253,201	37,001	3,900	422,578	1,716,680
Total revenues	25,720,471	2,585,954	3,900	2,810,531	31,120,856
Expenditures					
Current:					
General government	8,006,593	-	-	2,309,243	10,315,836
Public safety	7,714,084	1,845,687	-	18,908	9,578,679
Public works	53,783	-	-	393,703	447,486
Health and welfare	962,557	-	-	937,554	1,900,111
Community and economic development	375,025	-	-	-	375,025
Recreation and cultural	140,449	-	-	3,370	143,819
Other	319,991	-	-	-	319,991
Capital outlay	-	-	915,097	-	915,097
Total expenditures	17,572,482	1,845,687	915,097	3,662,778	23,996,044
Revenues over (under) expenditures	8,147,989	740,267	(911,197)	(852,247)	7,124,812
Other financing sources (uses)					
Transfers in	-	-	2,000,000	1,213,762	3,213,762
Transfers out	(6,114,033)	-	-	-	(6,114,033)
Total other financing sources (uses)	(6,114,033)	-	2,000,000	1,213,762	(2,900,271)
Net change in fund balances	2,033,956	740,267	1,088,803	361,515	4,224,541
Fund balances, beginning of year	16,477,856	3,649,293	13,042,998	3,868,364	37,038,511
Fund balances, end of year	\$ 18,511,812	\$ 4,389,560	\$ 14,131,801	\$ 4,229,879	\$ 41,263,052

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

CLINTON COUNTY, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
 To Change in Net Position of Governmental Activities
 For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ 4,224,541
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
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 assets purchased	1,262,843
Depreciation expense	(1,859,293)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.	
Change in unavailable revenue - property taxes	14,749
Certain 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.	
Change in net pension asset and related deferred amounts	610,838
Change in net other postemployment benefits asset and related deferred amounts	598,103
Internal service funds are used by management to charge the costs of certain activities to individual funds.	
Change in net position of internal service funds	649,223
Capital assets transactions of internal service funds included in the capital assets purchased above	(307,131)
Depreciation expense of internal service funds included in the total above	379,652
Change in accrued compensated absences of internal service funds included in the change in accrued compensated absences total below	4,356
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Change in accrued compensated absences	<u>(22,441)</u>
Change in net position of governmental activities	<u>\$ 5,555,440</u>

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

CLINTON COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - General Fund For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 15,540,000	\$ 16,540,000	\$ 16,678,711	\$ 138,711
Licenses and permits	124,500	144,500	148,476	3,976
Intergovernmental	2,147,543	3,248,880	3,062,465	(186,415)
Charges for services	2,773,380	3,655,428	3,662,866	7,438
Interest and rents	175,600	775,600	914,752	139,152
Other	880,185	1,250,361	1,253,201	2,840
Total revenues	21,641,208	25,614,769	25,720,471	105,702
Expenditures				
Current:				
General government	8,850,189	8,642,599	8,006,593	(636,006)
Public safety	7,594,994	7,829,144	7,714,084	(115,060)
Public works	61,600	61,600	53,783	(7,817)
Health and welfare	988,267	988,319	962,557	(25,762)
Community and economic development	390,054	404,704	375,025	(29,679)
Recreation and cultural	177,277	177,277	140,449	(36,828)
Other	875,807	415,684	319,991	(95,693)
Total expenditures	18,938,188	18,519,327	17,572,482	(946,845)
Revenues over expenditures	2,703,020	7,095,442	8,147,989	1,052,547
Other financing uses				
Transfers out	(2,703,020)	(6,114,033)	(6,114,033)	-
Net change in fund balance	-	981,409	2,033,956	1,052,547
Fund balance, beginning of year	16,477,856	16,477,856	16,477,856	-
Fund balance, end of year	<u>\$ 16,477,856</u>	<u>\$ 17,459,265</u>	<u>\$ 18,511,812</u>	<u>\$ 1,052,547</u>

Note: General fund budget and actual is presented at activity level in the Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance, found in the combining and individual fund financial statements and schedule section of this report, as identified in the table of contents.

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

CLINTON COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - 911 Central Dispatch For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Charges for services	\$ 2,397,635	\$ 2,397,635	\$ 2,503,139	\$ 105,504
Interest and rents	5,000	5,000	45,814	40,814
Other	29,800	29,800	37,001	7,201
Total revenues	2,432,435	2,432,435	2,585,954	153,519
Expenditures				
Public safety	1,872,508	2,102,508	1,845,687	(256,821)
Net change in fund balance	559,927	329,927	740,267	410,340
Fund balance, beginning of year	3,649,293	3,649,293	3,649,293	-
Fund balance, end of year	\$ 4,209,220	\$ 3,979,220	\$ 4,389,560	\$ 410,340

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

CLINTON COUNTY, MICHIGAN

Statement of Net Position
 Proprietary Funds
 December 31, 2019

	Business-type Activities			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets				
Cash and cash equivalents	\$ 6,748,584	\$ 1,861,742	\$ 8,610,326	\$ 7,034,433
Investments	4,193,822	-	4,193,822	1,304,231
Accounts receivable	2,730	13,259	15,989	89,302
Interest receivable	51,913	-	51,913	2,440
Delinquent taxes receivable	1,298,371	-	1,298,371	-
Inventory	-	205	205	8,598
Due from other governmental units	-	-	-	50
Due from other funds	-	-	-	47,470
Capital assets, being depreciated	2,467	24,203	26,670	1,398,831
Total assets	12,297,887	1,899,409	14,197,296	9,885,355
Liabilities				
Accounts payable	4,851	3,530	8,381	104,695
Accrued liabilities	1,431	9,096	10,527	12,519
Deposits payable	-	199,750	199,750	-
Advances from other funds	-	-	-	35,000
Due to other funds	-	652	652	10,518
Long-term liabilities:				
Due within one year	-	14,217	14,217	28,698
Due in more than one year	-	-	-	25,694
Total liabilities	6,282	227,245	233,527	217,124
Net position				
Investment in capital assets	2,467	24,203	26,670	1,398,831
Restricted for employee benefits	-	-	-	4,328,022
Unrestricted	12,289,138	1,647,961	13,937,099	3,941,378
Total net position	\$ 12,291,605	\$ 1,672,164	\$ 13,963,769	\$ 9,668,231

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

CLINTON COUNTY, MICHIGAN

Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds For the Year Ended December 31, 2019

	Business-type Activities			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues				
Interest and penalties on delinquent taxes	\$ 396,409	\$ -	\$ 396,409	\$ -
Charges for services	-	803,439	803,439	3,799,092
Sales	-	361,975	361,975	-
Rent	-	4,950	4,950	-
Other	-	38,423	38,423	214,052
Total operating revenues	396,409	1,208,787	1,605,196	4,013,144
Operating expenses				
Personnel services and fringes	-	328,015	328,015	5,837,694
Supplies	8,322	399,948	408,270	65,813
Contracted services	5,001	90,783	95,784	146,686
Depreciation	494	16,711	17,205	379,652
Other	355	83,304	83,659	290,853
Total operating expenses	14,172	918,761	932,933	6,720,698
Operating income (loss)	382,237	290,026	672,263	(2,707,554)
Nonoperating revenues				
Interest revenue	196,218	26	196,244	49,199
Gain on sale of capital assets	-	-	-	23,307
Total nonoperating revenues	196,218	26	196,244	72,506
Income (loss) before transfers	578,455	290,052	868,507	(2,635,048)
Transfers				
Transfers in	-	16,000	16,000	3,284,271
Transfers out	(400,000)	-	(400,000)	-
Total transfers	(400,000)	16,000	(384,000)	3,284,271
Change in net position	178,455	306,052	484,507	649,223
Net position, beginning of year	12,113,150	1,366,112	13,479,262	9,019,008
Net position, end of year	\$ 12,291,605	\$ 1,672,164	\$ 13,963,769	\$ 9,668,231

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

CLINTON COUNTY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2019

	Business-type Activities			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 1,819,523	\$ 1,205,419	\$ 3,024,942	\$ 3,953,695
Payments to vendors	(9,595)	(561,157)	(570,752)	(479,940)
Payment for personnel services and fringes	-	(321,014)	(321,014)	(5,841,786)
Net cash provided by (used in) operating activities	1,809,928	323,248	2,133,176	(2,368,031)
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	-	-	29,258
Capital asset purchases	-	-	-	(307,131)
Net cash provided by (used in) capital and related financing activities	-	-	-	(277,873)
Cash flows from noncapital financing activities				
Transfers in	-	16,000	16,000	3,284,271
Transfers out	(400,000)	-	(400,000)	-
Net cash provided by (used in) noncapital financing activities	(400,000)	16,000	(384,000)	3,284,271
Cash flows from investing activities				
Purchase of investments	(4,193,822)	-	(4,193,822)	(1,304,231)
Sale and maturity of investments	4,110,952	-	4,110,952	2,290,877
Interest received	196,218	26	196,244	49,199
Net cash provided by (used in) investing activities	113,348	26	113,374	1,035,845
Net change in cash and cash equivalents	1,523,276	339,274	1,862,550	1,674,212
Cash and cash equivalents, beginning of year	5,225,308	1,522,468	6,747,776	5,360,221
Cash and cash equivalents, end of year	\$ 6,748,584	\$ 1,861,742	\$ 8,610,326	\$ 7,034,433

continued...

CLINTON COUNTY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2019

	Business-type Activities			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 382,237	\$ 290,026	\$ 672,263	\$ (2,707,554)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	494	16,711	17,205	379,652
Change in operating assets and liabilities that provided (used) cash:				
Accounts receivable	1,423,114	(3,520)	1,419,594	(85,813)
Inventory	-	37	37	3,162
Due from other governments	-	-	-	40,347
Due from other funds	-	-	-	(13,983)
Accounts payable	2,883	(1,684)	1,199	(178)
Accrued liabilities	1,200	2,428	3,628	4,499
Deposits payable	-	14,375	14,375	-
Accrued compensated absences	-	4,723	4,723	4,356
Due to other funds	-	152	152	7,481
Net cash provided by (used in) operating activities	<u>\$ 1,809,928</u>	<u>\$ 323,248</u>	<u>\$ 2,133,176</u>	<u>\$ (2,368,031)</u>

concluded

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

CLINTON COUNTY, MICHIGAN

Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2019

	Post-employment Healthcare	Custodial Funds
Assets		
Cash and cash equivalents	\$ 497,493	\$ 476,417
Investments - mutual funds	14,125,321	-
Total assets	<u>14,622,814</u>	<u>476,417</u>
Liabilities		
Undistributed collections payable	-	10,334
Due to other governmental units:		
Federal/State	-	182,007
Local	-	224,025
Due to individuals and agencies	-	60,051
Total liabilities	<u>-</u>	<u>476,417</u>
Net position		
Restricted for:		
Other postemployment benefits	<u>\$ 14,622,814</u>	<u>\$ -</u>

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

CLINTON COUNTY, MICHIGAN

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended December 31, 2019

	Post- employment Healthcare	Custodial Funds
Additions		
Contributions:		
Employer portion	\$ 420,718	\$ -
Net increase in fair value of investments	2,177,703	-
State education tax collected for other governments	-	16,871,284
Real estate transfer tax collected for other governments	-	2,479,879
Fees and fines collected on behalf of other units of governments	-	1,332,393
Collections from or on behalf of inmates	-	140,319
Other taxes collected for other governments	-	253,533
Total additions	<u>2,598,421</u>	<u>21,077,408</u>
Deductions		
Retiree benefits	429,715	-
Payments of state education tax to other governments	-	16,871,284
Payments of real estate transfer tax to other governments	-	2,479,879
Fees and fines remitted to other units of government	-	1,332,393
Payments to or on behalf of inmates	-	140,319
Payments of other taxes to other governments	-	253,533
Total deductions	<u>429,715</u>	<u>21,077,408</u>
Change in net position	2,168,706	21,077,408
Net position, beginning of year	<u>12,454,108</u>	-
Net position, end of year	<u>\$ 14,622,814</u>	<u>\$ 21,077,408</u>

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

CLINTON COUNTY, MICHIGAN

Statement of Net Position

Component Units
December 31, 2019

	Drainage Districts	Department of Public Works	Road Commission	Total Component Units
Assets				
Cash and cash equivalents	\$ 711,725	\$ -	\$ 5,775,511	\$ 6,487,236
Investments	1,250,000	-	-	1,250,000
Accrued interest receivable	9,175	-	-	9,175
Accounts receivable	75,348	-	13,732	89,080
Due from other governmental units	-	-	2,238,427	2,238,427
Special assessments receivable	3,335,390	-	-	3,335,390
Inventory	-	-	929,793	929,793
Prepays	-	-	161,927	161,927
Restricted cash and cash equivalents	157,973	-	-	157,973
Assets not being depreciated	350,729	-	11,921,553	12,272,282
Assets being depreciated, net	23,225,149	-	58,493,364	81,718,513
Net other postemployment benefits asset	-	-	1,489,509	1,489,509
Total assets	29,115,489	-	81,023,816	110,139,305
Deferred outflows of resources				
Deferred pension amounts	-	-	3,391,628	3,391,628
Deferred other postemployment benefits amounts	-	-	266,828	266,828
Total deferred outflows of resources	-	-	3,658,456	3,658,456
Liabilities				
Accounts payable	132,429	-	509,171	641,600
Accrued liabilities	5,000	-	125,999	130,999
Accrued interest payable	21,693	-	-	21,693
Due to other governmental units	-	-	-	-
Unearned revenue	-	-	4,251,250	4,251,250
Performance bonds payable	-	-	73,928	73,928
Advances from primary government	250,000	-	-	250,000
Advances from State	-	-	275,544	275,544
Net pension liability, due in more than one year	-	-	8,596,983	8,596,983
Long-term liabilities:				
Due within one year	361,908	-	310,541	672,449
Due in more than one year	1,848,376	-	279,848	2,128,224
Total liabilities	2,619,406	-	14,423,264	17,042,670
Deferred inflows of resources				
Deferred pension amounts	-	-	291,631	291,631
Deferred other postemployment benefits amounts	-	-	721,370	721,370
Total deferred inflows of resources	-	-	1,013,001	1,013,001
Net position				
Net investment in capital assets	21,365,594	-	70,414,917	91,780,511
Restricted for:				
Debt service	341,031	-	-	341,031
Pension benefits	-	-	1,034,967	1,034,967
Unrestricted (deficit)	4,789,458	-	(2,203,877)	2,585,581
Total net position	\$ 26,496,083	\$ -	\$ 69,246,007	\$ 95,742,090

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

CLINTON COUNTY, MICHIGAN

Statement of Activities

Component Units

For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component units					
Drainage districts	\$ 1,166,291	\$ 53,643	\$ -	\$ 2,041,511	\$ 928,863
Department of public works	3,431	-	3,431	-	-
Road commission	12,326,481	1,258,754	8,120,045	11,809,681	8,861,999
Total component units	13,496,203	1,312,397	8,123,476	13,851,192	9,790,862

continued...

CLINTON COUNTY, MICHIGAN

Statement of Activities

Component Units
For the Year Ended December 31, 2019

	Component Units			
	Drainage Districts	Department of Public Works	Road Commission	Total
Changes in net position				
Net revenue (expense)	\$ 928,863	\$ -	\$ 8,861,999	\$ 9,790,862
General revenues:				
Investment/interest earnings	29,470	-	98,328	127,798
Gain on disposal of capital assets	-	-	102,872	102,872
Other	-	-	5,078	5,078
Total general revenues	29,470	-	206,278	235,748
Change in net position	958,333	-	9,068,277	10,026,610
Net position, beginning of year	25,537,750	-	60,177,730	85,715,480
Net position, end of year	\$ 26,496,083	\$ -	\$ 69,246,007	\$ 95,742,090

concluded

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

NOTES TO FINANCIAL STATEMENTS

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Clinton, Michigan, (the "County") was incorporated in 1839 and covers an area of approximately 571 square miles with the County seat located in the City of St. Johns. The County operates under an elected Board of Commissioners and provides services to its more than 75,300 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services. Education is provided to citizens through fifteen (15) local School Districts and seven (7) Intermediate School Districts. The School Districts are separate governmental entities whose financial statements are not included herein.

The financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to County governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County's more significant accounting policies are described below.

Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the County (primary government) and its component units. The component units described below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Blended component units, although legally separate entities, are in substance part of the County's operations, so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, 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

The Clinton County Building Authority - The Clinton County Building Authority is governed by a three (3) member Board appointed by the County Board of Commissioners. Its sole purpose is to finance and construct the County's public buildings. It would generally be reported in the debt service fund category. However, there is no activity or year-end balances to report as of December 31, 2019.

Discretely Presented Component Units

These component units are reported in a separate column to emphasize that, while legally separate, the County remains financially accountable for these entities, or the nature and significance of the relationship between these entities and the County is such that exclusion of these entities would render the financial statements misleading or incomplete.

The Postemployment Healthcare Trust Fund - The Postemployment Healthcare Trust Fund is considered a fiduciary component unit. The County created a trust fund to account for the activities of the retiree healthcare, which accumulates resources for other postemployment benefit payments to qualified retirees. The Trust fund meets the criteria of a fiduciary component unit because the trust is considered a legally separate entity. The Trust Fund Board consists of 3 members and they are appointed by the Board of Commissioners. Because the County makes contributions to the Trust fund it is considered to have a financial burden/benefit.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

The Clinton County Drainage Districts - The Clinton County Drainage Districts come under the jurisdiction of the Clinton County Drain Commissioner. This includes planning, developing, and maintaining surface water drainage systems. A complete file of finance, construction, and maintenance is maintained for each of the drains. The Drain Commissioner has authority to spend up to \$2,500 per mile each year on drain maintenance and may borrow up to \$300,000 from any source to provide for maintenance or establishment of a drain without Board of Commissioner approval and without going through the Municipal Finance Division, State of Michigan. The Drain Commissioner has authority to levy special assessments on properties benefiting from the existence and operation of a drain. The Drainage Districts are financially accountable to the County because bond issuances greater than \$300,000 require County authorization and are backed by the full faith and credit of the County.

The Clinton County Department of Public Works (the "DPW") - The DPW is a five (5) member Board comprised of the Drain Commissioner and four (4) members appointed by the County Board of Commissioners. The DPW Board establishes policy and reviews operations of the DPW for the County Board of Commissioners. The DPW has the responsibility of administering the various public works construction projects and the associated debt service funds under the provision of Act 185 of the Public Acts of 1957. The Department of Public Works is financially accountable to the County because all general obligation bond issuances require County authorization and are backed by the full faith and credit of the County.

The Clinton County Road Commission (the "Road Commission") - The Road Commission is responsible for the maintenance and construction of the County road system. The Road Commission operations are financed primarily from the state distribution of gas and weight taxes, federal financial assistance, license plate fees and contributions from other local government units within the County. The three (3) Board Members of the Road Commission are appointed by the Clinton County Board of Commissioners. This component unit is audited individually and complete financial statements may be obtained from the Road Commission's administrative office. In addition, the Road Commission is financially accountable to the County because all general obligation bond issuances require County authorization and are backed by the full faith and credit of the County.

Joint Ventures

Mid-Michigan District Health Department (the "Department") - The County is a member of the Department, which is a joint venture between Clinton, Montcalm, and Gratiot counties. Each unit appoints two (2) of the six (6) members to the governing Board. The Department has responsibility for preparing the annual budget (which is approved by each County) and to carry out all activities of the Department.

Clinton County is responsible to fund approximately 36% of the required local contribution to cover operational costs. For the year ended December 31, 2019, the County contributed \$400,141 to cover its share of operational costs. In addition, the treasury function for the Mid-Michigan District Health Department rests with the Montcalm County Treasurer. For this reason the Department is discretely presented in the Montcalm County Financial Statements.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

The financial activities of the Mid-Michigan District Health Department are accounted for and reported separately from the participating units. Separate audited financial statements for their year ended September 30, 2019, are available at the Department's administrative offices. As of September 30, 2019, the Department had total net position of \$527,143.

Jointly Governed Organizations

The County participates in the following activities which are considered to be jointly governed organizations in relation to the County due to there being no ongoing financial interest or responsibility.

Tri-County Regional Planning Commission (the "Commission") - The Commission services Ingham, Eaton, and Clinton Counties. The Commission's membership includes the Counties of Ingham, Eaton, and Clinton, the City of Lansing, and the Michigan Department of Transportation. Also included by right are the County Road Commissions and Transit Authorities, making a total of nineteen (19) voting members.

The Commission must adopt a proposed budget at its February meeting and submit the same to the Board of Commissioners of the three (3) Counties it serves and to the Lansing City Council with its request for allocation of funds. Each major member unit shall pay a one nineteenth (1/19) share of the total annual allocation budget for each voting membership on the Commission. For the year ended December 31, 2019, the County's contribution to the Commission was \$60,556.

Tri-County Office on Aging - The organization provides comprehensive services to older individuals residing in Ingham, Eaton, and Clinton Counties. Operating revenues are derived from Federal, State, and local governments as well as fees for services. The Tri-county Office on Aging is governed by a thirteen (13) member Board appointed by the Board of Commissioners of the three (3) Counties it services. For the year ended December 31, 2019, the County's contribution to the Tri-county Office on Aging was \$47,233.

Capital Area Michigan Works! - Clinton County, in conjunction with three (3) other Counties, has entered into an agreement, which created the Capital Area Michigan Works! The Organization's Board is composed of 12 members, of which two (2) are appointed by Clinton County. The organization receives all of its funding from State and Federal grants and, as a result, the County has no financial responsibility other than potential liability related to appropriate use of the funds.

Tri-County Community Mental Health - The Board provides comprehensive mental health services to Ingham, Eaton, and Clinton Counties. Operation revenues are derived from Federal, State, and local governments as well as from fees for services. The Tri-County Community Mental Health is governed by a twelve (12) member Board appointed by the Board of Commissioners of the three (3) Counties it services. For the year ended December 31, 2019, the County's contribution to the Tri-County Community Mental Health was \$283,921.

Mid-State Health Network - As of October 1, 2014, Clinton County, in conjunction with twenty-one (21) other Counties, has entered into an agreement that created Mid-State Health Network (MSHN). For the year ended December 31, 2019, the County contributed its annual contribution of \$119,337 and was not required to make any additional appropriation.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated in the preparation of 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 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 specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. *Program revenues* are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by *general revenues*.

The fund financial statements present the County's individual major funds and aggregated nonmajor funds. 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 funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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 collectible 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 collected within 60 days of the end of the current fiscal period, or within one year for reimbursement-based grants. 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 judgments, are recorded only when payment is due.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Property taxes, franchise taxes, licenses, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The major governmental funds of the County are:

The *general fund* is the County's primary operating fund. It accounts for all financial resources of the general government except for those that are accounted for and reported in another fund.

The *911 central dispatch fund* accounts for the collection of the 911 telephone surcharges. The primary function of central dispatch is to handle emergency and non-emergency requests for police, fire, and medical services, determine the dispatch needed, and dispatch the appropriate personnel to the requested location.

The *public improvement fund* was created under Public Act 136 and accounts for the collection and distribution of monies specifically earmarked for statutory public improvements. Money for the operation of this fund is supplied from transfers from other funds.

The major proprietary fund of the County is:

The *delinquent tax revolving fund* accounts for money advanced by the County to other local taxing units and various county funds to pay for their delinquent real property taxes. Revenues are generated by the collection of the delinquent real property taxes, penalties, and interest.

Additionally, the County reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are assigned, restricted, or committed to expenditure for specified purposes other than debt service or capital projects.

Enterprise funds account for goods and services to the public for a fee that makes the fund self-supporting.

Internal service funds account for the data processing, mail services, fringe benefits and fleet management services provided to other departments or agencies of the government on a cost reimbursement basis.

Custodial funds are custodial in nature and report fiduciary activities that are not held on behalf of other entities or individuals, including tax collections, but the resources are not held in a trust or equivalent arrangement.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, *general revenues* include all taxes.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Cash and Cash Equivalents

The County pools cash resources of various funds in order to facilitate the management of cash, with the exception of any funds that are required by law to maintain separate accounts. Cash contained in the pool that is applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the County's investments. Cash equivalents consist of temporary investments in certificates of deposit and U.S. Government Securities with a maturity from date of purchase of 90 days or less.

Investments

Investments during the year consisted of certificates of deposit, commercial paper, municipal bonds, U.S. Government securities and other investments with original maturities of greater than 90 days. Investments are recorded at fair market value in accordance with GAAP.

Receivables

Receivables consist of amounts due from governmental units for various financial assistance programs and State shared revenues, accounts receivable related to charges for services, interest receivable and other amounts owed to the County at year-end.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Inventories and Prepaids

Inventories of the Central Stores (internal service) and Jail Commissary (enterprise) funds consist of miscellaneous consumer products on hand for resale, which are stated at the lower of cost (first-in, first-out) or market. Road Commission inventory items are charged to road construction and maintenance, equipment repairs and operations, as used.

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

Advances

Long-term advances from certain funds to other funds or component units are made to finance new activities during their initial operations and to finance capital acquisitions. For the governmental fund types, fund balance is reported as nonspendable for the amount of advances made to other funds to reflect the fund balance is not currently available for expenditure.

Capital Assets

Primary Government and Component Units (except Road Commission)

Capital assets include land, buildings, equipment, and vehicles and are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements. Capital assets are those with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

	Years
Building and improvements	20-50 years
Furniture, fixtures and equipment	3-25 years
Vehicles	4-15 years
Drain infrastructure	75 years

Component Unit - Road Commission

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of three (3) years except for certain equipment which has no minimum cost. Such assets are recorded at historical costs or estimated historical cost of purchase or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

Depreciation is computed on the sum-of-the-years'-digits method for road equipment and straight-line method for all other capital assets. The depreciation rates are designed to amortize the cost of the assets over their estimated useful lives as follows:

	Years
Buildings	25-50 years
Equipment:	
Road	5-8 years
Shop	10 years
Office	4-10 years
Engineering	4-12 years
Yard	10 years
Infrastructure:	
Roads	8-30 years
Bridges	12-50 years
Traffic signals	15 years
Depletable assets	20-30 years

Interfund Transactions

During the course of normal operations the County has numerous transactions between funds and component units including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Internal service funds record charges for services to all County departments and funds as operating revenue. All County funds record these payments to the internal service funds as operating expenditures/expenses.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources for the difference between expected and actual investment returns, difference between expected and actual experience, changes in assumptions, and changes in benefits provided to pension and OPEB plan participants.

Long-term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as long-term.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from property taxes and special assessment receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources for the difference between expected and actual experience and changes in assumptions related to pension and OPEB costs.

Compensated Absences

In accordance with County personnel policies and/or contracts negotiated with the various employee groups of the County, individual employees have vested rights upon termination of employment to receive payment for unused compensated absences under formulas and conditions specified in the respective personnel policies and/or contracts.

Vested compensated absences earned as of December 31, 2019, including related payroll taxes, are recorded in the government-wide financial statements and in proprietary-type funds.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Fund Balance

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Commissioners. A majority vote of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners has delegated the authority to assign fund balance to the County Administrator. Unassigned fund balance is the residual classification for the general fund.

Pensions and OPEB Plans

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Federal Programs

Federal programs are accounted for in the funds to which the programs pertain. The County has not integrated its Single Audit Act Compliance and financial data as part of the financial statements. The Single Audit Report and financial data will be issued under separate cover as supplementary information to the financial statements.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

2. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with the modified accrual basis used to reflect actual results in the fund financial statements. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. The County employs the following procedures in establishing budgets:

- a. Prior to September 1, the County Administrator prepares and submits the proposed operating budgets for the calendar year commencing the following January 1. The operating budgets include proposed expenditures and resources to finance them.
- b. A public hearing is conducted to obtain taxpayers' comments.
- c. Prior to October 31, the budgets are legally enacted through passage of an annual budget resolution.
- d. The budgets are legally adopted at the activity level for the general fund and the fund level for the special revenue funds. Budgetary transfers between \$2,500 and \$10,000 are not permitted without Finance Committee approval and transfers of greater than \$10,000 are not permitted without Board approval. For control purposes, all funds' budgets are maintained at the activity and account level.
- e. The County employs encumbrance accounting as an extension of formal budgetary integration in the governmental funds. All unexpended appropriations lapse at year-end.
- f. Budgeted amounts are reported as originally adopted or as amended by the Board of Commissioners during the year. Individual amendments were not material to the original appropriations that were adopted, with the exception of the transfers out.

3. DEPOSITS AND INVESTMENTS

The County's pooled cash accounts consist of common checking accounts.

The County's pooled cash accounts and investments are utilized by the general fund, special revenue funds, capital project fund, internal service funds, trust and custodial funds, and the component units (with the exception of the Road Commission, which is separately maintained). Each fund's portion of these pooled accounts is included in the cash and cash equivalents caption on the applicable balance sheet or statement of net position.

Certain funds and portions of the component unit funds of the County utilize separate savings and interest-bearing checking accounts. In addition, certificates of deposit, mutual funds, and U.S. Government securities are held separately by several of the County's funds and component units.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

A reconciliation of cash and investments as shown in the basic financial statements to the County's deposits and investments is as follows:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and cash equivalents	\$ 19,118,746	\$ 6,487,236	\$ 25,605,982
Restricted cash and cash equivalents	-	157,973	157,973
Investments	42,090,651	1,250,000	43,340,651
Statement of Fiduciary Net Position			
Postemployment healthcare fund:			
Cash and cash equivalents	497,493	-	497,493
Investments	14,125,321	-	14,125,321
Custodial funds:			
Cash and cash equivalents	476,417	-	476,417
Total	\$ 76,308,628	\$ 7,895,209	\$ 84,203,837
Deposits and investments			
Bank deposits (checking and savings accounts)			\$ 10,431,402
Certificates of deposit:			
Due within one year (original duration)			29,731,828
Due within one to five years (original duration)			1,362,595
Total certificates of deposit			31,094,423
Investments:			
U.S. agencies			5,401,646
U.S. treasury			5,286,666
Commercial paper			1,128,776
Municipal bonds			956,824
Mutual funds			29,399,257
Money market accounts			497,493
Total investments			42,670,662
Cash on hand			7,350
Total			\$ 84,203,837

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

	Total Fair Value	Investment Maturities (in Years)			Ratings
		No Maturity	Less Than 1	1 -5	Standard & Poor's
U.S. Agencies	\$ 5,401,646	\$ -	\$ 2,722,418	\$ 2,679,228	AAA
U.S. Treasury	5,286,666	-	3,664,152	1,622,514	AAA
Commercial paper	554,029	-	554,029	-	AAA
Commercial paper	574,747	-	574,747	-	A1P1
Municipal bonds	956,824	-	-	956,824	AA
Unrated mutual funds	14,125,321	14,125,321	-	-	N/A
Rated mutual funds	15,273,936	15,273,936	-	-	AAAm
Rated money market funds	497,493	497,493	-	-	AAAm
Total	\$ 42,670,662	\$ 29,896,750	\$ 7,515,346	\$ 5,258,566	

Statutory Authority

State statutes authorize the County to invest in:

Bonds, securities, other direct obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.

Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.

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.

Bankers acceptances of United States banks.

Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.

Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

External investment pools as authorized by Public Act 20 as amended through 12/31/97.

The County's investment policy allows for all of these types of investments.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Investment and deposit risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified above. The County's investment policy states that the County will minimize the risk that the market value of the securities in the portfolio will fall due to changes in the general interest rates by structuring the portfolio to meet the cash requirements of ongoing operations, thereby mitigating the need to liquidate securities at a loss prior to maturity. The maturity dates for each investment are identified above for investments held at year end.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified above. The County's investment policy states that the County will minimize credit risk by limiting investments to the safest types of securities, pre-qualifying and continually monitoring financial institutions with which the County will do business, diversifying the portfolio so that potential losses on individual securities would be minimized, and maintaining credit ratings when available on all holdings. The ratings for each investment type are identified above for investments held at year end.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end \$36,155,144 of the County's bank balance of \$41,923,177 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments. For an investment, custodial credit risk 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 or collateral securities that are in the possession of an outside party. State law does not require a policy for investment custodial credit risk. The County's investment policy states the County will minimize custodial credit risk by using only financial institutions meeting a pre-qualification evaluation and holding securities in the County's name. However, while uninsured and unregistered, the County's funds are not exposed to custodial credit risk since the securities are held in the counterparty's trust department in the County's name.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified above. The County's investment policy states that the County will minimize the risk in placing a large portion of the portfolio with a single security issuer by limiting the exposure to 25% of the total portfolio, excluding investments in U.S. Government securities. All investments held at year-end are reported above.

Fair Value. The County categorizes 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 significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of year end, the County's mutual fund investments in the amount of \$29,399,257 were considered to be Level 1, and the remaining investments in the amount of \$13,271,405 were considered to be Level 2 (fair value determined based on quoted prices in active markets for similar assets).

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

4. RECEIVABLES

Receivables in the primary government and component units are as follows:

	Governmental Activities	Business-type Activities	Component Units
Taxes	\$ 714,684	\$ 1,298,371	\$ -
Special assessments	-	-	3,335,390
Accounts	707,171	15,989	89,080
Interest	222,148	51,913	9,175
Due from other governments	889,651	-	2,238,427
Total	<u>\$ 2,533,654</u>	<u>\$ 1,366,273</u>	<u>\$ 5,672,072</u>

All of the governmental activities and business-type activities receivables are expected to be collected within one year. The component units special assessments of \$2,164,507 are not expected to be collected within one year.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

5. CAPITAL ASSETS

Primary government

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land and improvements	\$ 3,116,074	\$ -	\$ -	\$ -	\$ 3,116,074
Construction in progress	50,416	126,289	-	(50,416)	126,289
	<u>3,166,490</u>	<u>126,289</u>	<u>-</u>	<u>(50,416)</u>	<u>3,242,363</u>
Capital assets, being depreciated:					
Buildings and building improvements	35,229,824	518,548	-	17,566	35,765,938
Furniture, fixtures and equipment	12,780,838	397,881	(416,655)	32,850	12,794,914
Vehicles	1,593,404	220,125	(132,754)	-	1,680,775
	<u>49,604,066</u>	<u>1,136,554</u>	<u>(549,409)</u>	<u>50,416</u>	<u>50,241,627</u>
Less accumulated depreciation for:					
Buildings and building improvements	(13,728,503)	(912,921)	-	-	(14,641,424)
Furniture, fixtures and equipment	(7,188,088)	(739,864)	416,655	-	(7,511,297)
Vehicles	(862,566)	(206,508)	126,803	-	(942,271)
	<u>(21,779,157)</u>	<u>(1,859,293)</u>	<u>543,458</u>	<u>-</u>	<u>(23,094,992)</u>
Total capital assets being depreciated, net	<u>27,824,909</u>	<u>(722,739)</u>	<u>(5,951)</u>	<u>50,416</u>	<u>27,146,635</u>
Governmental activities capital assets, net	<u>\$ 30,991,399</u>	<u>\$ (596,450)</u>	<u>\$ (5,951)</u>	<u>\$ -</u>	<u>\$ 30,388,998</u>

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities				
Capital assets being depreciated:				
Furniture, fixtures and equipment	\$ 84,487	\$ -	\$ -	\$ 84,487
Vehicles	81,760	-	-	81,760
	<u>166,247</u>	<u>-</u>	<u>-</u>	<u>166,247</u>
Less accumulated depreciation for:				
Furniture, fixtures and equipment	(72,074)	(3,645)	-	(75,719)
Vehicles	(50,298)	(13,560)	-	(63,858)
	<u>(122,372)</u>	<u>(17,205)</u>	<u>-</u>	<u>(139,577)</u>
Total capital assets being depreciated, net	<u>43,875</u>	<u>(17,205)</u>	<u>-</u>	<u>26,670</u>
Business-type activities capital assets, net	<u>\$ 43,875</u>	<u>\$ (17,205)</u>	<u>\$ -</u>	<u>\$ 26,670</u>

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

Depreciation of governmental activities by function

General government	\$ 491,119
Public safety	738,622
Health and welfare	111,454
Recreation and cultural	132,887
Public works	5,559
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>379,652</u>
	<u>\$ 1,859,293</u>

Depreciation of business-type activities by function

Delinquent tax	\$ 494
Other	<u>16,711</u>
	<u>\$ 17,205</u>

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Discretely presented component units

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit - Drainage District					
Capital assets, not being depreciated:					
Construction in progress	\$ 354,498	\$ 292,112	\$ -	\$ (295,881)	\$ 350,729
Capital assets, being depreciated:					
Infrastructure	29,462,881	461,840	-	295,881	30,220,602
Less accumulated depreciation for:					
Infrastructure	(6,610,530)	(384,923)	-	-	(6,995,453)
Total capital assets being depreciated, net	22,852,351	76,917	-	295,881	23,225,149
Drainage District capital assets, net	\$ 23,206,849	\$ 369,029	\$ -	\$ -	\$ 23,575,878

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Capital asset activity for the Road Commission component unit for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Road Commission				
Capital assets, not being depreciated				
Land	\$ 220,750	\$ -	\$ -	220,750
Infrastructure				
Land/right-of-way	1,426,066	716,527	-	2,142,593
Land improvements	6,566,026	206,338	-	6,772,364
Construction in progress	-	2,785,846	-	2,785,846
	<u>8,212,842</u>	<u>3,708,711</u>	<u>-</u>	<u>11,921,553</u>
Capital assets, being depreciated:				
Buildings	2,063,917	-	-	2,063,917
Road equipment	7,883,665	1,058,630	(591,451)	8,350,844
Shop equipment	153,174	6,666	(5,600)	154,240
Office equipment	140,080	28,117	(7,773)	160,424
Engineer's equipment	2,972	-	-	2,972
Yard equipment	214,187	13,229	-	227,416
Depletable assets	75,448	-	(8,000)	67,448
Infrastructure - bridges	34,457,917	148,511	-	34,606,428
Infrastructure - roads	64,508,974	8,875,324	(1,813,727)	71,570,571
Infrastructure - signals	1,165,234	-	-	1,165,234
	<u>110,665,568</u>	<u>10,130,477</u>	<u>(2,426,551)</u>	<u>118,369,494</u>
Less accumulated depreciation for:				
Buildings	(1,522,386)	(66,907)	-	(1,589,293)
Road equipment	(6,010,838)	(760,810)	590,078	(6,181,570)
Shop equipment	(138,381)	(5,041)	5,600	(137,822)
Office equipment	(93,243)	(15,361)	7,773	(100,831)
Engineer's equipment	(2,419)	(107)	-	(2,526)
Yard equipment	(62,156)	(30,551)	-	(92,707)
Depletable assets	(75,448)	-	8,000	(67,448)
Infrastructure - bridges	(17,524,374)	(551,937)	-	(18,076,311)
Infrastructure - roads	(31,196,106)	(3,410,815)	1,813,727	(32,793,194)
Infrastructure - signals	(756,941)	(77,487)	-	(834,428)
	<u>(57,382,292)</u>	<u>(4,919,016)</u>	<u>2,425,178</u>	<u>(59,876,130)</u>
Total capital assets being depreciated, net	<u>53,283,276</u>	<u>5,211,461</u>	<u>(1,373)</u>	<u>58,493,364</u>
Road Commission capital assets, net	<u>\$ 61,496,118</u>	<u>\$ 8,920,172</u>	<u>\$ (1,373)</u>	<u>\$ 70,414,917</u>

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 777,257	\$ 8,381	\$ 641,600
Accrued liabilities	328,594	10,527	130,999
Accrued interest payable	-	-	21,693
Deposits payable	4,500	199,750	-
Total	\$ 1,110,351	\$ 218,658	\$ 794,292

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Due to and from primary government funds

	Due from Other Funds	Due to Other Funds
General fund	\$ 9,240	\$ 18,774,650
Public improvement fund	14,163,215	-
911 central dispatch fund	3,833,323	3,277
Nonmajor governmental funds	740,146	4,297
Nonmajor enterprise funds	-	652
Internal service funds	47,470	10,518
	\$ 18,793,394	\$ 18,793,394

Interfund receivables and payables are primarily for short-term financing of certain operations.

Long-term advances as of December 31, 2019, are as follows:

Advance from general fund to:	
Nonmajor governmental funds	\$ 90,000
Internal service funds	35,000
Total advances from general fund	\$ 125,000

The above advances were used to finance operations. The advances from the general fund to the drainage district component unit of \$250,000 were for working capital.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Interfund transfers as of December 31, 2019, are as follows:

	Transfers out:		
	General Fund	Delinquent Tax Revolving Fund	Total
Transfers in:			
Public improvement fund	\$ 1,600,000	\$ 400,000	\$ 2,000,000
Nonmajor governmental funds	1,213,762	-	1,213,762
Nonmajor enterprise funds	16,000	-	16,000
Internal service funds	3,284,271	-	3,284,271
Total	\$ 6,114,033	\$ 400,000	\$ 6,514,033

Interfund transfers include transfer of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds, in accordance with budgetary authorizations; and, transfer of revenues from the fund that is required to collect them to the fund that is required or allowed to expend them. The general fund transferred funds out to the internal service fund for additional contributions to the pension plan, MIS fund, and County Vehicle fund; the transfer out to the public improvement fund was for capital equipment purchases.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

8. LONG-TERM DEBT

Changes in long-term debt

The following is a summary of changes in long-term debt (including current portions) of the County for the year ended December 31, 2019:

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019	Due Within One Year
Primary Government					
Governmental Activities:					
Compensated absences	\$ 1,169,249	\$ 841,357	\$ (818,916)	\$ 1,191,690	\$ 807,675
Business-type Activities:					
Compensated absences	9,493	14,217	(9,493)	14,217	14,217
Total primary government	1,178,742	855,574	(828,409)	1,205,907	821,892
Component Units					
Department of Public Works:					
Water and sewer bonds	160,000	-	(160,000)	-	-
Drainage Districts:					
Drain bonds	1,140,250	-	(216,000)	924,250	158,250
Drain notes from direct borrowings and direct placements	955,292	475,300	(144,558)	1,286,034	203,658
Total drainage districts	2,095,542	475,300	(360,558)	2,210,284	361,908
Road Commission:					
Compensated absences	606,085	303,101	(318,797)	590,389	310,541
Total component units	2,861,627	778,401	(839,355)	2,800,673	672,449
Total reporting entity	\$ 4,040,369	\$ 1,633,975	\$ (1,667,764)	\$ 4,006,580	\$ 1,494,341

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Accrued Compensated Absences

In accordance with County personnel policies and/or contracts negotiated with 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 their respective personnel policies and/or contracts.

The dollar amount of these vested rights including related payroll taxes for governmental and business-type activities combined, amounted to \$559,221 and \$646,686 for vacation and sick, respectively, at December 31, 2019. Of the \$1,205,907 total liability, \$821,892 has been reported as a current liability and \$384,015 has been reported as a noncurrent liability.

For the governmental activities, compensated absences are generally liquidated by the general fund and certain special revenue funds.

Component Unit - Road Commission

Accrued Employee Benefit Payable

In accordance with County Road Commission personnel policies and/or contracts negotiated with various employee groups of the County Road Commission, individual employees have vested rights upon termination of employment to receive payment for unused vacation, sick leave and longevity under formulas and conditions specified in their respective personnel policies and/or contracts.

Compensated absences represent a liability to the Commission, which is presented in current and noncurrent portions of the liability. For this reason, the total liability reported in the government-wide financial statements represents a current liability of \$310,541 and a noncurrent liability of \$279,848 at December 31, 2019.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Component Unit - Drainage Districts

Indirect County Obligations - Drain Bonds and Notes

The County has irrevocably pledged its full faith and credit as collateral for the following Drain bonds and notes. These projects are administered by the Clinton County Drain Commission for various local drainage districts. The Drain bonds and notes were issued to finance the various construction funds for the purpose of paying costs in connection with various drainage district projects and are payable out of assessments to be made against the benefited properties. The Edwards Drain Bond was issued jointly with Eaton County, with Clinton County acting as the treasurer of the project. Clinton County is reimbursed by Eaton County for 23% of the annual debt service requirements.

Bonds payable and notes from direct borrowings and direct placements at December 31, 2019, per respective Drain projects serviced from the Capital Projects Funds of the Component Unit Drainage Districts are as follows:

\$410,000 Big Horn Drain Bonds dated October 1, 2012, due in annual installments of \$51,250 through June 1, 2020, with interest of 2.08 percent, payable annually.	\$ 51,250
\$530,000 Park Lake Level Drain Bonds dated February 5, 2014, due in annual installments ranging from \$40,000 to \$45,000 through June 1, 2026, with interest of 3.39 percent, payable semi-annually.	315,000
\$620,000 Waltz & Sturgis Drain Bonds dated December 20, 2017, due in annual installments of \$62,000 through June 1, 2028, with interest of 2.90 percent, payable semi-annually.	558,000
Notes from direct borrowings and direct placements - \$3,250,050 Various drain notes due in annual installments ranging from \$8,900 to \$75,000 and interest rates ranging from 0.99 to 5.00 percent through 2030.	<u>1,286,034</u>
Total Indirect County Obligations - Drain Bonds and Notes	<u><u>\$ 2,210,284</u></u>

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ended December 31,	Discretely-presented Component Units			
	Drainage Districts Drain Notes from Direct Borrowings and Direct Placements		Drainage Districts Drain Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 203,658	\$ 30,937	\$ 158,250	\$ 26,265
2021	221,775	28,499	107,000	21,875
2022	195,275	22,785	107,000	18,552
2023	136,175	17,577	107,000	15,228
2024	136,175	14,047	107,000	11,905
2025-2029	363,176	28,135	338,000	17,435
2030	29,800	745	-	-
	<u>\$ 1,286,034</u>	<u>\$ 142,725</u>	<u>\$ 924,250</u>	<u>\$ 111,260</u>

9. BENEFIT PLANS

Employee Retirement System - Defined Benefit Plan

Primary Government and Component Units (except Road Commission)

Plan description. The County participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com. All full-time and part-time County employees who work 20 hours or more per week are covered by the retirement system with exception of the Road Commission employees, which are covered under a separate retirement plan.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 2.25% to 2.50%. Participants are considered to be fully vested in the plan after 10 years.

Normal Retirement:

Union: FOP-Sheriff/COAM

Age 55 with 20 or more years of credited service

Age 60 with 10 or more years of credited service

Mandatory Retirement: None

Union: Prosecutors/Telecommunicators

Age 60 with 10 or more years of credited service

Mandatory Retirement: None

Non-union:

Age 55 with 30 or more years of credited service

Age 60 with 10 or more years of credited service

Mandatory Retirement: None

Deferred retirement. The termination of membership before age 60, other than by retirement or death, after 10 years of credited service is considered a deferred retirement. Retirement allowance begins upon application and satisfaction of normal retirement requirements. The retirement allowance is computed in the same manner as a service retirement with the applicable benefit program being determined as of the date of termination of membership.

Rights to an allowance are forfeited if the member's accumulated contributions are withdrawn.

Benefit allowances are computed based on the applicable criteria as detailed within the plan. Death and disability benefits are also provided.

Employees Covered by Benefit Terms. At December 31, 2018, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	174
Inactive employees entitled to but not yet receiving benefits	50
Active employees	108
Total membership	<u>332</u>

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. After the FOP division of the Plan was closed in February 2015, the amounts went to a flat amount per month as follows:

Union	
COAM	\$6,179
Prosecutors	503
Telecommunicators	1,993
FOP Deputies	2,882
FOP Corrections	5,637
Non-union	22,967

Net Pension Asset. The County's net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018.

Actuarial Assumptions. The total pension liability at December 31, 2019 was rolled forward from the December 31, 2018 actuarial valuation which was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the long-term annual rate of price inflation implicit in the 3.75% base wage inflation is 2.5%.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% male, 50% female blend of the following tables:

- The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%
- The RP-2014 Employee Mortality Tables
- The RP-2014 Juvenile Mortality Tables

The mortality table used to project the mortality experience of disabled plan members is 50% Male, 50% Female blend of RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the most recent actuarial experience study of 2015.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	55.5%	6.15%	3.41%
Global fixed income	18.5%	1.26%	0.23%
Real assets	13.5%	7.22%	0.98%
Diversifying strategies	<u>12.5%</u>	5.00%	0.63%
	<u><u>100.00%</u></u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u><u>8.00%</u></u>

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2019 was 8.0%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Changes in Net Pension Asset

The components of the change in the net pension asset are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/ Liability
Balances at December 31, 2018	\$ 58,601,567	\$ 55,619,566	\$ 2,982,001
Changes for the year:			
Service cost	697,298	-	697,298
Interest	4,583,899	-	4,583,899
Changes in assumptions	(41,871)	-	(41,871)
Differences between expected and actual experience	(163,807)	-	(163,807)
Employer contributions	-	2,400,000	(2,400,000)
Employee contributions	-	132,978	(132,978)
Net investment income	-	7,469,211	(7,469,211)
Benefit payments, including refunds of employee contributions	(3,302,951)	(3,302,951)	-
Administrative expense	-	(128,600)	128,600
Other changes	(168,994)	-	(168,994)
Net changes	<u>1,603,574</u>	<u>6,570,638</u>	<u>(4,967,064)</u>
Balances at December 31, 2019	<u>\$ 60,205,141</u>	<u>\$ 62,190,204</u>	<u>\$ (1,985,063)</u>

Changes in assumptions. Although the actuarial assumptions are unchanged between the 2017 and 2018 annual actuarial valuations, there has been a change in actuarial software. Changes in actuarial software may result in differences in determination of plan costs even when based on the same data and assumptions.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the County, calculated using the discount rate of 8.00%, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current rate:

1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
------------------------	-------------------------------------	------------------------

County's net pension liability (asset) \$ 4,576,179 \$ (1,985,063) \$ (7,567,421)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2019, the County recognized pension expense of \$1,789,162. The County reported deferred outflows and inflows of resources related to its pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 603,907	\$ (603,907)
Changes in assumptions	-	27,914	(27,914)
Net difference between projected and actual earnings on pension plan investments	<u>401,012</u>	<u>-</u>	<u>401,012</u>
Total	<u>\$ 401,012</u>	<u>\$ 631,821</u>	<u>\$ (230,809)</u>

Pension-related deferred outflows and inflows of resources will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2020	\$ (584,019)
2021	184,450
2022	779,877
2023	<u>(611,117)</u>
	<u>\$ (230,809)</u>

Payable to the Pension Plan. At December 31, 2019, the County reported a payable of \$57,368 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.

Component Unit - Road Commission

Plan Description. The Road Commission participates in the Municipal Employees Retirement System (MERS) of Michigan, an agent multiple-employer statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine (9) member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing MERS website at www.mersofmich.com. Further information regarding the Plan is presented in the separately issued Road Commission report.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

10. DEFINED CONTRIBUTION PLAN

The County's Defined Contribution Plan is a 401-money purchase plan, established by the County and administered by MERS. All Non-Union County employees hired on or after January 1, 2007, Prosecutors and Telecommunicators hired on or after January 1, 2008, Command Officers hired on or after January 1, 2014, and FOP deputies and corrections officers hired on or after March 1, 2015 are required to participate in the plan. The County will contribute on behalf of each participant 5% of earnings for FOP group and 6% of earnings for remaining groups. Participants are not required to contribute, but can make a one-time election to contribute 2% of their earnings, of which the County will match for a total employer and employee contribution of 10%. The FOP group, a one-time election can be made to contribute either 3% or 5% of their earnings, of which the County will match for a total employer and employee contribution of 11% or 15%. Employees are immediately vested.

Employer contributions to the Plan for the year ended December 31, 2019, amounted to \$425,044 and employee contributions were \$127,202. The number of active participants in this plan is 120 members.

11. POSTEMPLOYMENT HEALTHCARE BENEFITS

Primary Government and Component Units (except Road Commission)

Plan description. The County provides certain healthcare benefits, including prescription drug benefits for employees who have retired. Substantially all of the County's employees may become eligible for those benefits when they reach twenty (20) years of service and 60 years of age. Under this program the County pays \$532 per month for each eligible retiree and out-of-area eligible retiree under age 65, and \$302 per month for each eligible retiree and out-of-area eligible retiree age 65 or older.

In 2002 the County established a trust fund (the "Trust") for the purpose of providing retiree healthcare benefits under County policy. On establishment of the Trust the County made a transfer of assets in the amount of \$1,842,539 to cover costs of current retirees' health benefits and also those of employees eligible to retire within one year.

Basis of accounting. The Trust's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the 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 which is determined using selected bases as follows: 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 for which market quotations are not readily available are valued at fair market values as determined by the custodian under the direction of the Board of Commissioners, with the assistance of a valuation service; and cash deposits are reported at carrying amounts which reasonably estimates fair value. The difference between aggregate fair value and the cost of investments along with realized gains and losses on sales of investments are reflected in the Statement of Changes in Net Position as net appreciation or depreciation in the fair value of investments.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Funding policy. The contribution requirements of the Plan members and the County are established and may be amended by the County Board of Commissioners, in accordance with County policies, union contracts, and Plan provisions. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined through the annual actuarial valuation. For the year ended December 31, 2019, the County contributed \$420,718 to the Plan.

At December 31, 2017, the date of the latest actuarial valuation, participants in the plan consisted of:

Retirees and beneficiaries currently receiving benefits	63
Inactive, nonretired members	6
Active employees	<u>198</u>
Total	<u><u>267</u></u>

Changes in Net OPEB Asset

The components of the change in the net OPEB asset are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balances at December 31, 2018	\$ 9,523,678	\$ 12,454,108	\$ (2,930,430)
Changes for the year:			
Service cost	201,185	-	201,185
Interest	611,612	-	611,612
Employer contributions	-	420,718	(420,718)
Net investment income	-	2,177,703	(2,177,703)
Difference between expected and actual experience	54,715	-	54,715
Benefit payments, including refunds of employee contributions	(429,715)	(429,715)	-
Net changes	<u>437,797</u>	<u>2,168,706</u>	<u>(1,730,909)</u>
Balances at December 31, 2019	<u>\$ 9,961,475</u>	<u>\$ 14,622,814</u>	<u>\$ (4,661,339)</u>

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

The County's net OPEB asset was measured as of December 31, 2019, and the total OPEB liability was determined by an actual valuation as of December 31, 2017 rolled forward to December 31, 2019. The following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry-age normal
Amortization method	Level percent
Remaining amortization period	25 years, closed
Asset valuation method	Market value of assets
Actuarial assumptions:	
Price inflation	2.0-3.0 percent
Wage inflation	4.0 percent
Salary increases	4.0-17.0 percent
Investment rate of return	6.5 percent, net of investment expense
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The RP-2000 Mortality Table projected 20 years with scale BB
Healthcare trend rates	Initial trend of 9.0 percent gradually decreasing to an ultimate trend rate of 4.0 percent in year 10

Investments

Investment Policy. The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment processes that the Board deems appropriate. The OPEB Plan's asset allocation policy is shown below.

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 17.4% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

The long-term expected rate of return on OPEB Plan investments was determined using a forward looking estimate of capital market returns model for each investment major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and investment expenses. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Cash/equivalents	2.0%	-1.00%	-0.02%
Fixed income	45.0%	1.20%	0.55%
Equities	51.0%	7.70%	3.94%
Real estate	2.0%	1.40%	0.03%
	100.0%		
Inflation			2.00%
Investment rate of return			6.50%

Discount Rate. The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate. The following presents the net OPEB asset of the County, calculated using the discount rate of 6.50%, as well as what the County's net OPEB asset would be if it were calculated using a discount rate that is 1% lower (5.50%) or 1% higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
County's net OPEB asset	\$ (3,336,512)	\$ (4,661,339)	\$ (5,766,157)

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB asset of the County, calculated using the healthcare cost trend rate of 9.0%, as well as what the County's net OPEB asset would be if it were calculated using a healthcare cost trend rate that is 1% lower (8.0%) or 1% higher (10.0%) than the current rate:

	1% Decrease (8.0%)	Current Trend Rate (9.0%)	1% Increase (10.0%)
County's net OPEB asset	\$ (5,832,383)	\$ (4,661,339)	\$ (3,258,525)

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

For the year ended December 31, 2019, the County recognized OPEB expense of \$177,385. The County reported deferred outflows and inflows of resources related to its OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 47,892	\$ 987,056	\$ (939,164)
Changes in assumptions	-	107,679	(107,679)
Net difference between projected and actual earnings on pension plan investments	-	291,439	(291,439)
Total	<u>\$ 47,892</u>	<u>\$ 1,386,174</u>	<u>\$ (1,338,282)</u>

OPEB-related deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Year Ended	Amount
2020	\$ (180,947)
2021	(180,947)
2022	(180,947)
2023	(448,727)
2024	(175,032)
Thereafter	<u>(171,682)</u>
	<u>\$ (1,338,282)</u>

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Component Unit - Road Commission

Plan description. The Road Commission provides certain retiree health care benefits as other post-employment benefits (OPEB) to all applicable employees, in accordance with union agreements and/or personnel policies. The Commission administers the OPEB plan through a single-employer defined benefit healthcare plan that is reported as the Retiree Health Care Trust Fund and the Health Care Savings Plan Fund financial statements. Plan benefit provisions were established and may be amended under the authority of Board of County Road Commissioners. The Commission makes contributions to the extent possible but has no obligation to make contributions in advance of when the premiums are due for payment (i.e., may be financed on a “pay-as-you-go” basis). The Commission has no legally required reserves that must be maintained. The Commission reserves the right to modify or terminate other post-employment benefits. The Commission does not issue separate stand-alone financial statements for the plan. Further information regarding the Plan is presented in the separately issued Road Commission report.

12. CAFETERIA PLAN

In April 1990 the County implemented a flexible benefits cafeteria plan established under Section 125 of the Internal Revenue Code. The plan is available to all employees who have completed 90 days of employment with the County and normally work not less than 20 hours per week for the County and normally are scheduled to work at least six months during the plan year. The plan permits them to reduce their salary and put these amounts into a flexible benefits account up to certain limits. The plan allows the employee to reduce their salary and apply it to dependent care benefits, medical expense reimbursement benefits or medical benefits. A participating employee may elect instead a cash alternative to supplement salary compensation in lieu of a nontaxable health benefit. An employee’s elected cash alternative will be considered a taxable benefit under the County’s Cafeteria Plan.

The plan is administered by 44North, a third-party administrator.

13. CONTINGENT LIABILITIES

The County participates in a number of Federal and State assisted grant programs that are subject to compliance audits. The periodic program compliance audits of many of these programs have not yet been completed or final resolution has not been received. 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.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

14. RISK MANAGEMENT

Primary Government and Component Units (except Road Commission)

The County is self-insured for vision, dental, and disability benefits. Each participating fund of the County makes payments to the respective self-insurance Internal Service Fund. These payments are accounted for as fringe benefit charges in the paying fund and charges for services in the receiving fund.

The plan covers all enrolled employees. The dental plan basically provides reimbursements for dental costs up to a maximum \$1,200 per covered person per year for certain expenses and a lifetime maximum of \$1,500 per covered person for other expenses. See plan for percentages of coverage for types of expenses. The vision plan provides enrollees coverage for the cost on an annual vision exam and up to \$130 for corrective lenses and frames. Certain co-pays apply. For all self-insured plans, an independent administrator is contracted for claims review and processing.

The County is completely self-insured for disability benefits. The plan covers all full-time employees with the exception of elected officials. The disability benefits plan basically provides benefits of current wages up to a maximum of \$350 per week for applicable sheriff's department employees and assistant prosecutors and up to a maximum of \$250 for all other applicable County employees, for a period not to exceed 52 weeks. The program is administered by an independent administrator that furnishes claims review and processing.

The County also participates in a pool, the Michigan County Workers' Compensation Fund ("MCWCF"). The pool is organized under Public Act 317 of 1969, as amended. The County has no liability for additional assessments based on the claims filed against the pool nor do they have any right to dividends.

The County is a voluntary member of the Michigan Municipal Risk Management Authority which is organized under Public Act 138 of 1982, as amended as a governmental group self-insurance pool. Public Act 138 authorizes local units of government to exercise jointly any power, privilege, or authority which each might exercise separately.

The administration of the Authority is directed by a nine (9) member Board of Directors composed of municipal representatives from the membership elected by the membership. The Board establishes the general policy of the Authority, creates and publishes rules to be followed by the Manager and Board, 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 the Authority to be responsible for the execution of all loss control measures, to ensure the payment of all annual and supplementary or other payment requirements, to ensure the filing of all required reports, and to act as a liaison between the County and the Authority.

CLINTON COUNTY, MICHIGAN

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The Authority provides risk management, underwriting, reinsurance, and claim services with member contributions allocated to meet these obligations. The Authority administers a risk management fund providing Clinton County with loss protection for general and auto liability, motor vehicle physical damage, and property damage. Under most circumstances the County's maximum loss per occurrence is limited as follows:

Type Of Risk	Maximum Retention per Occurrence
General and Auto Liability	\$ 100,000
Motor Vehicle Physical Damage	30,000
Sewage System Overflow	75,000
Property Coverage	N/A

The limit of insurance for general and auto liability was \$15,000,000. The property damage blanket limit of insurance at December 31, 2019, was \$58,698,878.

The Authority has established a Retained Risk Program to pay losses incurred by members that exceed individual retention levels and are not covered under existing reinsurance agreements. In the event that losses are incurred in excess of the resources available, the Authority as a whole (i.e., all constituent municipalities) is liable for the excess. The Authority may authorize dividends to individual members in the event that the members and individual fund balance is determined to be sufficient to do so.

Liability insurance claims are expensed as incurred. The liability is determined by the Michigan Municipal Risk Management Authority management based on an actuarial study performed using historical data and available insurance industry statistics. The liability includes a reserve for reported claims, and reported legal expenses as well as incurred but not reported claims.

The Authority has reserved fund balance to pay losses incurred by members that exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of the Authority. In the event that Clinton County incurs a loss in excess of the resources available, the Authority as a whole (i.e., all constituent municipalities) is liable for the excess.

In addition, the Authority has accumulated resources to create and fund an internal Stop Loss Fund. The Stop Loss Fund was initiated to eliminate the need to purchase aggregate reinsurance for aggregate losses paid in excess of \$225,000, net of reinsurance recoveries for any one member in any one year. Aggregate paid losses in excess of \$225,000 net of reinsurance recoveries are paid entirely from the Internal Stop Loss Fund. If at any time the Stop Loss Fund is insufficient to fund Clinton County's losses, the remaining liability shall become the responsibility of the Authority as a whole.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

Component Unit - Road Commission

The County Road Commission participates in a pool, the Michigan County Road Commission Self-Insurance Pool, with other municipalities, for claims relating to property, general liability, audit liability, trunkline, employment practices and public officials liability, errors and omissions liability, physical damage, and storage and tank systems. The pool is organized under Public Act 138 of 1982, as amended as a governmental group property and casualty self-insurances pool. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to a special assessment to make up the deficiency. The Commission has not been informed of any special assessments being required.

The County Road Commission participates in the County Road Association Self-Insurance Fund (CRASIF) for workers' compensation insurance and has full statutory coverage for workers' disability compensation and employers' liability as granted by the State of Michigan under Chapter 6, Section 418.611 of the Workers' Disability Compensation Act. The Commission has no liability for additional assessments based on the claims filed against the fund nor do they have rights to dividends.

15. PROPERTY TAXES AND TAXES RECEIVABLE

The County property tax is levied each July 1st on the taxable valuation of property located in the County as of the preceding December 31. On July 1, the property tax attachment is an enforceable lien on property and is payable by the last day of February.

Taxable values are established annually by the local municipalities and are equalized by the County based on State statutes at an estimated percentage of the current market value. Real and personal property in Clinton County for the 2019 levy had a taxable value of \$2,887,660,469 on which ad valorem taxes levied for County general operating purposes was 5.7976 mills.

Taxes are collected by the various tax collecting units from the date of the levy and remitted to the County through the custodial fund for distribution to the general fund.

The delinquent taxes receivable represents unpaid real property taxes in the delinquent tax revolving fund and unpaid personal property taxes in the general fund.

By agreement with the various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records corresponding delinquent taxes receivable.

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

16. FUND BALANCES - GOVERNMENTAL FUNDS

The County adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	911 Central Dispatch	Public Improvement	Nonmajor Governmental Funds	Total
Nonspendable:					
Long-term advances	\$ 375,000	\$ -	\$ -	\$ -	\$ 375,000
Prepays	11,917	-	-	-	11,917
Total nonspendable	<u>386,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,917</u>
Restricted for:					
911 central dispatch	-	4,389,560	-	-	4,389,560
Waste management	-	-	-	973,054	973,054
Register of deeds	-	-	-	163,933	163,933
Corrections training	-	-	-	65,967	65,967
Drug forfeiture	-	-	-	17,815	17,815
Law library	-	-	-	68,840	68,840
Act 302 training	-	-	-	7,622	7,622
Child care	-	-	-	2,130,689	2,130,689
Audits or tax exemptions	-	-	-	4,555	4,555
Concealed pistol licensing	-	-	-	143,091	143,091
Indigent defense	-	-	-	49,058	49,058
Major public improvement projects	-	-	9,212,000	-	9,212,000
Equipment replacement	-	-	4,016,067	-	4,016,067
Other public improvement	-	-	903,734	-	903,734
Total restricted	<u>-</u>	<u>4,389,560</u>	<u>14,131,801</u>	<u>3,624,624</u>	<u>22,145,985</u>
Committed for:					
Family counseling	45,508	-	-	-	45,508
Capital crossing	59,000	-	-	-	59,000
Tri-County Metro	75,000	-	-	-	75,000
Budget stabilization	200,000	-	-	-	200,000
Sick and vacation pay	1,191,690	-	-	-	1,191,690
Tax liabilities	993,064	-	-	-	993,064
Total committed	<u>2,564,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,564,262</u>
Assigned for:					
Pension/OPEB	5,000,000	-	-	-	5,000,000
Friend of the court	-	-	-	550,792	550,792
Probation enhancement	-	-	-	54,463	54,463
Total assigned	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>605,255</u>	<u>5,605,255</u>
Unassigned	<u>10,560,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,560,633</u>
Total fund balances, governmental funds	<u>\$ 18,511,812</u>	<u>\$ 4,389,560</u>	<u>\$ 14,131,801</u>	<u>\$ 4,229,879</u>	<u>\$ 41,263,052</u>

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

17. NET POSITION

Restricted Net Position

The composition of the County's restricted net position as of December 31, 2019, was as follows:

	Governmental Activities	Component Units
Restricted for:		
Public safety	\$ 18,612,765	\$ -
Other employee benefits	4,328,022	-
Pension and OPEB benefits	5,077,311	-
Child care	2,130,689	-
Other:		
Debt service	-	341,031
Waste management	973,054	-
Register of deeds	163,933	-
Law library	68,840	-
Audits or tax exemptions	4,555	-
Concealed pistol licensing	143,091	-
Indigent defense	49,058	-
	<u>\$ 31,551,318</u>	<u>\$ 341,031</u>

Net Investment in Capital Assets

The composition of net investment in capital assets as of December 31, 2019, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 3,242,363	\$ -	\$ 12,272,282
Capital assets being depreciated, net	27,146,635	26,670	81,718,513
	<u>30,388,998</u>	<u>26,670</u>	<u>93,990,795</u>
Related debt:			
Due with in one year	-	-	361,908
Due in more than one year	-	-	1,848,376
	<u>-</u>	<u>-</u>	<u>2,210,284</u>
Net investment in capital assets	<u>\$ 30,388,998</u>	<u>\$ 26,670</u>	<u>\$ 91,780,511</u>

CLINTON COUNTY, MICHIGAN

Notes To Financial Statements

18. FUND EQUITY DESIGNATIONS

The County has recorded various designations of net position in the proprietary funds that reflect management’s plans for use of those funds. Since designations are not appropriate for presentation on the face of the applicable statements of net position, the designations are listed here.

The following are the various net position designations as of December 31, 2019:

Delinquent Tax Revolving Fund	
Designated for unfunded liability	\$ 2,289,138
Designated for prepaids to locals	10,000,000
Total designated	<u>\$ 12,289,138</u>

19. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact of the pandemic on the government’s operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the government for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the government’s financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

On December 17, 2019, the County received notification for approval to receive a Land and Water Conservation Fund (LWCF) development grant in the amount of \$119,100. The County has not received the funds but anticipates to receive in the Fall of 2020.

In January 2020, the County issued the Faiver and Branch Drain Bonds, Series 2020 in the amount of \$755,000, which will be used to fund the improvements of the Faiver and Branch Drain. These bonds will be repaid annually beginning June 1, 2020 in amounts ranging from \$75,000 to \$80,000 plus interest of 2.56%.

The Ways & Means Committee meeting held on 2/20/2020, approved the notice of intent resolution for the Clinton County Capital Improvement Bonds to finance capital improvements for the Clinton County Central Dispatch Center not to exceed an \$8,000,000 bond, pending millage approval.



REQUIRED SUPPLEMENTARY INFORMATION

CLINTON COUNTY, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios

	Year Ended December 31				
	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 697,298	\$ 740,593	\$ 814,555	\$ 827,694	\$ 850,699
Interest	4,583,899	4,583,770	4,346,127	4,130,095	3,942,181
Change in benefits	-	(538,291)	-	-	-
Differences between expected and actual experience	(163,807)	(1,484,103)	888,435	(160,945)	-
Changes of assumptions	(41,871)	-	-	2,215,818	-
Benefit payments, including refunds of employee contributions	(3,302,951)	(2,915,057)	(2,640,963)	(2,438,076)	(2,313,661)
Other changes	(168,994)	(169,698)	(263,596)	(201,736)	(127,763)
Net change in total pension liability	1,603,574	217,214	3,144,558	4,372,850	2,351,456
Total pension liability, beginning of year	58,601,567	58,384,353	55,239,795	50,866,945	48,515,489
Total pension liability, end of year	60,205,141	58,601,567	58,384,353	55,239,795	50,866,945
Plan fiduciary net position					
Employer contributions	2,400,000	1,776,300	4,000,350	3,739,046	3,022,230
Employee contributions	132,978	135,183	149,828	174,338	175,506
Net investment income (loss)	7,469,211	(2,278,454)	6,758,775	5,087,840	(661,205)
Benefit payments, including refunds of employee contributions	(3,302,951)	(2,915,057)	(2,640,963)	(2,438,076)	(2,313,661)
Administrative expense	(128,600)	(113,664)	(106,869)	(100,336)	(97,366)
Net change in plan fiduciary net position	6,570,638	(3,395,692)	8,161,121	6,462,812	125,504
Plan fiduciary net position, beginning of year	55,619,566	59,015,258	50,854,137	44,391,325	44,265,821
Plan fiduciary net position, end of year	62,190,204	55,619,566	59,015,258	50,854,137	44,391,325
County's net pension (asset) liability	\$ (1,985,063)	\$ 2,982,001	\$ (630,905)	\$ 4,385,658	\$ 6,475,620
Plan fiduciary net position as a percentage of total pension liability	103.3%	94.9%	101.1%	92.1%	87.3%
Covered payroll	\$ 6,012,586	\$ 6,352,469	\$ 6,900,749	\$ 7,060,695	\$ 7,291,660
County's net pension (asset) liability as a percentage of covered payroll	-33.0%	46.9%	-9.1%	62.1%	88.8%

Notes:

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

CLINTON COUNTY, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of the Net Pension Liability (Asset)

Year Ended December 31,	Total Pension Liability	Plan Net Position	Net Pension (Asset) Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension (Asset) Liability as Percentage of Covered Payroll
2015	\$ 50,866,945	\$ 44,391,325	\$ 6,475,620	87.3%	\$ 7,291,660	88.8%
2016	55,239,795	50,854,137	4,385,658	92.1%	7,060,695	62.1%
2017	58,384,353	59,015,258	(630,905)	101.1%	6,900,749	-9.1%
2018	58,601,567	55,619,566	2,982,001	94.9%	6,352,469	46.9%
2019	60,205,141	62,190,204	(1,985,063)	103.3%	6,012,586	-33.0%

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in assumptions. In 2016, amounts reported as changes in assumptions resulted in primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return and changes in asset smoothing.

Changes in benefits. In 2018, amounts reported as changes in benefits resulted in a change in how the pensionable wages are calculated for the F.O.P Correction Officers Division.

Changes in assumptions. In 2019, although the actuarial assumptions are unchanged between the 2017 and 2018 annual valuations, there has been a change in actuarial software. Changes in actuarial software may result in differences in determination of plan costs even when based on the same data assumptions.

CLINTON COUNTY, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Contributions

Year Ending December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2015	\$ 1,238,244	\$ 3,022,230	\$ (1,783,986)	\$ 7,376,096	41.0%
2016	799,008	3,739,046	(2,940,038)	7,422,039	50.4%
2017	1,077,588	4,000,350	(2,922,762)	6,689,459	59.8%
2018	965,400	1,776,496	(811,096)	6,275,261	28.3%
2019	481,932	2,400,000	(1,918,068)	5,956,089	40.3%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated as of December 31, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, open
Remaining amortization period	22 years
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation
Retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

CLINTON COUNTY, MICHIGAN

Required Supplementary Information

Single Employer Defined Benefit Other Postemployment Benefit Plan

Schedule of Changes in the County's Net OPEB Asset and Related Ratios

	Year Ended December 31		
	2019	2018	2017
Total OPEB liability			
Service cost	\$ 201,185	\$ 197,696	\$ 203,684
Interest	611,612	676,090	648,910
Changes of benefit terms	-	(2,818)	-
Difference between expected and actual experience	54,715	(1,315,010)	(108,348)
Changes of assumptions	-	(143,455)	-
Benefit payments, including refunds of employee contributions	(429,715)	(382,735)	(263,464)
Net change in total OPEB liability	437,797	(970,232)	480,782
Total OPEB liability, beginning of year	9,523,678	10,493,910	10,013,128
Total OPEB liability, end of year	9,961,475	9,523,678	10,493,910
Plan fiduciary net position			
Employer contributions	420,718	390,034	302,829
Net investment income (loss)	2,177,703	(497,301)	1,378,385
Benefit payments, including refunds of employee contributions	(429,715)	(382,735)	(263,464)
Net change in plan fiduciary net position	2,168,706	(490,002)	1,417,750
Plan fiduciary net position, beginning of year	12,454,108	12,944,110	11,526,360
Plan fiduciary net position, end of year	14,622,814	12,454,108	12,944,110
County's net OPEB asset	\$ (4,661,339)	\$ (2,930,430)	\$ (2,450,200)
Plan fiduciary net position as a percentage of total OPEB liability	146.8%	130.8%	123.3%
Covered payroll	\$ 11,515,587	\$ 11,029,053	\$ 10,815,242
County's net OPEB asset as a percentage of covered payroll	-40.5%	-26.6%	-22.7%

Notes:

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

CLINTON COUNTY, MICHIGAN

Required Supplementary Information Single Employer Defined Benefit Other Postemployment Benefit Plan

Schedule of the County's Net OPEB Asset

Fiscal Year Ended December 31,	Total OPEB Liability	Plan Net Position	Net OPEB Asset	Plan Net Position as Percentage of Total OPEB Liability	Covered Payroll	Net OPEB Asset as Percentage of Covered Payroll
2017	\$ 10,493,910	\$ 12,944,110	\$ (2,450,200)	123.3%	\$ 10,815,242	-22.7%
2018	9,523,678	12,454,108	(2,930,430)	130.8%	11,029,053	-26.6%
2019	9,961,475	14,622,814	(4,661,339)	146.8%	11,515,587	-40.5%

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in assumptions. In 2018, amounts reported as changes in assumptions resulted in primarily from adjustments to the mortality table and other demographic assumptions, decrease in the ultimate trend assumption from 4.00% to 3.75%, and resetting the initial healthcare cost trend rates.

Changes in benefit terms for the December 31, 2018 actuarial valuation were removal of the \$30 spousal credit for FOP retirements after 1/1/2015 and coverage was extended to dependents defined under terms of the health insurance policy. The Plan began to provide dependent coverage under the same terms offered to the spouse. There were no other benefit changes during the year.

CLINTON COUNTY, MICHIGAN

Required Supplementary Information

Single Employer Defined Benefit Other Postemployment Benefit Plan

Schedule of Contributions

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2017	\$ 151,927	\$ 302,829	\$ (150,902)	\$ 10,815,242	2.8%
2018	158,005	390,034	(232,029)	11,029,053	3.5%
2019	-	420,718	(420,718)	11,515,587	3.7%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated as of December 31, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent
Remaining amortization period	26 years, closed
Asset valuation method	Market value of assets
Actuarial assumptions:	
Price inflation	2.0-3.0 percent
Wage inflation	4.0 percent
Salary increases	4.3-17.0 percent
Investment rate of return	6.5 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The RP-2000 Mortality Table projected 20 years with scale BB
Healthcare trend rates	Initial trend of 9.0 percent gradually decreasing to an ultimate trend rate of 4.0 percent in year 10

CLINTON COUNTY, MICHIGAN

Required Supplementary Information Single Employer Defined Benefit Other Postemployment Benefit Plan

Schedule of Investment Returns

Fiscal Year Ended December 31,	Annual Rate of Return*
2017	11.92%
2018	-3.70%
2019	17.40%

* Annual money-weighted rate of return, net of investment expenses. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULE**

GENERAL FUND

CLINTON COUNTY, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Current and delinquent property taxes	\$ 15,510,000	\$ 16,510,000	\$ 16,633,732	\$ 123,732
Mobile home park taxes	10,000	10,000	11,148	1,148
Other tax revenue	20,000	20,000	33,831	13,831
Total taxes	15,540,000	16,540,000	16,678,711	138,711
Licenses and permits:				
Dog licenses	96,000	106,000	107,351	1,351
Other licenses and permits	8,500	8,500	8,845	345
Building and planning permits	20,000	30,000	32,280	2,280
Total licenses and permits	124,500	144,500	148,476	3,976
Intergovernmental:				
CRP - Prosecuting attorney	75,000	95,000	98,423	3,423
Juvenile grant - Title 1, Part D	-	452	451	(1)
Employment service	71,910	71,910	57,525	(14,385)
Support incentive	80,000	90,000	91,429	1,429
Byrne - Trunarc grant	-	26,390	26,390	-
OHSP - Planning grant	-	37,030	31,661	(5,369)
Michigan drug court grant program	-	52,981	20,553	(32,428)
Michigan mental health court grant program	-	250	250	-
Swift & sure sanctions probation program	179,428	179,428	92,738	(86,690)
Liquor license	5,000	5,000	6,557	1,557
Liquor convention facility	238,569	238,621	238,674	53
State revenue sharing	650,000	1,375,324	1,375,324	-
Local community stabilization share appropriation	60,000	183,854	183,854	-
Victims' rights	75,030	76,192	70,718	(5,474)
Probate court judge salary	94,195	94,195	103,496	9,301
Circuit court judge	91,448	91,448	91,448	-
District court judge	45,724	45,724	45,724	-
Probate court judge	54,795	54,795	55,969	1,174
Juvenile court director	27,317	27,317	27,317	-
District court state aid	20,000	20,000	16,736	(3,264)
Marine safety	3,400	3,400	3,300	(100)
Prosecuting attorney food stamp	-	-	1,681	1,681
Homeland security	51,569	102,308	60,486	(41,822)
PA 345	59,558	53,816	53,816	-
Court equity	150,000	200,000	197,114	(2,886)
Road patrol	69,600	69,600	56,297	(13,303)

continued...

CLINTON COUNTY, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues (concluded)				
Intergovernmental (concluded):				
Emergency management	\$ 30,000	\$ 30,000	\$ 30,167	\$ 167
Other	15,000	23,845	24,367	522
Total intergovernmental	<u>2,147,543</u>	<u>3,248,880</u>	<u>3,062,465</u>	<u>(186,415)</u>
Charges for services:				
Sheriff	41,380	101,380	109,363	7,983
Treasurer fees	11,000	21,000	22,202	1,202
Drain commissioner	1,000	1,000	3,986	2,986
Friend of the court service fees	34,000	34,000	42,698	8,698
District court	1,450,000	1,725,000	1,663,061	(61,939)
Circuit court	-	48	75	27
Probation - juvenile	-	-	58	58
Clerk	105,000	115,000	122,085	7,085
Register of deeds	470,000	747,000	745,660	(1,340)
Probate court	20,000	20,000	25,139	5,139
Care of prisoners	641,000	891,000	928,539	37,539
Total charges for services	<u>2,773,380</u>	<u>3,655,428</u>	<u>3,662,866</u>	<u>7,438</u>
Interest and rents:				
Interest	150,000	750,000	887,562	137,562
Rents	25,600	25,600	27,190	1,590
Total interest and rents	<u>175,600</u>	<u>775,600</u>	<u>914,752</u>	<u>139,152</u>
Other:				
Contributions	10,000	10,000	8,870	(1,130)
Sale of equipment	-	-	1,395	1,395
Reimbursements - indirect costs	600,000	700,000	702,687	2,687
Reimbursements - other	270,185	540,361	540,249	(112)
Total other	<u>880,185</u>	<u>1,250,361</u>	<u>1,253,201</u>	<u>2,840</u>
Total revenues	<u>21,641,208</u>	<u>25,614,769</u>	<u>25,720,471</u>	<u>105,702</u>
Expenditures				
Current:				
General government:				
Board of commissioners	355,605	355,605	340,649	(14,956)
Circuit court	662,978	661,088	509,295	(151,793)
District court	1,239,683	1,147,354	1,098,210	(49,144)
Probate court	916,614	917,316	876,995	(40,321)

continued...

CLINTON COUNTY, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Current (continued):				
General government (concluded):				
Family counseling	\$ 6,000	\$ 6,000	\$ 4,030	\$ (1,970)
Jury board	5,650	5,650	5,182	(468)
Adult probation	4,800	4,800	3,730	(1,070)
County administrator	572,077	572,077	517,255	(54,822)
Accounting	321,807	321,807	307,220	(14,587)
Elections	110,744	20,744	9,358	(11,386)
Clerk	541,687	584,155	561,681	(22,474)
Equalization	309,993	309,993	270,706	(39,287)
Prosecuting attorney	1,039,779	1,040,941	997,002	(43,939)
Register of deeds	195,783	140,783	102,631	(38,152)
County survey and remonumentation	59,558	53,816	53,816	-
Record copying	11,500	11,500	4,190	(7,310)
Treasurer	361,540	361,540	334,075	(27,465)
Cooperative extension	246,712	240,751	239,191	(1,560)
Courthouse and grounds	1,365,343	1,335,343	1,241,900	(93,443)
Drain commissioner	472,336	501,336	486,797	(14,539)
Soil conservation	20,000	20,000	20,000	-
Other	30,000	30,000	22,680	(7,320)
Total general government	8,850,189	8,642,599	8,006,593	(636,006)
Public safety:				
Sheriff - general	3,418,760	3,510,190	3,510,190	-
Byrne - trunarc	-	26,390	26,390	-
Marine safety	3,400	3,400	3,300	(100)
Secondary road patrol	102,353	102,353	56,920	(45,433)
Metro squad	-	15,591	15,590	(1)
Jail	3,726,280	3,776,280	3,764,693	(11,587)
Community corrections	6,000	6,000	-	(6,000)
Emergency services	174,829	225,568	177,844	(47,724)
Animal control	163,372	163,372	159,157	(4,215)
Total public safety	7,594,994	7,829,144	7,714,084	(115,060)
Public works:				
Drains at large	60,000	60,000	53,400	(6,600)
Department of public works	1,600	1,600	383	(1,217)
Total public works	61,600	61,600	53,783	(7,817)

continued...

CLINTON COUNTY, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Current (concluded):				
Health and welfare:				
Contagious disease	\$ 8,000	\$ 8,000	\$ 180	\$ (7,820)
Tri-county aging consortium	48,406	48,406	47,233	(1,173)
Building stronger community council	17,000	17,000	17,000	-
Substance abuse	119,285	119,337	119,337	-
Medical examiner	70,200	70,200	61,881	(8,319)
District health department	400,141	400,141	400,141	-
Mental health	284,005	284,005	283,921	(84)
Veterans affairs	36,230	36,230	31,846	(4,384)
Soldiers and Sailors	5,000	5,000	1,018	(3,982)
Total health and welfare	<u>988,267</u>	<u>988,319</u>	<u>962,557</u>	<u>(25,762)</u>
Community and economic development:				
Planning department	206,191	206,191	192,923	(13,268)
Plat board	1,397	1,397	570	(827)
Tri-county regional planning commission	60,556	60,556	60,556	-
Economic development	50,000	64,650	64,650	-
Employment services	71,910	71,910	56,326	(15,584)
Total community and economic development	<u>390,054</u>	<u>404,704</u>	<u>375,025</u>	<u>(29,679)</u>
Recreation and cultural:				
Parks and recreation	176,977	176,977	140,167	(36,810)
Library board	300	300	282	(18)
Total recreation and cultural	<u>177,277</u>	<u>177,277</u>	<u>140,449</u>	<u>(36,828)</u>
Other:				
Insurance and bonds	320,000	320,000	316,226	(3,774)
Other	555,807	95,684	3,765	(91,919)
Total other	<u>875,807</u>	<u>415,684</u>	<u>319,991</u>	<u>(95,693)</u>
Total expenditures	<u>18,938,188</u>	<u>18,519,327</u>	<u>17,572,482</u>	<u>(946,845)</u>
Revenues over (under) expenditures	<u>2,703,020</u>	<u>7,095,442</u>	<u>8,147,989</u>	<u>1,052,547</u>

continued...

CLINTON COUNTY, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - General Fund For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other financing sources (uses)				
Transfers to other funds				
Friend of the court	\$ (440,000)	\$ (440,000)	\$ (440,000)	\$ -
Law library fund	(14,000)	(14,000)	(14,000)	-
Indigent defense	-	(144,659)	(144,659)	-
MIS	(617,917)	(1,017,917)	(1,017,917)	-
Public improvement fund	(600,000)	(1,600,000)	(1,600,000)	-
County vehicles fund	(200,000)	(348,286)	(348,286)	-
Child care fund	(815,103)	(615,103)	(615,103)	-
Retirement	-	(1,918,068)	(1,918,068)	-
4-H fair	(16,000)	(16,000)	(16,000)	-
Total other financing sources (uses)	(2,703,020)	(6,114,033)	(6,114,033)	-
Net change in fund balance	-	981,409	2,033,956	1,052,547
Fund balance, beginning of year	16,477,856	16,477,856	16,477,856	-
Fund balance, end of year	\$ 16,477,856	\$ 17,459,265	\$ 18,511,812	\$ 1,052,547

concluded

NONMAJOR GOVERNMENTAL FUNDS

CLINTON COUNTY, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2019

	Special Revenue Funds			
	Friend of the Court	Waste Management	Register of Deeds Automation	Corrections Training
Assets				
Cash and cash equivalents	\$ 517,193	\$ 953,059	\$ 198,287	\$ 66,200
Receivables:				
Accounts	-	33,600	-	-
Due from other governmental units	141,438	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 658,631</u>	<u>\$ 986,659</u>	<u>\$ 198,287</u>	<u>\$ 66,200</u>
Liabilities				
Accounts payable	\$ 656	\$ 11,100	\$ 34,354	\$ 233
Accrued liabilities	15,277	2,262	-	-
Due to other funds	1,906	243	-	-
Advance from other funds	90,000	-	-	-
Total liabilities	<u>107,839</u>	<u>13,605</u>	<u>34,354</u>	<u>233</u>
Fund balances				
Restricted	-	973,054	163,933	65,967
Assigned	550,792	-	-	-
Total fund balances	<u>550,792</u>	<u>973,054</u>	<u>163,933</u>	<u>65,967</u>
Total liabilities and fund balances	<u>\$ 658,631</u>	<u>\$ 986,659</u>	<u>\$ 198,287</u>	<u>\$ 66,200</u>

Special Revenue Funds					
Drug Forfeiture	Law Library	County Library	Probation Enhancement	Act 302 Training	Child Care
\$ 16,956	\$ 68,978	\$ -	\$ 58,838	\$ 7,622	\$ 1,280,316
-	-	-	-	-	-
859	-	-	-	-	163,673
-	-	-	-	-	740,146
<u>\$ 17,815</u>	<u>\$ 68,978</u>	<u>\$ -</u>	<u>\$ 58,838</u>	<u>\$ 7,622</u>	<u>\$ 2,184,135</u>
\$ -	\$ 138	\$ -	\$ 4,375	\$ -	\$ 36,929
-	-	-	-	-	14,709
-	-	-	-	-	1,808
-	-	-	-	-	-
-	138	-	4,375	-	53,446
17,815	68,840	-	-	7,622	2,130,689
-	-	-	54,463	-	-
<u>17,815</u>	<u>68,840</u>	<u>-</u>	<u>54,463</u>	<u>7,622</u>	<u>2,130,689</u>
<u>\$ 17,815</u>	<u>\$ 68,978</u>	<u>\$ -</u>	<u>\$ 58,838</u>	<u>\$ 7,622</u>	<u>\$ 2,184,135</u>

continued...

CLINTON COUNTY, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2019

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Homestead Property Tax Exemption	Concealed Pistol Licensing	Indigent Defense	Courts Restitution	
Assets					
Cash and cash equivalents	\$ 4,555	\$ 146,738	\$ 141,645	\$ 13,600	\$ 3,473,987
Receivables:					
Accounts	-	-	-	-	33,600
Due from other governmental units	-	-	4,885	-	310,855
Due from other funds	-	-	-	-	740,146
Total assets	<u>\$ 4,555</u>	<u>\$ 146,738</u>	<u>\$ 146,530</u>	<u>\$ 13,600</u>	<u>\$ 4,558,588</u>
Liabilities					
Accounts payable	\$ -	\$ 3,405	\$ 94,127	\$ 13,600	\$ 198,917
Accrued liabilities	-	215	3,032	-	35,495
Due to other funds	-	27	313	-	4,297
Advance from other funds	-	-	-	-	90,000
Total liabilities	<u>-</u>	<u>3,647</u>	<u>97,472</u>	<u>13,600</u>	<u>328,709</u>
Fund balances					
Restricted	4,555	143,091	49,058	-	3,624,624
Assigned	-	-	-	-	605,255
Total fund balances	<u>4,555</u>	<u>143,091</u>	<u>49,058</u>	<u>-</u>	<u>4,229,879</u>
Total liabilities and fund balances	<u>\$ 4,555</u>	<u>\$ 146,738</u>	<u>\$ 146,530</u>	<u>\$ 13,600</u>	<u>\$ 4,558,588</u>

concluded

CLINTON COUNTY, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2019**

	Special Revenue Funds			
	Friend of the Court	Waste Management	Register of Deeds Automation	Corrections Training
Revenues				
License and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental - Federal/State	562,388	-	-	-
Charges for services	22,734	460,313	65,060	5,744
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	304	-
Other	-	197	-	-
Total revenues	585,122	460,510	65,364	5,744
Expenditures				
Current:				
General government	952,074	-	98,453	-
Public safety	-	-	-	-
Public works	-	393,703	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Total expenditures	952,074	393,703	98,453	-
Revenues over (under) expenditures	(366,952)	66,807	(33,089)	5,744
Other financing sources				
Transfers in	440,000	-	-	-
Net change in fund balances	73,048	66,807	(33,089)	5,744
Fund balances, beginning of year	477,744	906,247	197,022	60,223
Fund balances, end of year	\$ 550,792	\$ 973,054	\$ 163,933	\$ 65,967

Special Revenue Funds					
Drug Forfeiture	Law Library	County Library	Probation Enhancement	Act 302 Training	Child Care
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
859	-	-	-	4,890	498,264
-	-	-	-	-	2,455
1,518	6,500	3,370	3,328	-	-
10	-	-	-	-	-
-	-	-	-	-	-
<u>2,387</u>	<u>6,500</u>	<u>3,370</u>	<u>3,328</u>	<u>4,890</u>	<u>500,719</u>
-	17,087	-	-	-	-
8,328	-	-	4,375	6,205	-
-	-	-	-	-	-
-	-	-	-	-	937,554
-	-	3,370	-	-	-
<u>8,328</u>	<u>17,087</u>	<u>3,370</u>	<u>4,375</u>	<u>6,205</u>	<u>937,554</u>
(5,941)	(10,587)	-	(1,047)	(1,315)	(436,835)
-	14,000	-	-	-	615,103
(5,941)	3,413	-	(1,047)	(1,315)	178,268
<u>23,756</u>	<u>65,427</u>	<u>-</u>	<u>55,510</u>	<u>8,937</u>	<u>1,952,421</u>
<u>\$ 17,815</u>	<u>\$ 68,840</u>	<u>\$ -</u>	<u>\$ 54,463</u>	<u>\$ 7,622</u>	<u>\$ 2,130,689</u>

continued...

CLINTON COUNTY, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2019**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Homestead Property Tax Exemption	Concealed Pistol Licensing	Indigent Defense	Courts Restitution	
Revenues					
License and permits	\$ -	\$ 42,852	\$ -	\$ -	\$ 42,852
Intergovernmental - Federal/State	-	-	659,025	-	1,725,426
Charges for services	-	-	48,339	-	604,645
Fines and forfeitures	-	-	-	-	14,716
Interest and rents	-	-	-	-	314
Other	5,096	-	-	417,285	422,578
Total revenues	5,096	42,852	707,364	417,285	2,810,531
Expenditures					
Current:					
General government	4,723	16,656	802,965	417,285	2,309,243
Public safety	-	-	-	-	18,908
Public works	-	-	-	-	393,703
Health and welfare	-	-	-	-	937,554
Recreation and cultural	-	-	-	-	3,370
Total expenditures	4,723	16,656	802,965	417,285	3,662,778
Revenues over (under) expenditures	373	26,196	(95,601)	-	(852,247)
Other financing sources					
Transfers in	-	-	144,659	-	1,213,762
Net change in fund balances	373	26,196	49,058	-	361,515
Fund balances, beginning of year	4,182	116,895	-	-	3,868,364
Fund balances, end of year	\$ 4,555	\$ 143,091	\$ 49,058	\$ -	\$ 4,229,879

concluded

NONMAJOR ENTERPRISE FUNDS

CLINTON COUNTY, MICHIGAN

Combining Statement of Net Position Nonmajor Enterprise Funds December 31, 2019

	Jail Commissary	Building Department	County Extension Community Center	Total
Assets				
Cash and cash equivalents	\$ 182,897	\$ 1,629,084	\$ 49,761	\$ 1,861,742
Accounts receivable	3,834	9,425	-	13,259
Inventory	205	-	-	205
Capital assets, being depreciated	-	24,203	-	24,203
Total assets	186,936	1,662,712	49,761	1,899,409
Liabilities				
Accounts payable	820	2,480	230	3,530
Accrued liabilities	-	7,946	1,150	9,096
Deposits payable	-	199,750	-	199,750
Due to other funds	-	652	-	652
Long-term liabilities, due within one year	-	14,217	-	14,217
Total liabilities	820	225,045	1,380	227,245
Net position				
Investment in capital assets	-	24,203	-	24,203
Unrestricted	186,116	1,413,464	48,381	1,647,961
Total net position	\$ 186,116	\$ 1,437,667	\$ 48,381	\$ 1,672,164

CLINTON COUNTY, MICHIGAN

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Nonmajor Enterprise Funds

For the Year Ended December 31, 2019

	Jail Commissary	Building Department	County Extension Community Center	Total
Operating revenues				
Charges for services	\$ -	\$ 803,439	\$ -	\$ 803,439
Sales	361,975	-	-	361,975
Rent	-	-	4,950	4,950
Other	36,611	212	1,600	38,423
Total operating revenues	398,586	803,651	6,550	1,208,787
Operating expenses				
Personnel services and fringes	-	328,015	-	328,015
Supplies	368,131	7,276	24,541	399,948
Contracted services	-	90,783	-	90,783
Depreciation	-	16,711	-	16,711
Other	-	83,304	-	83,304
Total operating expenses	368,131	526,089	24,541	918,761
Operating income (loss)	30,455	277,562	(17,991)	290,026
Nonoperating revenues				
Interest revenue	26	-	-	26
Income (loss) before transfers	30,481	277,562	(17,991)	290,052
Transfers				
Transfers in	-	-	16,000	16,000
Change in net position	30,481	277,562	(1,991)	306,052
Net position, beginning of year	155,635	1,160,105	50,372	1,366,112
Net position, end of year	\$ 186,116	\$ 1,437,667	\$ 48,381	\$ 1,672,164

CLINTON COUNTY, MICHIGAN

Combining Statement of Cash Flows Nonmajor Enterprise Funds For the Year Ended December 31, 2019

	Jail Commissary	Building Department	County Extension Community Center	Total
Cash flows from operating activities				
Receipts from customers and users	\$ 400,941	\$ 797,928	\$ 6,550	\$ 1,205,419
Payments to vendors	(368,071)	(168,671)	(24,415)	(561,157)
Payment for personnel services and fringes	-	(321,014)	-	(321,014)
Net cash provided by (used in) operating activities	32,870	308,243	(17,865)	323,248
Cash flows from noncapital financing activities				
Transfers in	-	-	16,000	16,000
Cash flows from investing activities				
Interest received	26	-	-	26
Net change in cash and cash equivalents	32,896	308,243	(1,865)	339,274
Cash and cash equivalents, beginning of year	150,001	1,320,841	51,626	1,522,468
Cash and cash equivalents, end of year	\$ 182,897	\$ 1,629,084	\$ 49,761	\$ 1,861,742
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 30,455	\$ 277,562	\$ (17,991)	\$ 290,026
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	16,711	-	16,711
Change in operating assets and liabilities that provided (used) cash:				
Accounts receivable	2,355	(5,875)	-	(3,520)
Inventory	37	-	-	37
Accounts payable	23	(1,683)	(24)	(1,684)
Accrued liabilities	-	2,278	150	2,428
Deposits payable	-	14,375	-	14,375
Due to other funds	-	152	-	152
Accrued compensated absences	-	4,723	-	4,723
Net cash provided by (used in) operating activities	\$ 32,870	\$ 308,243	\$ (17,865)	\$ 323,248

INTERNAL SERVICE FUNDS

CLINTON COUNTY, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2019

	Central Stores	Central Telephone	MIS	Drain Equipment Revolving
Assets				
Cash and cash equivalents	\$ 18,082	\$ 221,457	\$ 2,719,129	\$ 70,859
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Inventory	8,598	-	-	-
Due from other governmental units	-	-	50	-
Due from other funds	-	-	-	-
Capital assets, being depreciated	-	62,388	671,919	72,707
Total assets	26,680	283,845	3,391,098	143,566
Liabilities				
Accounts payable	-	2,486	12,474	2,153
Accrued liabilities	-	-	7,316	-
Advances from other funds	25,000	-	-	10,000
Due to other funds	-	-	1,045	9,240
Long-term liabilities:				
Due within one year	-	-	27,836	-
Due in more than one year	-	-	25,694	-
Total liabilities	25,000	2,486	74,365	21,393
Net position				
Investment in capital assets	-	62,388	671,919	72,707
Restricted for employee benefits	-	-	-	-
Unrestricted	1,680	218,971	2,644,814	49,466
Total net position	\$ 1,680	\$ 281,359	\$ 3,316,733	\$ 122,173

County Vehicles	Employee Retirement	Insurance	Unemployment	Workers Compensation	Total
\$ 1,026,447	\$ 717,582	\$ 1,764,027	\$ 193,240	\$ 303,610	\$ 7,034,433
-	525,936	778,295	-	-	1,304,231
-	-	432	-	88,870	89,302
-	299	2,141	-	-	2,440
-	-	-	-	-	8,598
-	-	-	-	-	50
-	35,841	8,567	575	2,487	47,470
591,817	-	-	-	-	1,398,831
<u>1,618,264</u>	<u>1,279,658</u>	<u>2,553,462</u>	<u>193,815</u>	<u>394,967</u>	<u>9,885,355</u>
-	65,743	4,959	16,880	-	104,695
-	-	5,203	-	-	12,519
-	-	-	-	-	35,000
-	-	233	-	-	10,518
-	-	862	-	-	28,698
-	-	-	-	-	25,694
-	<u>65,743</u>	<u>11,257</u>	<u>16,880</u>	-	<u>217,124</u>
591,817	-	-	-	-	1,398,831
-	1,213,915	2,542,205	176,935	394,967	4,328,022
1,026,447	-	-	-	-	3,941,378
<u>\$ 1,618,264</u>	<u>\$ 1,213,915</u>	<u>\$ 2,542,205</u>	<u>\$ 176,935</u>	<u>\$ 394,967</u>	<u>\$ 9,668,231</u>

CLINTON COUNTY, MICHIGAN

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Funds For the Year Ended December 31, 2019

	Central Stores	Central Telephone	MIS	Drain Equipment Revolving
Operating revenues				
Charges for services	\$ 60,940	\$ 36,221	\$ 6,046	\$ 70,487
Other	-	-	-	300
Total operating revenues	60,940	36,221	6,046	70,787
Operating expenses				
Personnel services and fringes	-	-	334,736	-
Supplies	60,548	-	5,265	-
Contracted services	392	4,556	110,471	-
Depreciation	-	20,796	162,461	13,619
Other	-	33,259	153,486	62,593
Total operating expenses	60,940	58,611	766,419	76,212
Operating income (loss)	-	(22,390)	(760,373)	(5,425)
Nonoperating revenues				
Interest revenue	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Total nonoperating revenues	-	-	-	-
Income (loss) before transfers	-	(22,390)	(760,373)	(5,425)
Transfers				
Transfers in	-	-	1,017,917	-
Change in net position	-	(22,390)	257,544	(5,425)
Net position, beginning of year	1,680	303,749	3,059,189	127,598
Net position, end of year	\$ 1,680	\$ 281,359	\$ 3,316,733	\$ 122,173

County Vehicles	Employee Retirement	Insurance	Unemployment	Workers Compensation	Total
\$ -	\$ 1,383,685	\$ 2,241,713	\$ -	\$ -	\$ 3,799,092
-	-	-	21,782	191,970	214,052
-	1,383,685	2,241,713	21,782	191,970	4,013,144
-	3,086,713	2,250,042	16,880	149,323	5,837,694
-	-	-	-	-	65,813
-	31,267	-	-	-	146,686
182,776	-	-	-	-	379,652
26,151	-	15,364	-	-	290,853
208,927	3,117,980	2,265,406	16,880	149,323	6,720,698
(208,927)	(1,734,295)	(23,693)	4,902	42,647	(2,707,554)
-	12,997	34,679	546	977	49,199
23,307	-	-	-	-	23,307
23,307	12,997	34,679	546	977	72,506
(185,620)	(1,721,298)	10,986	5,448	43,624	(2,635,048)
348,286	1,918,068	-	-	-	3,284,271
162,666	196,770	10,986	5,448	43,624	649,223
1,455,598	1,017,145	2,531,219	171,487	351,343	9,019,008
\$ 1,618,264	\$ 1,213,915	\$ 2,542,205	\$ 176,935	\$ 394,967	\$ 9,668,231

CLINTON COUNTY, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended December 31, 2019

	Central Stores	Central Telephone	MIS	Drain Equipment Revolving
Cash flows from operating activities				
Receipts from customers and users	\$ 60,940	\$ 36,221	\$ 5,996	\$ 70,787
Payments to vendors	(57,778)	(35,612)	(265,531)	(54,350)
Payments for personnel services and fringes	-	-	(334,736)	-
Net cash provided by (used in) operating activities	3,162	609	(594,271)	16,437
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	-	-	-
Capital asset purchases	-	-	(139,464)	-
Net cash provided by (used in) capital and related financing activities	-	-	(139,464)	-
Cash flows from noncapital financing activities				
Transfers in	-	-	1,017,917	-
Cash flows from investing activities				
Purchase of investments	-	-	-	-
Sales and maturity of investments	-	-	-	-
Interest received	-	-	-	-
Net cash provided by (used in) investing activities	-	-	-	-
Net increase (decrease) in cash and cash equivalents	3,162	609	284,182	16,437
Cash and cash equivalents, beginning of year	14,920	220,848	2,434,947	54,422
Cash and cash equivalents, end of year	\$ 18,082	\$ 221,457	\$ 2,719,129	\$ 70,859

County Vehicles	Employee Retirement	Insurance	Unemployment	Workers Compensation	Total
\$ 40,397 (26,151) -	\$ 1,373,214 (31,267) (3,103,179)	\$ 2,241,794 (9,251) (2,250,042)	\$ 21,668 - (4,506)	\$ 102,678 - (149,323)	\$ 3,953,695 (479,940) (5,841,786)
14,246	(1,761,232)	(17,499)	17,162	(46,645)	(2,368,031)
29,258 (167,667)	- -	- -	- -	- -	29,258 (307,131)
(138,409)	-	-	-	-	(277,873)
348,286	1,918,068	-	-	-	3,284,271
-	(525,936)	(778,295)	-	-	(1,304,231)
-	513,496	1,777,381	-	-	2,290,877
-	12,997	34,679	546	977	49,199
-	557	1,033,765	546	977	1,035,845
224,123	157,393	1,016,266	17,708	(45,668)	1,674,212
802,324	560,189	747,761	175,532	349,278	5,360,221
\$ 1,026,447	\$ 717,582	\$ 1,764,027	\$ 193,240	\$ 303,610	\$ 7,034,433

continued...

CLINTON COUNTY, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended December 31, 2019

	Central Stores	Central Telephone	MIS	Drain Equipment Revolving
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ -	\$ (22,390)	\$ (760,373)	\$ (5,425)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	20,796	162,461	13,619
Change in operating assets and liabilities that provided (used) cash:				
Accounts receivable	-	-	-	-
Inventory	3,162	-	-	-
Due from other governments	-	-	(50)	-
Due from other funds	-	-	-	-
Accounts payable	-	2,203	(2,297)	1,188
Accrued liabilities	-	-	1,297	-
Compensated absences	-	-	4,356	-
Due to other funds	-	-	335	7,055
Net cash provided by (used in) operating activities	\$ 3,162	\$ 609	\$ (594,271)	\$ 16,437



County Vehicles	Employee Retirement	Insurance	Unemployment	Workers Compensation	Total
\$ (208,927)	\$ (1,734,295)	\$ (23,693)	\$ 4,902	\$ 42,647	\$ (2,707,554)
182,776	-	-	-	-	379,652
-	1,332	1,725	-	(88,870)	(85,813)
-	-	-	-	-	3,162
40,397	-	-	-	-	40,347
-	(11,803)	(1,644)	(114)	(422)	(13,983)
-	(16,466)	2,820	12,374	-	(178)
-	-	3,202	-	-	4,499
-	-	-	-	-	4,356
-	-	91	-	-	7,481
<u>\$ 14,246</u>	<u>\$ (1,761,232)</u>	<u>\$ (17,499)</u>	<u>\$ 17,162</u>	<u>\$ (46,645)</u>	<u>\$ (2,368,031)</u>

concluded

CUSTODIAL FUNDS

CLINTON COUNTY, MICHIGAN

Combining Statement of Fiduciary Net Position Custodial Funds December 31, 2019

	General	District Court	Probate Court
Assets			
Cash and cash equivalents	\$ 214,109	\$ -	\$ 4,430
Liabilities			
Undistributed collections payable	10,334	-	-
Due to other governmental units:			
Federal/State	171,162	-	4,430
Local	-	-	-
Due to individuals and agencies	32,613	-	-
Total liabilities	<u>214,109</u>	<u>-</u>	<u>4,430</u>
Net position			
Restricted for:			
Individuals, organizations, and other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Circuit Court	Inmates'	Library	Total
<u>\$ 6,415</u>	<u>\$ 27,438</u>	<u>\$ 224,025</u>	<u>\$ 476,417</u>
-	-	-	10,334
6,415	-	-	182,007
-	-	224,025	224,025
<u>-</u>	<u>27,438</u>	<u>-</u>	<u>60,051</u>
<u>6,415</u>	<u>27,438</u>	<u>224,025</u>	<u>476,417</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CLINTON COUNTY, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position Custodial Funds December 31, 2019

	General	District Court	Probate Court
Additions			
State education tax collected for other governments	\$ 16,871,284	\$ -	\$ -
Real estate transfer tax collected for other governments	2,479,879	-	-
Fees and fines collected on behalf of other units of government	-	792,400	62,026
Collections from or on behalf of inmates	-	-	-
Other taxes collected for other governments	253,533	-	-
Total additions	19,604,696	792,400	62,026
Deductions			
Payments of state education tax to other governments	16,871,284	-	-
Payments of real estate transfer tax to other governments	2,479,879	-	-
Fees and fines remitted to other units of government	-	792,400	62,026
Payments to or on behalf of inmates	-	-	-
Payments of other taxes to other governments	253,533	-	-
Total deductions	19,604,696	792,400	62,026
Net increase (decrease) in net position	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	\$ -	\$ -	\$ -



Circuit Court	Inmates'	Library	Total
\$ -	\$ -	\$ -	\$ 16,871,284
-	-	-	2,479,879
92,514	-	385,453	1,332,393
-	140,319	-	140,319
-	-	-	253,533
<u>92,514</u>	<u>140,319</u>	<u>385,453</u>	<u>21,077,408</u>
-	-	-	16,871,284
-	-	-	2,479,879
92,514	-	385,453	1,332,393
-	140,319	-	140,319
-	-	-	253,533
<u>92,514</u>	<u>140,319</u>	<u>385,453</u>	<u>21,077,408</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMPONENT UNITS

CLINTON COUNTY, MICHIGAN

Combining Balance Sheet

Drainage Districts Component Unit

December 31, 2019

	Debt Service	Capital Projects			Total
	Drain Debt Retirement	Regular Drain	Revolving Drain	Revolving Drain Maintenance	
Assets					
Cash and cash equivalents	\$ 65,532	\$ 519,066	\$ 97,091	\$ 30,036	\$ 711,725
Investments	-	1,250,000	-	-	1,250,000
Accrued interest receivable	-	9,175	-	-	9,175
Accounts receivable	-	75,348	-	-	75,348
Restricted cash and cash equivalents	157,973	-	-	-	157,973
Special assessments receivable	2,803,486	531,904	-	-	3,335,390
Due from other funds	-	-	171,441	15,000	186,441
Total assets	<u>\$ 3,026,991</u>	<u>\$ 2,385,493</u>	<u>\$ 268,532</u>	<u>\$ 45,036</u>	<u>\$ 5,726,052</u>
Liabilities					
Accounts payable	\$ -	\$ 113,897	\$ 18,532	\$ -	\$ 132,429
Accrued liabilities	-	5,000	-	-	5,000
Due to other funds	-	186,441	-	-	186,441
Advances from primary government	-	-	250,000	-	250,000
Total liabilities	<u>-</u>	<u>305,338</u>	<u>268,532</u>	<u>-</u>	<u>573,870</u>
Deferred inflows of resources					
Unavailable revenue - special assessments	2,664,267	-	-	-	2,664,267
Fund balances					
Restricted for debt service	362,724	-	-	-	362,724
Assigned for capital expenditures	-	2,080,155	-	45,036	2,125,191
Total fund balances	<u>362,724</u>	<u>2,080,155</u>	<u>-</u>	<u>45,036</u>	<u>2,487,915</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,026,991</u>	<u>\$ 2,385,493</u>	<u>\$ 268,532</u>	<u>\$ 45,036</u>	<u>\$ 5,726,052</u>

CLINTON COUNTY, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities - Drainage Districts Component Unit
December 31, 2019

Fund balances - Drainage Districts component unit	\$ 2,487,915
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	
Capital assets not being depreciated	350,729
Capital assets being depreciated, net	23,225,149
Long-term receivables are not available to pay for current period expenditures and therefore are offset with deferred inflows of resources in the fund statements.	
Unavailable revenue - special assessments	2,664,267
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Accrued interest payable	(21,693)
Bonds and notes payable	<u>(2,210,284)</u>
Net position of governmental activities - Drainage Districts component unit	<u>\$ 26,496,083</u>

CLINTON COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Drainage Districts Component Unit For the Year Ended December 31, 2019

	Debt Service	Capital Project			Total
	Drain Debt Retirement	Regular Drain	Revolving Drain	Revolving Drain Maintenance	
Revenues					
Charges for services	\$ -	\$ 24,136	\$ -	\$ -	\$ 24,136
Interest	477	27,406	-	1,587	29,470
Special assessments	171,101	782,963	-	-	954,064
Miscellaneous	-	29,507	-	-	29,507
Total revenues	171,578	864,012	-	1,587	1,037,177
Expenditures					
Capital outlay	-	1,192,681	-	-	1,192,681
Debt service:					
Principal	360,558	-	-	-	360,558
Interest and fiscal charges	54,917	-	-	-	54,917
Total expenditures	415,475	1,192,681	-	-	1,608,156
Revenues over (under) expenditures	(243,897)	(328,669)	-	1,587	(570,979)
Other financing sources (uses)					
Transfer in	167,912	40,821	-	-	208,733
Transfer out	(40,821)	(167,912)	-	-	(208,733)
Bond and note proceeds	-	475,300	-	-	475,300
Total other financing sources (uses)	127,091	348,209	-	-	475,300
Change in fund balances	(116,806)	19,540	-	1,587	(95,679)
Fund balances, beginning of year	479,530	2,060,615	-	43,449	2,583,594
Fund balances, end of year	\$ 362,724	\$ 2,080,155	\$ -	\$ 45,036	\$ 2,487,915

CLINTON COUNTY, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities - Drainage Districts Component Unit
For the Year Ended December 31, 2019

Net change in fund balances - Drainage Districts component unit \$ (95,679)

Amounts reported for *governmental activities* in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital assets purchased/constructed	753,952
Depreciation expense	(384,923)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue - special assessments	803,834
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Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Long-term debt proceeds	(475,300)
Bond and note principal payments	360,558

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.

These activities consist of:

Change in accrued interest payable	(4,109)
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Change in net position of governmental activities - Drainage Districts component unit	\$ <u>958,333</u>
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CLINTON COUNTY, MICHIGAN

Balance Sheet

Department of Public Works Component Unit
December 31, 2019

	Debt Service
	Bingham Township #14
Assets	
Lease receivable	\$ <u> -</u>
Deferred inflows of resources	
Unavailable revenue - lease receivables	\$ <u> -</u>

CLINTON COUNTY, MICHIGAN

Reconciliation

Fund Balance of Governmental Fund to Net Position
of Governmental Activities - Department of Public Works Component Unit
December 31, 2019

Total fund balance - Department of Public Works component unit \$ -

Amounts reported for *governmental activities* in the statement of net position are different because:

The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance.

Deferred lease receivables -

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Accrued interest payable -

Bonds payable -

Net position of governmental activities - Department of Public Works component unit \$ -

CLINTON COUNTY, MICHIGAN

Statement of Revenue, Expenditures and Changes in Fund Balances Department of Public Works Component Unit For the Year Ended December 31, 2019

	Debt Service
	Bingham Township #14
Revenue	
Intergovernmental - local	\$ 164,750
Expenditures	
Debt service:	
Principal	160,000
Interest and fiscal charges	4,750
Total expenditures	164,750
Change in fund balances	-
Fund balance, beginning of year	-
Fund balance, end of year	\$ -

CLINTON COUNTY, MICHIGAN

Reconciliation

Net Changes in Fund Balance of Governmental Fund to Change in Net Position
of Governmental Activities - Department of Public Works Component Unit
For the Year Ended December 31, 2019

Net change in fund balance - Department of Public Works component unit	\$ -
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.	
Net change in deferred lease receivables	(161,319)
Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:	
Bond principal retirement	160,000
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds. These activities consist of:	
Decrease in accrued interest payable	<u>1,319</u>
Change in net position of governmental activities - Department of Public Works component unit	<u><u>\$ -</u></u>