

# Tuscola County, Michigan Comprehensive Annual Financial Report



Year Ended  
December 31, 2019

# **TUSCOLA COUNTY, MICHIGAN**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2019

### **Board of Commissioners**

Thomas Bardwell (Chairperson)

Thomas Young

Kim Vaughan

Mark Jensen

Daniel Grimshaw

Prepared by: Finance Department

### **Administrator / Controller**

Clayette Zechmeister

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## **Introductory Section**

**TUSCOLA COUNTY  
CONTROLLER/ADMINISTRATOR'S OFFICE**

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July 30, 2020

To the Honorable Board of Commissioners and Citizens of Tuscola County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Tuscola County for the fiscal year ended December 31, 2019.

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

Tuscola County's financial statements have been audited by Gabridge & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Tuscola County for the fiscal year ended December 31, 2019 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Tuscola County's financial statements for the fiscal year ended December 31, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Tuscola County's MD&A can be found immediately following the report of the independent auditors.

## **I - Profile of the Government**

County government is the largest unit of local government in Michigan and is also the oldest political subdivision of the state, having attained stature and importance before any other form of government now in existence. Tuscola County was incorporated in 1851 and is located in the east central portion of the lower peninsula of the state. The County occupies an area of approximately 803 square miles and serves a population of approximately 52,245.

County government is operated under a five member elected County Board of Commissioners. Members are elected on a partisan basis by district. Districts are established every 10 years through an apportionment process. The County Board of Commissioners is responsible, among other things, for adoption of balanced annual operational and capital improvement budgets, determining tax levies, property equalization among local governmental units, establishing certain policies, appointing members to various boards and commissions, and appointing certain County officials.

In 1986, the Board of Commissioners established an appointed County Controller-Administrator position to be the Chief Administrative/Financial Officer of the County. This is the lead financial and accounting office of the county. Other duties of this position involve the management of the following: Recycling Operation, Mosquito Abatement, Dispatch, Equalization, Building and Grounds, Animal Control, Information Systems, Risk Management, Human Resources, Payroll, Corporate Council, MIDC, and Accounting-Budgeting and other statutory functions.

The Controller-Administrator and office staff have been instrumental in keeping the county in good financial standing for many years. The effectiveness of this position and office has been created by integrating budgeting, auditing, general ledger, accounts payable, payroll, labor negotiations, fringe benefit administration and financial planning. Centralizing these critical functions has produced significant efficiency and capabilities that otherwise would not be possible.

The offices of Prosecuting Attorney, Sheriff, Clerk, Treasurer, Register of Deeds, and Drain Commissioner are elected at large on a partisan basis and serve for a four-year term. The Judicial branch of government consists of three judges with one each in Circuit/Family Court, District Court, and Probate Court. All judges are elected at large on a non-partisan basis and serve a six-year term.

Tuscola County provides a full range of services which includes: police; dispatch; courts; indigent defense; jail; vital records maintenance; drainage; public health; child support and custody; care of abused, neglected, and delinquent youth; building codes; animal control; emergency services/homeland security; economic development; recycling; mosquito abatement; medical care facility; etc.

## **II - Annual County Budget Development and Financial Reporting Process**

A well-established highly effective financial management system remains in place. County officials continue to maintain effective financial management. This is critical because it enables safeguarding of public funds, operating within financial means and delivery of quality public services.

The foundations of this system are the annual budget, capital improvement planning, annual audit (Comprehensive Annual Financial Report), financial status reporting and multi-year financial planning. The effectiveness of this system has produced positive results for many years.

All agencies of Tuscola County are required to submit annual budget appropriation requests to the Controller-Administrator. The Controller-Administrator uses these requests as the starting point for developing a proposed budget. The Controller-Administrator then presents this proposed budget to the Board of Commissioners for

review. Departments who are not in agreement with their budget have opportunities to address specific concerns with the Board of Commissioners. Budget Public Hearings are required to be held and adoption of a final budget is required no later than December 31, which is the close of Tuscola County's fiscal year.

The appropriated budget is prepared and adopted by fund, activity, and line item detail. Transfers of appropriations require the approval of the Board of Commissioners. For governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, as listed in the table of contents.

### **III - Economic Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific economic and overall environment within which the County of Tuscola operates.

#### **Economic Indicators**

##### **Positive Indicators**

Even with economic challenges, Tuscola County is financially stable and well managed. This is evidenced by another bond rating upgrade in 2014 from A+ to AA-. The AA- rating was reaffirmed in early 2018. It is a credit to all county officials that a conservative fiscal philosophy is consistently maintained. This cautious and careful approach to financial management has enabled the on-going delivery of quality services while operating within limited financial means.

The near term financial position for county operations has improved primarily because of the tax revenue from wind turbine (WT) and transmission line development by the International Transmission Company. County assessed value increased 5.85% from 2019 to 2020. All land classifications increased except agriculture which decreased.

County per capita income continues to increase. The per capita income increase from 2018 to 2019 was 5.3%. However, the effective buying income of the county is only 78% of the national level. The county annualized unemployment rate at the end of 2019 was 6.2% which was higher than the state and nation.

##### **Negative Indicators**

The county continues to recover from the 2008 to 2013 major recession that severely impacted the state and nation. With the exception of agriculture and WT, residential land values have been slow to recover after unprecedented land value declines in preceding years.

The county continues to experience certain economic indicators of concern. Michigan was the only state in the nation to experience a population decline from 2000 to 2010. The county has economic development challenges because it is rural and is also impacted by the manufacturing employment declines that occurred in surrounding metropolitan areas including Flint, Saginaw and Bay City. People have been forced to seek employment outside of the state.

According to the U.S. Census Bureau, county population declined from 55,665 in 2010 to 52,245 in 2019. This is a 10 year loss of 3,420 people or 6.1%. The declining population is also evidenced by school enrollment declines. In 2010, school enrollment in the county was 9,496 compared to only 7,754 in 2019. This is a 10 year decline of 1,740 students or 18.3%.

County unemployment rates remain higher than the state and nation. Approximately 29% of the county residents receive some form of public assistance. Over 13% of the population is living below poverty levels. Median household income is substantially lower in the county than the state and nation. Home values are much lower in the count than state and nation. The number of residents in the county with a bachelor's degree or higher is only 14% which is well below the state and nation percentage with higher degrees. This creates more challenges in trying to create employment opportunities.

### **Positive Steps Taken To Revitalize the Economy**

The Tuscola County Economic Development Corporation (EDC) has continued economic development efforts in Tuscola County. Recent positive initiatives and activities that have retained and/or created new jobs with the assistance of the Tuscola County EDC and other economic development entities are outlined below.

#### **Job Retention/Creation**

Positive economic development initiatives and activities that have retained and/or created new jobs with the assistance of the Tuscola County EDC and other economic development entities are outlined below.

1. Found location for Quality Roasting, LLC, worked with Michigan Department of Transportation and DTE Energy to upgrade power and worked with the Michigan Strategic Fund to locate a \$13 million dollar soybean processing plant in Gilford Township.
2. Provided an economic impact study that helped secure the Caro Regional Center to remain in Tuscola County. Due to the impact study, an agreement was secured for the City of Caro to provide water to the new facility.
3. The Tuscola County EDC was successful in securing an expansion grant of \$250,000 for TI Automotive in the City of Caro.
4. Completed the Dyna Products location project, the company is a world-wide forestry products manufacturer in an 89,000 square foot former empty-distressed building in the Village of Millington. Completed a location project for Wilsons Industries in Millington.
5. Worked on funding for rejuvenating apartment space in Downtown Cass City and Downtown Millington. Continued to secure funding for the Village of Millington.
6. Provided funding for Human Hoist in Mayville, Vassar Restaurants and Dyna Products in Millington and other small businesses using monies from the EDC Equipment Lease Fund.
7. Continued to work with Chinese contacts representing the government of China.
8. Helped to facilitate negotiations regarding County agricultural product sales.
9. Worked to locate Wilkinson Chemical Plant in Tuscola County. Job is complete expansion is up and operating.
10. Received a Brownfield Redevelopment Grant of \$600,000 with funds used to put brownfield properties back into usable revenue generating properties. The grant is in the closing stages. The grant funded numerous business locations in Tuscola County and the Thumb Region.
11. Continued to work with DTE Energy to solve increased power needs in Tuscola County.

12. Work with Tuscola County municipalities on being Redevelopment Ready Communities (RRC) which is considered essential by the State of Michigan. The EDC helped local municipals with Placemaking grants and provided emergency relief to a local restaurant by purchasing new equipment when their older equipment failed.
13. Assisted in establishing a business incubator in Caro - the Roth Business Development Center is available to help start-up businesses with low-cost office space leasing, free business planning and assistance with logos, business cards and available meeting rooms. Continued to work with start-up businesses to provide them with the tools to grow.
14. The EDC assisted with the distribution of \$200,000 of Michigan EDC resources in Small Business Relief bringing Covid-19 economic relief with the closing of many small businesses.
15. The EDC is administering the 2<sup>nd</sup> phase in Michigan's Small Business Re-Start. The relief program will distribute \$500,000 to businesses in Tuscola County.
16. Continued retention calls to Tuscola County manufacturers in connection with the Michigan EDC and GST Michigan Works.

### **Important Tools Used by the EDC to Promote Economic Development Include**

#### **Roth Business Development Center**

The EDC assisted in the establishment of a business incubator which is available to help start-up businesses with low-cost office space leasing, free business planning and assistance with logos, business cards and available meeting rooms. The Roth Business Center continues to work with various non-profits in Tuscola County.

#### **Revolving Loan Fund**

The EDC has administered a Revolving Loan Fund designated for Tuscola County projects. This has been an important tool for local economic development. The fund serves the gap financing needs of small businesses and entrepreneurs and has helped businesses and individuals in all economic segments of the economy and in all geographic areas of the County. The need for gap financing occurs when a financial institution is willing to provide a percentage of the loan, but they are unable to lend the full amount requested in order to launch or expand the business due to what is perceived as a higher risk loan than the financial institution is willing to bear. The revolving loan fund supplements conventional financing and under no circumstances replaces traditional financing through a financial institution.

#### **Equipment Lease Program**

The program is a collaborative effort of the Tuscola County EDC and the USDA through a grant. These funds are an exciting part of the services the EDC provides to help to retain and create jobs. This program has assisted businesses and created jobs in Downtowns throughout Tuscola County.

#### **Regional Revolving Loan Fund Program**

The Tuscola County EDC is a leader in developing a Regional Revolving Loan Fund. This fund will help to provide resources to entrepreneurs and small business owners throughout Region 6. This Revolving Loan Fund will help regional businesses retain and create jobs by helping businesses meet their financing needs.

#### **Agribusiness Development Plan**

The Tuscola County EDC is working on the Agribusiness Development Plan. Agribusiness is Tuscola County's strength and provides regional advantages through dairy, cattle, livestock markets, cash crops, milling, agricultural processing, grain storage and organic farming. This program is focusing on devoting resources to

develop craft agriculture and concentrating on the needs of agribusiness. This plan has the goals to increase awareness, promote existing infrastructure and to capitalize on talent in the area.

#### **IV – 2019 County Activity Summary**

There is no question 2019 was another productive year for the county. There were many accomplishments. These positive actions and developments are outlined below. We are truly advancing the county for an even more efficient county government in the future. We must continue to challenge ourselves to achieve more successes for 2020 and future years. Some of the significant positive activities for county government in 2019 are outlined below.

##### **New State Psychiatric Hospital**

In 2016, the state decided that a new \$115 million psychiatric hospital would be built to help solve an overall state-wide psychiatric bed shortage. In July of 2017, then Governor Snyder and the Department of Human Services (DHHS) Director decided that building the new hospital at the Caro Regional Center was the correct choice. Ground breaking ceremonies were held in October of 2018. The state approved a \$5.4 million contract with Integrated Design Solutions, to design a new 200 bed hospital (increase of 150 beds at the Caro Center). The DHHS Director said the state made a commitment to the Caro community that the new psychiatric hospital would remain in the community and they were going to keep that promise. County officials then received a shocking and disturbing announcement. On March 13, 2019, Governor Whitmer halted construction after spending over \$3 million, and contracted with a private consulting firm, at a cost of \$277,000, to re-assess the location of a new state psychiatric facility. This could potentially delay the availability of new psychiatric beds and the replacement of the aging Caro facility by another 2-4 years.

The county hired a consulting firm (Capital Services) to assist the county with restating the reasons and convince the state for the second time that building the new hospital in Tuscola County is the logical choice. At the current site there is a 100-year community tradition of caring. Seventy percent of employees travel less than 30 miles to work. The site is centrally located for family visits and patient transportation with 80% of patients coming from Genesee, Oakland and Macomb Counties, just to the south of Tuscola County. The 600 acre site is already state-owned and infrastructure is already in place. County engineers determined the on-site water system can be economically upgraded to serve the new hospital. It is accessible to state highways and near area medical providers.

The facility is a vital economic engine for this entire region of Michigan. An economic impact study determined that the operation infuses \$54 million annually into the regional economy while directly employing 350 people and indirectly employing another 400 people, making it the second largest employer in Tuscola County.

With the help on many counties throughout Michigan passing resolutions, State Rep Phil Green, Senator Kevin Daily, the Michigan Association of Counties, Capital Services and the dedicated hard work from many local citizens the Governor heard our concerns and an agreement was made to build a the new hospital. However, the agreement is for a much smaller hospital at only 100 beds the state contends to keep the current staffing levels. Construction will start in the fall of 2020.

##### **Wind Turbine Development Major New Source of Revenue for Public Services**

Without question the most significant event that has impacted finances in Tuscola County over the last seven years is the construction of wind turbines (WT). WT development has become a critical source of revenue to fund



not only county operations, but also other government services. From 2013 to 2019, nearly \$37.5 million in WT revenue has been received. (See Table on below).

There are 13 public services that directly benefit from WT revenue including, schools, county general operating, road repairs, bridge repairs, libraries, senior citizen programs, recycling, Medical Care Facility, veteran services, Michigan State University extension services, mosquito control, sheriff road patrol, township that includes; operational costs fire protection, drains, ambulance and emergency services.

Beneficiaries of wind development include: property owners that have leases with the wind companies in addition to governmental entities that levy millage to provide public services. The amount of funds received is based on the number of mills levied and the taxable value of the WT located in the political jurisdiction. WT revenue has helped to maintain current levels of service that otherwise would not have been possible without millage increases or some other major new source of revenue. There is no question WT revenue has played an important part in helping to stabilize the county’s financial position on a short term basis.

However, with the current method of assessing/taxing WT the amount of revenue received ultimately substantially declines over time. This fact combined with the other uncertainty factors described above results in the need for the county to reduce its level of dependency on WT revenue. The question is not whether the amount of revenue received will decline, but rather how long before the decline occurs.

<b>WIND TURBINE REVENUE ORGANIZED BY PUBLIC SERVICES THAT BENEFIT 2013-2019 (Estimated)</b>								
<b>Benefitting Public Service</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Seven Year Total</b>
Schools (Intermediate and Local)	\$897,565	\$1,663,071	\$2,815,503	\$2,616,213	\$2,215,057	\$2,525,314	\$2,809,274	<b>\$15,541,997</b>
County General Operating	\$388,543	\$725,423	\$1,126,807	\$1,042,516	\$975,700	\$1,076,412	\$1,367,094	<b>\$6,702,495</b>
Primary Road Improvements	\$95,862	\$178,978	\$278,009	\$257,212	\$240,727	\$265,575	\$287,168	<b>\$1,603,531</b>
Township (Gen, Fire, Road)	\$385,821	\$751,183	\$1,320,275	\$1,195,698	\$1,114,338	\$1,271,862	\$1,473,625	<b>\$7,512,802</b>
Sheriff Police Services (Road Patrol)	\$89,340	\$166,802	\$259,095	\$239,714	\$331,539	\$365,761	\$395,500	<b>\$1,847,751</b>
Local Libraries	\$84,255	\$166,404	\$184,793	\$172,232	\$162,174	\$151,559	\$181,081	<b>\$1,102,498</b>
Mosquito Control Program	\$62,697	\$117,057	\$43,182	\$168,225	\$157,443	\$173,695	\$187,817	<b>\$910,116</b>
Bridge Repair and Replacement	\$47,717	\$89,090	\$138,385	\$128,033	\$119,827	\$132,195	\$142,945	<b>\$798,192</b>
Medical Care Facility (Operating and Debt)	\$24,816	\$46,333	\$71,970	\$66,586	\$62,319	\$68,752	\$74,342	<b>\$415,118</b>
Senior Citizen Programs/Needs	\$19,853	\$37,067	\$57,576	\$53,269	\$79,768	\$88,002	\$95,157	<b>\$430,692</b>
Recycling	\$14,890	\$27,799	\$43,182	\$39,951	\$37,391	\$41,251	\$44,605	<b>\$249,069</b>
Veteran Service Needs	\$0	\$0	\$48,939	\$45,278	\$42,376	\$46,751	\$50,552	<b>\$233,896</b>
Michigan State University Extension	\$0	\$0	\$0	\$26,634	\$24,927	\$27,500	\$29,736	<b>\$108,797</b>
<b>TOTAL ALL PUBLIC SERVICES</b>	<b>\$2,111,359</b>	<b>\$3,969,207</b>	<b>\$6,387,716</b>	<b>\$6,051,561</b>	<b>\$5,563,586</b>	<b>\$6,234,629</b>	<b>\$7,138,896</b>	<b>\$37,456,954</b>

### **Working for Fair Wind Turbine Assessing/Taxation**

Unfortunately, WT are not being assessed and taxed fairly. This problem is occurring because the State Tax Commission (STC) arbitrarily changed the original multiplier table (MT). The MT is the annual value placed on WT. Most disturbing is the STC change was made without the support of any studies, market research or analysis.

It resulted in an unacceptable potential reduction of an estimated 27% in WT revenue. This amounts to millions of dollars lost to local governments which are needed for essential public services.

Approximately \$6,234,629 in WT revenue was collected in Tuscola County in 2018. If this had to be reduced by 27% based on the STC MT, the estimated revenue loss would be \$1,683,350. This reduction would impact police, schools, roads, bridges, townships, senior citizens, recycling, libraries, medical care facility, veterans, fire, ambulance, mosquito control and other millage funded services. Calculated over 20 years these losses increase tremendously. Considering WT are currently in seven or eight other counties (and potentially more in the future), the collective revenue loss is tens of millions of dollars.

This seven year costly dispute between county/local governments, DTE and Consumers Energy needs resolution. Members of the Michigan Renewable Energy Collaborative (MREC) firmly believe citizens in communities hosting WT deserve a fair MT that does not under or over value WT. Appraisal Economics was hired by MREC to conduct a professional study to determine a fair fact based method of assessing/taxing WT. The study was completed and a well-reasoned MT was developed. It was presented to the STC, but unfortunately it was not adopted which has opened the door for more costly tax appeals.

### **Michigan Indigent Defense Commission Program Successfully Implemented and in the Second Year**

The MIDC was established to make improvements to the indigent defense system throughout the state. A first year plan was developed in 2018 over several months by county-court personnel and local defense attorneys. The plan included a cost analysis to strengthen indigent defense in the county and to comply with state standards to assure fair legal representation. The October 1, 2018 to September 30, 2019 budget is \$993,507 with a state share of \$744,247 and a county share of \$248,490. For the 2019 Budget from October 1, 2019 through September 30, 2020 is \$1,028,693 with the state share of \$745,017 and a county share of \$283,676.

A separate county fund has been established to account for and administer the program. The MIDC requires the program to be operated independent of the court. To accomplish this important objective the Board of Commissioners assigned overall program responsibility and administration to the County Controller-Administrator.

### **Continued Successful Financial Management and Strong Bond Rating**

County officials continue to practice highly effective financial management. This is accomplished through the annual All Funds Budget, the Comprehensive Annual Financial Report (Audit), multi-year financial planning and on-going financial monitoring/reporting. The County continues to receive the Government Finance Officers highest award for Excellence in Financial Reporting for the annual budget and audit.

All county funds continue to have positive fund balance positions and the annual budget remains balanced with adequate reserves. Importantly, funds continued to be transferred for equipment/technology and capital improvement needs in 2019. The county bond rating remains strong at AA- which documents the stable financial position of the county to financial markets which lowers the costs of borrowing funds for needed infrastructure and other projects. The county continues to operate within its financial means.

### **County Animal Control Department Continues to Improve Service Delivery**

Notice was received in mid-year 2018 that Sanilac County was terminating the 14 year animal control contract with Tuscola County. This two county contractual program was less than optimum with limited funding and staff. There were only three staff serving both counties covering 1,700 square miles with a combined population of about 95,000. Because animal control is a public safety operation, a solution to the possibility of there being no county animal control in Tuscola County was needed.

After reviewing the potential of contracting with other counties it was decided the best option was to re-establish a county operated program. The county program has been in operation for a full year now and we continue to be pleased with the success. We continue the staffing with two full-time and two part-time employees. Trucks have been purchased with one of the trucks funded by a grant from USDA. In 2019 we were able to secure another grant for the purchase of another truck. Improvements to the shelter have been implemented for housing and providing other animal control services. More animals are being rescued and the community is pleased with the progress and improvements that have been made.

### **County Jail Study – Review of Potential New Jail**

A comprehensive study of the county jail was conducted by the National Sheriff’s Association. The study results were presented to the Board of Commissioners in November of 2018. It explained many of the deficiencies of the current jail and provided short and long term recommendations. It was concluded that the current jail is understaffed, outdated and poorly designed for current needs. There is a significant overall lack of space for inmate recreation, record storage, food, laundry, supplies, inmate visitation, etc.

The jail planning committee has begun reviewing details from the study. Architectural firms will be invited to develop conceptual drawings and a footprint for a new jail. Also, cost estimates will be requested. Potential methods of financing construction and possibly certain operational costs will be reviewed. The jail committee will continue to develop plans in 2019. It is anticipated that by the end of 2020 more specific plans and strategy for implementation will be completed.

### **Geographic Information System Continues to Advance in 2019**

Tuscola County GIS has seen rapid development over the past few years. The basic framework of the county GIS was completed in fall of 2015 and full time management responsibility was handed over to the new GIS Coordinator in summer of 2018. Since then GIS has become increasingly integrated within the county. The first major project was the completion of an inventory of county owned properties for the Board of Commissioners. Following that, the process of certifying deeds saw improvements with the introduction of GIS software and user training in the Treasurer’s. Most recently a series of well received land value maps was produced for local assessors as a requirement of the state mandated AMAR review.

A large scale map plotter has been purchased to allow the county to produce high quality printed maps which will also serve as a revenue source. A template for tax map books is under construction with plans to produce one for each township. Development of web apps aimed at both county departments and the public at large is a high priority with plans for a Delinquent Tax app. already in the works.

### **Technological Advancements Strengthen Operational Efficiency**

In 2019, approximately \$310,000 was invested in technology advancements. These funds were used for expanded security measures, strengthening computer system infrastructure and speed, and implementation of new software applications for increased efficiency.

New computer software applications continue to be implemented for increased efficiency. The BS&A Accounting Software replaced an aging financial software system used before with state of the art tracking and vital financial system. The “OnBase” system installation in Probate Court was completed. The software will provide for a paperless work flow in Probate Court. The county time and attendance software has been changed to “Kronos”. This “State of the Art” software will add functionality and scheduling for accurate recording of time and attendance. Upgraded computers continue to be purchased to accommodate the Windows 10 application and will continue through 2020.

Important network system infrastructure upgrades were implemented. The network was upgraded to 10 gigabyte capabilities. This enables faster connection from building to building and lays the ground work for future expansion needs.

### **Tuscola Officials Continue to be Recycling Leaders**

Over the years Tuscola County has proven to be a regional recycling leader. Progress has been made in completing the relocation to the new location (former Riverview Auto). Stained soil will be removed and disposed at an appropriate landfill. The building is being completely remodeled with the financial assistance from state recycling grants. It is anticipated that by the summer /fall of 2020 the relocation will occur. This new location will provide the added space needed to expand recycling programs for Tuscola County and potentially other surrounding counties.

### **Highly Successful Thumb Regional Sobriety Court**

For the past six years, Tuscola County Courts have operated a highly successful Thumb Regional Sobriety program to reduce recidivism for people who have been convicted of driving while under the influence of alcohol. This is a treatment program that is funded in part by a \$168,000 grant from the State Court Administrative Office. The program is administered by Tuscola County courts. It is available to residents of Tuscola, Huron and Sanilac Counties if the individual is referred by the courts.

### **Other Accomplishments/Activities in 2019**

- A. Tuscola County Veterans program has secured a \$50,000 veterans outreach grant. This will assist veterans throughout or county on how to receive help that is available to them for many services.
- B. The County Road Commission continues to make progress in improving the funding status of their retirement and health insurance programs. This was accomplished by allocating increased funding to these programs over the last few years.
- C. Tuscola County continues in the Opioid Lawsuit and has supplied considerable information regarding how the opioid crisis has negatively impacted the county socio-economically. We are hoping in 2020 there will be a settlement to this on-going litigation.
- D. We have moved forward on establishing a county land bank in 2019, and completion will be in 2020.
- E. 911 has replaced their pager system. The aged system was having issues with pages being missed in certain areas of the county. Months of field testing was completed by the director.
- F. The County has a new District Court Judge. The former Judge retired after 29 years on the bench for Tuscola County 71-B District Court.
- G. The County also has a new Controller/Administrator after the former Controller/Administrator retired after 30 years of leadership for the county.
- H. The jail feasibility study will be finishing up in 2020. Plans will be reviewed to see how to proceed to replace the aging jail.

- I. Labor contracts were settled for two years. Negotiations will start in the fall of 2020 for the 2021 contracts.
- J. Improvements to Vanderbilt Park continue to be completed. A waste dumping station will be built in 2020. Another objective is to clear vegetation to establish a view of the bay from the park.
- K. Child care in-home care supervised visitation program was reinstated at a county cost of \$21,500.

## **V- Effective Financial Policies**

The County has established long-standing effective financial policies that have stood the tests of time and financial pressures. Although the County has several financial related policies, the two most significant ones are: maintaining a minimum general fund balance and management of how delinquent tax revolving funds are used on an annual basis. Well-reasoned fiscal policy is integral to maintaining financial stability and a strong bond rating on a long-term basis. The following is a summary of these key County financial policies.

1. **General Fund Balance Assigned for Contingency Reserve** – The current County policy stipulates 10% of current fiscal year adopted budgeted expenditures be assigned for contingency reserve in the general fund. This reflects only slightly more than one month’s operational expenses. The County auditors have previously explained the need to maintain this fund balance contingency reserve. This reserve is an important factor for enabling preservation of overall positive county cash flow, covering unexpected emergencies and maintaining a strong bond rating.
2. **Delinquent Tax Revolving Funds** – One of the cornerstones of County finances has been the proper management of delinquent tax revolving funds. The delinquent tax policy of the County is to not spend principle, to use annual net income for operational and capital improvement needs and to maintain a self-funding arrangement. (Self-funding enables the County to pay local taxing units in full for their share of current taxes that are determined to be delinquent on an annual basis rather than borrow funds). It is essential to continue sound management of County financial policies and practices involving delinquent tax funds. Fiscal discipline and management of these funds are vital to overall long-term County financial stability.
3. **Other Key Financial Planning Documents/Policies Include** – multi-year financial plans, capital improvement plans, general fund minimum fund balance policy and delinquent tax policy (discussed above), purchasing, investment, claims processing, credit card usage, establishing and reconciliation of bank accounts and travel/meal reimbursement.

## **VI - Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tuscola County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2018. The county has received this prestigious award for 19 consecutive years. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be

given to the Tuscola County Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Tuscola County's finances.

Respectfully submitted,

Clayette A. Zechmeister  
Controller/Administrator

*(Signature withheld for security purposes)*

## The Board of Commissioners

Thomas Bardwell  
District 2  
Chairperson

District 1     Thomas Young  
District 4     Mark Jensen

District 3     Kim Vaughan  
District 5     Daniel Grimshaw

## Administration

County Controller/Administrator

Clayette Zechmeister

## Elected Officials

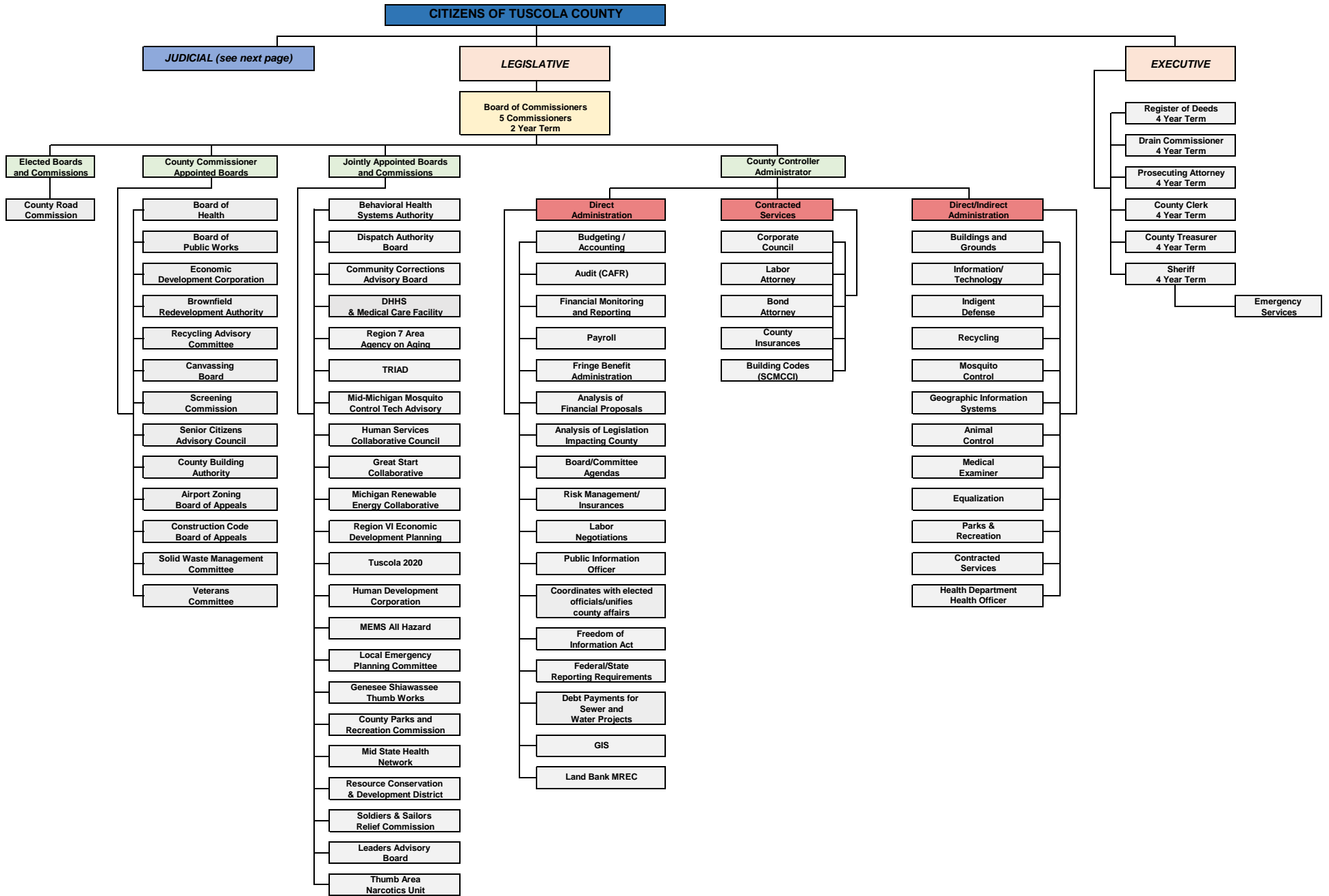
Circuit Court Judge  
County Clerk  
District Court Judge  
Drain Commissioner  
Probate Court Judge  
Prosecutor  
Register of Deeds  
Sheriff  
Treasurer

Amy Grace Gierhart  
Jodi Fetting  
Jason Bitzer  
Robert Mantey  
Nancy Thane  
Mark Reene  
John Bishop  
Glen Skrent  
Patricia Donovan-Gray

## Appointed Officials

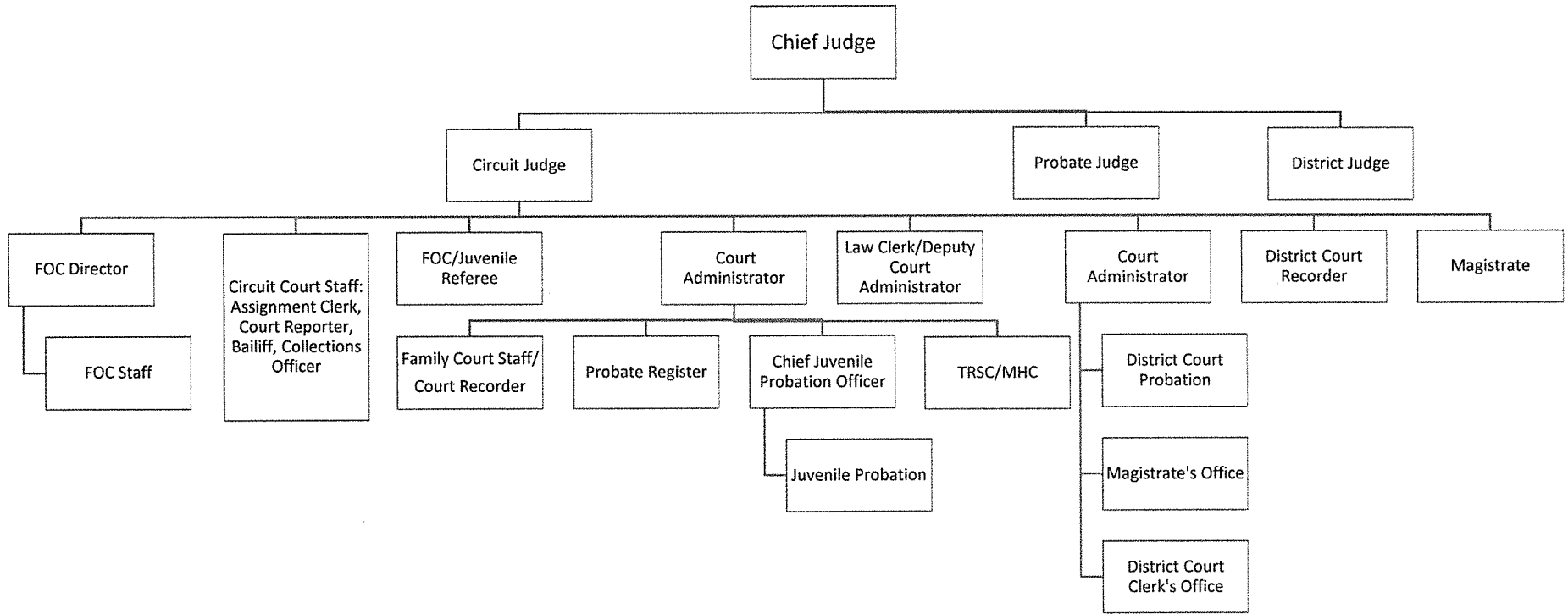
Circuit Court Administrator  
Director of Facilities & Buildings  
Director of Information Systems  
Dispatch Director  
Equalization Director  
Friend of the Court  
Health Officer  
Mosquito Abatement Director  
MSU/Co-op Director  
Recycling Coordinator  
Undersheriff

Sheila Long  
Mike Miller  
Eean Lee  
Sandy Nielsen  
Angela Daniels  
Sandy Erskine  
Ann Hepfer  
Kim Green  
Jerry Johnson  
Mike Miller  
Robert Baxter





# Tuscola County Unified Courts Organizational Chart



\*Bailiffs will be supervised by the Judge to whom they are assigned.

\*\*Effective 12/9/2019



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Tuscola County**  
**Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morrill*

Executive Director/CEO

## **Financial Section**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Tuscola County, Michigan  
Caro, Michigan

### Report on the Financial Statements

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

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tuscola County Health Department, a major governmental fund which represents 9.0% of assets and deferred outflows of resources, (7.6%) of net position, and 13.6% of revenues of the governmental activities. We also did not audit the Tuscola County Medical Care Facility, a major enterprise fund, which represents 73.9% of assets and deferred outflows of resources, 64.5% of net position, and 94.1% of revenues of the business-type activities. Also, we did not audit the financial statements of the Tuscola County Road Commission, which represents 82.0% of assets and deferred outflows of resources, 81.9% of net position, and 89.2% of revenues of the 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 the Tuscola County Health Department, the Tuscola County Medical Care Facility, and the Tuscola County Road Commission, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Tuscola County Medical Care Facility was not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 Tuscola County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

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

#### ***Other Information***

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

The combining and individual nonmajor fund financial statements and schedules 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gabridge & Company". The signature is written in dark ink and is positioned above the typed name of the firm.

Gabridge & Company, PLC  
Grand Rapids, MI  
July 30, 2020

## **Management's Discussion and Analysis**

**Tuscola County**  
**Management's Discussion and Analysis**  
**December 31, 2019**

As management of *Tuscola County, Michigan* (the "County" or "government") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

***Financial Highlights***

Key metrics and financial highlights of the County for the year ended December 31, 2019 are as follows:

- The assets and deferred outflows of the County, as presented in the government-wide financial statements, exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$30,008,095 (net position), a decrease of \$68,964 in 2019.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, capital projects, debt service, and permanent funds) reported combined ending fund balances of \$15,385,039 an increase of \$1,256,286 in comparison with the prior year. Of the fund balance amount, \$1,089,769 is available for spending at the government's discretion (unassigned fund balance).
- Total fund balance for the general fund was \$3,202,317, an increase of \$186,348 for 2019. At the end of the year, the unassigned portion of the fund balance in the general fund was \$1,142,881, or approximately 8.3% of total general fund expenditures and transfers out for the year.
- The County's net capital assets was \$19,548,613 at the end of 2019, which compares to \$20,717,124 at the end of 2018.
- The County's total long-term installment debt decreased by \$1,451,836 during the year, from \$23,001,092 to \$21,549,256 as of year-end.

***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the County's 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 other supplementary information in addition to the basic financial statements themselves.



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

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

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

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

The government-wide financial statements include not only Tuscola County itself (known as the *primary government*), but also the legally separate Road Commission and Drain Commission, for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

**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. Tuscola 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. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term

financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains numerous governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, health department, road patrol fund, and the Caro Sewer Series 2007 fund, which are considered to be major funds. 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 and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

**Proprietary funds.** The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Tuscola County uses enterprise funds to account for its delinquent tax collection and administration, medical care facility, and tax foreclosures.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its motor pool fund, workers' compensation insurance, and health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the combined revolving tax fund, medical care facility, and tax foreclosure fund, which are considered to be major funds of the County.

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to this management's discussion and analysis, budgetary comparison schedules, and the schedules for the County pension plan.

The combining statements and schedules referred to earlier in connection with nonmajor funds are presented following the required supplementary information.

### ***Government-wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Summary information on the County assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position is as follows:

#### **Tuscola County's Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and investments	\$ 15,217,063	\$ 13,123,780	\$ 7,958,328	\$ 8,236,717	\$ 23,175,391	\$ 21,360,497
Receivables, net	9,465,219	9,557,395	5,895,934	5,798,810	15,361,153	15,356,205
Due from other governments	540,382	584,841	108,113	150,716	648,495	735,557
Other assets	177,397	82,979	34,448	47,209	211,845	130,188
<b>Total Current Assets</b>	<b>25,400,061</b>	<b>23,348,995</b>	<b>13,996,823</b>	<b>14,233,452</b>	<b>39,396,884</b>	<b>37,582,447</b>
<i>Noncurrent Assets</i>						
Long-term intergovernmental advances	510,000	510,000	-	-	510,000	510,000
Contracts receivable, long-term	8,261,323	9,125,651	-	-	8,261,323	9,125,651
Restricted cash	-	-	24,293	27,320	24,293	27,320
Capital assets, net	6,577,978	6,870,593	12,970,635	13,846,531	19,548,613	20,717,124
<b>Total Assets</b>	<b>40,749,362</b>	<b>39,855,239</b>	<b>26,991,751</b>	<b>28,107,303</b>	<b>67,741,113</b>	<b>67,962,542</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related deferred outflows	1,435,304	3,217,477	450,046	1,659,998	1,885,350	4,877,475
<b>Total Deferred Outflows of Resources</b>	<b>1,435,304</b>	<b>3,217,477</b>	<b>450,046</b>	<b>1,659,998</b>	<b>1,885,350</b>	<b>4,877,475</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts payable	728,591	765,910	931,908	810,723	1,660,499	1,576,633
Accrued liabilities	855,208	582,916	349,518	331,584	1,204,726	914,500
Accrued interest	151,509	157,058	10,185	10,706	161,694	167,764
Unearned revenue	107,022	387,274	32,721	34,310	139,743	421,584
Due to other governmental units	133,157	82,860	-	-	133,157	82,860
Compensated absences, current	152,522	183,714	189,776	195,336	342,298	379,050
Current portion of long-term debt	997,159	1,046,729	195,000	190,000	1,192,159	1,236,729
Internal balances	(139,524)	(808,037)	139,524	808,037	-	-
<b>Total Current Liabilities</b>	<b>2,985,644</b>	<b>2,398,424</b>	<b>1,848,632</b>	<b>2,380,696</b>	<b>4,834,276</b>	<b>4,779,120</b>
<i>Noncurrent Liabilities</i>						
Compensated absences	270,252	220,968	248,621	238,030	518,873	458,998
Long-term debt	16,837,097	18,049,363	3,520,000	3,715,000	20,357,097	21,764,363
Net pension liability	4,069,993	4,514,072	1,264,146	2,790,452	5,334,139	7,304,524
<b>Total Liabilities</b>	<b>24,162,986</b>	<b>25,182,827</b>	<b>6,881,399</b>	<b>9,124,178</b>	<b>31,044,385</b>	<b>34,307,005</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related deferred inflows	169,700	442,976	381,947	138,231	551,647	581,207
Property taxes levied for subsequent year	7,559,684	7,428,065	462,652	446,681	8,022,336	7,874,746
<b>Total Deferred Inflows of Resources</b>	<b>7,729,384</b>	<b>7,871,041</b>	<b>844,599</b>	<b>584,912</b>	<b>8,573,983</b>	<b>8,455,953</b>
<b>NET POSITION</b>						
Net investment in capital assets	5,863,221	6,071,911	9,255,635	9,941,531	15,118,856	16,013,442
Restricted	11,510,953	10,745,988	-	-	11,510,953	10,745,988
Unrestricted	(7,081,878)	(6,799,051)	10,460,164	10,116,680	3,378,286	3,317,629
<b>Total Net Position</b>	<b>\$ 10,292,296</b>	<b>\$ 10,018,848</b>	<b>\$ 19,715,799</b>	<b>\$ 20,058,211</b>	<b>\$ 30,008,095</b>	<b>\$ 30,077,059</b>

A portion of the County's net position is unrestricted and available for future operations, while a significant portion of net position relates to its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt

must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Significant changes from the prior year include:

- The net pension liability decreased from \$4,514,072 to \$4,069,993 as of December 31, 2019. We continue to recover from the investment market loss in 2018.
- Pension related deferred outflows decreased from \$3,217,477 to \$1,435,304 as of December 31, 2019. Tuscola County and the Tuscola County Health Department continue to work towards reducing their pension debts.
- Cash had an overall increase from \$21,360,497 to \$23,175,391 as of December 31, 2019. This increase was mostly related to the non-cash related depreciation and pension expenses recognized during 2019.

**Tuscola County's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 6,364,381	\$ 6,153,543	\$24,829,969	\$24,159,090	\$31,194,350	\$30,312,633
Operating grants and contributions	6,831,800	5,884,161	-	-	6,831,800	5,884,161
<b>General Revenues</b>						
Taxes	15,213,039	14,500,060	448,069	435,791	15,661,108	14,935,851
State revenue sharing	958,315	1,293,320	-	-	958,315	1,293,320
Interest income	181,107	163,578	151,596	118,611	332,703	282,189
<b>Total Revenues</b>	<b>29,548,642</b>	<b>27,994,662</b>	<b>25,429,634</b>	<b>24,713,492</b>	<b>54,978,276</b>	<b>52,708,154</b>
<b>Expenses</b>						
Legislative	214,986	189,753	-	-	214,986	189,753
Judicial	3,244,038	4,239,644	-	-	3,244,038	4,239,644
General government	6,689,864	6,020,818	-	-	6,689,864	6,020,818
Public safety	7,818,978	8,527,437	-	-	7,818,978	8,527,437
Public works	3,689,461	3,957,531	-	-	3,689,461	3,957,531
Health and welfare	7,976,028	8,087,982	-	-	7,976,028	8,087,982
Culture and recreation	22,631	24,640	-	-	22,631	24,640
Interest on long-term debt	582,070	604,798	-	-	582,070	604,798
Medical Care Facility	-	-	24,223,269	24,446,586	24,223,269	24,446,586
Tax foreclosure fund	-	-	525,976	245,596	525,976	245,596
Combined tax revolving fund	-	-	59,939	86	59,939	86
<b>Total Expenses</b>	<b>30,238,056</b>	<b>31,652,603</b>	<b>24,809,184</b>	<b>24,692,268</b>	<b>55,047,240</b>	<b>56,344,871</b>
<b>Changes in Net Position Before Transfers</b>	<b>(689,414)</b>	<b>(3,657,941)</b>	<b>620,450</b>	<b>21,224</b>	<b>(68,964)</b>	<b>(3,636,717)</b>
Transfers	962,862	856,663	(962,862)	(856,663)	-	-
<b>Changes in Net Position</b>	<b>273,448</b>	<b>(2,801,278)</b>	<b>(342,412)</b>	<b>(835,439)</b>	<b>(68,964)</b>	<b>(3,636,717)</b>
<i>Net Position at the Beginning of Period *</i>	<i>10,018,848</i>	<i>12,820,126</i>	<i>20,058,211</i>	<i>20,893,650</i>	<i>30,077,059</i>	<i>33,713,776</i>
<b>Net Position at the End of Period</b>	<b>\$10,292,296</b>	<b>\$10,018,848</b>	<b>\$19,715,799</b>	<b>\$20,058,211</b>	<b>\$30,008,095</b>	<b>\$30,077,059</b>

\* Restated as of 1/1/2019, see Notes to the Financial Statements

Net position of the County decreased by \$68,964 during 2019. The governmental activities increased by \$273,448 when compared to the prior year, while the business-type activities had a decrease of \$342,412 these reductions were due mainly to a reduction of expenses experienced in the medical care facility.

Additional significant items to note during 2019 include:

- Operating grants and contributions increased \$947,639 from 2018 to 2019. The most significant changes in operating grants was within the indigent defense fund, which reported an increase of \$597,958 of operating grants. The largest increases were general government with an increase of \$478,020 and health and welfare with an increase of \$542,098. Judicial reflected the largest reduction at \$74,053.
- Charges for services reflects an \$881,717 increase from 2018. Taxes continue to increase in 2019 \$559,542 greater than 2018, in conjunction with the increase in taxable values.

### ***Governmental Activities***

During the year, the County invested \$6,689,864, or approximately 22.1% of expenses, to general government activities. Health and welfare expenses totaled \$7,976,026, or 26.4% of governmental activities expenses. Public safety expenses totaled \$7,818,978, or 25.9% of governmental activities expenses. Public works, legislative, judicial, culture and recreation, and interest on long-term debt made up the remaining 25.6% of governmental activities expenses. In the current year expenses decreased by \$1,414,547, which was primarily the result of the decreases in public safety and health and welfare.

### ***Business-type activities***

Business type activities decreased the County's net position by \$342,412. The cause of this decrease is described above.

### ***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. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$15,385,039, an increase of \$1,256,286 in comparison with the prior year. The overall increase in fund balance is described later in this analysis. Approximately 8.3% of this total amount constitutes *unassigned fund balance*. The remainder of fund balance is *restricted*, *committed*, or *assigned* to indicate that it cannot be used at the County's discretion, or it is *nonspendable* because it has already been committed, in this case, for prepaid items, advances, and inventory.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,142,881. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and net transfers out. Unassigned fund balance represents 8.3% of total general fund expenditures and transfers out.

**Proprietary funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the enterprise funds decreased \$342,412. Key elements of this change have been addressed elsewhere in this analysis.

The medical care facility ended the year with net position of \$12,716,973, an overall decrease of \$298,730.

The tax foreclosure fund ended the year with net position of \$1,333,399. This is an increase of \$33,009 from the prior year.

The combined revolving tax fund ended the year with net position of \$5,665,427, which was a decrease of \$76,691.

### ***General Fund Budgetary Highlights***

***Original budget compared to final budget.*** During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there was a need to make an amendment to reallocate appropriations among departments when it became clearer which departments would actually be charged for expenditures incurred. Generally, the movement of the appropriations between departments was not significant.

***Final budget compared to actual results.*** Actual expenditures came in under budgeted expenditures across all departments. There were no expenditures in excess of the amounts appropriated within the general fund during the year ended December 31, 2019.

### ***Capital Asset and Debt Administration***

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounted to \$19,548,613 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, equipment, and vehicles.

	<b>Capital Assets</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 408,891	\$ 408,891	\$ 327,926	\$ 327,926	\$ 736,817	\$ 736,817
Construction in progress	84,752	-	-	3,750	84,752	3,750
Buildings	7,697,701	7,697,701	14,394,270	14,215,511	22,091,971	21,913,212
Improvements	3,891,398	3,794,495	2,399,987	2,357,717	6,291,385	6,152,212
Equipment	3,800,198	3,677,181	9,446,896	9,502,649	13,247,094	13,179,830
Vehicles	1,752,203	1,709,884	-	-	1,752,203	1,709,884
Health Department	669,750	575,555	-	-	669,750	575,555
Accumulated depreciation	(11,726,915)	(10,993,114)	(13,598,444)	(12,561,022)	(25,325,359)	(23,554,136)
<b>Total</b>	<b>\$ 6,577,978</b>	<b>\$ 6,870,593</b>	<b>\$ 12,970,635</b>	<b>\$ 13,846,531</b>	<b>\$ 19,548,613</b>	<b>\$ 20,717,124</b>

Additional information on the County's capital assets can be found in Note 4 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total debt outstanding, exclusive of compensated absences, of \$21,549,256. Of this amount, \$17,834,256 was debt of governmental activities and \$3,715,000 was debt of business-type activities.

	<b>Long-term Debt</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
General obligation bonds	\$ 13,477,582	\$ 14,363,956	\$ -	\$ -	\$ 13,477,582	\$ 14,363,956
USDA loans	4,328,209	4,659,000	-	-	-	-
Other liabilities	28,465	73,136	3,715,000	3,905,000	3,743,465	3,978,136
<b>Total</b>	<b>\$ 17,834,256</b>	<b>\$ 19,096,092</b>	<b>\$ 3,715,000</b>	<b>\$ 3,905,000</b>	<b>\$ 21,549,256</b>	<b>\$ 23,001,092</b>

Additional information on the County's long-term debt can be found in Note 7 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

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

Management estimates that \$14,100,000 of revenues will be available for appropriation in the general fund in the upcoming budget. Expenditures are expected to change by small amounts compared to 2019. The County continues to review all budget line items for opportunities to reduce expenditures when possible. The budget will be monitored during the year to identify any necessary amendments. In 2020, the County plans again to use current revenues to provide essential services and to maintain the County's financial reserves at similar levels. The ongoing costs of providing essential services for the citizens of the County will again need to be monitored in order to maintain the financial condition of the County.

In order to maintain long-term financial stability, the County will continue to adopt realistic and balanced budgets for all funds that and manage them such that actual expenditures do not exceed actual revenues in any given year.

Management is also revising the budget in response to the COVID-19 pandemic, however, the significance of the impact on the County's revenues and expenditures is unknown as of the date of this report.

***Requests for Information***

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to:

Tuscola County Administrator  
125 Lincoln Street  
Caro, Michigan 48723

Phone | 989-672-3700



## **Basic Financial Statements**

**Tuscola County  
Statement of Net Position  
December 31, 2019**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and investments	\$ 15,217,063	\$ 7,958,328	\$ 23,175,391	\$ 10,359,995
Taxes receivable	7,990,137	2,957,612	10,947,749	2,282,935
Special assessments receivable	--	--	--	3,381,186
Contracts receivable, current	604,020	--	604,020	--
Due from other governments	540,382	108,113	648,495	3,078,358
Accounts receivable	871,062	2,938,322	3,809,384	776,116
Prepays	121,406	34,448	155,854	307,918
Inventory	55,991	--	55,991	443,354
<b>Total Current Assets</b>	<b>25,400,061</b>	<b>13,996,823</b>	<b>39,396,884</b>	<b>20,629,862</b>
<i>Noncurrent Assets</i>				
Long-term intergovernmental advances	510,000	--	510,000	--
Contracts receivable	8,261,323	--	8,261,323	--
Restricted cash	--	24,293	24,293	--
Capital assets not being depreciated	493,643	327,926	821,569	35,046,638
Capital assets being depreciated, net	6,084,335	12,642,709	18,727,044	88,300,155
<b>Total Assets</b>	<b>40,749,362</b>	<b>26,991,751</b>	<b>67,741,113</b>	<b>143,976,655</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB	--	--	--	610,950
Pension	1,435,304	450,046	1,885,350	484,873
<b>Total Deferred Outflows of Resources</b>	<b>1,435,304</b>	<b>450,046</b>	<b>1,885,350</b>	<b>1,095,823</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts payable	728,591	931,908	1,660,499	405,662
Accrued liabilities	855,208	349,518	1,204,726	22,450
Accrued interest	151,509	10,185	161,694	9,601
Unearned revenue	107,022	32,721	139,743	212,305
Due to other governmental units	133,157	--	133,157	510,000
Compensated absences, current	152,522	189,776	342,298	--
Current portion of long-term debt	997,159	195,000	1,192,159	507,184
Internal balances	(139,524)	139,524	--	--
<b>Total Current Liabilities</b>	<b>2,985,644</b>	<b>1,848,632</b>	<b>4,834,276</b>	<b>1,207,618</b>
<i>Noncurrent Liabilities</i>				
Compensated absences	270,252	248,621	518,873	58,203
Long-term debt	16,837,097	3,520,000	20,357,097	2,561,473
Net pension liability	4,069,993	1,264,146	5,334,139	2,009,649
Net OPEB liability	--	--	--	14,979,269
<b>Total Liabilities</b>	<b>24,162,986</b>	<b>6,881,399</b>	<b>31,044,385</b>	<b>21,275,796</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB	--	--	--	56,530
Pension	169,700	381,947	551,647	371,876
Taxes levied for a subsequent period	7,559,684	462,652	8,022,336	--
<b>Total Deferred Inflows of Resources</b>	<b>7,729,384</b>	<b>844,599</b>	<b>8,573,983</b>	<b>428,406</b>
<b>NET POSITION</b>				
Net investment in capital assets	5,863,221	9,255,635	15,118,856	120,278,136
<i>Restricted for:</i>				
Debt service	5,676	--	5,676	1,822,220
General government	340,072	--	340,072	--
Judicial	254,775	--	254,775	--
Public safety	2,868,761	--	2,868,761	--
Public works	1,354,612	--	1,354,612	1,222,569
Drains	--	--	--	4,302,462
Health and welfare	3,291,963	--	3,291,963	--
Culture and recreation	31,535	--	31,535	--
Capital projects	3,363,559	--	3,363,559	--
<i>Unrestricted</i>	(7,081,878)	10,460,164	3,378,286	(4,257,111)
<b>Total Net Position</b>	<b>\$ 10,292,296</b>	<b>\$ 19,715,799</b>	<b>\$ 30,008,095</b>	<b>\$ 123,368,276</b>

The Notes to the Financial Statements are an integral part of these financial statements.

**Tuscola County  
Statement of Activities  
For the year Ended December 31, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities:</b>								
Legislative	\$ 214,986	\$ --	\$ --	\$ --	\$ (214,986)	\$ --	\$ (214,986)	\$ --
Judicial	3,244,038	997,501	1,345,589	--	(900,948)	--	(900,948)	--
General government	6,689,864	1,809,252	1,131,227	--	(3,749,385)	--	(3,749,385)	--
Public safety	7,818,978	2,686,714	698,340	--	(4,433,924)	--	(4,433,924)	--
Public works	3,689,461	68,330	12,529	--	(3,608,602)	--	(3,608,602)	--
Health and welfare	7,976,028	778,230	3,643,239	--	(3,554,559)	--	(3,554,559)	--
Culture and recreation	22,631	24,354	876	--	2,599	--	2,599	--
Interest on long-term debt	582,070	--	--	--	(582,070)	--	(582,070)	--
<b>Total Governmental Activities</b>	<b>30,238,056</b>	<b>6,364,381</b>	<b>6,831,800</b>	<b>--</b>	<b>(17,041,875)</b>	<b>--</b>	<b>(17,041,875)</b>	<b>--</b>
<b>Business-type Activities:</b>								
Medical Care Facility	24,223,269	23,434,528	--	--	--	(788,741)	(788,741)	--
Tax Foreclosure Fund	525,976	647,641	--	--	--	121,665	121,665	--
Combined Revolving Tax Fund	59,939	747,800	--	--	--	687,861	687,861	--
<b>Total Business-type Activities</b>	<b>24,809,184</b>	<b>24,829,969</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>20,785</b>	<b>20,785</b>	<b>--</b>
<b>Total Primary Government</b>	<b>\$ 55,047,240</b>	<b>\$ 31,194,350</b>	<b>\$ 7,790,115</b>	<b>\$ --</b>	<b>\$ (17,041,875)</b>	<b>\$ 20,785</b>	<b>\$ (17,021,090)</b>	<b>--</b>
<b>Component Units</b>								
Tuscola County Road Commission	\$ 13,733,480	\$ 1,907,350	\$ 15,626,771	\$ --	--	--	--	3,800,641
Drain Commission	2,096,556	2,039,940	--	--	--	--	--	(56,616)
<b>Total Component Units</b>	<b>\$ 15,830,036</b>	<b>\$ 3,947,290</b>	<b>\$ 15,626,771</b>	<b>\$ --</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3,744,025</b>
<b>General Purpose Revenues and Transfers:</b>								
<b>Revenues</b>								
Property taxes					15,213,039	448,069	15,661,108	--
State revenue sharing					958,315	--	958,315	--
Interest income					181,107	151,596	332,703	121,110
<b>Transfers</b>								
					962,862	(962,862)	--	--
<b>Total General Revenues and Transfers</b>					<b>17,315,323</b>	<b>(363,197)</b>	<b>16,952,126</b>	<b>121,110</b>
<b>Change in Net Position</b>					<b>273,448</b>	<b>(342,412)</b>	<b>(68,964)</b>	<b>3,865,135</b>
<i>Net Position at Beginning of Period (Restated, Note 17)</i>					10,018,848	20,058,211	30,077,059	119,503,141
<b>Net Position at End of Period</b>					<b>\$ 10,292,296</b>	<b>\$ 19,715,799</b>	<b>\$ 30,008,095</b>	<b>\$ 123,368,276</b>

The Notes to the Financial Statements are an integral part of these financial statements.

**Tuscola County  
Balance Sheet  
Governmental Funds  
December 31, 2019**

	<u>Special Revenue</u>			<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Road Patrol</u>	<u>Health Department (09/30/2019)</u>	<u>Caro Sewer Series 2007</u>		
<b>ASSETS</b>						
Cash and investments	\$ 2,281,098	\$ 1,261,952	\$ 2,293,501	\$ --	\$ 8,640,957	\$ 14,477,508
Taxes receivable	430,453	2,465,329	--	--	5,094,355	7,990,137
Due from other governments	527,268	--	243,117	--	279,997	1,050,382
Accounts receivable	163,541	3,766	97,859	--	586,022	851,188
Prepays	77,408	--	9,968	--	--	87,376
Inventory	--	--	55,991	--	--	55,991
Due from other funds	312,950	--	--	--	90,529	403,479
Contracts receivable	--	--	--	3,591,646	5,273,697	8,865,343
Advances to other funds	57,028	--	--	--	--	57,028
<b>Total Assets</b>	<b>\$ 3,849,746</b>	<b>\$ 3,731,047</b>	<b>\$ 2,700,436</b>	<b>\$ 3,591,646</b>	<b>\$ 19,965,557</b>	<b>\$ 33,838,432</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 181,608	\$ 9,168	\$ 154,260	\$ --	\$ 383,216	\$ 728,252
Accrued liabilities	259,235	71,079	122,215	--	138,161	590,690
Unearned revenue	--	--	107,022	--	--	107,022
Due to other governmental units	--	--	--	--	133,157	133,157
Due to other funds	40,871	5,584	--	--	200,047	246,502
Advances from other funds	--	--	--	--	57,028	57,028
<b>Total Liabilities</b>	<b>481,714</b>	<b>85,831</b>	<b>383,497</b>	<b>--</b>	<b>911,609</b>	<b>1,862,651</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - taxes	165,715	--	--	--	--	165,715
Unavailable revenue - contracts	--	--	--	3,591,646	5,273,697	8,865,343
Taxes levied for a subsequent period	--	2,465,329	--	--	5,094,355	7,559,684
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>647,429</b>	<b>2,551,160</b>	<b>383,497</b>	<b>3,591,646</b>	<b>11,279,661</b>	<b>18,453,393</b>
<b>FUND BALANCE</b>						
Nonspendable	644,436	--	65,959	--	--	710,395
Restricted	--	1,179,887	1,592,058	--	8,739,008	11,510,953
Committed	5,000	--	351,814	--	--	356,814
Assigned	1,410,000	--	307,108	--	--	1,717,108
Unassigned	1,142,881	--	--	--	(53,112)	1,089,769
<b>Total Fund Balance</b>	<b>3,202,317</b>	<b>1,179,887</b>	<b>2,316,939</b>	<b>--</b>	<b>8,685,896</b>	<b>15,385,039</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 3,849,746</b>	<b>\$ 3,731,047</b>	<b>\$ 2,700,436</b>	<b>\$ 3,591,646</b>	<b>\$ 19,965,557</b>	<b>\$ 33,838,432</b>

The Notes to the Financial Statements are an integral part of these financial statements.

**Tuscola County**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2019**

Total Fund Balance - Governmental Funds	\$	15,385,039
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements.		511,149
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(151,509)
General government capital assets of \$18,304,893, net of accumulated depreciation of \$11,726,915, are not financial resources, and accordingly are not reported in the funds.		6,577,978
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(422,774)
Certain liabilities, such as bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(17,834,256)
Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.		9,031,058
Net pension liabilities, along with pension related deferrals, are not due and payable in the current period and, accordingly, are not reported in the funds.		(2,804,389)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>10,292,296</u></b>

The Notes to the Financial Statements are an integral part of these financial statements.

**Tuscola County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the year Ended December 31, 2019**

	<u>Special Revenue</u>			<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Road Patrol</u>	<u>Health Department (09/30/2019)</u>	<u>Caro Sewer Series 2007</u>		
<b>Revenues</b>						
Taxes	\$ 7,326,695	\$ 2,378,645	\$ --	\$ --	\$ 5,484,599	\$ 15,189,939
Licenses and permits	571,568	--	177,377	--	163,245	912,190
Intergovernmental	1,815,736	33,650	3,249,491	431,134	3,321,968	8,851,979
Charges for services	1,882,797	2,400	557,260	--	1,444,035	3,886,492
Fines and forfeits	76,624	--	--	--	7,250	83,874
Interest and rents	429,927	13,392	--	--	117,421	560,740
Reimbursements and refunds	--	5,117	--	--	20,800	25,917
Other	300,592	429	2,963	--	517,579	821,563
<b>Total Revenues</b>	<b>12,403,939</b>	<b>2,433,633</b>	<b>3,987,091</b>	<b>431,134</b>	<b>11,076,897</b>	<b>30,332,694</b>
<b>Expenditures</b>						
Legislative	191,628	--	--	--	21,063	212,691
Judicial	2,167,335	--	--	--	917,701	3,085,036
General government	4,566,953	--	--	--	1,493,264	6,060,217
Public safety	2,791,374	2,069,286	--	--	2,308,595	7,169,255
Public works	996,713	--	--	--	2,732,541	3,729,254
Health and welfare	445,198	--	3,559,160	--	3,422,270	7,426,628
Culture and recreation	--	--	--	--	27,964	27,964
Other	225,936	--	--	--	--	225,936
Capital outlay	--	--	--	--	252,834	252,834
Debt service - principal	21,159	--	--	370,000	872,303	1,263,462
Debt service - interest	--	--	--	61,134	524,859	585,993
<b>Total Expenditures</b>	<b>11,406,296</b>	<b>2,069,286</b>	<b>3,559,160</b>	<b>431,134</b>	<b>12,573,394</b>	<b>30,039,270</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>997,643</b>	<b>364,347</b>	<b>427,931</b>	<b>--</b>	<b>(1,496,497)</b>	<b>293,424</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,471,192	--	321,750	--	2,190,251	3,983,193
Transfers out	(2,282,487)	(64,423)	(177,341)	--	(496,080)	(3,020,331)
<b>Net Other Financing Sources (Uses)</b>	<b>(811,295)</b>	<b>(64,423)</b>	<b>144,409</b>	<b>--</b>	<b>1,694,171</b>	<b>962,862</b>
<b>Net Change in Fund Balance</b>	<b>186,348</b>	<b>299,924</b>	<b>572,340</b>	<b>--</b>	<b>197,674</b>	<b>1,256,286</b>
<i>Fund Balance at Beginning of Period</i>	3,015,969	879,963	1,744,599	--	8,488,222	14,128,753
<b>Fund Balance at End of Period</b>	<b>\$ 3,202,317</b>	<b>\$ 1,179,887</b>	<b>\$ 2,316,939</b>	<b>\$ --</b>	<b>\$ 8,685,896</b>	<b>\$ 15,385,039</b>

The Notes to the Financial Statements are an integral part of these financial statements.

**Tuscola County**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the year Ended December 31, 2019**

Total Net Change in Fund Balances - Governmental Funds	\$	1,256,286
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements.		(90,646)
Governmental fund report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures of \$441,186 is exceeded by depreciation expense of \$733,801.		(292,615)
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.		5,549
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.		(18,092)
The change in net pension liability, and the pension related deferrals, does not require the use of current resources and is not reported in the governmental funds.		(1,064,818)
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements. This is the sum of the principal payments on long-term debt of \$1,263,462 and the changes in related bond premiums and discounts of \$1,626 during the year.		1,261,836
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 year. This represents the change in unavailable revenues during the year.		(784,052)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>273,448</u></b>

The Notes to the Financial Statements are an integral part of these financial statements.

**Tuscola County  
Statement of Net Position  
Proprietary Funds  
December 31, 2019**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Medical Care Facility</b>	<b>Tax Foreclosure Fund</b>	<b>Combined Revolving Tax Fund</b>	<b>Total Enterprise Funds</b>	<b>Activities Internal Service Funds</b>
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and investments	\$ 3,409,545	\$ 1,485,457	\$ 3,063,326	\$ 7,958,328	\$ 739,555
Taxes receivable	462,652	--	2,494,960	2,957,612	--
Due from other governments	--	--	108,113	108,113	--
Accounts receivable	2,938,322	--	--	2,938,322	19,874
Prepays	34,448	--	--	34,448	34,030
<b>Total Current Assets</b>	<b>6,844,967</b>	<b>1,485,457</b>	<b>5,666,399</b>	<b>13,996,823</b>	<b>793,459</b>
<i>Noncurrent Assets</i>					
Restricted cash	24,293	--	--	24,293	--
Capital assets not being depreciated	327,926	--	--	327,926	--
Capital assets being depreciated, net	12,642,709	--	--	12,642,709	--
<b>Total Assets</b>	<b>19,839,895</b>	<b>1,485,457</b>	<b>5,666,399</b>	<b>26,991,751</b>	<b>793,459</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension	450,046	--	--	450,046	--
<b>Total Deferred Outflows of Resources</b>	<b>450,046</b>	<b>--</b>	<b>--</b>	<b>450,046</b>	<b>--</b>
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Accounts payable	918,402	12,534	972	931,908	339
Accrued liabilities	349,518	--	--	349,518	264,518
Accrued interest	10,185	--	--	10,185	--
Unearned revenue	32,721	--	--	32,721	--
Compensated absences, current	189,776	--	--	189,776	--
Current portion of long-term debt	195,000	--	--	195,000	--
Due to other funds	--	139,524	--	139,524	17,453
<b>Total Current Liabilities</b>	<b>1,695,602</b>	<b>152,058</b>	<b>972</b>	<b>1,848,632</b>	<b>282,310</b>
<i>Noncurrent Liabilities</i>					
Compensated absences	248,621	--	--	248,621	--
Long-term debt	3,520,000	--	--	3,520,000	--
Net pension liability	1,264,146	--	--	1,264,146	--
<b>Total Liabilities</b>	<b>6,728,369</b>	<b>152,058</b>	<b>972</b>	<b>6,881,399</b>	<b>282,310</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension	381,947	--	--	381,947	--
Taxes levied for a subsequent period	462,652	--	--	462,652	--
<b>Total Deferred Inflows of Resources</b>	<b>844,599</b>	<b>--</b>	<b>--</b>	<b>844,599</b>	<b>--</b>
<b>NET POSITION</b>					
Net investment in capital assets	9,255,635	--	--	9,255,635	--
<i>Unrestricted</i>	3,461,338	1,333,399	5,665,427	10,460,164	511,149
<b>Total Net Position</b>	<b>\$ 12,716,973</b>	<b>\$ 1,333,399</b>	<b>\$ 5,665,427</b>	<b>\$ 19,715,799</b>	<b>\$ 511,149</b>

The Notes to the Financial Statements are an integral part of these financial statements.



**Tuscola County**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the year Ended December 31, 2019**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total Enterprise Funds</b>	<b>Governmental Activities Internal Service Funds</b>
	<b>Medical Care Facility</b>	<b>Tax Foreclosure Fund</b>	<b>Combined Revolving Tax Fund</b>		
<b>Operating Revenues</b>					
Charges for services	\$ 22,663,689	\$ 647,641	\$ 747,800	\$ 24,059,130	\$ 2,885,350
Other	770,839	--	--	770,839	--
<b>Total Operating Revenues</b>	<b>23,434,528</b>	<b>647,641</b>	<b>747,800</b>	<b>24,829,969</b>	<b>2,885,350</b>
<b>Operating Expenses</b>					
Operation and maintenance	22,903,284	--	--	22,903,284	2,871,260
Administration	--	525,976	59,939	585,915	104,736
Depreciation	1,191,930	--	--	1,191,930	--
<b>Total Operating Expenses</b>	<b>24,095,214</b>	<b>525,976</b>	<b>59,939</b>	<b>24,681,129</b>	<b>2,975,996</b>
<b>Operating Income (Loss)</b>	<b>(660,686)</b>	<b>121,665</b>	<b>687,861</b>	<b>148,840</b>	<b>(90,646)</b>
<b>Non-Operating Revenues (Expenses)</b>					
Property taxes	448,069	--	--	448,069	--
Interest income	41,942	20,206	89,448	151,596	--
Interest expense and fiscal charges	(128,055)	--	--	(128,055)	--
<b>Net Non-Operating Revenues (Expenses)</b>	<b>361,956</b>	<b>20,206</b>	<b>89,448</b>	<b>471,610</b>	<b>--</b>
<b>Income Before Contributions and Transfers</b>	<b>(298,730)</b>	<b>141,871</b>	<b>777,309</b>	<b>620,450</b>	<b>(90,646)</b>
Transfers in	--	--	--	--	--
Transfers out	--	(108,862)	(854,000)	(962,862)	--
<b>Change In Net Position</b>	<b>(298,730)</b>	<b>33,009</b>	<b>(76,691)</b>	<b>(342,412)</b>	<b>(90,646)</b>
<i>Net Position at Beginning of Period</i>	13,015,703	1,300,390	5,742,118	20,058,211	601,795
<b>Net Position at End of Period</b>	<b>\$ 12,716,973</b>	<b>\$ 1,333,399</b>	<b>\$ 5,665,427</b>	<b>\$ 19,715,799</b>	<b>\$ 511,149</b>

The Notes to the Financial Statements are an integral part of these financial statements.

**Tuscola County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Medical Care Facility</b>	<b>Tax Foreclosure Fund</b>	<b>Combined Revolving Tax Fund</b>		
<b>Cash Flows from Operating Activities</b>					
Cash received from customers	\$ 23,200,973	\$ 647,641	\$ 790,403	\$ 24,639,017	\$ -
Cash received from interfund services provided	-	-	-	-	2,865,476
Cash payments to suppliers for goods and services	(6,870,279)	(514,936)	(60,680)	(7,445,895)	(2,840,890)
Cash payments to employees for services	(15,962,058)	-	-	(15,962,058)	-
<b>Net Cash Provided by Operating Activities</b>	<b>368,636</b>	<b>132,705</b>	<b>729,723</b>	<b>1,231,064</b>	<b>24,586</b>
<b>Cash Flows from Non-capital Related Financing Activities</b>					
Property taxes	448,069	-	153,840	601,909	-
Transfers out	-	(108,862)	(854,000)	(962,862)	-
Changes in interfund balances	-	108,862	(777,375)	(668,513)	(60,344)
<b>Net Cash Provided (Used) by Non-capital Related Financing Activities</b>	<b>448,069</b>	<b>-</b>	<b>(1,477,535)</b>	<b>(1,029,466)</b>	<b>(60,344)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Principal payments on long-term debt	(190,000)	-	-	(190,000)	-
Interest payments and fiscal charges on long-term debt	(128,576)	-	-	(128,576)	-
Purchases of capital assets	(316,034)	-	-	(316,034)	-
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(634,610)</b>	<b>-</b>	<b>-</b>	<b>(634,610)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>					
Interest received on investments	41,942	20,206	89,448	151,596	-
<b>Net Cash Provided by Investing Activities</b>	<b>41,942</b>	<b>20,206</b>	<b>89,448</b>	<b>151,596</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>224,037</b>	<b>152,911</b>	<b>(658,364)</b>	<b>(281,416)</b>	<b>(35,758)</b>
<i>Cash and Investments - Beginning of Year</i>	3,209,801	1,332,546	3,721,690	8,264,037	775,313
<b>Cash and Investments - End of Year</b>	<b>\$ 3,433,838</b>	<b>\$ 1,485,457</b>	<b>\$ 3,063,326</b>	<b>\$ 7,982,621</b>	<b>\$ 739,555</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Operating Income (Loss)	\$ (660,686)	\$ 121,665	\$ 687,861	\$ 148,840	\$ (90,646)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Depreciation	1,191,930	-	-	1,191,930	-
<b>Change in assets and liabilities:</b>					
Accounts receivable	(234,993)	-	-	(234,993)	(19,874)
Prepays	12,761	-	-	12,761	(7,909)
Due from other governments	-	-	42,603	42,603	-
Accounts payable	110,886	11,040	(741)	121,185	(69)
Accrued liabilities	14,907	-	-	14,907	143,084
Unearned revenue	1,438	-	-	1,438	-
Compensated absences	5,031	-	-	5,031	-
Net pension liability and related deferred items	(72,638)	-	-	(72,638)	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 368,636</b>	<b>\$ 132,705</b>	<b>\$ 729,723</b>	<b>\$ 1,231,064</b>	<b>\$ 24,586</b>

**Tuscola County**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2019**

	<b>Agency</b>
<b>ASSETS</b>	
Cash and investments	\$ 1,621,310
<i>Total Assets</i>	1,621,310
<b>LIABILITIES</b>	
Accounts payable	209
Accrued liabilities	1,272,033
Undistributed receipts	36,083
Due to other governmental units	312,985
<i>Total Liabilities</i>	\$ 1,621,310

The Notes to the Financial Statements are an integral part of these financial statements.

**Tuscola County**  
**Combining Statement of Net Position**  
**Component Units**  
**December 31, 2019**

	<u>Tuscola County Road Commission</u>	<u>Drain Commission</u>	<u>Total Component Units</u>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and investments	\$ 3,544,480	\$ 6,815,515	\$ 10,359,995
Taxes receivable	2,282,935	--	2,282,935
Special assessments receivable, current	--	3,381,186	3,381,186
Due from other governments	3,078,358	--	3,078,358
Accounts receivable	776,116	--	776,116
Prepays	307,918	--	307,918
Inventory	443,354	--	443,354
<b>Total Current Assets</b>	<b>10,433,161</b>	<b>10,196,701</b>	<b>20,629,862</b>
<i>Noncurrent Assets</i>			
Capital assets not being depreciated	35,046,638	--	35,046,638
Capital assets being depreciated, net	72,439,290	15,860,865	88,300,155
<b>Total Assets</b>	<b>117,919,089</b>	<b>26,057,566</b>	<b>143,976,655</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB	610,950	--	610,950
Pension	484,873	--	484,873
<b>Total Deferred Outflows of Resources</b>	<b>1,095,823</b>	<b>--</b>	<b>1,095,823</b>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts payable	224,829	180,833	405,662
Accrued liabilities	22,450	--	22,450
Accrued interest	--	9,601	9,601
Unearned revenue	212,305	--	212,305
Due to other governmental units	--	510,000	510,000
Current portion of long-term debt	--	507,184	507,184
<b>Total Current Liabilities</b>	<b>459,584</b>	<b>1,207,618</b>	<b>1,667,202</b>
<i>Noncurrent Liabilities</i>			
Compensated absences	58,203	--	58,203
Long-term debt	--	2,561,473	2,561,473
Net pension liability	2,009,649	--	2,009,649
Net OPEB liability	14,979,269	--	14,979,269
<b>Total Liabilities</b>	<b>17,506,705</b>	<b>3,769,091</b>	<b>21,275,796</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB	56,530	--	56,530
Pension	371,876	--	371,876
<b>Total Deferred Inflows of Resources</b>	<b>428,406</b>	<b>--</b>	<b>428,406</b>
<b>NET POSITION</b>			
Net investment in capital assets	107,485,928	12,792,208	120,278,136
<i>Restricted for:</i>			
Debt service	--	1,822,220	1,822,220
Public works	1,222,569	--	1,222,569
Drains	--	4,302,462	4,302,462
<i>Unrestricted</i>	(7,628,696)	3,371,585	(4,257,111)
<b>Total Net Position</b>	<b>\$ 101,079,801</b>	<b>\$ 22,288,475</b>	<b>\$ 123,368,276</b>

The Notes to the Financial Statements are an integral part of these financial statements.

**Tuscola County**  
**Combining Statement of Activities**  
**Component Units**  
**For the year Ended December 31, 2019**

	<b>Tuscola County</b>		<b>Total Component</b>
	<b>Road</b>	<b>Drain</b>	<b>Units</b>
	<b>Commission</b>	<b>Commission</b>	
<b>Expenses</b>			
Public works	\$ 13,733,480	\$ 2,005,904	\$ 15,739,384
Interest on long-term debt	--	90,652	90,652
<b>Total Expenses</b>	<b>13,733,480</b>	<b>2,096,556</b>	<b>15,830,036</b>
<b>Program Revenues</b>			
Charges for services	1,907,350	2,039,940	3,947,290
Operating grants and contributions	15,626,771	--	15,626,771
<b>Total Program Revenues</b>	<b>17,534,121</b>	<b>2,039,940</b>	<b>19,574,061</b>
<b>Net Program Revenues (Expenses)</b>	<b>3,800,641</b>	<b>(56,616)</b>	<b>3,744,025</b>
<b>General Revenue</b>			
Interest income	31,328	89,782	121,110
<b>Total General Revenues</b>	<b>31,328</b>	<b>89,782</b>	<b>121,110</b>
<b>Change in Net Position</b>	<b>3,831,969</b>	<b>33,166</b>	<b>3,865,135</b>
<i>Net Position at Beginning of Period</i>	97,247,832	22,255,309	119,503,141
<b>Net Position at End of Period</b>	<b>\$ 101,079,801</b>	<b>\$ 22,288,475</b>	<b>\$ 123,368,276</b>

The Notes to the Financial Statements are an integral part of these financial statements.

## **Notes to the Financial Statements**

## Tuscola County

### Notes to the Financial Statements

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The *County of Tuscola, Michigan* (the “County” or “government”) was incorporated in 1840 and covers an area of approximately 914 square miles in eastern Michigan. The County operates under a five-member elected Board of Commissioners and an appointed County Administrator /Controller. The County seat is located in the City of Caro, Michigan.

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

#### Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and 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 combined financial statements to emphasize that they are legally separate from the government.

The financial statements for *Tuscola County Medical Care Facility* (the “Facility”), an enterprise fund, are presented for the fiscal year ending December 31, 2019. The Facility is a not-for-profit, long-term care facility owned and operated by the County. It is governed by the Tuscola County Department of Human Services Board. This board consists of three members, two of whom are appointed by the County Board of Commissioners and one of whom is appointed by the Michigan governor. Furthermore, the County Board of Commissioners approves the Facility’s revenue and expenses as a line item in the County budget. The fund is audited individually and complete financial statements may be obtained from the Facility’s administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Facility in these financial statements. The Facility’s administrative office is located at:

Tuscola County Medical Care Facility  
1285 Cleaver Road  
Caro, MI 48723

The financial statements for *Tuscola County Health Department* (the “Department”), a governmental fund, are presented for the fiscal year ending September 30, 2019. The Department is owned and operated by the County. It is governed by the Tuscola County Board of Health. This board consists of members, whom are appointed by the County Board of Commissioners. Furthermore, the County Board of Commissioners approves the Department’s revenue and expenses as a line item in the County budget. The fund is audited individually and complete

## Tuscola County

### Notes to the Financial Statements

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financial statements may be obtained from the Department's administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Department in these financial statements. The Department's administrative office is located at:

Tuscola County Health Department  
1309 Cleaver Road  
Caro, MI 48723

#### ***Blended Component Unit***

The *Tuscola County Building Authority* (the "*Building Authority*") has been included as part of the County financial statements since the County appoints the five-member governing authority and the Building Authority provides its services entirely to Tuscola County. The purpose of the Building Authority is to finance through tax-exempt bonds the construction of public facilities for use by the County, with bonds secured by lease agreements with, and serviced through lease payments from, the County. A separate audit report is not issued for the Building Authority.

#### ***Discretely Presented Component Units***

The *Tuscola County Road Commission* (the "*Road Commission*"). The governing Board of the Road Commission consists of five elected members. The Road Commission deposits money with the County Treasurer. The County has the ability to significantly influence operations of the Road Commission. The component unit is audited individually and complete financial statements may be obtained from the Road Commission's administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Road Commission in these financial statements. The Road Commission's administrative office is located at:

Tuscola County Road Commission  
1733 Mertz Road  
Caro, Michigan 48723

The *Tuscola County Drain Commission* (the "*Drain Commission*"). The Drain commission is considered a discretely presented component unit as the nature and significance of the relationship between the primary government and the Commission is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage, and dispose of real and personal property, etc. The statutory drainage Board of Chapter 21 drainage districts consist of the State Director of Agriculture and the Drain Commissioner of each county involved in the project. The County Drain Commissioner has sole responsibility to administer the drainage districts established pursuant to Chapters 3, 4, and 8 of the Drain Code. The Drainage Board or Drain Commissioner, on behalf of the drainage districts, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the



## Tuscola County

### Notes to the Financial Statements

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County may be given for the debt of the drainage district. Complete financial statements for the Tuscola County Drain Commission may be obtained at the entity's administrative offices:

Tuscola County Drain Commission  
125 W. Lincoln St. Suite 100  
Caro, Michigan 48723

**Funds With Other Year Ends** - The financial statements of the Health Department are presented in the accompanying financial statements using its fiscal year-end of September 30, 2019.

### **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 nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

## Tuscola County

### Notes to the Financial Statements

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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.

Property taxes, state revenue, licenses, 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 County reports the following major governmental funds:

The ***general fund*** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***road patrol fund*** accounts for revenues received from a County millage. This is the only county-wide 24 hour police service.

The ***health department fund*** accounts for the charges of medical services and grant revenues along with the related operations of the Tuscola County Health Department.

The ***Caro sewer series 2007 fund*** accounts for resources collected (against a long-term contract receivable from the City of Caro) to be used for servicing bond principal and interest payments.

The County reports the following major proprietary funds:

The ***Medical Care Facility fund*** accounts for the operations of the Tuscola County Medical Care Facility. The primary revenue sources are charges for medical services and property taxes.

The ***tax foreclosure fund*** accounts for various fees and costs related to the new delinquent tax reversion process.

The ***combined revolving tax fund*** accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County, and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The

## Tuscola County

### Notes to the Financial Statements

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fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

Additionally, the County reports the following fund types:

***Internal service funds*** account for the workers compensation, health insurance, and retirement services provided to other departments or agencies of the government on a cost reimbursement basis.

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

***Debt service funds*** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

***Capital projects funds*** account for the accumulation and disbursement of resources for the construction of governmental fund capital projects.

***Agency funds*** are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the County holds for others in an agency capacity, including tax collections. Agency funds, which only report a Statement of Fiduciary Net Position, use the accrual basis of accounting.

The ***permanent fund*** accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's cemetery.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* 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 and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

## Tuscola County

### Notes to the Financial Statements

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

##### ***Cash, Cash Equivalents, and Investments***

All short-term investments that are highly liquid and have an original maturity of three months or less are considered to be cash equivalents.

##### ***Statutory Authority***

- a. Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified institution.
- c. Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.
- e. 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.
- f. Mutual funds registered under the investments company act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

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

##### ***Receivables and Payables***

All receivables and payables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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

Advances between funds, as reported in the fund financial statements, are reported as nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

## **Tuscola County**

### Notes to the Financial Statements

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

Inventories of the Health Department are accounted for utilizing the consumption method and are valued at cost using the first-in / first-out (FIFO) method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### ***Restricted Cash and Investments***

Restricted cash and investments are assets that have been set aside for future purposes in the Medical Care Facility and the delinquent tax revolving fund, as well as the general fund's MMRMA deposits.

#### ***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value as of the donation date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

## Tuscola County

### Notes to the Financial Statements

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Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	5-30
Equipment	5-10
Vehicles	5-10
Improvements	5-30
Infrastructure	8-50

#### *Deferred Outflows/Inflows 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, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category, which are the differences between expected and actual experience, the net difference between projected and actual earnings on pension plan investments, and the difference in assumption for the County's defined benefit pension plan. The amount is amortized in the plan year in which it applies.

In addition to liabilities, the statement of financial 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 receivables collected beyond 60 days after the end of the County's year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods. Also, another item is future resources yet to be recognized in relation to the pension actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension liability and the actual results. The amounts are amortized over a period determined by the actuary.

#### *Property Taxes*

Property taxes (excluding those for the general fund, which are subject to a different timeline) are levied and attach as an enforceable lien on property December 1. Property taxes unpaid as of February 28 are considered to be delinquent. Although the County's 2019 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2019, it is the County's policy to recognize revenues from the December 1 tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing for the financing

## **Tuscola County**

### Notes to the Financial Statements

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of the County's operations. Therefore, the entire amount of the December 1, 2019 levy is reported as deferred inflows of resources at year-end.

#### ***Defined Benefit Pension Plan***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

#### ***Compensated Absences***

Eligible employees are permitted to accumulate earned but unused vacation and sick time benefits, subject to certain limitations, according to personnel contracts. All vested benefits are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

#### ***Long-term Obligations***

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

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

#### ***Net Position Flow Assumption***

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

## **Tuscola County**

### Notes to the Financial Statements

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It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### ***Fund Balance Flow Assumptions***

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### ***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of the resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a resolution of the County's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the County that can, by adoption of a board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action remains in place until a similar action is taken (the adoption of another board resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. By resolution of the Board of Commissioners, the Board may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. In addition, by resolution of the Board of Commissioners, authority to assign fund balance has been designated to the Chief Financial Officer or his/her designee subject to the approval of the Tuscola County Commission. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The purpose of the fund balance policy for the general fund is to establish a level of reserve within the general fund to preserve fiscal stability. The level of fund balance prescribed within this policy is designed to ensure adequate cash flow for operations and adequate reserves for contingency and emergency purposes. The authority to establish fund balance levels is with the Tuscola County



## Tuscola County

### Notes to the Financial Statements

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Board of Commissioners. The Board of Commissioners and Controller/Administrator shall be responsible for the implementation of this policy. The general fund shall maintain a minimum unassigned fund balance of approximately 10% of the most current Board approved general fund budget.

#### *Use of Estimates*

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

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

##### *Budgetary Information*

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

- Annual budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds. Annual informational budget summaries are prepared for enterprise funds and internal service funds.
- The County Controller is authorized to transfer budgeted amounts from one category to another within an activity and between activities within the same fund in an amount up to \$5,000 for all expenditures. Revisions that alter the total expenditures of any fund or total activity within the general fund must be approved by the Board of Commissioners. The activity level in the general fund and functional level within special revenue funds is the legal level of control. The Appropriations Act details the budget at the line item level.
- Budgets for the general and special revenue funds are prepared on a modified accrual basis.
- Budget appropriations lapse at year-end.
- The original budget was amended during the year in compliance with local and state laws. The budget to actual expenditures in the financial statements represent the final budgeted expenditures as amended by the County. Supplemental appropriations were necessary during the year.

**Tuscola County**

Notes to the Financial Statements

***Excess of Expenditures over Appropriations***

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The County had the following expenditures in excess of the amounts appropriated during the year ended December 31, 2019:

	<b>Final</b>	<b>Actual</b>	<b>Variance</b>
<b>Voted Medical Care Facility</b>			
Transfers out	\$ -	\$ 1,495	\$ (1,495)
<b>Voted MSU</b>			
Transfers out	-	1,182	(1,182)

***Net Position/Fund Balance Deficit***

The County had an unrestricted net position deficit of \$(7,081,878) within governmental activities. The County also had one governmental fund, Voted MSU, with a deficit fund balance of \$(53,112) as of December 31, 2019.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Following is a reconciliation of deposit and investments balances (including both pooled cash and investments) as of December 31, 2019:

	<b>Primary Government</b>	<b>Component Units</b>	<b>Total</b>
<b>Statement of Net Position</b>			
Cash and investments	\$ 23,175,391	\$ 10,359,995	\$ 33,535,386
Restricted cash	24,293	-	24,293
<b>Statement of Fiduciary Assets and Liabilities</b>			
Cash and investments - agency funds	1,621,310	-	1,621,310
<b><i>Total Deposits and Investments</i></b>	<b>\$ 24,820,994</b>	<b>\$ 10,359,995</b>	<b>\$ 35,180,989</b>
<b><i>Less Units Separately Audited</i></b>			
Health Department (09/30/2019)	(2,293,501)	-	(2,293,501)
Medical Care Facility	(3,433,838)	-	(3,433,838)
Road Commission	-	(3,544,480)	(3,544,480)
<b><i>Deposits and Investments Managed by the County</i></b>	<b>\$ 19,093,655</b>	<b>\$ 6,815,515</b>	<b>\$ 25,909,170</b>
	Cash on hand		\$ 8,720
	Checking and savings accounts		19,163,089
	Investments		6,737,361
	<b><i>Total Deposits and Investments</i></b>		<b>\$ 25,909,170</b>

## Tuscola County

### Notes to the Financial Statements

The County chooses to disclose its investments by specifically identifying each. As of year-end, the County had the following investments:

<u>Investment Type</u>	<u>Market Value</u>	<u>Maturities</u>			<u>Credit Rating (S&amp;P)</u>
		<u>No Maturity</u>	<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	
Michigan Class accounts	\$ 2,249,457	\$ 2,249,457	\$ -	\$ -	AAAm
Negotiable certificates of deposit	936,306	-	936,306	-	N/A
Money market	1,548	1,548	-	-	N/A
Commercial paper	772,717	-	772,717	-	A1
Commercial paper	151,257	-	151,257	-	A1+
CD's held in County's name	2,626,076	-	2,425,990	200,086	N/A
<b>Total Investments</b>	<u>\$ 6,737,361</u>	<u>\$ 2,251,005</u>	<u>\$ 4,286,270</u>	<u>\$ 200,086</u>	

### ***Investment and Deposit Risk***

***Interest Rate Risk.*** State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. 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 in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, have been identified above for the County's investments.

***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 \$20,584,518 of the combined bank balance of \$22,334,518 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 and the County does not have a policy for investment custodial credit risk. However, while uninsured and unregistered, the County's funds are not exposed to custodial credit risk since the funds 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 in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in

## Tuscola County

### Notes to the Financial Statements

excess of state law on concentration of credit risk. More than 14% of the County's investments are in commercial paper. All investments held at year-end are reported above.

*Fair Value Measurement.* The County is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk, and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the County's own assumptions about the factors market participants would use in pricing and investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Michigan Class is considered a local government investment pool of "qualified" investments. Michigan Class is not regulated nor is it registered with the SEC. Michigan Class reports the fair value of the County's investments at the same as the value of the pooled shares. Michigan Class investments are subject to the fair value measurement and are level 2.

The County has the following recurring fair value measurements as of December 31, 2019:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Negotiable certificates of deposits	\$ 936,306	\$ -	\$ -	\$ 936,306
Commercial paper	923,974	-	-	923,974
Michigan CLASS	-	2,249,457	-	2,249,457
Other investments	-	-	-	-
	<b>\$ 1,860,280</b>	<b>\$ 2,249,457</b>	<b>\$ -</b>	<b>4,109,737</b>
Investment accounts not subject to fair value disclosure requirements:				
		Money market accounts		1,548
		Certificates of deposit		2,626,076
		<b>Total Investments</b>		<b>\$ 6,737,361</b>

**Tuscola County**

Notes to the Financial Statements

**NOTE 4 - CAPITAL ASSETS**

**Primary government**

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

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Capital Assets not Being Depreciated</b>				
Land	\$ 408,891	\$ -	\$ -	\$ 408,891
Construction in Progress	-	84,752	-	84,752
<b>Subtotal</b>	<b>408,891</b>	<b>84,752</b>	<b>-</b>	<b>493,643</b>
<b>Capital Assets Being Depreciated</b>				
Buildings	7,697,701	-	-	7,697,701
Improvements	3,794,495	96,903	-	3,891,398
Equipment	3,677,181	123,017	-	3,800,198
Vehicles	1,709,884	42,319	-	1,752,203
Health Department	575,555	94,195	-	669,750
<b>Subtotal</b>	<b>17,454,816</b>	<b>356,434</b>	<b>-</b>	<b>17,811,250</b>
<b>Less Accumulated Depreciation</b>				
Buildings	5,220,451	185,211	-	5,405,662
Improvements	1,970,745	180,049	-	2,150,794
Equipment	2,193,774	206,382	-	2,400,156
Vehicles	1,101,133	135,778	-	1,236,911
Health Department	507,011	26,381	-	533,392
<b>Subtotal</b>	<b>10,993,114</b>	<b>733,801</b>	<b>-</b>	<b>11,726,915</b>
<b>Net Capital Assets Being Depreciated</b>	<b>6,461,702</b>	<b>(377,367)</b>	<b>-</b>	<b>6,084,335</b>
<b>Governmental Capital Assets</b>	<b>\$ 6,870,593</b>	<b>\$ (292,615)</b>	<b>\$ -</b>	<b>\$ 6,577,978</b>

**Tuscola County**

Notes to the Financial Statements

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Capital Assets not Being Depreciated</b>				
Land	\$ 327,926	\$ -	\$ -	\$ 327,926
Construction in progress	3,750	-	3,750	-
<b>Subtotal</b>	<u>331,676</u>	<u>-</u>	<u>3,750</u>	<u>327,926</u>
<b>Capital Assets Being Depreciated</b>				
Land Improvements	2,357,717	42,270	-	2,399,987
Buildings	14,215,512	185,050	6,292	14,394,270
Equipment	9,502,650	92,464	148,218	9,446,896
<b>Subtotal</b>	<u>26,075,879</u>	<u>319,784</u>	<u>154,510</u>	<u>26,241,153</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	981,040	141,238	-	1,122,278
Buildings	6,345,000	499,589	6,292	6,838,297
Equipment	5,234,984	551,103	148,218	5,637,869
<b>Subtotal</b>	<u>12,561,024</u>	<u>1,191,930</u>	<u>154,510</u>	<u>13,598,444</u>
<b>Net Capital Assets Being Depreciated</b>	<u>13,514,855</u>	<u>(872,146)</u>	<u>-</u>	<u>12,642,709</u>
<b>Business-type Capital Assets</b>	<u>\$ 13,846,531</u>	<u>\$ (872,146)</u>	<u>\$ 3,750</u>	<u>\$ 12,970,635</u>

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

**Governmental Activities**

Judicial	\$ 5,785
General Government	318,661
Public Safety	307,538
Health and Welfare	101,817
<b>Total</b>	<u>\$ 733,801</u>

**Business-type Activities**

Medical Care Facility	<u>\$ 1,191,930</u>
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**Discretely presented component units**

*Drain Commission.* Capital asset activity for the drain commission for the year ended December 31, 2019 was as follows:

<b>Component Unit - Drain Commission</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Capital Assets Being Depreciated</b>				
Infrastructure	\$ 21,980,971	\$ -	\$ -	\$ 21,980,971
<b>Less Accumulated Depreciation</b>				
Infrastructure	5,680,487	439,619	-	6,120,106
<b>Total Drain Commission Capital Assets</b>	<u>\$ 16,300,484</u>	<u>\$ (439,619)</u>	<u>\$ -</u>	<u>\$ 15,860,865</u>

**Tuscola County**

Notes to the Financial Statements

Depreciation expense of \$439,619 was charged to the public works function during the year for the drain commission component unit.

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund balances (including advances) resulted primarily from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. At December 31, 2019, due to/due from other funds consisted of the following:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General fund	\$ 312,950	\$ 40,871
Road patrol	-	5,584
Nonmajor governmental funds	90,529	200,047
Tax foreclosure fund	-	139,524
Internal service funds	-	17,453
	<b>\$ 403,479</b>	<b>\$ 403,479</b>

At December 31, 2019, advances to/advances from other funds consisted of the following:

	<b>Receivable</b>	<b>Payable</b>
General fund	\$ 57,028	\$ -
Nonmajor governmental funds	-	57,028
	<b>\$ 57,028</b>	<b>\$ 57,028</b>

Transfers are used to: 1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; 2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Tuscola County**

Notes to the Financial Statements

For the year ended December 31, 2019, interfund transfers consisted of the following:

<b>Transfers Out</b>	<b>Transfers In</b>			<b>Total</b>
	<b>General fund</b>	<b>Health department</b>	<b>Nonmajor governmental funds</b>	
General fund	\$ -	\$ 321,750	\$ 1,960,737	\$ 2,282,487
Road patrol	64,423	-	-	64,423
Health department	-	-	177,341	177,341
Nonmajor governmental funds	443,907	-	52,173	496,080
Tax foreclosure fund	108,862	-	-	108,862
Combined revolving tax fund	854,000	-	-	854,000
	\$ 1,471,192	\$ 321,750	\$ 2,190,251	\$ 3,983,193

**NOTE 6 - LEASE REVENUE**

During 2008, the County entered into a lease with the State of Michigan leasing building space to the State to be used by the Department of Human Services. The lease expires on October 31, 2028. In 1999, the County entered into a lease with the State of Michigan leasing a building to the Department of State Police. This lease was extended in 2015 and expires December 31, 2020. For the year ended December 31, 2019, the County received lease revenue in the amount of \$332,491. The future minimum lease payments for the remainder of the lease are as follows:

<b>Year Ending December 31</b>	<b>Revenue</b>
2020	\$ 332,491
2021	332,491
2022	332,491
2023	338,099
2024	366,142
2025 - 2028	1,464,568
<b>Total</b>	<b>\$ 3,166,282</b>



**Tuscola County**

Notes to the Financial Statements

**NOTE 7 - LONG-TERM OBLIGATIONS**

***Primary Government***

Long-term debt activity for the year ended December 31, 2019 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>General Obligation Bonds:</b>					
Pension - Tuscola County Series 2016	\$ 6,445,000	\$ -	\$ (275,000)	\$ 6,170,000	\$ 300,000
Bond Discount - Pension	(1,858)	-	114	(1,744)	
Pension - Health Department Series 2017	2,275,000	-	(100,000)	2,175,000	100,000
Bond Discount - Pension	(16,846)	-	766	(16,080)	
Capital Improvement Series 2011	735,000	-	(40,000)	695,000	45,000
Bond Discount - Capital Improvement	(9,454)	-	746	(8,708)	
Mayville Storm Sewer	920,000	-	(33,000)	887,000	34,000
Richville Water System	70,000	-	(70,000)	-	-
Caro Sewer System	3,947,114	-	(370,000)	3,577,114	375,000
<b>USDA Loans:</b>					
Denmark Sewer System	1,834,000	-	(250,791)	1,583,209	37,000
Wisner Water System	2,825,000	-	(80,000)	2,745,000	85,000
<b>Capital Leases:</b>					
Phone System	49,624	-	(21,159)	28,465	21,159
Skid Steer Loader	23,512	-	(23,512)	-	-
<b>Compensated Absences</b>	<b>404,682</b>	<b>207,828</b>	<b>(189,736)</b>	<b>422,774</b>	<b>152,522</b>
<b>Total Long-term Obligations</b>	<b>\$ 19,500,774</b>	<b>\$ 207,828</b>	<b>\$ (1,451,572)</b>	<b>\$ 18,257,030</b>	<b>\$ 1,149,681</b>

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Medical Care - Small House	\$ 3,905,000	\$ -	\$ (190,000)	\$ 3,715,000	\$ 195,000
Compensated Absences	433,366	1,182,966	(1,177,935)	438,397	189,776
<b>Total Long-term Obligations</b>	<b>\$ 4,338,366</b>	<b>\$ 1,182,966</b>	<b>\$ (1,367,935)</b>	<b>\$ 4,153,397</b>	<b>\$ 384,776</b>

The County issues bonds to provide for the acquisition and construction of major capital facilities and to prefund pension obligations. General obligation bonds and loans are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 5 to 40-year serial bonds with varying amounts of principal maturing each year. The debt service requirements for the Mayville Sewer, Richville Water, Caro Sewer bonds and Denmark Sewer and Wisner Water loans are funded by various local government contributions. The amount in governmental activities includes an equipment lease. General obligation bonds, loans, and equipment leases currently outstanding are as follows:

	<b>Interest Rates</b>	<b>Amount</b>
Governmental activities	2.5 - 14.8%	\$ 17,834,256
Business-type activities	7.2 - 8.7%	3,715,000

**Tuscola County**

Notes to the Financial Statements

For the governmental activities, compensated absences are generally liquidated by the general fund.

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

Year Ended December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 976,000	\$ 562,617	\$ 1,538,617	\$ 195,000	\$ 122,224	\$ 317,224
2021	1,000,000	528,546	1,528,546	200,000	115,808	315,808
2022	1,034,000	502,305	1,536,305	210,000	109,228	319,228
2023	1,067,000	474,970	1,541,970	3,110,000	102,319	3,212,319
2024 - 2028	5,903,114	1,924,558	7,827,672	-	-	-
2029 - 2033	4,452,000	1,109,586	5,561,586	-	-	-
2034 - 2038	1,738,000	397,193	2,135,193	-	-	-
2039 - 2043	864,000	206,994	1,070,994	-	-	-
2044 - 2048	433,209	67,370	500,579	-	-	-
2048 - 2050	365,000	26,263	391,263	-	-	-
<b>Total</b>	<b>\$ 17,832,323</b>	<b>\$ 5,800,403</b>	<b>\$ 23,632,726</b>	<b>\$ 3,715,000</b>	<b>\$ 449,579</b>	<b>\$ 4,164,579</b>

**Component Unit**

Long-term activity for the year ended December 31, 2019 was as follows:

Governmental Activities	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>General Obligation Bonds:</b>					
Moore Drain	\$ 990,000	\$ -	\$ (135,000)	\$ 855,000	\$ 130,000
Bach and Branches Drain	450,000	-	(150,000)	300,000	150,000
Armbruster Intercounty Drain	94,541	-	(15,757)	78,784	15,757
Pigeon River Intercounty Drain	129,750	-	(14,417)	115,333	14,417
Fulton Street Drain	625,000	-	(45,000)	580,000	50,000
Indian Creek Intercounty Drain	359,550	-	(26,010)	333,540	26,010
Yax North Drain	465,000	-	(30,000)	435,000	30,000
<b>Loans Payable:</b>					
Akron Drain	275,000	-	(88,000)	187,000	9,000
Nutt Branch of Akron Drain	50,000	-	(10,000)	40,000	10,000
Hover Drain	75,000	-	(25,000)	50,000	25,000
Squaw Creek Drain	141,000	-	(47,000)	94,000	47,000
<b>Total Long-term Obligations</b>	<b>\$ 3,654,841</b>	<b>\$ -</b>	<b>\$ (586,184)</b>	<b>\$ 3,068,657</b>	<b>\$ 507,184</b>

General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. These bonds and notes are direct obligations, and pledge the full faith and credit of the County and the respective drainage districts. The bonds are generally issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. Long-term debt of the Drain Commissioner will be repaid through special assessments.

**Tuscola County**

Notes to the Financial Statements

General obligation bonds and notes currently outstanding are as follows:

	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.00 - 6.50%	\$ 3,068,657

Annual debt service requirements to maturity for general obligation bonds and loans payable are as follows:

Year Ended December 31,	General Obligation Bonds			Loans Payable			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 416,184	\$ 74,122	\$ 490,306	\$ 91,000	\$ 8,961	\$ 99,961	\$ 507,184	\$ 83,084	\$ 611,500
2021	416,184	60,721	476,905	91,000	7,313	98,313	507,184	68,034	596,518
2022	256,184	50,396	306,580	19,000	5,670	24,670	275,184	56,066	581,348
2023	256,184	43,036	299,219	19,000	5,100	24,100	275,184	48,136	337,260
2024	256,185	35,448	291,633	9,000	24,950	33,950	265,185	60,398	329,209
2025 - 2029	816,002	88,683	904,685	45,000	18,600	63,600	861,002	107,283	1,170,641
2030 - 2034	280,735	11,806	292,541	44,000	11,940	55,940	324,735	23,746	494,500
2035 - 2039	-	-	-	45,000	5,250	50,250	45,000	5,250	50,250
2040 - 2044	-	-	-	8,000	240	8,240	8,000	240	8,240
<b>Total</b>	<u>\$ 2,697,657</u>	<u>\$ 364,213</u>	<u>\$ 3,061,870</u>	<u>\$ 371,000</u>	<u>\$ 88,024</u>	<u>\$ 459,024</u>	<u>\$ 3,068,657</u>	<u>\$ 452,237</u>	<u>\$ 4,179,465</u>

**NOTE 8 - PENSION PLANS**

**General County Plan**

**Plan Description.** The employer’s defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. 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. 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](http://www.mersofmich.com).

**Benefits Provided.** Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 5 year period) and multipliers ranging from 2.0% to 2.5%. Normal retirement age is 60 with early retirement options including 25 years of service and out and ages 50 to 55 with 15 to 25 years of service, depending on division/bargaining unit. Member contributions range from 4.70% to 6.70%. The MERS plan is closed to all new hires.

**Employees Covered By Benefit Terms.** As of the most recent valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	133
Inactive employees entitled to but not yet receiving benefits	64
Active employees	124
<b>Total membership</b>	<u>321</u>

## Tuscola County

### Notes to the Financial Statements

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**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. Employer contributions are a flat amount, ranging from \$0 to \$7,853, depending on bargaining unit.

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

**Actuarial Assumptions.** The total pension liability in the December 31, 2018 annual actuarial valuation 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 expenses, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3% - 4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

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.

## Tuscola County

### Notes to the Financial Statements

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Allocation Gross Rate of Return</u>	<u>Long-term Expected Gross Rate of Return</u>	<u>Inflation Assumption</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	55.50%	8.65%	4.80%	2.50%	3.42%
Global fixed income	18.50%	3.76%	0.70%	2.50%	0.23%
Real assets	13.50%	9.72%	1.31%	2.50%	0.97%
Diversifying strategies	12.50%	7.50%	0.94%	2.50%	0.63%
	<u>100.00%</u>		<u>7.75%</u>		<u>5.25%</u>

**Discount Rate.** The discount rate used to measure the total pension liability is 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 liability.

**Changes in Net Pension Liability.** The components of the change in the net pension liability (excluding the Health Department, a separately audited major governmental fund) are summarized as follows:

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at December 31, 2018	\$ 36,239,206	\$ 32,135,222	\$ 4,103,984
Changes for the year:			
Service cost	616,397	-	616,397
Interest	2,839,889	-	2,839,889
Difference between expected and actual experience	(79,664)	-	(79,664)
Employer contributions	-	410,464	(410,464)
Employee contributions	-	362,247	(362,247)
Net investment income	-	4,326,240	(4,326,240)
Benefit payments, including employee refunds	(2,097,593)	(2,097,593)	-
Administrative expense	-	(74,522)	74,522
Other changes	(271,364)	-	(271,364)
Net changes	<u>1,007,665</u>	<u>2,926,836</u>	<u>(1,919,171)</u>
Balances at December 31, 2019	<u>\$ 37,246,871</u>	<u>\$ 35,062,058</u>	<u>\$ 2,184,813</u>

**Tuscola County**

Notes to the Financial Statements

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

	<b>1% Decrease (7.00%)</b>	<b>Discount Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
Net Pension Liability	\$ 6,266,168	\$ 2,184,813	\$ (1,266,445)

***Pension Expense and 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 \$1,018,649. At December 31, 2019, the County reported deferred outflows and inflows of resources related to pensions from the following sources (excluding the Health Department, a separately audited major governmental fund):

<b>Source</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 95,381	\$ -
Difference between expected and actual experience	67,079	169,700
Difference in assumptions	331,781	-
<b>Total</b>	<b>\$ 494,241</b>	<b>\$ 169,700</b>

The amount reported as deferred outflows and inflows of resources will be recognized in pension expense (income) as follows:

<b>Year Ending December 31</b>	<b>Amount</b>
2020	\$ 181,957
2021	72,304
2022	432,559
2023	(362,279)
<b>Total</b>	<b>\$ 324,541</b>

***Separately Audited Units’ Defined Benefit Pension Plans***

As of December 31, 2019, governmental activities net pension liability and related deferrals include the Health Department, a separately audited major governmental fund. Business-type activities net pension liability and related deferrals include the Medical Care Facility, a separately audited major enterprise fund. Information regarding both the Health Department and Medical Care Facility can be located in their respective audited reports, as indicated earlier in the notes to the financial statements.

**Tuscola County**

Notes to the Financial Statements

***Aggregate Defined Benefit Pension Plan Information***

A reconciliation of pension items as shown in the basic financial statements is as follows:

	<b>Net Pension Liability</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Pension Expense</b>
<b>Governmental Activities</b>				
General County	\$ 2,184,813	\$ 494,241	\$ 169,700	\$ 1,018,649
Health Department	1,885,180	941,063	-	502,991
<b>Total</b>	<b>4,069,993</b>	<b>1,435,304</b>	<b>169,700</b>	<b>1,521,640</b>
<b>Business-type Activities</b>				
Medical Care Facility	1,264,146	450,046	381,947	226,578
<b>Total</b>	<b>1,264,146</b>	<b>450,046</b>	<b>381,947</b>	<b>226,578</b>
<b>Grand Total</b>	<b>\$ 5,334,139</b>	<b>\$ 1,885,350</b>	<b>\$ 551,647</b>	<b>\$ 1,748,218</b>

**NOTE 9 - RISK MANAGEMENT**

***General Liability***

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During the year ended December 31, 2019, the County carried commercial insurance to cover these risks of loss, unless otherwise disclosed. The County has had no settled claims resulting from these risks that exceed their commercial coverage in the past three years.

The County is insured with private carriers for employee health care, life insurance, and disability coverage. The County is a member of the Municipal Risk Management Authority (MMRMA) for its property and general liability insurance coverage.

The County makes quarterly contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. Such contributions as received by MMRMA are allocated between its general and member retention funds.

Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments, and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs.

Accordingly, the county records a restricted asset for its portion of the unexpected member retention fund. At December 31, 2019, the balance of the County's member retention fund was \$103,386.

## Tuscola County

### Notes to the Financial Statements

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Charges in the estimated claims liability are as follows:

	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning of year	\$ -	\$ -
Claims incurred	72,499	32,467
Claims paid	(72,499)	(32,467)
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

#### ***Workers' Compensation Benefits***

The County has established a workers' compensation benefits Self-Insurance Plan which is accounted for in an internal service fund. The primary government, including the Health Department and Medical Care Facility as separate units, participates in the Self-Insurance Plan. The Plan is administered under contractual agreement with Citizens Management, Inc. as third-party administrator.

Under the re-insurance agreement provided by Citizens Management, Inc., the County is responsible for claims for expenses up to an agreed-upon ceiling, but is insured against further loss by a third-party "stop-loss" policy. In order to provide for the re-insurance, the County pays a separate premium. The stop-loss coverage is currently \$250,000 per occurrence.

The workers' compensation insurance fund is responsible for collecting interfund premiums from the participating funds and departments and for paying claim settlements, administrative fees, and "stop-loss" re-insurance premiums.

Interfund premiums are recognized as expenditures in the contributing funds and interfund revenue is recognized in the workers' compensation insurance fund as earned.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include a provision for claims that have been incurred by not reported (IBNR). Claims liabilities are estimated based on actual claims filed subsequent to year-end. There are no outstanding claims at year-end.



## Tuscola County

### Notes to the Financial Statements

Changes in the balance of claim liabilities during the current year and the prior year are as follows:

	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims (including IBNR)	192	1,200
Claims paid	<u>(192)</u>	<u>(1,200)</u>
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

#### ***Employee Health Benefits***

The County has established an employee health benefits Self-Insurance Plan which is accounted for in an Internal Service Fund. The Medical Care Facility and the Road Commission have obtained health insurance through third party agents separate from the rest of the County. The County Plan is administered under contractual agreement with Blue Cross and Blue Shield of Michigan (BCBSM) as third-party administrator.

Under the co-insurance agreement provided by Blue Cross and Blue Shield of Michigan, the County is responsible for claims for major medical expenses up to an agreed-upon ceiling, but is insured against further loss by BCBSM. In order to provide for the co-insurance, the County pays a “stop-loss” premium.

Certain benefits (e.g., dental and vision) are not covered by the co-insurance policy. The stop-loss coverage is currently \$20,000 per occurrence. The co-insurance agreements are renegotiated annually with Blue Cross and Blue Shield of Michigan.

The Health Insurance Fund is responsible for collecting interfund premiums from the participating funds and departments and for paying claim settlements, administrative fees, and “stop-loss” co-insurance premiums.

Interfund premiums are treated as quasi-external transactions, meaning that interfund premiums are recognized as expenditures in the contributing funds and interfund revenue is recognized in the Health Insurance Fund as earned. Retirees also make contributions to the Health Insurance Fund, as do former employees under COBRA.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include a provision for claims that have been incurred but not reported (IBNR). Claims liabilities are estimated based on actual claims filed subsequent to year-end. The provision for IBNR is based upon historical trends.

## Tuscola County

### Notes to the Financial Statements

Changes in the balance of claim liabilities during the current year and the prior year are as follows:

	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning of year	\$ 121,434	\$ 121,599
Incurred claims (including IBNR)	2,935,547	2,443,389
Claims paid	<u>(2,792,463)</u>	<u>(2,443,554)</u>
Unpaid claims, end of year	<u>\$ 264,518</u>	<u>\$ 121,434</u>

#### NOTE 10 - PROPERTY TAXES

The County property tax general operating levy is levied each July 1<sup>st</sup> and the special assessment levies are levied on December 1<sup>st</sup> through 2019 on the taxable valuation of property located in the County as of the preceding December 31. On July 1 or December 1, the property tax attachment is an enforceable lien on property and is payable by the last day of the next September or February, respectively.

Although the County's 2019 ad valorem tax is levied and collectible by December 1, 2019, it is the County's policy for all governmental fund types (with the exception below) to recognize revenues from the current tax levy in the year when the proceeds of the levy are budgeted and made available for financing County operations.

The taxable value of real and personal property for the December 1, 2018 levy totaled \$1,786,725,302. The taxable value of real and personal property for the July 1, 2019, levy totaled \$1,850,606,384.

The tax levy for fiscal year 2019 operations was based on the following rates:

General Operating	3.9141 mills
Road Patrol	1.3300 mills
Senior Citizens	0.3200 mills
Mosquito	0.6316 mills
Recycling	0.1500 mills
Veterans	0.1700 mills
Medical Care Community	0.2500 mills
Voted MSU	0.1000 mills
Voted Bridge	0.4807 mills
Voted Roads	0.9657 mills

By agreement with various taxing authorities, the County purchases at face value the real property taxes receivable returned delinquent each March 1. Subsequent collections on delinquent taxes receivable, plus interest and collection fees thereon and investment earnings, are used to service the tax notes. This activity is accounted for in the enterprise fund (combined revolving tax fund).

## Tuscola County

### Notes to the Financial Statements

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#### **NOTE 11 - TAX ABATEMENTS**

Industrial property tax abatements are granted in the State of Michigan under Public Act 198 of 1974, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. For the year ended December 31, 2019, the County's property taxes were reduced by \$35,744 under this program.

Renaissance zones tax abatements are granted in the State of Michigan under Public Act 376 of 1996, as amended, to encourage new job creation and investment in commercial or industrial property in areas formerly included in geographic based renaissance zones. The property must be located in an existing geographic renaissance zone and are proposing to undertake a project at the property, which involves private investments and creates jobs. The exemption can cover real and/or personal property tax; as well as income taxes. The exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. The real and personal property taxes are abated for a period of up to 15 years. The abatement is 100% of the above taxes, with a three year phase in of taxes in 25% increments for the final three years of a zone designation. As the eligible property is exempt from taxes, the full amount of taxes that would have been paid is the amount of the abatement. Local income taxes are abated in the same manner. Property owners are still required to pay the taxes necessary for local school district bond obligations. For the year ended December 31, 2019, the County's property taxes were reduced by \$62,313 under this program.

Obsolete property rehabilitation tax abatements are granted in the State of Michigan under Public Act 146 of 2000, as amended, to encourage investment in the significant renovation and/or rehabilitation of obsolete buildings for commercial use. The obsolete property rehabilitation tax exemption covers real property tax and the property must be functionally obsolete as determined by the County assessor as defined in the legislation. The project must be for a project that will have a commercial or commercial housing use. The exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. The taxable value of the qualifying property is set ("frozen") at the taxable value assigned in the year immediately preceding the effective date of the exemption certificate. New taxable value in excess of the frozen taxable value is exempted from certain millages on real property for a period of 1-12 years. The amount of the abatement is equal to the exempted mills applied to the amount of the taxable value created by investment in the project. For the year ended December 31, 2019, the County's property taxes were reduced by \$380 under this program.

**Tuscola County**

Notes to the Financial Statements

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**NOTE 12 - CONTINGENCIES**

Under the terms of various Federal and State grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. However, County management does not believe such disallowances, if any, will be material to the financial position of the County.

**NOTE 13 - LEASES**

*Operating Lease as Lessor*

The Health Department has entered into an operating lease since 1997 with the County for office space. The lease provides for monthly payments to the County to cover operational expenditures of the building. The total rental expense under this operating lease for the year ended September 30, 2019 was \$85,675. Lease payments are determined annually by Tuscola County.

*Operating Lease as Lessee*

The County has four operating lease agreements for postage meters with total monthly payments of \$602, one operating lease agreement for printers with a monthly payment of \$1,143, one operating lease for a phone system with a monthly payment of \$1,763, and one building lease agreement with a monthly payment of \$500.

The total future payments due under all of these leases are as follows:

<b>Fiscal Year</b>	
<b>Ended,</b>	<b>Principal</b>
2020	\$ 28,306
2021	8,996
<b>Total</b>	<b>\$ 37,302</b>

*Capital Lease as Lessee*

The County leased a phone system and a Bobcat skid steer under an agreement classified as a capital lease. The cost and accumulated depreciation as of December 31, 2019 related to such equipment is as follows:

Machinery and Equipment	\$ 143,707
Less: Accumulated Depreciation	(46,826)
<b>Total</b>	<b>\$ 96,881</b>

**Tuscola County**  
Notes to the Financial Statements

The present value of future minimum lease payments under capital leases as of December 31, 2019 is as follows:

	<b>Year Ending December 31</b>	<b>Amount</b>
	2020	\$ 21,159
	2021	7,306
<b>Total Minimum Lease Payments</b>		<b>\$ 28,465</b>
Less: amount representing interest		-
<b>Present Value of Minimum Lease Payments</b>		<b>\$ 28,465</b>

**NOTE 14 - FUND BALANCES - GOVERNMENTAL FUNDS**

The County reports fund balance in governmental funds based on 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.

Following is the composition of governmental fund's fund balance:

	<b>General Fund</b>	<b>Road Patrol</b>	<b>Health Department (09/30/2019)</b>	<b>Caro Sewer Series 2007</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Nonspendable</b>						
Advances to Funds	\$ 57,028	\$ -	\$ -	\$ -	\$ -	\$ 57,028
Advance to Drains	510,000	-	-	-	-	510,000
Prepaid Items	77,408	-	9,968	-	-	87,376
Inventory	-	-	55,991	-	-	55,991
<b>Total Nonspendable</b>	<b>644,436</b>	<b>-</b>	<b>65,959</b>	<b>-</b>	<b>-</b>	<b>710,395</b>
<b>Restricted</b>						
Judicial	-	-	-	-	254,775	254,775
General Government	-	-	-	-	313,858	313,858
Public Safety	-	1,179,887	-	-	1,609,609	2,789,496
Public Works	-	-	-	-	1,354,612	1,354,612
Health and Welfare	-	-	1,592,058	-	1,836,919	3,428,977
Debt Service	-	-	-	-	5,676	5,676
Capital Improvements	-	-	-	-	3,363,559	3,363,559
<b>Total Restricted</b>	<b>-</b>	<b>1,179,887</b>	<b>1,592,058</b>	<b>-</b>	<b>8,739,008</b>	<b>11,510,953</b>
<b>Committed</b>						
Health and Welfare	5,000	-	351,814	-	-	356,814
<b>Assigned</b>						
Health and Welfare	-	-	307,108	-	-	307,108
Reserve for Subsequent Year's Expenditures	1,410,000	-	-	-	-	1,410,000
<b>Total Assigned</b>	<b>1,410,000</b>	<b>-</b>	<b>307,108</b>	<b>-</b>	<b>-</b>	<b>1,717,108</b>
<b>Unassigned</b>	<b>1,142,881</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(53,112)</b>	<b>1,089,769</b>
<b>Total Fund Balance</b>	<b>\$ 3,202,317</b>	<b>\$ 1,179,887</b>	<b>\$ 2,316,939</b>	<b>\$ -</b>	<b>\$ 8,685,896</b>	<b>\$ 15,385,039</b>

**Tuscola County**

Notes to the Financial Statements

**NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

***GASB Statement No.84, Fiduciary Activities***

***Effective for periods beginning after 12/15/2019 (FY 2020)***

This standard establishes new criteria for determining how to report fiduciary activities in governmental financial statements. The focus is on whether the government is controlling the assets, and who the beneficiaries are. Under this revised standard, certain activities previously reported in agency funds may be reclassified in future periods. Due to the number of specific factors to consider, we will continue to assess the degree to which this standard may impact the County.

***GASB Statement No.87, Leases***

***Effective for periods beginning after 6/15/2021 (FY 2022)***

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources.

**NOTE 16 - POTENTIAL LIABILITY**

The County has a potential issue with compliance with Federal tax rules regarding labor contract language allowing certain employee contributions to the Municipal Employee's Retirement System (MERS) Health Care Saving Program in past years. There is a possibility that if a future Federal tax audit were to occur, it could potentially result in a tax liability for the County. The County, together with their labor attorney, are currently working on contract language amendments to ensure compliance with Federal tax rules.

**NOTE 17 - PRIOR PERIOD RESTATEMENT**

In prior years, the County miscalculated deferred outflows of resources and deferred inflows of resources related to the net difference between projected and actual earnings on pension plan investments. The subsequent correction increased deferred outflows of resources by \$2,251,080, decreased deferred inflows of resources by \$2,251,080, and increased net pension by \$4,502,160.

Following is a summary of the restatement:

	<b>Governmental Activities</b>
Net Position - December 31, 2018, as previously reported	\$ 5,516,688
Correction of deferred outflows of resources	2,251,080
Correction of deferred inflows of resources	2,251,080
Net Position - December 1, 2018, as restated	<u>\$ 10,018,848</u>

## **Tuscola County**

### Notes to the Financial Statements

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#### **NOTE 18 - SUBSEQUENT EVENTS**

The County may be affected by the recent and ongoing outbreak of the Coronavirus (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. COVID-19 has caused significant government and business disruptions through mandated and voluntary closings and stay at home orders. Management is in the process of determining if this outbreak will have a significant financial impact on the County's financial statements.

## **Required Supplementary Information**



**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 7,318,800	\$ 7,318,800	\$ 7,326,695	\$ 7,895
Licenses and permits	301,700	571,800	571,568	(232)
Intergovernmental	1,978,944	2,007,930	1,815,736	(192,194)
Charges for services	1,931,888	1,987,623	1,882,797	(104,826)
Fines and forfeits	84,820	85,220	76,624	(8,596)
Interest and rents	436,294	436,294	429,927	(6,367)
Other	374,307	400,707	300,592	(100,115)
<b>Total Revenues</b>	<u>12,426,753</u>	<u>12,808,374</u>	<u>12,403,939</u>	<u>(404,435)</u>
<b>Other Financing Sources</b>				
Transfers in	1,320,218	1,471,192	1,471,192	--
<b>Total Revenues and Other Financing Sources</b>	<u>13,746,971</u>	<u>14,279,566</u>	<u>13,875,131</u>	<u>(404,435)</u>
<b>Expenditures</b>				
<b>Legislative</b>	149,129	208,668	191,628	17,040
<b>Judicial</b>	2,263,378	2,265,700	2,167,335	98,365
<b>General Government</b>				
Elections	82,442	82,442	22,919	59,523
Accounting Services	47,740	47,740	46,195	1,545
Legal Counsel	125,000	245,010	243,555	1,455
Clerk	466,343	473,643	473,561	82
Controller	439,237	439,887	394,282	45,605
Equalization	230,005	230,005	223,818	6,187
City of Card Assessment	7,498	7,498	6,021	1,477
Prosecutor	791,402	810,037	797,468	12,569
Register of Deeds	296,255	304,605	304,384	221
Treasurer	355,898	355,898	347,851	8,047
Computer Operations	644,618	653,924	650,685	3,239
Building and Grounds	796,946	800,596	793,828	6,768
DHHS Building Maintenance	58,854	60,154	46,215	13,939
Drain Commission	225,323	225,323	216,171	9,152
<b>Total General Government</b>	<u>4,567,561</u>	<u>4,736,762</u>	<u>4,566,953</u>	<u>169,809</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Expenditures</b>				
<b>Public Safety</b>				
Courthouse Security	\$ 139,675	\$ 139,675	\$ 139,586	\$ 89
Sheriff	2,344,272	2,369,872	2,289,157	80,715
County Weighmaster	83,477	84,127	84,082	45
Marine Safety	12,537	14,137	12,401	1,736
Secondary Road Patrol	82,243	82,243	80,565	1,678
Thumb Area Narcotics Group	14,173	14,173	11,053	3,120
Community Corrections	68,023	69,123	69,086	37
Planning Commission	4,000	5,500	5,303	197
Emergency Services	102,578	102,578	100,141	2,437
<b>Total Public Safety</b>	<u>2,850,978</u>	<u>2,881,428</u>	<u>2,791,374</u>	<u>90,054</u>
<b>Public Works</b>				
Building Codes	325,000	570,100	570,078	22
Board of Public Works	1,000	1,200	1,152	48
Drains at Large	425,483	425,484	425,483	1
<b>Total Public Works</b>	<u>751,483</u>	<u>996,784</u>	<u>996,713</u>	<u>71</u>
<b>Health and Welfare</b>				
Substance Abuse	50,928	50,928	50,786	142
Medical Examiner	111,038	111,038	97,869	13,169
DHHS Board	8,600	8,600	8,300	300
Behavioral Health	288,243	288,243	288,243	--
<b>Total Health and Welfare</b>	<u>458,809</u>	<u>458,809</u>	<u>445,198</u>	<u>13,611</u>
<b>Other</b>	467,736	464,764	225,936	238,828
<b>Debt Service</b>	21,159	21,159	21,159	--
<b>Total Expenditures</b>	<u>11,530,233</u>	<u>12,034,074</u>	<u>11,406,296</u>	<u>627,778</u>
<b>Other Financing Uses</b>				
Transfers out	2,216,738	2,282,529	2,282,487	42
<b>Total Expenditures and Other Financing Uses</b>	<u>13,746,971</u>	<u>14,316,603</u>	<u>13,688,783</u>	<u>627,820</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	--	(37,037)	186,348	223,385
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>(37,037)</u>	<u>186,348</u>	<u>223,385</u>
<b>Fund Balance at Beginning of Period</b>	3,015,969	3,015,969	3,015,969	--
<b>Fund Balance at End of Period</b>	<u>\$ 3,015,969</u>	<u>\$ 2,978,932</u>	<u>\$ 3,202,317</u>	<u>\$ 223,385</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Road Patrol**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 2,384,220	\$ 2,384,220	\$ 2,378,645	\$ (5,575)
Intergovernmental	4,400	37,400	33,650	(3,750)
Charges for services	3,000	3,000	2,400	(600)
Interest and rents	6,000	6,000	13,392	7,392
Reimbursements and refunds	6,500	6,500	5,117	(1,383)
Other	100	100	429	329
<b><i>Total Revenues</i></b>	<u>2,404,220</u>	<u>2,437,220</u>	<u>2,433,633</u>	<u>(3,587)</u>
<b>Expenditures</b>				
Public safety	2,441,155	2,465,670	2,069,286	396,384
<b><i>Total Expenditures</i></b>	<u>2,441,155</u>	<u>2,465,670</u>	<u>2,069,286</u>	<u>396,384</u>
<b>Other Financing Uses</b>				
Transfers out	64,423	64,423	64,423	--
<b><i>Total Expenditures and Other Financing Uses</i></b>	<u>2,505,578</u>	<u>2,530,093</u>	<u>2,133,709</u>	<u>396,384</u>
<b><i>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</i></b>	<u>(101,358)</u>	<u>(92,873)</u>	<u>299,924</u>	<u>392,797</u>
<b><i>Net Change in Fund Balance</i></b>	<u>(101,358)</u>	<u>(92,873)</u>	<u>299,924</u>	<u>392,797</u>
<i>Fund Balance at Beginning of Period</i>	879,963	879,963	879,963	--
<b><i>Fund Balance at End of Period</i></b>	<u>\$ 778,605</u>	<u>\$ 787,090</u>	<u>\$ 1,179,887</u>	<u>\$ 392,797</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Health Department (September 30, 2019)**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Licenses and permits	\$ 138,212	\$ 163,351	\$ 177,377	\$ 14,026
Intergovernmental	2,262,479	2,757,157	3,249,491	492,334
Charges for services	395,451	528,465	557,260	28,795
Other	1,223	2,852	2,963	111
<b>Total Revenues</b>	<u>2,797,365</u>	<u>3,451,825</u>	<u>3,987,091</u>	<u>535,266</u>
<b>Other Financing Sources</b>				
Transfers in	<u>321,750</u>	<u>321,750</u>	<u>321,750</u>	<u>--</u>
<b>Total Revenues and Other Financing Sources</b>	<u>3,119,115</u>	<u>3,773,575</u>	<u>4,308,841</u>	<u>535,266</u>
<b>Expenditures</b>				
Health and welfare	<u>3,020,138</u>	<u>3,705,366</u>	<u>3,559,160</u>	<u>146,206</u>
<b>Total Expenditures</b>	<u>3,020,138</u>	<u>3,705,366</u>	<u>3,559,160</u>	<u>146,206</u>
<b>Other Financing Uses</b>				
Transfers out	<u>177,346</u>	<u>177,341</u>	<u>177,341</u>	<u>--</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>3,197,484</u>	<u>3,882,707</u>	<u>3,736,501</u>	<u>146,206</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(78,369)</u>	<u>(109,132)</u>	<u>572,340</u>	<u>681,472</u>
<b>Net Change in Fund Balance</b>	<u>(78,369)</u>	<u>(109,132)</u>	<u>572,340</u>	<u>681,472</u>
<b>Fund Balance at Beginning of Period</b>	<u>1,744,599</u>	<u>1,744,599</u>	<u>1,744,599</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 1,666,230</u>	<u>\$ 1,635,467</u>	<u>\$ 2,316,939</u>	<u>\$ 681,472</u>

**Tuscola County**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Five Plan Years**

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	\$ 616,397	\$ 623,037	\$ 644,951	\$ 663,158	\$ 640,091
Interest	2,839,889	2,760,220	2,658,106	2,521,804	2,359,153
Difference between expected and actual experience	(79,664)	(219,902)	159,878	15,636	-
Changes in assumptions	-	-	-	1,658,902	-
Benefit payments, including employee refunds	(2,097,593)	(2,095,285)	(2,014,650)	(1,985,077)	(1,887,760)
Other	(271,364)	(67,737)	(120,584)	(191,533)	3,552
<b>Net Change in Pension Liability</b>	<u>1,007,665</u>	<u>1,000,333</u>	<u>1,327,701</u>	<u>2,682,890</u>	<u>1,115,036</u>
<i>Total Pension Liability - Beginning</i>	36,239,206	35,238,873	33,911,172	31,228,282	30,113,246
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 37,246,871</u>	<u>\$ 36,239,206</u>	<u>\$ 35,238,873</u>	<u>\$ 33,911,172</u>	<u>\$ 31,228,282</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 410,464	\$ 367,047	\$ 359,904	\$ 7,412,953	\$ 810,207
Contributions - member	362,247	316,346	340,891	339,727	340,531
Net investment income (loss)	4,326,240	(1,336,847)	4,201,461	3,271,744	(359,078)
Benefit payments, including employee refunds	(2,097,593)	(2,095,285)	(2,014,650)	(1,985,077)	(1,887,760)
Administrative expense	(74,522)	(67,064)	(66,597)	(62,743)	(52,822)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>2,926,836</u>	<u>(2,815,803)</u>	<u>2,821,009</u>	<u>8,976,604</u>	<u>(1,148,922)</u>
<i>Plan Fiduciary Net Position - Beginning</i>	32,135,222	34,951,025	32,130,016	23,153,412	24,302,334
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 35,062,058</u>	<u>\$ 32,135,222</u>	<u>\$ 34,951,025</u>	<u>\$ 32,130,016</u>	<u>\$ 23,153,412</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	\$ 2,184,813	\$ 4,103,984	\$ 287,848	\$ 1,781,156	\$ 8,074,870
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94%	89%	99%	95%	74%
Covered Payroll	\$ 5,870,215	\$ 5,950,007	\$ 6,087,878	\$ 6,477,636	\$ 6,216,270
Net Pension Liability as a Percentage of Covered Payroll	37%	69%	5%	27%	130%

\* Built prospectively upon implementation on GASB 68

**Tuscola County**  
**Required Supplementary Information**  
**Schedule of Contributions**  
**Last Five Calendar Years**

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 367,047	\$ 359,904	\$ 359,904	\$ 512,953	\$ 810,207
Contributions in relation to the actuarially determined contribution	410,464	367,047	359,904	7,412,953	810,207
Contribution excess (deficiency)	<u>\$ 43,417</u>	<u>\$ 7,143</u>	<u>\$ -</u>	<u>\$ 6,900,000</u>	<u>\$ -</u>
 Covered Payroll	 5,870,215	 5,950,007	 6,087,878	 6,477,636	 6,216,270
 Contributions as a Percentage of Covered Payroll	 7%	 6%	 6%	 114%	 13%

*Notes*

**Valuation Date**

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

**Methods and assumptions used to determine contribution rates**

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement Age	Varies depending on plan adoption
Mortality	50% Male - 50% Female blend of the RP-2014 Group Annuity Mortality Table

**Combining and Individual Fund Statements and Schedules**

# NONMAJOR GOVERNMENTAL FUNDS

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## **SPECIAL REVENUE FUNDS:**

CDBG Housing Grant (250) The revenue source for this fund is a State Housing Grant. The Human Development Commission is contracted by Tuscola County to administer the grant, which provides improvements to homes in the County.

Principal Residence Exemption (251) This fund is used to account for the collection of taxes and interest due from principal residential exemption (homestead) denials.

State Survey Grant (252) State grant funds are received every year and a small appropriation from the General Fund to cover administrative cost makes up the revenue sources for this fund. The revenues are used to replace section corners within the County to improve the process of surveying. Expenditures must meet grant requirements to qualify for reimbursement.

Victim of Crime Act Grant (255) This grant is established to provide services to victims for various reasons. The revenue source is a state grant reimbursement for qualified expenditures.

Register of Deed Automation (256) This fund is used to account for funds set aside under provisions of Public Act 698 of 2002 (MCL 600.2568). The fund was created for upgrading technology in the Register of Deeds' Office.

HDC STOP Grant (257) The County has a vendor relation on this grant with HDC. The goal of the grant is to strengthen local criminal justice system responses to deal with the problems of violent crimes against women.

GIS (geographic information system) (258) Tuscola County implemented this valuable technology in 2014. These funds will be primarily be used to expedite the digital parcel map creation.

Indigent Defense Fund (260) This fund was created to account for the operations of the indigent defense office.

Homeland Security (261) Tuscola County is part of the 3<sup>rd</sup> District Regional Homeland Security. A core mission of the Department of Homeland Security (DHS) is to enhance the ability of State, local, and tribal governments to prepare, prevent, respond to, and recover from terrorist attacks and other disasters. The Homeland Security Grant Program (HSGP) is a primary funding mechanism for building and sustaining national preparedness capabilities.



## **SPECIAL REVENUE FUNDS: (continued)**

CPL (Concealed Pistol Licensing) (263) Effective June 2, 2012 PA3 of 2012 requires the establishment of a Concealed Pistol Licensing fund for the deposit of fees collected for the county clerk under this Act.

Local Corrections Officer Training (265) The revenue source for this fund is established from Public Act 134 of 2003 as amended in new section MCL 801.4b. This new source of revenue will allow training programs for local correctional officers.

Forfeiture Sheriff/Prosecutor (266) The monies are forfeited from the confiscation of property, cars, and monies that were determined to be used in a criminal act involving drugs. The forfeited monies will be used to fight the war against drugs in Tuscola County.

Law Library (269) The revenue source for this fund is the established penal fine amount of \$6,500. Appropriations from the General Fund also create a revenue source. The Law Books or online access to Westlaw will be located in one central location.

Voted MSU (279) A millage passed by the voters of Tuscola County that provides the revenue source for this fund. This fund provides services for the local MSU extension programs such as 4-H programs.

Michigan Justice Training (285) This fund was established to provide training to sworn officers only. The revenue is generated by fees collected by the courts and by the State of Michigan. Agencies are mandated to provide training from the General Fund each year.

Child Care DHS (288) The revenue sources for this fund are State reimbursements, Department of Human Services client payments, and an appropriation from the County's General Fund. The dollars are spent to pay foster care cost for neglected or abused children. The reimbursements to Foster Care Parents are for payments of medical expenses, clothing and other extraordinary items.

Probate Child Care (292) The Child Care Fund provides services to families of youth involved in the Courts. The revenue sources are State reimbursements, charges for services, and also a County General Fund appropriation.

Soldiers Relief (293) The fund was established to provide services to indigent veterans who may not qualify for Veterans Trust Fund monies. The revenue source for this fund is an appropriation from the Voted Veterans Fund

Voted Veterans (295) A millage passed by the voters of Tuscola County that provides the revenue source for this fund. This fund provides services for the Veterans of Tuscola County.

Voted Bridge (296) A millage passed by the voters of the County that provides the revenue source for this fund. This fund provides resources for repair and maintenance of bridges within the County.

## **SPECIAL REVENUE FUNDS: (continued)**

Voted Senior Citizens (297) A millage passed by the voters of Tuscola County that provides the revenue source for this fund. This fund provides services for the senior citizens of Tuscola County. Examples of some services are flu shots and home delivered and congregated meals.

Voted Medical Care Facility (298) A millage passed by the voters of the County that provides the revenue source for this fund. This fund provides resources for the County's medical care facility to ensure that services are maintained at a consistent level.

County Parks and Recreation (208) This fund is used to account for the activities to maintain and improve the operations of Vanderbilt Park. The revenue sources of this fund are fees collected for the use of facility and the appropriation from the General Fund.

Arbela Township Police Contract (213) The revenue source for this fund is generated from the reimbursement from Arbela Township for services provided by the Tuscola County Sheriff Department for a specific number of hours and for the support in enforcing township ordinances.

Voted Primary Road (214) A millage passed by the voters of the County that provides the revenue source for this fund. This fund provides resources for repair and maintenance of primary roads within the County.

Friend of the Court, Act 294 (215) This fund was established to provide a separate accounting for the expenditures related to the operations of the Friend of the Court. The revenue sources for this fund are generated by federal and state grants. The County has established a base appropriation to this fund to comply with criteria established to receive maximum reimbursements from the federal and state levels. Fees and Charges established through the court systems also make up revenue used to operate the Friend of the Court at an efficient level.

Family Counseling (216) Marriage license fees collected by the County are proportioned into this fund and represent the only revenue source. Expenditures are ordered by the Judge of the Circuit Court, to provide counseling to families at his discretion.

Dispatch/911 (218) This fund is established to provide emergency 9-1-1 dispatch services to all law enforcement, fire and emergency medical services. The revenue sources are generated from the surcharges on landlines and wireless telephone customers.

Vassar Township Police Contract (225) The revenue for this fund is provided by reimbursement of Vassar Township for services provided by the Tuscola County Sheriff Department in the support of enforcing township ordinances.

Recycling (230) This fund was established by a grant provided by the State. The revenue source was then established to be an appropriation from the General Fund. Current revenues also include income from the sale of material.

## **SPECIAL REVENUE FUNDS: (continued)**

Millington Township Police Contract (232) The revenue for this fund is provided by reimbursement of Millington Township for services provided by the Tuscola County Sheriff Department in the support of enforcing township ordinances.

Mental Health Court (233) The revenue for this fund is financed by a grant from the State Court Administrative Office (SCAO). Mental health court is modeled after the drug court and was developed in response to the overrepresentation of people with mental illnesses in the criminal justice system.

Victim Services (236) The revenue source for this fund is generated by a State Grant reimbursement. The fund provides services to individuals who are victims of crimes.

Animal Shelter (239) The revenue source for this fund is licenses and State Grants. The fund provides animal shelter services within the County.

Mosquito Control Fund (240) A millage passed by the voters of the County that provides the revenue source for this fund. This fund provides resources for Mosquito control within the County.

Regional DWI Court Grant (224) The Regional DWI Court fund finances the Thumb Regional Sobriety Court (TRSC), which is financed by a grant from the State Court Administrative Office (SCAO). The Thumb Regional Sobriety Court is part of a SCAO initiative to extend sobriety treatment programs to rural areas of the state by forming regional programs on a multi-county basis. TRSC provides services to defendants in Tuscola, Huron and Sanilac counties who are convicted of a qualifying drunk driving offense and who are admitted to the program.

## **DEBT SERVICE FUNDS:**

Debt service funds are used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and costs.

Pension Obligation Bond Debt (352)

Health Department Pension Obligation Bond Debt (353)

Purdy Building Debt (374)

Mayville Storm Sewer Debt (379)

Richville Water System Debt (380)

Denmark Township Sewer Debt (385)

Wisner Township Water Distribution System Debt (387)

## **CAPITAL PROJECT FUNDS:**

Capital project funds are used to account for the accumulation of resources, often through the issuance of long-term debt, for the purposes of constructing capital assets.

### **Building Authority**

State Police Capital Expenditures (470)

### **Other**

Capital Improvements Fund (483)

Jail Capital Improvements Fund (488)

Equipment/Technology (244)

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	<b>Special Revenue</b>						
	<b>CDBG Housing Grant</b>	<b>Principal Residence Exemption</b>	<b>State Survey Grant Fund</b>	<b>Victim of Crime Act Grant</b>	<b>Register of Deeds Automation</b>	<b>HDC Stop Grant</b>	<b>GIS</b>
<b>ASSETS</b>							
Cash and investments	\$ 102,995	\$ 36,592	\$ --	\$ --	\$ 98,870	\$ --	\$ 151,302
Taxes receivable	--	--	--	--	--	--	--
Due from other governments	--	--	39,897	7,751	--	1,119	--
Accounts receivable	--	--	--	--	220	--	5,119
Due from other funds	--	--	73	--	--	--	--
Contracts receivable	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 102,995</b>	<b>\$ 36,592</b>	<b>\$ 39,970</b>	<b>\$ 7,751</b>	<b>\$ 99,090</b>	<b>\$ 1,119</b>	<b>\$ 156,421</b>
<b>LIABILITIES</b>							
Accounts payable	\$ --	\$ --	\$ 1,200	\$ 53	\$ 4,084	\$ --	\$ 36
Accrued liabilities	--	--	--	2,543	--	--	2,240
Due to other governmental units	--	--	--	--	--	--	--
Due to other funds	--	--	38,770	3,366	--	1,119	--
Advances from other funds	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>39,970</b>	<b>5,962</b>	<b>4,084</b>	<b>1,119</b>	<b>2,276</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - contracts	--	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	--	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>--</b>	<b>39,970</b>	<b>5,962</b>	<b>4,084</b>	<b>1,119</b>	<b>2,276</b>
<b>FUND BALANCE</b>							
Restricted	102,995	36,592	--	1,789	95,006	--	154,145
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>102,995</b>	<b>36,592</b>	<b>--</b>	<b>1,789</b>	<b>95,006</b>	<b>--</b>	<b>154,145</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 102,995</b>	<b>\$ 36,592</b>	<b>\$ 39,970</b>	<b>\$ 7,751</b>	<b>\$ 99,090</b>	<b>\$ 1,119</b>	<b>\$ 156,421</b>

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	<b>Special Revenue</b>						
	<b>Indigent Defense Fund</b>	<b>Homeland Security</b>	<b>CPL</b>	<b>Local Correction Officer Training</b>	<b>Forfeiture Sheriff / Prosecutor</b>	<b>Law Library</b>	<b>Voted MSU</b>
<b>ASSETS</b>							
Cash and investments	\$ 38,275	\$ --	\$ 106,244	\$ 16,226	\$ 81,348	\$ 23,937	\$ --
Taxes receivable	--	--	--	--	--	--	181,050
Due from other governments	6,285	20,248	--	--	--	--	--
Accounts receivable	--	--	88	1,587	--	--	--
Due from other funds	35,732	--	--	--	--	--	--
Contracts receivable	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 80,292</b>	<b>\$ 20,248</b>	<b>\$ 106,332</b>	<b>\$ 17,813</b>	<b>\$ 81,348</b>	<b>\$ 23,937</b>	<b>\$ 181,050</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 74,997	\$ 2,210	\$ --	\$ 392	\$ --	\$ --	\$ 20
Accrued liabilities	5,295	--	--	--	2,083	--	--
Due to other governmental units	--	--	--	--	--	--	--
Due to other funds	--	17,931	128	--	--	--	12,874
Advances from other funds	--	--	--	--	--	--	40,218
<b>Total Liabilities</b>	<b>80,292</b>	<b>20,141</b>	<b>128</b>	<b>392</b>	<b>2,083</b>	<b>--</b>	<b>53,112</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - contracts	--	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	--	--	--	--	181,050
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>80,292</b>	<b>20,141</b>	<b>128</b>	<b>392</b>	<b>2,083</b>	<b>--</b>	<b>234,162</b>
<b>FUND BALANCE</b>							
Restricted	--	107	106,204	17,421	79,265	23,937	--
Unassigned	--	--	--	--	--	--	(53,112)
<b>Total Fund Balance</b>	<b>--</b>	<b>107</b>	<b>106,204</b>	<b>17,421</b>	<b>79,265</b>	<b>23,937</b>	<b>(53,112)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 80,292</b>	<b>\$ 20,248</b>	<b>\$ 106,332</b>	<b>\$ 17,813</b>	<b>\$ 81,348</b>	<b>\$ 23,937</b>	<b>\$ 181,050</b>

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	<b>Special Revenue</b>						
	<b>Michigan Justice Training</b>	<b>Child Care DHS</b>	<b>Probate Child Care</b>	<b>Soldiers Relief</b>	<b>Voted Veterans</b>	<b>Voted Bridge</b>	<b>Voted Senior Citizens</b>
<b>ASSETS</b>							
Cash and investments	\$ 7,520	\$ 247,962	\$ 215,867	\$ 80,338	\$ 182,498	\$ 1,045,581	\$ 122,925
Taxes receivable	--	--	--	--	314,924	890,571	546,628
Due from other governments	--	--	165,880	--	--	--	--
Accounts receivable	--	23	7,297	--	--	--	--
Due from other funds	--	16,452	--	--	--	--	--
Contracts receivable	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 7,520</b>	<b>\$ 264,437</b>	<b>\$ 389,044</b>	<b>\$ 80,338</b>	<b>\$ 497,422</b>	<b>\$ 1,936,152</b>	<b>\$ 669,553</b>
<b>LIABILITIES</b>							
Accounts payable	\$ --	\$ 1,338	\$ 35,772	\$ --	\$ 77,019	\$ --	\$ 7,482
Accrued liabilities	--	--	10,997	--	--	--	108
Due to other governmental units	--	--	133,157	--	--	--	--
Due to other funds	--	--	30,335	--	--	--	200
Advances from other funds	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>1,338</b>	<b>210,261</b>	<b>--</b>	<b>77,019</b>	<b>--</b>	<b>7,790</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - contracts	--	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	--	--	314,924	890,571	546,628
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>1,338</b>	<b>210,261</b>	<b>--</b>	<b>391,943</b>	<b>890,571</b>	<b>554,418</b>
<b>FUND BALANCE</b>							
Restricted	7,520	263,099	178,783	80,338	105,479	1,045,581	115,135
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>7,520</b>	<b>263,099</b>	<b>178,783</b>	<b>80,338</b>	<b>105,479</b>	<b>1,045,581</b>	<b>115,135</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 7,520</b>	<b>\$ 264,437</b>	<b>\$ 389,044</b>	<b>\$ 80,338</b>	<b>\$ 497,422</b>	<b>\$ 1,936,152</b>	<b>\$ 669,553</b>

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	<b>Special Revenue</b>						
	<b>Voted Medical Care Facility</b>	<b>County Parks &amp; Recreation</b>	<b>Arbela Twp Police Svc</b>	<b>Voted Primary Road</b>	<b>Friend of the Court</b>	<b>Family Counseling</b>	<b>Dispatch/911</b>
<b>ASSETS</b>							
Cash and investments	\$ 706,157	\$ 31,843	\$ --	\$ 176,987	\$ 40,575	\$ 64,072	\$ 967,471
Taxes receivable	357	--	--	1,723,053	--	--	--
Due from other governments	--	--	440	--	--	--	--
Accounts receivable	--	--	8,285	--	153,507	30	326,980
Due from other funds	--	--	--	--	--	--	--
Contracts receivable	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 706,514</b>	<b>\$ 31,843</b>	<b>\$ 8,725</b>	<b>\$ 1,900,040</b>	<b>\$ 194,082</b>	<b>\$ 64,102</b>	<b>\$ 1,294,451</b>
<b>LIABILITIES</b>							
Accounts payable	\$ --	\$ 308	\$ --	\$ --	\$ 390	\$ 438	\$ 1,792
Accrued liabilities	--	--	2,692	--	26,390	--	44,729
Due to other governmental units	--	--	--	--	--	--	--
Due to other funds	--	--	6,033	--	128	--	189
Advances from other funds	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>308</b>	<b>8,725</b>	<b>--</b>	<b>26,908</b>	<b>438</b>	<b>46,710</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - contracts	--	--	--	--	--	--	--
Taxes levied for a subsequent period	357	--	--	1,723,053	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>357</b>	<b>308</b>	<b>8,725</b>	<b>1,723,053</b>	<b>26,908</b>	<b>438</b>	<b>46,710</b>
<b>FUND BALANCE</b>							
Restricted	706,157	31,535	--	176,987	167,174	63,664	1,247,741
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>706,157</b>	<b>31,535</b>	<b>--</b>	<b>176,987</b>	<b>167,174</b>	<b>63,664</b>	<b>1,247,741</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 706,514</b>	<b>\$ 31,843</b>	<b>\$ 8,725</b>	<b>\$ 1,900,040</b>	<b>\$ 194,082</b>	<b>\$ 64,102</b>	<b>\$ 1,294,451</b>



**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	<b>Special Revenue</b>						
	<b>Vassar Twp Police Svc</b>	<b>Recycling</b>	<b>Millington Twp Police</b>	<b>Mental Health Court</b>	<b>Victim Services</b>	<b>Animal Shelter</b>	<b>Mosquito Control Fund</b>
<b>ASSETS</b>							
Cash and investments	\$ --	\$ 163,292	\$ --	\$ --	\$ --	\$ 16,168	\$ 511,782
Taxes receivable	--	267,553	--	--	--	--	1,170,219
Due from other governments	8,889	--	1,681	388	27,419	--	--
Accounts receivable	--	71	23,830	10,724	--	1,210	--
Due from other funds	6,129	--	--	--	--	1,481	--
Contracts receivable	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 15,018</b>	<b>\$ 430,916</b>	<b>\$ 25,511</b>	<b>\$ 11,112</b>	<b>\$ 27,419</b>	<b>\$ 18,859</b>	<b>\$ 1,682,001</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 238	\$ 4,825	\$ --	\$ 1,232	\$ 352	\$ 9,285	\$ 144,911
Accrued liabilities	2,259	9,684	6,071	--	2,555	7,214	9,841
Due to other governmental units	--	--	--	--	--	--	--
Due to other funds	6,390	--	19,440	9,880	24,400	878	637
Advances from other funds	--	16,810	--	--	--	--	--
<b>Total Liabilities</b>	<b>8,887</b>	<b>31,319</b>	<b>25,511</b>	<b>11,112</b>	<b>27,307</b>	<b>17,377</b>	<b>155,389</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - contracts	--	--	--	--	--	--	--
Taxes levied for a subsequent period	--	267,553	--	--	--	--	1,170,219
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>8,887</b>	<b>298,872</b>	<b>25,511</b>	<b>11,112</b>	<b>27,307</b>	<b>17,377</b>	<b>1,325,608</b>
<b>FUND BALANCE</b>							
Restricted	6,131	132,044	--	--	112	1,482	356,393
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>6,131</b>	<b>132,044</b>	<b>--</b>	<b>--</b>	<b>112</b>	<b>1,482</b>	<b>356,393</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 15,018</b>	<b>\$ 430,916</b>	<b>\$ 25,511</b>	<b>\$ 11,112</b>	<b>\$ 27,419</b>	<b>\$ 18,859</b>	<b>\$ 1,682,001</b>

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	<u>Special Revenue</u>		<u>Debt Service</u>				
	Regional DWI Court Grant	Pension Obligation Bond	Health Department Pension Obligation Bond	Purdy Building	Mayville Storm Sewer Debt	Richville Water System Debt	Denmark Twp Sewer Debt
<b>ASSETS</b>							
Cash and investments	\$ 32,521	\$ --	\$ 440	\$ 1,603	\$ --	\$ --	\$ --
Taxes receivable	--	--	--	--	--	--	--
Due from other governments	--	--	--	--	--	--	--
Accounts receivable	47,051	--	--	--	--	--	--
Due from other funds	--	30,662	--	--	--	--	--
Contracts receivable	--	--	--	--	901,783	--	1,601,751
<b>Total Assets</b>	<b>\$ 79,572</b>	<b>\$ 30,662</b>	<b>\$ 440</b>	<b>\$ 1,603</b>	<b>\$ 901,783</b>	<b>\$ --</b>	<b>\$ 1,601,751</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 9,155	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Accrued liabilities	3,460	--	--	--	--	--	--
Due to other governmental units	--	--	--	--	--	--	--
Due to other funds	--	27,052	--	--	--	--	--
Advances from other funds	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>12,615</b>	<b>27,052</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - contracts	--	--	--	--	901,783	--	1,601,751
Taxes levied for a subsequent period	--	--	--	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>12,615</b>	<b>27,052</b>	<b>--</b>	<b>--</b>	<b>901,783</b>	<b>--</b>	<b>1,601,751</b>
<b>FUND BALANCE</b>							
Restricted	66,957	3,610	440	1,603	--	--	--
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>66,957</b>	<b>3,610</b>	<b>440</b>	<b>1,603</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 79,572</b>	<b>\$ 30,662</b>	<b>\$ 440</b>	<b>\$ 1,603</b>	<b>\$ 901,783</b>	<b>\$ --</b>	<b>\$ 1,601,751</b>

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019**

	Debt Service	Capital Projects				Total Nonmajor Governmental Funds
	Wisner Twp Water Dist Sys	State Police Building	Capital Improvements	Jail Capital Improvements	Equipment/Tech nology Fund	
<b>ASSETS</b>						
Cash and investments	\$ 23	\$ 132,753	\$ 1,902,511	\$ 988,059	\$ 346,220	\$ 8,640,957
Taxes receivable	--	--	--	--	--	5,094,355
Due from other governments	--	--	--	--	--	279,997
Accounts receivable	--	--	--	--	--	586,022
Due from other funds	--	--	--	--	--	90,529
Contracts receivable	2,770,163	--	--	--	--	5,273,697
<b>Total Assets</b>	<b>\$ 2,770,186</b>	<b>\$ 132,753</b>	<b>\$ 1,902,511</b>	<b>\$ 988,059</b>	<b>\$ 346,220</b>	<b>\$ 19,965,557</b>
<b>LIABILITIES</b>						
Accounts payable	\$ --	\$ --	\$ --	\$ 5,687	\$ --	\$ 383,216
Accrued liabilities	--	--	--	--	--	138,161
Due to other governmental units	--	--	--	--	--	133,157
Due to other funds	--	--	--	--	297	200,047
Advances from other funds	--	--	--	--	--	57,028
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>5,687</b>	<b>297</b>	<b>911,609</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - contracts	2,770,163	--	--	--	--	5,273,697
Taxes levied for a subsequent period	--	--	--	--	--	5,094,355
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,770,163</b>	<b>--</b>	<b>--</b>	<b>5,687</b>	<b>297</b>	<b>11,279,661</b>
<b>FUND BALANCE</b>						
Restricted	23	132,753	1,902,511	982,372	345,923	8,739,008
Unassigned	--	--	--	--	--	(53,112)
<b>Total Fund Balance</b>	<b>23</b>	<b>132,753</b>	<b>1,902,511</b>	<b>982,372</b>	<b>345,923</b>	<b>8,685,896</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 2,770,186</b>	<b>\$ 132,753</b>	<b>\$ 1,902,511</b>	<b>\$ 988,059</b>	<b>\$ 346,220</b>	<b>\$ 19,965,557</b>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year Ended December 31, 2019**

	Special Revenue						
	CDBG Housing Grant	Principal Residence Exemption	State Survey Grant Fund	Victim of Crime Act Grant	Register of Deeds Automation	HDC Stop Grant	
<b>Revenues</b>							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--	--
Intergovernmental	42,211	42,391	66,495	81,820	--	35,641	--
Charges for services	--	--	--	--	51,110	--	47,327
Fines and forfeits	--	--	--	--	--	--	--
Interest and rents	--	335	--	--	882	--	998
Reimbursements and refunds	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
<b>Total Revenues</b>	<b>42,211</b>	<b>42,726</b>	<b>66,495</b>	<b>81,820</b>	<b>51,992</b>	<b>35,641</b>	<b>48,325</b>
<b>Expenditures</b>							
Legislative	--	--	--	--	--	--	--
Judicial	--	--	--	--	--	--	--
General government	9,322	64,965	66,568	--	58,566	--	--
Public safety	--	--	--	81,820	--	35,641	82,250
Public works	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>9,322</b>	<b>64,965</b>	<b>66,568</b>	<b>81,820</b>	<b>58,566</b>	<b>35,641</b>	<b>82,250</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>32,889</b>	<b>(22,239)</b>	<b>(73)</b>	<b>--</b>	<b>(6,574)</b>	<b>--</b>	<b>(33,925)</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	--	73	--	--	--	60,000
Transfers out	--	(12,890)	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>(12,890)</b>	<b>73</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>60,000</b>
<b>Net Change in Fund Balance</b>	<b>32,889</b>	<b>(35,129)</b>	<b>--</b>	<b>--</b>	<b>(6,574)</b>	<b>--</b>	<b>26,075</b>
<i>Fund Balance at Beginning of Period</i>	70,106	71,721	--	1,789	101,580	--	128,070
<b>Fund Balance at End of Period</b>	<b>\$ 102,995</b>	<b>\$ 36,592</b>	<b>\$ --</b>	<b>\$ 1,789</b>	<b>\$ 95,006</b>	<b>\$ --</b>	<b>\$ 154,145</b>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year Ended December 31, 2019**

	Special Revenue						
	Indigent Defense Fund	Homeland Security	CPL	Local Correction Officer Training	Forfeiture Sheriff / Prosecutor	Law Library	
<b>Revenues</b>							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 178,753
Licenses and permits	--	--	31,022	--	--	--	--
Intergovernmental	674,245	59,379	--	--	--	--	--
Charges for services	--	--	--	10,753	--	--	--
Fines and forfeits	--	--	--	--	750	6,500	--
Interest and rents	1,239	--	--	--	--	--	243
Reimbursements and refunds	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
<b>Total Revenues</b>	<u>675,484</u>	<u>59,379</u>	<u>31,022</u>	<u>10,753</u>	<u>750</u>	<u>6,500</u>	<u>178,996</u>
<b>Expenditures</b>							
Legislative	--	--	--	--	--	--	--
Judicial	--	--	--	--	--	--	--
General government	959,160	--	--	--	55,472	--	--
Public safety	--	59,529	14,391	14,765	--	--	153,889
Public works	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<u>959,160</u>	<u>59,529</u>	<u>14,391</u>	<u>14,765</u>	<u>55,472</u>	<u>--</u>	<u>153,889</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(283,676)</u>	<u>(150)</u>	<u>16,631</u>	<u>(4,012)</u>	<u>(54,722)</u>	<u>6,500</u>	<u>25,107</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	283,676	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	(1,182)
<b>Net Other Financing Sources (Uses)</b>	<u>283,676</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,182)</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>(150)</u>	<u>16,631</u>	<u>(4,012)</u>	<u>(54,722)</u>	<u>6,500</u>	<u>23,925</u>
<b>Fund Balance at Beginning of Period</b>	<u>--</u>	<u>257</u>	<u>89,573</u>	<u>21,433</u>	<u>133,987</u>	<u>17,437</u>	<u>(77,037)</u>
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ 107</u>	<u>\$ 106,204</u>	<u>\$ 17,421</u>	<u>\$ 79,265</u>	<u>\$ 23,937</u>	<u>\$ (53,112)</u>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year Ended December 31, 2019**

	<b>Special Revenue</b>						
	<b>Michigan Justice Training</b>	<b>Child Care DHS</b>	<b>Probate Child Care</b>	<b>Soldiers Relief</b>	<b>Voted Veterans</b>	<b>Voted Bridge</b>	<b>Voted Senior Citizens</b>
<b>Revenues</b>							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 303,767	\$ 859,309	\$ 572,245
Licenses and permits	--	--	--	--	--	--	--
Intergovernmental	4,215	37,022	355,274	--	--	--	--
Charges for services	--	8,976	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--	--
Interest and rents	--	--	--	--	2,002	15,483	1,741
Reimbursements and refunds	--	--	--	--	--	--	--
Other	--	--	2,667	--	--	--	--
<b>Total Revenues</b>	<b>4,215</b>	<b>45,998</b>	<b>357,941</b>	<b>--</b>	<b>305,769</b>	<b>874,792</b>	<b>573,986</b>
<b>Expenditures</b>							
Legislative	--	--	--	--	--	--	--
Judicial	--	--	--	--	--	--	--
General government	--	--	--	--	--	--	--
Public safety	3,940	--	--	--	--	--	--
Public works	--	--	--	--	--	798,333	--
Health and welfare	--	85,434	879,461	12,356	291,783	--	541,669
Culture and recreation	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>3,940</b>	<b>85,434</b>	<b>879,461</b>	<b>12,356</b>	<b>291,783</b>	<b>798,333</b>	<b>541,669</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>275</b>	<b>(39,436)</b>	<b>(521,520)</b>	<b>(12,356)</b>	<b>13,986</b>	<b>76,459</b>	<b>32,317</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	162,500	500,000	40,000	--	--	--
Transfers out	--	--	--	--	(46,747)	--	(4,943)
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>162,500</b>	<b>500,000</b>	<b>40,000</b>	<b>(46,747)</b>	<b>--</b>	<b>(4,943)</b>
<b>Net Change in Fund Balance</b>	<b>275</b>	<b>123,064</b>	<b>(21,520)</b>	<b>27,644</b>	<b>(32,761)</b>	<b>76,459</b>	<b>27,374</b>
<b>Fund Balance at Beginning of Period</b>	<b>7,245</b>	<b>140,035</b>	<b>200,303</b>	<b>52,694</b>	<b>138,240</b>	<b>969,122</b>	<b>87,761</b>
<b>Fund Balance at End of Period</b>	<b>\$ 7,520</b>	<b>\$ 263,099</b>	<b>\$ 178,783</b>	<b>\$ 80,338</b>	<b>\$ 105,479</b>	<b>\$ 1,045,581</b>	<b>\$ 115,135</b>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year Ended December 31, 2019**

	<b>Special Revenue</b>						
	<b>Voted Medical Care Facility</b>	<b>County Parks &amp; Recreation</b>	<b>Arbela Twp Police Svc</b>	<b>Voted Primary Road</b>	<b>Friend of the Court</b>	<b>Family Counseling</b>	<b>Dispatch/911</b>
<b>Revenues</b>							
Taxes	\$ 446,846	\$ --	\$ --	\$ 1,726,502	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	4,380	--
Intergovernmental	--	--	--	--	686,871	--	16,674
Charges for services	--	24,353	80,003	--	58,208	--	1,074,091
Fines and forfeits	--	--	--	--	--	--	--
Interest and rents	9,038	--	--	8,611	572	--	12,892
Reimbursements and refunds	--	--	--	--	56	3,811	2,400
Other	--	877	--	--	--	--	6,053
<b>Total Revenues</b>	<b>455,884</b>	<b>25,230</b>	<b>80,003</b>	<b>1,735,113</b>	<b>745,707</b>	<b>8,191</b>	<b>1,112,110</b>
<b>Expenditures</b>							
Legislative	--	--	--	--	--	--	--
Judicial	--	--	--	--	872,662	2,233	--
General government	--	--	--	--	--	--	--
Public safety	--	--	80,003	--	--	--	945,843
Public works	--	--	--	1,566,697	--	--	--
Health and welfare	784,382	--	--	--	--	--	--
Culture and recreation	--	27,964	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>784,382</b>	<b>27,964</b>	<b>80,003</b>	<b>1,566,697</b>	<b>872,662</b>	<b>2,233</b>	<b>945,843</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(328,498)</b>	<b>(2,734)</b>	<b>--</b>	<b>168,416</b>	<b>(126,955)</b>	<b>5,958</b>	<b>166,267</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	15,000	--	--	295,143	--	--
Transfers out	(1,495)	--	--	--	(210,896)	--	(88,756)
<b>Net Other Financing Sources (Uses)</b>	<b>(1,495)</b>	<b>15,000</b>	<b>--</b>	<b>--</b>	<b>84,247</b>	<b>--</b>	<b>(88,756)</b>
<b>Net Change in Fund Balance</b>	<b>(329,993)</b>	<b>12,266</b>	<b>--</b>	<b>168,416</b>	<b>(42,708)</b>	<b>5,958</b>	<b>77,511</b>
<i>Fund Balance at Beginning of Period</i>	1,036,150	19,269	--	8,571	209,882	57,706	1,170,230
<b>Fund Balance at End of Period</b>	<b>\$ 706,157</b>	<b>\$ 31,535</b>	<b>\$ --</b>	<b>\$ 176,987</b>	<b>\$ 167,174</b>	<b>\$ 63,664</b>	<b>\$ 1,247,741</b>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year Ended December 31, 2019**

	<b>Special Revenue</b>						
	<b>Vassar Twp Police Svc</b>	<b>Recycling</b>	<b>Millington Twp Police</b>	<b>Mental Health Court</b>	<b>Victim Services</b>	<b>Animal Shelter</b>	<b>Mosquito Control Fund</b>
<b>Revenues</b>							
Taxes	\$ --	\$ 268,045	\$ --	\$ --	\$ --	\$ --	\$ 1,129,132
Licenses and permits	--	--	--	--	--	127,843	--
Intergovernmental	86,558	12,529	176,990	42,806	99,572	--	--
Charges for services	--	48,817	--	--	--	19,366	--
Fines and forfeits	--	--	--	--	--	--	--
Interest and rents	--	3,789	--	--	--	99	5,128
Reimbursements and refunds	--	--	--	--	--	9,609	--
Other	--	8,113	--	--	--	6,359	--
<b>Total Revenues</b>	<b>86,558</b>	<b>341,293</b>	<b>176,990</b>	<b>42,806</b>	<b>99,572</b>	<b>163,276</b>	<b>1,134,260</b>
<b>Expenditures</b>							
Legislative	--	--	--	--	--	--	--
Judicial	--	--	--	42,806	--	--	--
General government	--	--	--	--	--	--	--
Public safety	80,427	--	176,990	--	99,572	277,205	--
Public works	--	367,511	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	827,185
Culture and recreation	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Debt service - principal	--	23,512	--	--	--	--	--
Debt service - interest	--	998	--	--	--	--	--
<b>Total Expenditures</b>	<b>80,427</b>	<b>392,021</b>	<b>176,990</b>	<b>42,806</b>	<b>99,572</b>	<b>277,205</b>	<b>827,185</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>6,131</b>	<b>(50,728)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(113,929)</b>	<b>307,075</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	--	--	--	--	84,500	--
Transfers out	--	(39,908)	--	--	--	--	(71,873)
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>(39,908)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>84,500</b>	<b>(71,873)</b>
<b>Net Change in Fund Balance</b>	<b>6,131</b>	<b>(90,636)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(29,429)</b>	<b>235,202</b>
<i>Fund Balance at Beginning of Period</i>	<i>--</i>	<i>222,680</i>	<i>--</i>	<i>--</i>	<i>112</i>	<i>30,911</i>	<i>121,191</i>
<b>Fund Balance at End of Period</b>	<b>\$ 6,131</b>	<b>\$ 132,044</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 112</b>	<b>\$ 1,482</b>	<b>\$ 356,393</b>



**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year Ended December 31, 2019**

	Special Revenue		Debt Service				
	Regional DWI Court Grant	Pension Obligation Bond	Health Department Pension Obligation Bond	Purdy Building	Mayville Storm Sewer Debt	Richville Water System Debt	Denmark Twp Sewer Debt
<b>Revenues</b>							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--	--
Intergovernmental	168,630	--	--	--	79,000	70,613	326,444
Charges for services	21,031	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--	--
Interest and rents	--	217	947	54	--	613	--
Reimbursements and refunds	--	--	--	--	--	--	--
Other	--	493,510	--	--	--	--	--
<b>Total Revenues</b>	<b>189,661</b>	<b>493,727</b>	<b>947</b>	<b>54</b>	<b>79,000</b>	<b>71,226</b>	<b>326,444</b>
<b>Expenditures</b>							
Legislative	--	--	--	--	--	--	--
Judicial	--	--	--	--	--	--	--
General government	--	--	--	--	--	--	--
Public safety	178,083	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Debt service - principal	--	275,000	100,000	40,000	33,000	70,000	250,791
Debt service - interest	--	215,201	77,925	31,268	46,000	1,226	75,653
<b>Total Expenditures</b>	<b>178,083</b>	<b>490,201</b>	<b>177,925</b>	<b>71,268</b>	<b>79,000</b>	<b>71,226</b>	<b>326,444</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>11,578</b>	<b>3,526</b>	<b>(176,978)</b>	<b>(71,214)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	--	177,341	72,018	--	--	--
Transfers out	--	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>177,341</b>	<b>72,018</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>11,578</b>	<b>3,526</b>	<b>363</b>	<b>804</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Fund Balance at Beginning of Period</i>	55,379	84	77	799	--	--	--
<b>Fund Balance at End of Period</b>	<b>\$ 66,957</b>	<b>\$ 3,610</b>	<b>\$ 440</b>	<b>\$ 1,603</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year Ended December 31, 2019**

	Debt Service	Capital Projects			Total Nonmajor Governmental Funds	
	Wisner Twp Water Dist Sys	State Police Building	Capital Improvements	Jail Capital Improvements		Equipment/Techn ology Fund
<b>Revenues</b>						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,484,599
Licenses and permits	--	--	--	--	--	163,245
Intergovernmental	156,588	--	--	--	--	3,321,968
Charges for services	--	--	--	--	--	1,444,035
Fines and forfeits	--	--	--	--	--	7,250
Interest and rents	23	20,044	13,507	18,964	--	117,421
Reimbursements and refunds	--	--	--	--	4,924	20,800
Other	--	--	--	--	--	517,579
<b>Total Revenues</b>	156,611	20,044	13,507	18,964	4,924	11,076,897
<b>Expenditures</b>						
Legislative	--	--	12,376	8,687	--	21,063
Judicial	--	--	--	--	--	917,701
General government	--	--	--	--	279,211	1,493,264
Public safety	--	24,247	--	--	--	2,308,595
Public works	--	--	--	--	--	2,732,541
Health and welfare	--	--	--	--	--	3,422,270
Culture and recreation	--	--	--	--	--	27,964
Capital outlay	--	--	96,903	--	155,931	252,834
Debt service - principal	80,000	--	--	--	--	872,303
Debt service - interest	76,588	--	--	--	--	524,859
<b>Total Expenditures</b>	156,588	24,247	109,279	8,687	435,142	12,573,394
<b>Excess of Revenues Over (Under) Expenditures</b>	23	(4,203)	(95,772)	10,277	(430,218)	(1,496,497)
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	250,000	--	250,000	2,190,251
Transfers out	--	--	--	--	(17,390)	(496,080)
<b>Net Other Financing Sources (Uses)</b>	--	--	250,000	--	232,610	1,694,171
<b>Net Change in Fund Balance</b>	23	(4,203)	154,228	10,277	(197,608)	197,674
<b>Fund Balance at Beginning of Period</b>	--	136,956	1,748,283	972,095	543,531	8,488,222
<b>Fund Balance at End of Period</b>	\$ 23	\$ 132,753	\$ 1,902,511	\$ 982,372	\$ 345,923	\$ 8,685,896

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**CDBG Housing Grant**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 81,000	\$ 81,000	\$ 42,211	\$ (38,789)
<b>Total Revenues</b>	<u>81,000</u>	<u>81,000</u>	<u>42,211</u>	<u>(38,789)</u>
<b>Expenditures</b>				
General government	81,000	81,000	9,322	71,678
<b>Total Expenditures</b>	<u>81,000</u>	<u>81,000</u>	<u>9,322</u>	<u>71,678</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>--</u>	<u>--</u>	<u>32,889</u>	<u>32,889</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u><b>32,889</b></u>	<u><b>32,889</b></u>
<b>Fund Balance at Beginning of Period</b>	70,106	70,106	70,106	--
<b>Fund Balance at End of Period</b>	<u>\$ <b>70,106</b></u>	<u>\$ <b>70,106</b></u>	<u>\$ <b>102,995</b></u>	<u>\$ <b>32,889</b></u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Principal Residence Exemption**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 187,700	\$ 43,700	\$ 42,391	\$ (1,309)
Interest and rents	500	500	335	(165)
<b>Total Revenues</b>	<u>188,200</u>	<u>44,200</u>	<u>42,726</u>	<u>(1,474)</u>
<b>Expenditures</b>				
General government	206,000	70,000	64,965	5,035
<b>Total Expenditures</b>	<u>206,000</u>	<u>70,000</u>	<u>64,965</u>	<u>5,035</u>
<b>Other Financing Uses</b>				
Transfers out	12,890	12,890	12,890	--
<b>Total Expenditures and Other Financing Uses</b>	<u>218,890</u>	<u>82,890</u>	<u>77,855</u>	<u>5,035</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>(30,690)</u>	<u>(38,690)</u>	<u>(35,129)</u>	<u>3,561</u>
<b>Net Change in Fund Balance</b>	<u>(30,690)</u>	<u>(38,690)</u>	<u>(35,129)</u>	<u>3,561</u>
<b>Fund Balance at Beginning of Period</b>	71,721	71,721	71,721	--
<b>Fund Balance at End of Period</b>	<u>\$ 41,031</u>	<u>\$ 33,031</u>	<u>\$ 36,592</u>	<u>\$ 3,561</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**State Survey Grant Fund**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 66,590	\$ 66,495	\$ 66,495	\$ --
<i>Total Revenues</i>	<u>66,590</u>	<u>66,495</u>	<u>66,495</u>	<u>--</u>
<b>Other Financing Sources</b>				
Transfers in	--	115	73	(42)
<i>Total Revenues and Other     Financing Sources</i>	<u>66,590</u>	<u>66,610</u>	<u>66,568</u>	<u>(42)</u>
<b>Expenditures</b>				
General government	66,590	66,610	66,568	42
<i>Total Expenditures</i>	<u>66,590</u>	<u>66,610</u>	<u>66,568</u>	<u>42</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Fund Balance at Beginning of Period</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Victim of Crime Act Grant**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 87,344	\$ 97,280	\$ 81,820	\$ (15,460)
<b>Total Revenues</b>	<u>87,344</u>	<u>97,280</u>	<u>81,820</u>	<u>(15,460)</u>
<b>Expenditures</b>				
Public safety	88,394	88,394	81,820	6,574
<b>Total Expenditures</b>	<u>88,394</u>	<u>88,394</u>	<u>81,820</u>	<u>6,574</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(1,050)</u>	<u>8,886</u>	<u>--</u>	<u>(8,886)</u>
<b>Net Change in Fund Balance</b>	<u>(1,050)</u>	<u>8,886</u>	<u>--</u>	<u>(8,886)</u>
<b>Fund Balance at Beginning of Period</b>	1,789	1,789	1,789	--
<b>Fund Balance at End of Period</b>	<u>\$ 739</u>	<u>\$ 10,675</u>	<u>\$ 1,789</u>	<u>\$ (8,886)</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Register of Deeds Automation**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<u>Final to Actual</u>
<b>Revenues</b>				
Charges for services	\$ 54,000	\$ 54,000	\$ 51,110	\$ (2,890)
Interest and rents	450	450	882	432
<b>Total Revenues</b>	<u>54,450</u>	<u>54,450</u>	<u>51,992</u>	<u>(2,458)</u>
<b>Expenditures</b>				
General government	53,450	100,450	58,566	41,884
<b>Total Expenditures</b>	<u>53,450</u>	<u>100,450</u>	<u>58,566</u>	<u>41,884</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	1,000	(46,000)	(6,574)	39,426
<b>Net Change in Fund Balance</b>	<u>1,000</u>	<u>(46,000)</u>	<u>(6,574)</u>	<u>39,426</u>
<i>Fund Balance at Beginning of Period</i>	101,580	101,580	101,580	--
<b>Fund Balance at End of Period</b>	<u>\$ 102,580</u>	<u>\$ 55,580</u>	<u>\$ 95,006</u>	<u>\$ 39,426</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**HDC Stop Grant**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 31,634	\$ 35,641	\$ 35,641	\$ --
<b>Total Revenues</b>	<u>31,634</u>	<u>35,641</u>	<u>35,641</u>	<u>--</u>
<b>Expenditures</b>				
Public safety	31,634	35,641	35,641	--
<b>Total Expenditures</b>	<u>31,634</u>	<u>35,641</u>	<u>35,641</u>	<u>--</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at Beginning of Period</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>



**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**GIS**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Charges for services	\$ 47,000	\$ 47,300	\$ 47,327	\$ 27
Interest and rents	500	1,026	998	(28)
<b>Total Revenues</b>	<u>47,500</u>	<u>48,326</u>	<u>48,325</u>	<u>(1)</u>
<b>Other Financing Sources</b>				
Transfers in	30,000	60,000	60,000	--
<b>Total Revenues and Other Financing Sources</b>	<u>77,500</u>	<u>108,326</u>	<u>108,325</u>	<u>(1)</u>
<b>Expenditures</b>				
Public safety	83,319	83,319	82,250	1,069
<b>Total Expenditures</b>	<u>83,319</u>	<u>83,319</u>	<u>82,250</u>	<u>1,069</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b>	<u>(5,819)</u>	<u>25,007</u>	<u>26,075</u>	<u>1,068</u>
<b>Net Change in Fund Balance</b>	<u>(5,819)</u>	<u>25,007</u>	<u>26,075</u>	<u>1,068</u>
<b>Fund Balance at Beginning of Period</b>	128,070	128,070	128,070	--
<b>Fund Balance at End of Period</b>	<u>\$ 122,251</u>	<u>\$ 153,077</u>	<u>\$ 154,145</u>	<u>\$ 1,068</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Indigent Defense Fund**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 745,017	\$ 745,017	\$ 674,245	\$ (70,772)
Interest and rents	200	200	1,239	1,039
Reimbursements and refunds	1,000	1,000	--	(1,000)
<b>Total Revenues</b>	<u>746,217</u>	<u>746,217</u>	<u>675,484</u>	<u>(70,733)</u>
<b>Other Financing Sources</b>				
Transfers in	248,000	283,676	283,676	--
<b>Total Revenues and Other Financing Sources</b>	<u>994,217</u>	<u>1,029,893</u>	<u>959,160</u>	<u>(70,733)</u>
<b>Expenditures</b>				
General government	971,847	980,934	959,160	21,774
<b>Total Expenditures</b>	<u>971,847</u>	<u>980,934</u>	<u>959,160</u>	<u>21,774</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b>	<u>22,370</u>	<u>48,959</u>	<u>--</u>	<u>(48,959)</u>
<b>Net Change in Fund Balance</b>	<u>22,370</u>	<u>48,959</u>	<u>--</u>	<u>(48,959)</u>
<b>Fund Balance at Beginning of Period</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 22,370</u>	<u>\$ 48,959</u>	<u>\$ --</u>	<u>\$ (48,959)</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Homeland Security**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 59,379	\$ (621)
<b>Total Revenues</b>	<u>60,000</u>	<u>60,000</u>	<u>59,379</u>	<u>(621)</u>
<b>Expenditures</b>				
Public safety	60,000	60,000	59,529	471
<b>Total Expenditures</b>	<u>60,000</u>	<u>60,000</u>	<u>59,529</u>	<u>471</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	--	--	(150)	(150)
<b>Net Change in Fund Balance</b>	--	--	<b>(150)</b>	<b>(150)</b>
<i>Fund Balance at Beginning of Period</i>	257	257	257	--
<b>Fund Balance at End of Period</b>	<u>\$ 257</u>	<u>\$ 257</u>	<u>\$ 107</u>	<u>\$ (150)</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**CPL**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Licenses and permits	\$ 34,200	\$ 34,200	\$ 31,022	\$ (3,178)
<b>Total Revenues</b>	<u>34,200</u>	<u>34,200</u>	<u>31,022</u>	<u>(3,178)</u>
<b>Expenditures</b>				
Public safety	31,360	31,360	14,391	16,969
<b>Total Expenditures</b>	<u>31,360</u>	<u>31,360</u>	<u>14,391</u>	<u>16,969</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>2,840</u>	<u>2,840</u>	<u>16,631</u>	<u>13,791</u>
<b>Net Change in Fund Balance</b>	<b>2,840</b>	<b>2,840</b>	<b>16,631</b>	<b>13,791</b>
<i>Fund Balance at Beginning of Period</i>	89,573	89,573	89,573	--
<b>Fund Balance at End of Period</b>	<u>\$ 92,413</u>	<u>\$ 92,413</u>	<u>\$ 106,204</u>	<u>\$ 13,791</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Local Correction Officer Training**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b><u>Final to Actual</u></b>
<b>Revenues</b>				
Charges for services	\$ 11,000	\$ 11,000	\$ 10,753	\$ (247)
<b>Total Revenues</b>	<u>11,000</u>	<u>11,000</u>	<u>10,753</u>	<u>(247)</u>
<b>Expenditures</b>				
Public safety	15,000	15,000	14,765	235
<b>Total Expenditures</b>	<u>15,000</u>	<u>15,000</u>	<u>14,765</u>	<u>235</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,012)</u>	<u>(12)</u>
<b>Net Change in Fund Balance</b>	<b>(4,000)</b>	<b>(4,000)</b>	<b>(4,012)</b>	<b>(12)</b>
<i>Fund Balance at Beginning of Period</i>	21,433	21,433	21,433	--
<b>Fund Balance at End of Period</b>	<u>\$ 17,433</u>	<u>\$ 17,433</u>	<u>\$ 17,421</u>	<u>\$ (12)</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Forfeiture Sheriff / Prosecutor**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b><u>Final to Actual</u></b>
<b>Revenues</b>				
Fines and forfeits	\$ --	\$ 1,000	\$ 750	\$ (250)
<b>Total Revenues</b>	<u>    --</u>	<u>    1,000</u>	<u>    750</u>	<u>    (250)</u>
<b>Expenditures</b>				
General government	134,989	133,986	55,472	78,514
<b>Total Expenditures</b>	<u>134,989</u>	<u>133,986</u>	<u>55,472</u>	<u>78,514</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(134,989)</u>	<u>(132,986)</u>	<u>(54,722)</u>	<u>78,264</u>
<b>Net Change in Fund Balance</b>	<u>(134,989)</u>	<u>(132,986)</u>	<u>(54,722)</u>	<u>78,264</u>
<b>Fund Balance at Beginning of Period</b>	133,987	133,987	133,987	--
<b>Fund Balance at End of Period</b>	<u>\$ (1,002)</u>	<u>\$ 1,001</u>	<u>\$ 79,265</u>	<u>\$ 78,264</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Law Library**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Fines and forfeits	\$ 6,500	\$ 6,500	\$ 6,500	\$ --
<b>Total Revenues</b>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>--</u>
<b>Expenditures</b>				
Judicial	6,500	6,500	--	6,500
<b>Total Expenditures</b>	<u>6,500</u>	<u>6,500</u>	<u>--</u>	<u>6,500</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>--</u>	<u>--</u>	<u>6,500</u>	<u>6,500</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u><b>6,500</b></u>	<u><b>6,500</b></u>
<i>Fund Balance at Beginning of Period</i>	17,437	17,437	17,437	--
<b>Fund Balance at End of Period</b>	<u>\$ <b>17,437</b></u>	<u>\$ <b>17,437</b></u>	<u>\$ <b>23,937</b></u>	<u>\$ <b>6,500</b></u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted MSU**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 179,247	\$ 179,247	\$ 178,753	\$ (494)
Interest and rents	200	200	243	43
<b>Total Revenues</b>	<u>179,447</u>	<u>179,447</u>	<u>178,996</u>	<u>(451)</u>
<b>Expenditures</b>				
Public safety	179,447	179,547	153,889	25,658
<b>Total Expenditures</b>	<u>179,447</u>	<u>179,547</u>	<u>153,889</u>	<u>25,658</u>
<b>Other Financing Uses</b>				
Transfers out	--	--	1,182	(1,182)
<b>Total Expenditures and Other Financing Uses</b>	<u>179,447</u>	<u>179,547</u>	<u>155,071</u>	<u>24,476</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>--</u>	<u>(100)</u>	<u>23,925</u>	<u>24,025</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>(100)</u>	<u>23,925</u>	<u>24,025</u>
<b>Fund Balance at Beginning of Period</b>	(77,037)	(77,037)	(77,037)	--
<b>Fund Balance at End of Period</b>	<u>\$ (77,037)</u>	<u>\$ (77,137)</u>	<u>\$ (53,112)</u>	<u>\$ 24,025</u>



**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Michigan Justice Training**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 4,000	\$ 4,215	\$ 4,215	\$ --
<b>Total Revenues</b>	<u>4,000</u>	<u>4,215</u>	<u>4,215</u>	<u>--</u>
<b>Expenditures</b>				
Public safety	4,000	4,000	3,940	60
<b>Total Expenditures</b>	<u>4,000</u>	<u>4,000</u>	<u>3,940</u>	<u>60</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>--</u>	<u>215</u>	<u>275</u>	<u>60</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>215</u>	<u>275</u>	<u>60</u>
<b>Fund Balance at Beginning of Period</b>	7,245	7,245	7,245	--
<b>Fund Balance at End of Period</b>	<u>\$ 7,245</u>	<u>\$ 7,460</u>	<u>\$ 7,520</u>	<u>\$ 60</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Child Care DHS**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 235,000	\$ 256,500	\$ 37,022	\$ (219,478)
Charges for services	20,000	20,000	8,976	(11,024)
Reimbursements and refunds	1,000	1,000	--	(1,000)
<b>Total Revenues</b>	<u>256,000</u>	<u>277,500</u>	<u>45,998</u>	<u>(231,502)</u>
<b>Other Financing Sources</b>				
Transfers in	162,500	162,500	162,500	--
<b>Total Revenues and Other Financing Sources</b>	<u>418,500</u>	<u>440,000</u>	<u>208,498</u>	<u>(231,502)</u>
<b>Expenditures</b>				
Health and welfare	480,000	523,000	85,434	437,566
<b>Total Expenditures</b>	<u>480,000</u>	<u>523,000</u>	<u>85,434</u>	<u>437,566</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b>	<u>(61,500)</u>	<u>(83,000)</u>	<u>123,064</u>	<u>206,064</u>
<b>Net Change in Fund Balance</b>	<u>(61,500)</u>	<u>(83,000)</u>	<u>123,064</u>	<u>206,064</u>
<b>Fund Balance at Beginning of Period</b>	140,035	140,035	140,035	--
<b>Fund Balance at End of Period</b>	<u>\$ 78,535</u>	<u>\$ 57,035</u>	<u>\$ 263,099</u>	<u>\$ 206,064</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Probate Child Care**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 493,900	\$ 493,900	\$ 355,274	\$ (138,626)
Other	5,000	5,000	2,667	(2,333)
<b>Total Revenues</b>	<u>498,900</u>	<u>498,900</u>	<u>357,941</u>	<u>(140,959)</u>
<b>Other Financing Sources</b>				
Transfers in	500,000	500,000	500,000	--
<b>Total Revenues and Other Financing Sources</b>	<u>998,900</u>	<u>998,900</u>	<u>857,941</u>	<u>(140,959)</u>
<b>Expenditures</b>				
Health and welfare	1,029,309	1,020,016	879,461	140,555
<b>Total Expenditures</b>	<u>1,029,309</u>	<u>1,020,016</u>	<u>879,461</u>	<u>140,555</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b>	<u>(30,409)</u>	<u>(21,116)</u>	<u>(21,520)</u>	<u>(404)</u>
<b>Net Change in Fund Balance</b>	<u>(30,409)</u>	<u>(21,116)</u>	<u>(21,520)</u>	<u>(404)</u>
<b>Fund Balance at Beginning of Period</b>	200,303	200,303	200,303	--
<b>Fund Balance at End of Period</b>	<u>\$ 169,894</u>	<u>\$ 179,187</u>	<u>\$ 178,783</u>	<u>\$ (404)</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Soldiers Relief**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Other Financing Sources</b>				
Transfers in	\$ 40,000	\$ 40,000	\$ 40,000	\$ --
<b><i>Total Revenues and Other Financing Sources</i></b>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>--</u>
<b>Expenditures</b>				
Health and welfare	25,000	25,000	12,356	12,644
<b><i>Total Expenditures</i></b>	<u>25,000</u>	<u>25,000</u>	<u>12,356</u>	<u>12,644</u>
<b><i>Excess (Deficiency) of Other Sources Over Expenditures</i></b>	<u>15,000</u>	<u>15,000</u>	<u>27,644</u>	<u>12,644</u>
<b><i>Net Change in Fund Balance</i></b>	<b>15,000</b>	<b>15,000</b>	<b>27,644</b>	<b>12,644</b>
<i>Fund Balance at Beginning of Period</i>	52,694	52,694	52,694	--
<b><i>Fund Balance at End of Period</i></b>	<b>\$ 67,694</b>	<b>\$ 67,694</b>	<b>\$ 80,338</b>	<b>\$ 12,644</b>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted Veterans**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 304,718	\$ 304,718	\$ 303,767	\$ (951)
Interest and rents	2,000	2,000	2,002	2
<b>Total Revenues</b>	<u>306,718</u>	<u>306,718</u>	<u>305,769</u>	<u>(949)</u>
<b>Expenditures</b>				
Health and welfare	276,225	291,825	291,783	42
<b>Total Expenditures</b>	<u>276,225</u>	<u>291,825</u>	<u>291,783</u>	<u>42</u>
<b>Other Financing Uses</b>				
Transfers out	46,747	46,747	46,747	--
<b>Total Expenditures and Other Financing Uses</b>	<u>322,972</u>	<u>338,572</u>	<u>338,530</u>	<u>42</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>(16,254)</u>	<u>(31,854)</u>	<u>(32,761)</u>	<u>(907)</u>
<b>Net Change in Fund Balance</b>	<b>(16,254)</b>	<b>(31,854)</b>	<b>(32,761)</b>	<b>(907)</b>
<b>Fund Balance at Beginning of Period</b>	138,240	138,240	138,240	--
<b>Fund Balance at End of Period</b>	<u>\$ 121,986</u>	<u>\$ 106,386</u>	<u>\$ 105,479</u>	<u>\$ (907)</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted Bridge**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<u>Final to Actual</u>
<b>Revenues</b>				
Taxes	\$ 861,637	\$ 861,637	\$ 859,309	\$ (2,328)
Interest and rents	8,000	16,330	15,483	(847)
<b>Total Revenues</b>	<u>869,637</u>	<u>877,967</u>	<u>874,792</u>	<u>(3,175)</u>
<b>Expenditures</b>				
Public works	1,165,735	1,165,735	798,333	367,402
<b>Total Expenditures</b>	<u>1,165,735</u>	<u>1,165,735</u>	<u>798,333</u>	<u>367,402</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(296,098)</u>	<u>(287,768)</u>	<u>76,459</u>	<u>364,227</u>
<b>Net Change in Fund Balance</b>	<u>(296,098)</u>	<u>(287,768)</u>	<u>76,459</u>	<u>364,227</u>
<i>Fund Balance at Beginning of Period</i>	969,122	969,122	969,122	--
<b>Fund Balance at End of Period</b>	<u>\$ 673,024</u>	<u>\$ 681,354</u>	<u>\$ 1,045,581</u>	<u>\$ 364,227</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted Senior Citizens**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 573,656	\$ 573,656	\$ 572,245	\$ (1,411)
Interest and rents	1,000	1,000	1,741	741
<b>Total Revenues</b>	<u>574,656</u>	<u>574,656</u>	<u>573,986</u>	<u>(670)</u>
<b>Expenditures</b>				
Health and welfare	547,083	562,599	541,669	20,930
<b>Total Expenditures</b>	<u>547,083</u>	<u>562,599</u>	<u>541,669</u>	<u>20,930</u>
<b>Other Financing Uses</b>				
Transfers out	4,943	4,943	4,943	--
<b>Total Expenditures and Other Financing Uses</b>	<u>552,026</u>	<u>567,542</u>	<u>546,612</u>	<u>20,930</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>22,630</u>	<u>7,114</u>	<u>27,374</u>	<u>20,260</u>
<b>Net Change in Fund Balance</b>	<u>22,630</u>	<u>7,114</u>	<u>27,374</u>	<u>20,260</u>
<b>Fund Balance at Beginning of Period</b>	87,761	87,761	87,761	--
<b>Fund Balance at End of Period</b>	<u>\$ 110,391</u>	<u>\$ 94,875</u>	<u>\$ 115,135</u>	<u>\$ 20,260</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted Medical Care Facility**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 448,115	\$ 448,115	\$ 446,846	\$ (1,269)
Interest and rents	6,000	8,000	9,038	1,038
<b>Total Revenues</b>	<u>454,115</u>	<u>456,115</u>	<u>455,884</u>	<u>(231)</u>
<b>Expenditures</b>				
Health and welfare	609,169	813,904	784,382	29,522
<b>Total Expenditures</b>	<u>609,169</u>	<u>813,904</u>	<u>784,382</u>	<u>29,522</u>
<b>Other Financing Uses</b>				
Transfers out	--	--	1,495	(1,495)
<b>Total Expenditures and Other Financing Uses</b>	<u>609,169</u>	<u>813,904</u>	<u>785,877</u>	<u>28,027</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>(155,054)</u>	<u>(357,789)</u>	<u>(329,993)</u>	<u>27,796</u>
<b>Net Change in Fund Balance</b>	<u>(155,054)</u>	<u>(357,789)</u>	<u>(329,993)</u>	<u>27,796</u>
<b>Fund Balance at Beginning of Period</b>	1,036,150	1,036,150	1,036,150	--
<b>Fund Balance at End of Period</b>	<u>\$ 881,096</u>	<u>\$ 678,361</u>	<u>\$ 706,157</u>	<u>\$ 27,796</u>



**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**County Parks & Recreation**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Charges for services	\$ 14,500	\$ 25,300	\$ 24,353	\$ (947)
Other	--	--	877	877
<b>Total Revenues</b>	<u>14,500</u>	<u>25,300</u>	<u>25,230</u>	<u>(70)</u>
<b>Other Financing Sources</b>				
Transfers in	15,000	15,000	15,000	--
<b>Total Revenues and Other Financing Sources</b>	<u>29,500</u>	<u>40,300</u>	<u>40,230</u>	<u>(70)</u>
<b>Expenditures</b>				
Culture and recreation	48,931	53,931	27,964	25,967
<b>Total Expenditures</b>	<u>48,931</u>	<u>53,931</u>	<u>27,964</u>	<u>25,967</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b>	<u>(19,431)</u>	<u>(13,631)</u>	<u>12,266</u>	<u>25,897</u>
<b>Net Change in Fund Balance</b>	<u>(19,431)</u>	<u>(13,631)</u>	<u>12,266</u>	<u>25,897</u>
Fund Balance at Beginning of Period	19,269	19,269	19,269	--
<b>Fund Balance at End of Period</b>	<u>\$ (162)</u>	<u>\$ 5,638</u>	<u>\$ 31,535</u>	<u>\$ 25,897</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Arbela Twp Police Svc**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Charges for services	\$ 86,903	\$ 86,903	\$ 80,003	\$ (6,900)
<b>Total Revenues</b>	<u>86,903</u>	<u>86,903</u>	<u>80,003</u>	<u>(6,900)</u>
<b>Expenditures</b>				
Public safety	86,903	86,903	80,003	6,900
<b>Total Expenditures</b>	<u>86,903</u>	<u>86,903</u>	<u>80,003</u>	<u>6,900</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at Beginning of Period</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted Primary Road**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<u>Final to Actual</u>
<b>Revenues</b>				
Taxes	\$ 1,730,982	\$ 1,730,982	\$ 1,726,502	\$ (4,480)
Interest and rents	6,000	6,000	8,611	2,611
<b>Total Revenues</b>	<u>1,736,982</u>	<u>1,736,982</u>	<u>1,735,113</u>	<u>(1,869)</u>
<b>Expenditures</b>				
Public works	1,750,581	1,654,481	1,566,697	87,784
<b>Total Expenditures</b>	<u>1,750,581</u>	<u>1,654,481</u>	<u>1,566,697</u>	<u>87,784</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(13,599)</u>	<u>82,501</u>	<u>168,416</u>	<u>85,915</u>
<b>Net Change in Fund Balance</b>	<u>(13,599)</u>	<u>82,501</u>	<u>168,416</u>	<u>85,915</u>
<i>Fund Balance at Beginning of Period</i>	8,571	8,571	8,571	--
<b>Fund Balance at End of Period</b>	<u>\$ (5,028)</u>	<u>\$ 91,072</u>	<u>\$ 176,987</u>	<u>\$ 85,915</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Friend of the Court**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 764,090	\$ 764,090	\$ 686,871	\$ (77,219)
Charges for services	72,130	72,130	58,208	(13,922)
Interest and rents	625	625	572	(53)
Reimbursements and refunds	100	100	56	(44)
<b>Total Revenues</b>	<u>836,945</u>	<u>836,945</u>	<u>745,707</u>	<u>(91,238)</u>
<b>Other Financing Sources</b>				
Transfers in	<u>282,970</u>	<u>295,143</u>	<u>295,143</u>	<u>--</u>
<b>Total Revenues and Other Financing Sources</b>	<u>1,119,915</u>	<u>1,132,088</u>	<u>1,040,850</u>	<u>(91,238)</u>
<b>Expenditures</b>				
Judicial	<u>951,473</u>	<u>963,646</u>	<u>872,662</u>	<u>90,984</u>
<b>Total Expenditures</b>	<u>951,473</u>	<u>963,646</u>	<u>872,662</u>	<u>90,984</u>
<b>Other Financing Uses</b>				
Transfers out	<u>210,896</u>	<u>210,896</u>	<u>210,896</u>	<u>--</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>1,162,369</u>	<u>1,174,542</u>	<u>1,083,558</u>	<u>90,984</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(42,454)</u>	<u>(42,454)</u>	<u>(42,708)</u>	<u>(254)</u>
<b>Net Change in Fund Balance</b>	<u>(42,454)</u>	<u>(42,454)</u>	<u>(42,708)</u>	<u>(254)</u>
<b>Fund Balance at Beginning of Period</b>	<u>209,882</u>	<u>209,882</u>	<u>209,882</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 167,428</u>	<u>\$ 167,428</u>	<u>\$ 167,174</u>	<u>\$ (254)</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Family Counseling**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<u>Final to Actual</u>
<b>Revenues</b>				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 4,380	\$ (620)
Reimbursements and refunds	4,000	4,000	3,811	(189)
<b>Total Revenues</b>	<u>9,000</u>	<u>9,000</u>	<u>8,191</u>	<u>(809)</u>
<b>Expenditures</b>				
Judicial	9,000	9,000	2,233	6,767
<b>Total Expenditures</b>	<u>9,000</u>	<u>9,000</u>	<u>2,233</u>	<u>6,767</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	--	--	5,958	5,958
<b>Net Change in Fund Balance</b>	--	--	<b>5,958</b>	<b>5,958</b>
<b>Fund Balance at Beginning of Period</b>	57,706	57,706	57,706	--
<b>Fund Balance at End of Period</b>	<u>\$ 57,706</u>	<u>\$ 57,706</u>	<u>\$ 63,664</u>	<u>\$ 5,958</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Dispatch/911**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 16,674	\$ 4,674
Charges for services	1,110,000	1,110,000	1,074,091	(35,909)
Interest and rents	9,600	9,600	12,892	3,292
Reimbursements and refunds	2,400	2,400	2,400	--
Other	600	600	6,053	5,453
<b>Total Revenues</b>	<u>1,134,600</u>	<u>1,134,600</u>	<u>1,112,110</u>	<u>(22,490)</u>
<b>Expenditures</b>				
Public safety	1,287,149	1,282,149	945,843	336,306
<b>Total Expenditures</b>	<u>1,287,149</u>	<u>1,282,149</u>	<u>945,843</u>	<u>336,306</u>
<b>Other Financing Uses</b>				
Transfers out	88,756	88,756	88,756	--
<b>Total Expenditures and Other Financing Uses</b>	<u>1,375,905</u>	<u>1,370,905</u>	<u>1,034,599</u>	<u>336,306</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>(241,305)</u>	<u>(236,305)</u>	<u>77,511</u>	<u>313,816</u>
<b>Net Change in Fund Balance</b>	<u>(241,305)</u>	<u>(236,305)</u>	<u>77,511</u>	<u>313,816</u>
<b>Fund Balance at Beginning of Period</b>	<u>1,170,230</u>	<u>1,170,230</u>	<u>1,170,230</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 928,925</u>	<u>\$ 933,925</u>	<u>\$ 1,247,741</u>	<u>\$ 313,816</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Vassar Twp Police Svc**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 90,499	\$ 90,499	\$ 86,558	\$ (3,941)
<b>Total Revenues</b>	<u>90,499</u>	<u>90,499</u>	<u>86,558</u>	<u>(3,941)</u>
<b>Expenditures</b>				
Public safety	90,499	90,499	80,427	10,072
<b>Total Expenditures</b>	<u>90,499</u>	<u>90,499</u>	<u>80,427</u>	<u>10,072</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	--	--	6,131	6,131
<b>Net Change in Fund Balance</b>	--	--	<b>6,131</b>	<b>6,131</b>
<b>Fund Balance at Beginning of Period</b>	--	--	--	--
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,131</u>	<u>\$ 6,131</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Recycling**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 268,869	\$ 268,869	\$ 268,045	\$ (824)
Intergovernmental	25,000	28,500	12,529	(15,971)
Charges for services	56,000	59,500	48,817	(10,683)
Interest and rents	3,350	3,350	3,789	439
Other	210	8,010	8,113	103
<b>Total Revenues</b>	<u>353,429</u>	<u>368,229</u>	<u>341,293</u>	<u>(26,936)</u>
<b>Expenditures</b>				
Public works	389,487	415,198	367,511	47,687
Debt service - principal	8,400	23,512	23,512	--
Debt service - interest	--	999	998	1
<b>Total Expenditures</b>	<u>397,887</u>	<u>439,709</u>	<u>392,021</u>	<u>47,688</u>
<b>Other Financing Uses</b>				
Transfers out	39,908	39,908	39,908	--
<b>Total Expenditures and Other Financing Uses</b>	<u>437,795</u>	<u>479,617</u>	<u>431,929</u>	<u>47,688</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>(84,366)</u>	<u>(111,388)</u>	<u>(90,636)</u>	<u>20,752</u>
<b>Net Change in Fund Balance</b>	<u>(84,366)</u>	<u>(111,388)</u>	<u>(90,636)</u>	<u>20,752</u>
<b>Fund Balance at Beginning of Period</b>	222,680	222,680	222,680	--
<b>Fund Balance at End of Period</b>	<u>\$ 138,314</u>	<u>\$ 111,292</u>	<u>\$ 132,044</u>	<u>\$ 20,752</u>



**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Millington Twp Police**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<u>Final to Actual</u>
<b>Revenues</b>				
Intergovernmental	\$ 174,075	\$ 176,988	\$ 176,990	\$ 2
<b>Total Revenues</b>	<u>174,075</u>	<u>176,988</u>	<u>176,990</u>	<u>2</u>
<b>Expenditures</b>				
Public safety	174,075	176,988	176,990	(2)
<b>Total Expenditures</b>	<u>174,075</u>	<u>176,988</u>	<u>176,990</u>	<u>(2)</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at Beginning of Period</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Mental Health Court**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 80,579	\$ 66,179	\$ 42,806	\$ (23,373)
<b>Total Revenues</b>	<u>80,579</u>	<u>66,179</u>	<u>42,806</u>	<u>(23,373)</u>
<b>Expenditures</b>				
Judicial	80,579	66,179	42,806	23,373
<b>Total Expenditures</b>	<u>80,579</u>	<u>66,179</u>	<u>42,806</u>	<u>23,373</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at Beginning of Period</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Victim Services**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 81,794	\$ 99,572	\$ 99,572	\$ --
<b>Total Revenues</b>	<u>81,794</u>	<u>99,572</u>	<u>99,572</u>	<u>--</u>
<b>Expenditures</b>				
Public safety	81,794	99,572	99,572	--
<b>Total Expenditures</b>	<u>81,794</u>	<u>99,572</u>	<u>99,572</u>	<u>--</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at Beginning of Period</b>	112	112	112	--
<b>Fund Balance at End of Period</b>	<u>\$ 112</u>	<u>\$ 112</u>	<u>\$ 112</u>	<u>\$ --</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Animal Shelter**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Licenses and permits	\$ 162,500	\$ 130,000	\$ 127,843	\$ (2,157)
Intergovernmental	--	25,900	--	(25,900)
Charges for services	6,600	21,400	19,366	(2,034)
Fines and forfeits	1,500	1,500	--	(1,500)
Interest and rents	20	120	99	(21)
Reimbursements and refunds	1,500	6,100	9,609	3,509
Other	4,500	4,500	6,359	1,859
<b>Total Revenues</b>	<u>176,620</u>	<u>189,520</u>	<u>163,276</u>	<u>(26,244)</u>
<b>Other Financing Sources</b>				
Transfers in	84,500	84,500	84,500	--
<b>Total Revenues and Other Financing Sources</b>	<u>261,120</u>	<u>274,020</u>	<u>247,776</u>	<u>(26,244)</u>
<b>Expenditures</b>				
Public safety	261,216	304,020	277,205	26,815
<b>Total Expenditures</b>	<u>261,216</u>	<u>304,020</u>	<u>277,205</u>	<u>26,815</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b>	<u>(96)</u>	<u>(30,000)</u>	<u>(29,429)</u>	<u>571</u>
<b>Net Change in Fund Balance</b>	<u>(96)</u>	<u>(30,000)</u>	<u>(29,429)</u>	<u>571</u>
<b>Fund Balance at Beginning of Period</b>	30,911	30,911	30,911	--
<b>Fund Balance at End of Period</b>	<u>\$ 30,815</u>	<u>\$ 911</u>	<u>\$ 1,482</u>	<u>\$ 571</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Mosquito Control Fund**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 1,132,120	\$ 1,132,120	\$ 1,129,132	\$ (2,988)
Interest and rents	3,000	3,000	5,128	2,128
<b>Total Revenues</b>	<u>1,135,120</u>	<u>1,135,120</u>	<u>1,134,260</u>	<u>(860)</u>
<b>Expenditures</b>				
Health and welfare	1,012,305	1,016,005	827,185	188,820
<b>Total Expenditures</b>	<u>1,012,305</u>	<u>1,016,005</u>	<u>827,185</u>	<u>188,820</u>
<b>Other Financing Uses</b>				
Transfers out	71,873	71,873	71,873	--
<b>Total Expenditures and Other Financing Uses</b>	<u>1,084,178</u>	<u>1,087,878</u>	<u>899,058</u>	<u>188,820</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>50,942</u>	<u>47,242</u>	<u>235,202</u>	<u>187,960</u>
<b>Net Change in Fund Balance</b>	<b>50,942</b>	<b>47,242</b>	<b>235,202</b>	<b>187,960</b>
<b>Fund Balance at Beginning of Period</b>	121,191	121,191	121,191	--
<b>Fund Balance at End of Period</b>	<u>\$ 172,133</u>	<u>\$ 168,433</u>	<u>\$ 356,393</u>	<u>\$ 187,960</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Regional DWI Court Grant**  
**For the year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 190,878	\$ 190,878	\$ 168,630	\$ (22,248)
Charges for services	20,000	20,000	21,031	1,031
<b>Total Revenues</b>	<u>210,878</u>	<u>210,878</u>	<u>189,661</u>	<u>(21,217)</u>
<b>Expenditures</b>				
Public safety	199,513	206,013	178,083	27,930
<b>Total Expenditures</b>	<u>199,513</u>	<u>206,013</u>	<u>178,083</u>	<u>27,930</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	11,365	4,865	11,578	6,713
<b>Net Change in Fund Balance</b>	<u>11,365</u>	<u>4,865</u>	<u>11,578</u>	<u>6,713</u>
<i>Fund Balance at Beginning of Period</i>	55,379	55,379	55,379	--
<b>Fund Balance at End of Period</b>	<u>\$ 66,744</u>	<u>\$ 60,244</u>	<u>\$ 66,957</u>	<u>\$ 6,713</u>

# INTERNAL SERVICE FUNDS

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Motor Pool Fund (676) This fund was established to set aside funds to purchase a vehicle in the future for Juvenile transport.

Workers' Compensation Insurance (677) The various funds of the County make a transfer to this fund that sets aside monies to apply against premiums and claims for employees who qualify for this benefit. The County General Fund also makes an appropriation to this fund.

Health Insurance (678) This fund sets aside monies to pay the insurance premiums. Various funds transfer the appropriate level of obligation to this fund when payments are made.

**Tuscola County**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2019**

	<u>Internal Service</u>			<u>Total Internal Service Funds</u>
	<u>Motor Pool Fund</u>	<u>Workers' Compensation Insurance</u>	<u>Health Insurance</u>	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and investments	\$ 18,886	\$ --	\$ 720,669	\$ 739,555
Accounts receivable	--	19,874	--	19,874
Prepays	--	34,030	--	34,030
<b>Total Assets</b>	<u>18,886</u>	<u>53,904</u>	<u>720,669</u>	<u>793,459</u>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts payable	89	250	--	339
Accrued liabilities	--	--	264,518	264,518
Due to other funds	--	17,453	--	17,453
<b>Total Liabilities</b>	<u>89</u>	<u>17,703</u>	<u>264,518</u>	<u>282,310</u>
<b>NET POSITION</b>				
<i>Unrestricted</i>	18,797	36,201	456,151	511,149
<b>Total Net Position</b>	<u>\$ 18,797</u>	<u>\$ 36,201</u>	<u>\$ 456,151</u>	<u>\$ 511,149</u>



**Tuscola County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the year Ended December 31, 2019**

	Internal Service			Total Internal Service Funds
	Motor Pool Fund	Workers' Compensation Insurance	Health Insurance	
<b>Operating Revenues</b>				
Charges for services	\$ 7,407	\$ 61,857	\$ 2,816,086	\$ 2,885,350
<b>Total Operating Revenues</b>	<u>7,407</u>	<u>61,857</u>	<u>2,816,086</u>	<u>2,885,350</u>
<b>Operating Expenses</b>				
Operation and maintenance	1,243	193	2,869,824	2,871,260
Administration	--	104,736	--	104,736
<b>Total Operating Expenses</b>	<u>1,243</u>	<u>104,929</u>	<u>2,869,824</u>	<u>2,975,996</u>
<b>Operating Income (Loss)</b>	<u>6,164</u>	<u>(43,072)</u>	<u>(53,738)</u>	<u>(90,646)</u>
<b>Change In Net Position</b>	<b>6,164</b>	<b>(43,072)</b>	<b>(53,738)</b>	<b>(90,646)</b>
<i>Net Position at Beginning of Period</i>	12,633	79,273	509,889	601,795
<b>Net Position at End of Period</b>	<u>\$ 18,797</u>	<u>\$ 36,201</u>	<u>\$ 456,151</u>	<u>\$ 511,149</u>

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

	<u>Internal Service Funds</u>			<u>Total Internal Service Funds</u>
	<u>Motor Pool Fund</u>	<u>Workers' Compensation Insurance</u>	<u>Health Insurance</u>	
<b>Cash flows from operating activities</b>				
Cash received from interfund services	\$ 7,407	\$ 41,983	\$ 2,816,086	\$ 2,865,476
Cash payments to suppliers	(1,312)	(112,838)	(2,726,740)	(2,840,890)
<b>Net cash provided (used) by operating activities</b>	<u>6,095</u>	<u>(70,855)</u>	<u>89,346</u>	<u>24,586</u>
<b>Cash flows from noncapital financing activities</b>				
Interfund balances, net	-	17,453	(77,797)	(60,344)
<b>Net cash provided (used) by noncapital financing activities</b>	<u>-</u>	<u>17,453</u>	<u>(77,797)</u>	<u>(60,344)</u>
<i>Net increase (decrease) in cash and investments</i>	6,095	(53,402)	11,549	(35,758)
<i>Cash and investments - beginning of the year</i>	12,791	53,402	709,120	775,313
<i>Cash and investments - end of the year</i>	<u>\$ 18,886</u>	<u>\$ -</u>	<u>\$ 720,669</u>	<u>\$ 739,555</u>
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ 6,164	\$ (43,072)	\$ (53,738)	\$ (90,646)
<b>Adjustments to reconcile operating income (loss)</b>				
<b>to net cash provided by (used in) operations:</b>				
<b>Changes in assets and liabilities:</b>				
Accounts receivable		(19,874)	-	(19,874)
Prepays	-	(7,909)	-	(7,909)
Accounts payable	(69)	-	-	(69)
Accrued liabilities	-	-	143,084	143,084
<b>Net cash provided (used) by operating activities</b>	<u>\$ 6,095</u>	<u>\$ (70,855)</u>	<u>\$ 89,346</u>	<u>\$ 24,586</u>

# FIDUCIARY FUNDS

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Trust and Agency (701) This fund sets aside monies to be distributed to other units of government. State monies collected are deposited and withdrawn from this fund.

Library Penal Fines (721) The deposit of penal fines collected by the courts are held in this fund and disbursed on a quarterly basis to Libraries in the County. The Law Library of the County also received an annual amount from these collections.

Inmates' Trust (714) This fund tracks deposits provided for the benefit and use of the County's inmates.

Payroll Clearing Fund (778) This fund acts as a pass-through for other funds in which monies are transferred to the fund to pay the salaries, wages, and other compensations of the employees of the various departments of the County. Any remaining monies are payroll-related.

**Tuscola County**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2019**

	Agency				
	General Agency	Library Penal Fine Fund	Inmates' Trust	Payroll Clearing Fund	Total Agency Funds
<b>ASSETS</b>					
Cash and investments	\$ 1,556,069	\$ 36,083	\$ 24,286	\$ 4,872	\$ 1,621,310
<i>Total Assets</i>	1,556,069	36,083	24,286	4,872	1,621,310
<b>LIABILITIES</b>					
Accounts payable	209	--	--	--	209
Accrued liabilities	1,242,875	--	24,286	4,872	1,272,033
Undistributed receipts	--	36,083	--	--	36,083
Due to other governmental units	312,985	--	--	--	312,985
<i>Total Liabilities</i>	\$ 1,556,069	\$ 36,083	\$ 24,286	\$ 4,872	\$ 1,621,310

**Tuscola County**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2019**

<b>General Agency</b>				
	<b>December 31, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2019</b>
<b>ASSETS</b>				
Cash and investments	\$ 1,312,659	\$ 21,288,929	\$ 21,045,519	\$ 1,556,069
<i>Total Assets</i>	<u>1,312,659</u>	<u>21,288,929</u>	<u>21,045,519</u>	<u>1,556,069</u>
<b>LIABILITIES</b>				
Accounts payable	-	2,189,188	2,188,979	209
Accrued liabilities	945,808	9,485,324	9,188,257	1,242,875
Undistributed receipts	-	-	-	-
Due to other governmental units	366,851	11,194,638	11,248,504	312,985
<i>Total Liabilities</i>	<u>\$ 1,312,659</u>	<u>\$ 22,869,150</u>	<u>\$ 22,625,740</u>	<u>\$ 1,556,069</u>
<b>Library Penal Fine Fund</b>				
	<b>December 31, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2019</b>
<b>ASSETS</b>				
Cash and investments	\$ 20,041	\$ 308,196	\$ 292,154	\$ 36,083
<i>Total Assets</i>	<u>20,041</u>	<u>308,196</u>	<u>292,154</u>	<u>36,083</u>
<b>LIABILITIES</b>				
Accounts payable	-	285,475	285,475	-
Undistributed receipts	20,041	308,196	292,154	36,083
<i>Total Liabilities</i>	<u>\$ 20,041</u>	<u>\$ 593,671</u>	<u>\$ 577,629</u>	<u>\$ 36,083</u>
<b>Inmates' Trust</b>				
	<b>December 31, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2019</b>
<b>ASSETS</b>				
Cash and investments	\$ 20,360	\$ 3,926	\$ -	\$ 24,286
<i>Total Assets</i>	<u>20,360</u>	<u>3,926</u>	<u>-</u>	<u>24,286</u>
<b>LIABILITIES</b>				
Accrued liabilities	20,360	3,926	-	24,286
<i>Total Liabilities</i>	<u>\$ 20,360</u>	<u>\$ 3,926</u>	<u>\$ -</u>	<u>\$ 24,286</u>
<b>Payroll Clearing Fund</b>				
	<b>December 31, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2019</b>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 4,186,519	\$ 4,181,647	\$ 4,872
<i>Total Assets</i>	<u>-</u>	<u>4,186,519</u>	<u>4,181,647</u>	<u>4,872</u>
<b>LIABILITIES</b>				
Accounts payable	-	297,042	297,042	-
Accrued liabilities	-	1,647,213	1,642,341	4,872
Due to other governmental units	-	2,544,632	2,544,632	-
<i>Total Liabilities</i>	<u>\$ -</u>	<u>\$ 4,488,887</u>	<u>\$ 4,484,015</u>	<u>\$ 4,872</u>
<b>Total Agency Funds</b>				
	<b>December 31, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2019</b>
<b>ASSETS</b>				
Cash and investments	\$ 1,353,060	\$ 25,787,570	\$ 25,519,320	\$ 1,621,310
<i>Total Assets</i>	<u>1,353,060</u>	<u>25,787,570</u>	<u>25,519,320</u>	<u>1,621,310</u>
<b>LIABILITIES</b>				
Accounts payable	-	2,771,705	2,771,496	209
Accrued liabilities	966,168	11,136,463	10,830,598	1,272,033
Undistributed receipts	20,041	308,196	292,154	36,083
Due to other governmental units	366,851	13,739,270	13,793,136	312,985
<i>Total Liabilities</i>	<u>\$ 1,353,060</u>	<u>\$ 27,955,634</u>	<u>\$ 27,687,384</u>	<u>\$ 1,621,310</u>

## **Component Unit**

**Tuscola County Drains  
Statement of Net Position  
December 31, 2019**

**ASSETS**

*Current Assets*

Cash and investments	\$	6,815,515
Special assessments receivable		3,381,186
<b>Total Current Assets</b>		10,196,701

*Noncurrent Assets*

Capital assets, net of depreciation		15,860,865
<b>Total Assets</b>		26,057,566

**LIABILITIES**

*Current Liabilities*

Accounts payable		180,833
Accrued interest payable		9,601
Due to other governments		510,000
Current Portion of Long-term Debt		507,184
<b>Total Current Liabilities</b>		1,207,618

*Noncurrent Liabilities*

Long-term Debt		2,561,473
<b>Total Liabilities</b>		3,769,091

**NET POSITION**

Net investment in capital assets		12,792,208
<i>Restricted for:</i>		
Restricted - debt service		1,822,220
Restricted - drain projects		4,302,462
<i>Unrestricted</i>		3,371,585
<b>Total Net Position</b>	\$	<b>22,288,475</b>

**Tuscola County Drains  
Statement of Activities  
For the year Ended December 31, 2019**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
Drain maintenance	\$ 2,005,904	\$ 2,039,940	\$ --	\$ --	\$ 34,036
Interest on long-term debt	90,652	--	--	--	(90,652)
<b>Total</b>	<b>\$ 2,096,556</b>	<b>\$ 2,039,940</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ (56,616)</b>
<b>General Purpose Revenues:</b>					
					89,782
					89,782
					<b>33,166</b>
					22,255,309
					<b>\$ 22,288,475</b>



**Tuscola County Drains  
Balance Sheet  
Governmental Funds  
December 31, 2019**

	<b>Debt Service</b>						
	<b>Revolving Drain</b>	<b>Northwest Debt Retirement</b>	<b>Shebeon Inter County Debt</b>	<b>Bach &amp; Branches Debt</b>	<b>Moore Debt Retirement</b>	<b>Armbruster I/C Debt</b>	<b>Akron Main Street Debt</b>
<b>ASSETS</b>							
Cash and investments	\$ 298,258	\$ 1,350,863	\$ 10,388	\$ 235,325	\$ 67,927	\$ 20,382	\$ 14,855
Due from other funds	475,877	--	--	--	--	--	--
Special assessments receivable	--	--	--	126,623	1,055,795	68,319	199,041
<b>Total Assets</b>	<b>\$ 774,135</b>	<b>\$ 1,350,863</b>	<b>\$ 10,388</b>	<b>\$ 361,948</b>	<b>\$ 1,123,722</b>	<b>\$ 88,701</b>	<b>\$ 213,896</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 64,135	\$ --	\$ --	\$ 250	\$ --	\$ --	\$ --
Due to other governments	510,000	--	--	--	--	--	--
Due to other funds	200,000	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>774,135</b>	<b>--</b>	<b>--</b>	<b>250</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Taxes levied for a subsequent period	--	--	--	126,623	1,055,795	68,319	199,041
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>774,135</b>	<b>--</b>	<b>--</b>	<b>126,873</b>	<b>1,055,795</b>	<b>68,319</b>	<b>199,041</b>
<b>FUND BALANCE</b>							
Restricted	--	1,350,863	10,388	235,075	67,927	20,382	14,855
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>--</b>	<b>1,350,863</b>	<b>10,388</b>	<b>235,075</b>	<b>67,927</b>	<b>20,382</b>	<b>14,855</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 774,135</b>	<b>\$ 1,350,863</b>	<b>\$ 10,388</b>	<b>\$ 361,948</b>	<b>\$ 1,123,722</b>	<b>\$ 88,701</b>	<b>\$ 213,896</b>

**Tuscola County Drains  
Balance Sheet  
Governmental Funds  
December 31, 2019**

	Debt Service				Capital Projects		
	Pigeon River I/C Debt	Fulton Street Drain Debt	Indian Creek I/C	Yax North Debt Retirement	Special Drain	Northwest Construction	Alder Creek Construction
<b>ASSETS</b>							
Cash and investments	\$ 8,034	\$ 50,981	\$ 38,661	\$ 25,054	\$ 3,837,011	\$ 59,130	\$ --
Due from other funds	--	--	--	--	--	491,700	150,000
Special assessments receivable	113,769	564,962	311,163	419,665	521,849	--	--
<b>Total Assets</b>	<b>\$ 121,803</b>	<b>\$ 615,943</b>	<b>\$ 349,824</b>	<b>\$ 444,719</b>	<b>\$ 4,358,860</b>	<b>\$ 550,830</b>	<b>\$ 150,000</b>
<b>LIABILITIES</b>							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ 108,135	\$ 8,313	\$ --
Due to other governments	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	917,577	--	--
<b>Total Liabilities</b>	--	--	--	--	1,025,712	8,313	--
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Taxes levied for a subsequent period	113,769	564,962	311,163	419,665	521,849	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>113,769</b>	<b>564,962</b>	<b>311,163</b>	<b>419,665</b>	<b>1,547,561</b>	<b>8,313</b>	<b>--</b>
<b>FUND BALANCE</b>							
Restricted	8,034	50,981	38,661	25,054	2,811,299	542,517	150,000
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>8,034</b>	<b>50,981</b>	<b>38,661</b>	<b>25,054</b>	<b>2,811,299</b>	<b>542,517</b>	<b>150,000</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 121,803</b>	<b>\$ 615,943</b>	<b>\$ 349,824</b>	<b>\$ 444,719</b>	<b>\$ 4,358,860</b>	<b>\$ 550,830</b>	<b>\$ 150,000</b>

**Tuscola County Drains  
Balance Sheet  
Governmental Funds  
December 31, 2019**

	<b>Capital Projects</b>					<b>Total Governmental Funds</b>
	<b>Bach &amp; Branches Const</b>	<b>Moore Construction</b>	<b>Akron Main Street</b>	<b>Fulton Street Drain Const</b>	<b>Yax North Construction</b>	
<b>ASSETS</b>						
Cash and investments	\$ 258,128	\$ 297,345	\$ 1	\$ 119,924	\$ 123,248	\$ 6,815,515
Due from other funds	--	--	--	--	--	1,117,577
Special assessments receivable	--	--	--	--	--	3,381,186
<b>Total Assets</b>	<b>\$ 258,128</b>	<b>\$ 297,345</b>	<b>\$ 1</b>	<b>\$ 119,924</b>	<b>\$ 123,248</b>	<b>\$ 11,314,278</b>
<b>LIABILITIES</b>						
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 180,833
Due to other governments	--	--	--	--	--	510,000
Due to other funds	--	--	--	--	--	1,117,577
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,808,410</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes levied for a subsequent period	--	--	--	--	--	3,381,186
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>5,189,596</b>
<b>FUND BALANCE</b>						
Restricted	258,128	297,345	1	119,924	123,248	6,124,682
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>258,128</b>	<b>297,345</b>	<b>1</b>	<b>119,924</b>	<b>123,248</b>	<b>6,124,682</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 258,128</b>	<b>\$ 297,345</b>	<b>\$ 1</b>	<b>\$ 119,924</b>	<b>\$ 123,248</b>	<b>\$ 11,314,278</b>

**Tuscola County Drains**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2019**

Total Fund Balance - Governmental Funds	\$	6,124,682
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(9,601)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		15,860,865
Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.		3,381,186
Certain liabilities are not due and payable in the current period and are not reported in the funds.		(3,068,657)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>22,288,475</u></b>

**Tuscola County Drains**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the year Ended December 31, 2019**

	<b>Debt Service</b>						
	<b>Revolving Drain</b>	<b>Northwest Debt Retirement</b>	<b>Shebeon Inter County Debt</b>	<b>Bach &amp; Branches Debt</b>	<b>Moore Debt Retirement</b>	<b>Armbruster I/C Debt</b>	<b>Akron Main Street Debt</b>
<b>Revenues</b>							
Special assessments and other	\$ --	\$ 308,490	\$ --	\$ 146,179	\$ 220,580	\$ 14,768	\$ 92,892
Interest income	--	13,808	236	3,974	773	188	276
<b>Total Revenues</b>	<b>--</b>	<b>322,298</b>	<b>236</b>	<b>150,153</b>	<b>221,353</b>	<b>14,956</b>	<b>93,168</b>
<b>Expenditures</b>							
Drain maintenance	--	--	--	--	--	--	--
Debt service - principal	--	--	--	150,000	135,000	15,757	88,000
Debt service - interest and charges	--	--	--	15,838	29,981	4,140	7,676
<b>Total Expenditures</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>165,838</b>	<b>164,981</b>	<b>19,897</b>	<b>95,676</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>--</b>	<b>322,298</b>	<b>236</b>	<b>(15,685)</b>	<b>56,372</b>	<b>(4,941)</b>	<b>(2,508)</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>--</b>	<b>322,298</b>	<b>236</b>	<b>(15,685)</b>	<b>56,372</b>	<b>(4,941)</b>	<b>(2,508)</b>
<b>Fund Balance at Beginning of Period</b>	<b>--</b>	<b>1,028,565</b>	<b>10,152</b>	<b>250,760</b>	<b>11,555</b>	<b>25,323</b>	<b>17,363</b>
<b>Fund Balance at End of Period</b>	<b>\$ --</b>	<b>\$ 1,350,863</b>	<b>\$ 10,388</b>	<b>\$ 235,075</b>	<b>\$ 67,927</b>	<b>\$ 20,382</b>	<b>\$ 14,855</b>

**Tuscola County Drains**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the year Ended December 31, 2019**

	Debt Service				Capital Projects		
	Pigeon River I/C Debt	Fulton Street Drain Debt	Indian Creek I/C	Yax North Debt Retirement	Special Drain	Northwest Construction	Alder Creek Construction
<b>Revenues</b>							
Special assessments and other	\$ 18,061	\$ 65,922	\$ 56,641	\$ 61,158	\$ 2,003,900	\$ --	\$ --
Interest income	87	408	285	212	51,946	2,880	--
<b>Total Revenues</b>	<b>18,148</b>	<b>66,330</b>	<b>56,926</b>	<b>61,370</b>	<b>2,055,846</b>	<b>2,880</b>	<b>--</b>
<b>Expenditures</b>							
Drain maintenance	--	--	--	--	1,542,799	9,767	--
Debt service - principal	14,417	45,000	26,010	30,000	82,000	--	--
Debt service - interest and charges	4,331	13,740	4,936	12,583	--	--	--
<b>Total Expenditures</b>	<b>18,748</b>	<b>58,740</b>	<b>30,946</b>	<b>42,583</b>	<b>1,624,799</b>	<b>9,767</b>	<b>--</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(600)</b>	<b>7,590</b>	<b>25,980</b>	<b>18,787</b>	<b>431,047</b>	<b>(6,887)</b>	<b>--</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	--	--	--	15,177	--	--
Transfers out	--	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>15,177</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>(600)</b>	<b>7,590</b>	<b>25,980</b>	<b>18,787</b>	<b>446,224</b>	<b>(6,887)</b>	<b>--</b>
<b>Fund Balance at Beginning of Period</b>	<b>8,634</b>	<b>43,391</b>	<b>12,681</b>	<b>6,267</b>	<b>2,365,075</b>	<b>549,404</b>	<b>150,000</b>
<b>Fund Balance at End of Period</b>	<b>\$ 8,034</b>	<b>\$ 50,981</b>	<b>\$ 38,661</b>	<b>\$ 25,054</b>	<b>\$ 2,811,299</b>	<b>\$ 542,517</b>	<b>\$ 150,000</b>

**Tuscola County Drains**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the year Ended December 31, 2019**

	<b>Capital Projects</b>					<b>Total Governmental Funds</b>
	<b>Bach &amp; Branches Const</b>	<b>Moore Construction</b>	<b>Akron Main Street</b>	<b>Fulton Street Drain Const</b>	<b>Yax North Construction</b>	
<b>Revenues</b>						
Special assessments and other	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,988,591
Interest income	6,028	6,822	--	905	954	89,782
<b>Total Revenues</b>	<b>6,028</b>	<b>6,822</b>	<b>--</b>	<b>905</b>	<b>954</b>	<b>3,078,373</b>
<b>Expenditures</b>						
Drain maintenance	--	8,256	--	--	5,463	1,566,285
Debt service - principal	--	--	--	--	--	586,184
Debt service - interest and charges	--	--	--	--	--	93,225
<b>Total Expenditures</b>	<b>--</b>	<b>8,256</b>	<b>--</b>	<b>--</b>	<b>5,463</b>	<b>2,245,694</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>6,028</b>	<b>(1,434)</b>	<b>--</b>	<b>905</b>	<b>(4,509)</b>	<b>832,679</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	--	--	--	15,177
Transfers out	(10,000)	(3,228)	--	--	(1,949)	(15,177)
<b>Net Other Financing Sources (Uses)</b>	<b>(10,000)</b>	<b>(3,228)</b>	<b>--</b>	<b>--</b>	<b>(1,949)</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>(3,972)</b>	<b>(4,662)</b>	<b>--</b>	<b>905</b>	<b>(6,458)</b>	<b>832,679</b>
<b>Fund Balance at Beginning of Period</b>	<b>262,100</b>	<b>302,007</b>	<b>1</b>	<b>119,019</b>	<b>129,706</b>	<b>5,292,003</b>
<b>Fund Balance at End of Period</b>	<b>\$ 258,128</b>	<b>\$ 297,345</b>	<b>\$ 1</b>	<b>\$ 119,924</b>	<b>\$ 123,248</b>	<b>\$ 6,124,682</b>

**Tuscola County Drains**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the year Ended December 31, 2019**

Total Net Change in Fund Balances - Governmental Funds	\$	832,679
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position.		2,573
Long-term debt payments are reported as financing uses in the governmental funds and thus contribute to the change in fund balance. However, long-term debt payments reduce long-term liabilities on the statement of net position. This represents the amount of long-term debt principal payments made during the year.		586,184
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources.		(948,651)
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.		(439,619)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>33,166</u></b>



## **Statistical Section**

# STATISTICAL SECTION

This part of Tuscola County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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**Financial Trends** - *These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

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**Operating Information** - *These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.*

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Schedule 17 - Capital Asset Statistics by Function/Program	167

# TUSCOLA COUNTY, MICHIGAN

Net Position by Component,  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

Table 1

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities										
Net investment in capital assets	\$ 4,915,865	\$ 5,308,338	\$ 4,934,954	\$ 4,992,236	\$ 5,265,708	\$ 5,639,829	\$ 5,380,615	\$ 5,943,571	\$ 6,071,911	\$ 5,863,221
Restricted	1,935,180	1,555,459	1,397,671	1,336,781	1,195,900	1,864,506	2,672,329	2,882,160	10,745,988	11,510,953
Unrestricted	<u>6,254,015</u>	<u>6,120,317</u>	<u>6,853,468</u>	<u>6,312,514</u>	<u>6,644,960</u>	<u>(944,404)</u>	<u>(3,118,970)</u>	<u>(2,704,558)</u>	<u>(6,799,051)</u>	<u>(7,081,878)</u>
Total governmental activities net position	<u>\$ 13,105,060</u>	<u>\$ 12,984,114</u>	<u>\$ 13,186,093</u>	<u>\$ 12,641,531</u>	<u>\$ 13,106,568</u>	<u>\$ 6,559,931</u>	<u>\$ 4,933,974</u>	<u>\$ 6,121,173</u>	<u>\$ 10,018,848</u>	<u>\$ 10,292,296</u>
Business-type activities										
Net investment in capital assets	\$ 4,136,239	\$ 6,410,175	\$ 7,030,684	\$ 7,728,386	\$ 9,337,696	\$ 10,787,341	\$ 11,154,645	\$ 10,601,748	\$ 9,941,531	\$ 9,255,635
Restricted	2,286,104	1,564,341	1,880,647	2,161,654	2,579,165	1,430,672	290,258	-	-	-
Unrestricted	<u>12,657,056</u>	<u>12,337,630</u>	<u>14,309,485</u>	<u>14,056,322</u>	<u>12,932,697</u>	<u>10,871,364</u>	<u>10,239,172</u>	<u>10,291,902</u>	<u>10,116,680</u>	<u>10,460,164</u>
Total business-type activities net position	<u>\$ 19,079,399</u>	<u>\$ 20,312,146</u>	<u>\$ 23,220,816</u>	<u>\$ 23,946,362</u>	<u>\$ 24,849,558</u>	<u>\$ 23,089,377</u>	<u>\$ 21,684,075</u>	<u>\$ 20,893,650</u>	<u>\$ 20,058,211</u>	<u>\$ 19,715,799</u>
Primary government										
Net investment in capital assets	\$ 9,052,104	\$ 11,718,513	\$ 11,965,638	\$ 12,720,622	\$ 14,603,404	\$ 16,427,170	\$ 16,535,260	\$ 16,545,319	\$ 16,013,442	\$ 15,118,856
Restricted	4,221,284	3,119,800	3,278,318	3,498,435	3,775,065	3,295,178	2,962,587	2,882,160	10,745,988	11,510,953
Unrestricted	<u>18,911,071</u>	<u>18,457,947</u>	<u>21,162,953</u>	<u>20,368,836</u>	<u>19,577,657</u>	<u>9,926,960</u>	<u>7,120,202</u>	<u>7,587,344</u>	<u>3,317,629</u>	<u>3,378,286</u>
Total primary government net position	<u>\$ 32,184,459</u>	<u>\$ 33,296,260</u>	<u>\$ 36,406,909</u>	<u>\$ 36,587,893</u>	<u>\$ 37,956,126</u>	<u>\$ 29,649,308</u>	<u>\$ 26,618,049</u>	<u>\$ 27,014,823</u>	<u>\$ 30,077,059</u>	<u>\$ 30,008,095</u>

# TUSCOLA COUNTY, MICHIGAN

Table 2

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
Legislative	\$ 139,691	\$ 101,774	\$ 101,764	\$ 105,073	\$ 103,402	\$ 115,714	\$ 148,172	\$ 121,672	\$ 189,753	\$ 214,986
Judicial	3,737,722	3,550,345	2,879,517	3,196,846	3,262,153	3,298,138	4,156,591	3,336,249	4,239,644	3,244,038
General government	5,844,575	6,755,644	6,199,985	6,321,346	6,345,529	6,701,612	7,160,516	7,235,661	6,020,818	6,689,864
Public safety	5,696,877	5,841,052	5,804,282	6,029,646	5,652,616	6,579,971	7,415,067	5,972,439	8,527,437	7,818,978
Public works	769,984	693,296	795,586	924,147	815,625	678,023	777,630	746,700	3,957,531	3,689,461
Health and welfare	4,930,144	5,288,860	5,150,298	5,091,444	5,216,376	5,234,005	5,598,219	5,990,088	8,087,982	7,976,028
Culture and recreation	4,401	9,725	6,899	6,137	9,023	8,634	11,542	66,959	24,640	22,631
Interest on debt	36,004	41,826	60,669	52,768	44,999	36,862	278,897	373,262	604,798	582,070
<b>Total governmental activities expenses</b>	<b>21,159,398</b>	<b>22,282,522</b>	<b>20,999,000</b>	<b>21,727,407</b>	<b>21,449,723</b>	<b>22,652,959</b>	<b>25,546,634</b>	<b>23,843,030</b>	<b>31,652,603</b>	<b>30,238,056</b>
Business-type activities:										
Medical care facility	17,189,496	17,899,830	18,068,414	18,849,925	19,652,039	21,153,567	22,315,039	23,181,919	24,446,586	24,223,269
Delinquent property tax	90	85	21	48	832	1,494	843	143	86	59,939
Water/sewage systems	299,672	284,295	258,873	242,510	526,639	304,173	293,015	281,304	-	-
Tax foreclosure	253,288	343,287	336,683	446,017	405,857	332,487	335,392	249,585	245,596	525,976
<b>Total business-type activities expenses</b>	<b>17,742,546</b>	<b>18,527,497</b>	<b>18,663,991</b>	<b>19,538,500</b>	<b>20,585,367</b>	<b>21,791,721</b>	<b>22,944,289</b>	<b>23,712,951</b>	<b>24,692,268</b>	<b>24,809,184</b>
<b>Total primary government expenses</b>	<b>\$ 38,901,944</b>	<b>\$ 40,810,019</b>	<b>\$ 39,662,991</b>	<b>\$ 41,265,907</b>	<b>\$ 42,035,090</b>	<b>\$ 44,444,680</b>	<b>\$ 48,490,923</b>	<b>\$ 47,555,981</b>	<b>\$ 56,344,871</b>	<b>\$ 55,047,240</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
Judicial	\$ 1,307,466	\$ 1,217,478	\$ 1,274,481	\$ 1,224,201	\$ 1,216,028	\$ 1,224,277	\$ 1,074,291	\$ 1,099,980	\$ 1,035,461	\$ 997,501
General government	761,439	689,760	749,121	744,192	740,750	874,213	1,095,603	1,256,253	1,783,175	1,809,252
Public safety	1,743,017	1,714,978	1,764,703	1,842,902	2,046,308	2,121,943	2,320,821	2,173,012	2,491,334	2,686,714
Public works	275,567	269,213	376,012	472,183	369,043	252,391	369,007	338,575	62,963	68,330
Health and welfare	742,876	810,346	822,751	683,951	586,366	620,213	672,883	691,252	764,428	778,230
Culture and recreation	3,861	1,548	2,800	3,902	3,987	5,454	5,637	29,710	16,182	24,354
Operating grants and contributions										
Judicial	1,364,571	1,467,812	1,250,005	1,237,672	1,252,854	1,206,663	1,201,303	1,216,914	1,419,642	1,345,589
General government	159,249	547,666	246,226	190,582	234,953	151,018	146,039	519,653	653,207	1,131,227
Public Safety	690,258	883,561	655,231	860,223	638,185	718,542	523,665	581,396	708,921	698,340
Public Works	-	-	-	-	-	-	-	-	-	12,529
Health and welfare	2,539,046	2,543,246	2,706,160	1,969,721	2,406,930	3,070,662	2,642,757	3,133,148	3,101,141	3,643,239
Culture and recreation	-	-	-	-	-	-	-	-	1,250	876
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>9,587,350</b>	<b>10,145,608</b>	<b>9,847,490</b>	<b>9,229,529</b>	<b>9,495,404</b>	<b>10,245,376</b>	<b>10,052,006</b>	<b>11,039,893</b>	<b>12,037,704</b>	<b>13,196,181</b>

Source: Tuscola County Financial Reports

# TUSCOLA COUNTY, MICHIGAN

Table 2

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

(continued)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services										
Medical Care Community	16,068,197	16,801,011	18,782,303	17,120,685	17,976,404	19,314,786	19,807,248	21,399,403	22,838,849	23,434,528
Delinquent Tax	714,369	787,947	718,620	754,501	582,800	673,670	636,870	663,661	765,067	747,800
Water/Sewer Systems	-	-	-	-	-	-	-	-	-	-
Tax Foreclosure	187,921	-	175,909	179,424	175,250	193,571	194,918	189,286	555,174	647,641
Operating grants and contributions	-	207,628	-	-	-	-	-	-	-	-
Capital grants and contributions	299,672	284,295	258,856	242,510	400,446	304,173	293,015	281,304	-	-
Total business-type activities program revenues	<u>17,270,159</u>	<u>18,080,881</u>	<u>19,935,688</u>	<u>18,297,120</u>	<u>19,134,900</u>	<u>20,486,200</u>	<u>20,932,051</u>	<u>22,533,654</u>	<u>24,159,090</u>	<u>24,829,969</u>
Total primary government program revenues	<u>\$ 26,857,509</u>	<u>\$ 28,226,489</u>	<u>\$ 29,783,178</u>	<u>\$ 27,526,649</u>	<u>\$ 28,630,304</u>	<u>\$ 30,731,576</u>	<u>\$ 30,984,057</u>	<u>\$ 33,573,547</u>	<u>\$ 36,196,794</u>	<u>\$ 38,026,150</u>
<b>Net (Expenses)/Revenue</b>										
Governmental activities	\$ (11,572,048)	\$ (12,136,914)	\$ (11,151,510)	\$ (12,497,878)	\$ (11,954,319)	\$ (12,407,583)	\$ (15,494,628)	\$ (12,803,137)	\$ (19,614,899)	\$ (17,041,875)
Business-type activities	<u>(472,387)</u>	<u>(446,616)</u>	<u>1,271,697</u>	<u>(1,241,380)</u>	<u>(1,450,467)</u>	<u>(1,305,521)</u>	<u>(2,012,238)</u>	<u>(1,179,297)</u>	<u>(533,178)</u>	<u>20,785</u>
Total primary government net expense	<u>\$ (12,044,435)</u>	<u>\$ (12,583,530)</u>	<u>\$ (9,879,813)</u>	<u>\$ (13,739,258)</u>	<u>\$ (13,404,786)</u>	<u>\$ (13,713,104)</u>	<u>\$ (17,506,866)</u>	<u>\$ (13,982,434)</u>	<u>\$ (20,148,077)</u>	<u>\$ (17,021,090)</u>

# TUSCOLA COUNTY, MICHIGAN

## Changes in Net Position, Last Ten Fiscal Years (accrual basis of accounting)

Table 2

(continued)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 8,238,352	\$ 8,182,316	\$ 8,138,839	\$ 8,580,677	\$ 9,218,752	\$ 10,053,314	\$ 10,186,530	\$ 10,335,424	\$ 14,500,060	\$ 15,213,039
Grants and contributions not restricted to specific programs	1,106,822	1,152,433	1,033,823	1,045,628	1,165,279	1,219,055	1,199,905	1,215,686	1,293,320	958,315
Unrestricted investment earnings	592,262	560,159	499,575	471,176	481,646	479,580	511,528	518,143	163,578	181,107
Loss on sale of assets	(86)	-	-	-	-	-	-	-	-	-
Other	672,730	1,139,163	858,469	1,052,109	796,222	691,488	978,112	853,036	-	-
Transfers - Internal activities	<u>872,404</u>	<u>908,509</u>	<u>842,214</u>	<u>825,463</u>	<u>734,858</u>	<u>771,258</u>	<u>913,352</u>	<u>1,068,047</u>	<u>856,663</u>	<u>962,862</u>
Total governmental activities	<u>11,482,484</u>	<u>11,942,580</u>	<u>11,372,920</u>	<u>11,975,053</u>	<u>12,396,757</u>	<u>13,214,695</u>	<u>13,789,427</u>	<u>13,990,336</u>	<u>16,813,621</u>	<u>17,315,323</u>
Business-type activities:										
Property taxes	1,845,663	1,770,769	1,743,674	1,735,187	1,894,897	402,518	438,417	427,358	435,791	448,069
Unrestricted investment earnings	103,738	75,249	66,403	35,869	51,914	55,512	64,945	72,648	118,611	151,596
Other	509,380	693,617	665,500	973,408	1,115,105	706,953	854,935	721,561	-	-
Transfers - Internal activities	<u>(805,776)</u>	<u>(860,272)</u>	<u>(798,862)</u>	<u>(777,538)</u>	<u>(708,253)</u>	<u>(715,776)</u>	<u>(751,361)</u>	<u>(832,695)</u>	<u>(856,663)</u>	<u>(962,862)</u>
Total business-type activities	<u>1,653,005</u>	<u>1,679,363</u>	<u>1,676,715</u>	<u>1,966,926</u>	<u>2,353,663</u>	<u>449,207</u>	<u>606,936</u>	<u>388,872</u>	<u>(302,261)</u>	<u>(363,197)</u>
Total primary government	<u>\$ 13,135,489</u>	<u>\$ 13,621,943</u>	<u>\$ 13,049,635</u>	<u>\$ 13,941,979</u>	<u>\$ 14,750,420</u>	<u>\$ 13,663,902</u>	<u>\$ 14,396,363</u>	<u>\$ 14,379,208</u>	<u>\$ 16,511,360</u>	<u>\$ 16,952,126</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (89,564)	\$ (194,334)	\$ 221,410	\$ (522,825)	\$ 442,438	\$ 807,112	\$ (1,705,201)	\$ 1,187,199	\$ (2,801,278)	\$ 273,448
Business-type activities	<u>1,180,618</u>	<u>1,232,747</u>	<u>2,948,412</u>	<u>725,546</u>	<u>903,196</u>	<u>(856,314)</u>	<u>(1,405,302)</u>	<u>(790,425)</u>	<u>(835,439)</u>	<u>(342,412)</u>
Total primary government	<u>\$ 1,091,054</u>	<u>\$ 1,038,413</u>	<u>\$ 3,169,822</u>	<u>\$ 202,721</u>	<u>\$ 1,345,634</u>	<u>\$ (49,202)</u>	<u>\$ (3,110,503)</u>	<u>\$ 396,774</u>	<u>\$ (3,636,717)</u>	<u>\$ (68,964)</u>

(concluded)

**TUSCOLA COUNTY, MICHIGAN**

Fund Balances, Governmental Funds,  
Last Ten Fiscal Years

Table 3

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Reserved	\$ 323,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,337,490	-	-	-	-	-	-	-	-	-
Nonspendable	-	416,551	310,000	418,867	417,310	417,494	643,918	619,653	599,708	644,436
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	5,000	5,000	5,000
Assigned	-	1,248,368	1,212,000	1,272,000	1,462,000	1,463,900	2,031,720	1,645,626	1,886,936	1,410,000
Unassigned	-	691,679	1,024,692	955,077	883,279	1,035,936	418,032	337,763	524,324	1,142,881
<b>Total General Fund</b>	<b>\$ 1,661,213</b>	<b>\$ 2,356,598</b>	<b>\$ 2,546,692</b>	<b>\$ 2,645,944</b>	<b>\$ 2,762,589</b>	<b>\$ 2,917,330</b>	<b>\$ 3,093,670</b>	<b>\$ 2,608,042</b>	<b>\$ 3,015,968</b>	<b>\$ 3,202,317</b>
<b>Health Department</b>										
Reserved	\$ 78,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	557,500	-	-	-	-	-	-	-	-	-
Nonspendable	-	72,939	99,596	86,687	65,630	42,385	31,931	38,521	46,884	65,959
Restricted	-	224,790	394,145	39,475	149,830	952,882	966,194	1,270,266	1,253,882	1,592,058
Committed	-	279,162	347,752	353,337	412,486	416,335	417,563	382,539	365,490	351,814
Assigned	-	-	-	-	-	-	1,943	-	78,343	307,108
Unassigned	-	-	-	26,779	-	-	-	-	-	-
<b>Total Health Department</b>	<b>\$ 636,246</b>	<b>\$ 576,891</b>	<b>\$ 841,493</b>	<b>\$ 506,278</b>	<b>\$ 627,946</b>	<b>\$ 1,411,602</b>	<b>\$ 1,417,631</b>	<b>\$ 1,691,326</b>	<b>\$ 1,744,599</b>	<b>\$ 2,316,939</b>
<b>Road Patrol</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	218,087	358,260	617,466	879,963	1,179,887
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	41,741	84,358	24,198	-	-
<b>Total Road Patrol</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 259,828</b>	<b>\$ 442,618</b>	<b>\$ 641,664</b>	<b>\$ 879,963</b>	<b>\$ 1,179,887</b>
<b>Voted Mosquito</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	16,413	9,447	132,662	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	160,098	146,176	56,280	-	-
<b>Total Voted Mosquito</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 176,511</b>	<b>\$ 155,623</b>	<b>\$ 188,942</b>	<b>\$ -</b>	<b>\$ -</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 1,930,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	2,732,624	-	-	-	-	-	-	-	-	-
Permanent funds	8	-	-	-	-	-	-	-	-	-
Nonspendable	-	6,800	6,800	99	-	-	-	15,700	700	-
Restricted	-	3,954,999	3,738,092	3,638,251	3,955,027	4,222,450	4,818,281	5,075,952	8,564,559	8,739,008
Committed	-	-	-	-	5,000	5,000	5,000	-	-	-
Assigned	-	-	-	250,000	-	-	482,567	964,940	-	-
Unassigned	-	-	-	-	-	-	-	-	(77,037)	(53,112)
<b>Total all other governmental funds</b>	<b>\$ 4,662,810</b>	<b>\$ 3,961,799</b>	<b>\$ 3,744,892</b>	<b>\$ 3,888,350</b>	<b>\$ 3,960,027</b>	<b>\$ 4,227,450</b>	<b>\$ 5,305,848</b>	<b>\$ 6,056,592</b>	<b>\$ 8,488,222</b>	<b>\$ 8,685,896</b>

(1) Tuscola County implemented GASB Statement No 54 for year ended December 31, 2011.

Source: Tuscola County Financial Reports

**TUSCOLA COUNTY, MICHIGAN**  
 Changes in Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Table 4

Revenues	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Taxes	\$ 8,350,911	\$ 8,224,862	\$ 8,146,390	\$ 8,598,619	\$ 9,200,434	\$ 10,055,468	\$ 10,173,607	\$ 10,314,499	\$ 14,758,866	\$ 15,189,939
Licenses and permits	578,920	568,282	693,121	840,436	694,797	612,944	666,040	635,561	729,193	912,190
Intergovernmental										
Federal	2,872,131	3,763,104	3,213,216	2,645,846	2,857,756	3,483,185	2,839,403	3,691,763	7,988,041	8,851,979
State	2,987,815	2,828,386	2,660,920	2,641,255	2,977,660	3,060,793	3,034,908	3,123,882	-	-
Local	484,180	420,500	437,648	435,065	439,896	541,459	904,915	900,474	-	-
Charges for services	3,728,820	3,661,697	3,824,985	3,669,283	3,454,787	3,681,642	3,592,132	3,747,441	3,983,574	3,886,492
Fines and forfeits	42,306	56,072	51,423	43,272	235,787	84,408	214,513	156,458	93,345	83,874
Interest and rents	592,262	560,159	499,575	471,176	481,646	479,580	511,528	518,143	514,474	560,740
Reimbursements and refunds	693,980	1,155,875	883,282	1,101,760	806,479	742,895	823,772	711,355	21,839	25,917
Other	101,205	105,329	107,407	87,655	132,135	80,814	85,711	71,681	808,352	821,563
<b>Total revenues</b>	<b>20,432,530</b>	<b>21,344,266</b>	<b>20,517,967</b>	<b>20,534,367</b>	<b>21,281,377</b>	<b>22,823,188</b>	<b>22,846,529</b>	<b>23,871,257</b>	<b>28,897,684</b>	<b>30,332,694</b>
<b>Expenditures</b>										
Legislative	139,864	101,988	102,468	104,414	103,947	111,400	103,335	123,062	135,881	212,691
Judicial	3,744,726	3,554,120	2,979,588	3,190,866	3,284,426	3,229,200	3,228,250	3,355,152	3,326,762	3,085,036
General government	5,073,462	5,407,442	4,987,566	4,990,297	5,270,785	5,544,831	5,593,914	6,031,459	4,854,033	6,060,217
Public safety	5,477,302	5,624,365	5,773,317	5,874,232	5,884,107	6,426,422	6,225,193	6,152,105	6,847,567	7,169,255
Public works	769,096	693,338	795,703	921,486	814,993	680,315	774,919	747,689	3,810,200	3,729,254
Health and welfare	4,842,755	5,264,353	5,060,626	4,983,297	5,063,682	4,913,577	5,081,040	7,889,761	7,495,126	7,426,628
Culture and recreation	4,401	9,725	6,899	6,137	9,023	8,634	11,542	66,959	24,440	27,964
Other	220,651	360,059	180,079	251,022	206,688	201,254	154,502	144,121	199,364	225,936
Capital outlay	657,795	2,569,679	1,030,783	905,437	439,982	1,068,837	583,532	1,532,745	786,286	252,834
Debt service (1)										
Principal	131,538	120,000	165,000	170,000	175,000	165,000	215,000	315,000	921,324	1,263,462
Interest	37,959	40,626	62,963	55,147	47,463	39,156	128,754	311,205	607,970	585,993
Bond Issuance Costs	-	-	-	-	-	-	76,268	56,622	-	-
<b>Total expenditures</b>	<b>21,099,549</b>	<b>23,745,695</b>	<b>21,144,992</b>	<b>21,452,335</b>	<b>21,300,096</b>	<b>22,388,626</b>	<b>22,176,249</b>	<b>26,725,880</b>	<b>29,008,953</b>	<b>30,039,270</b>
Excess of revenues over (under) expenditures	(667,019)	(2,401,429)	(627,025)	(917,968)	(18,719)	434,562	670,280	(2,854,623)	(111,269)	293,424

Source: Tuscola County Financial Reports



**TUSCOLA COUNTY, MICHIGAN**  
 Changes in Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Table 4

(continued)

<b>Other Financing Sources (Uses)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Face Value of debt issue	-	-	-	-	-	-	6,980,000	2,475,000	-	-
Discounts on bonds issued	-	-	-	-	-	-	(2,172)	(18,378)	-	-
Proceeds from capital lease	-	-	-	-	-	-	94,500	31,130	-	-
Proceeds from sale of assets	-	-	-	-	-	-	68,629	70,000	-	-
Issuance of debt	-	-	22,600	-	-	-	-	-	-	-
Bond proceeds	-	1,029,156	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of capital leases	-	-	-	-	-	-	-	-	-	-
Transfer in	2,238,502	2,555,146	2,370,765	2,601,686	2,642,235	3,403,347	3,587,630	7,090,189	3,954,388	3,983,193
Transfer out	(1,371,598)	(1,646,637)	(1,528,551)	(1,776,223)	(1,907,377)	(2,632,089)	(2,674,278)	(6,022,142)	(3,097,725)	(3,020,331)
Total other financing sources (uses)	<u>866,904</u>	<u>1,937,665</u>	<u>864,814</u>	<u>825,463</u>	<u>734,858</u>	<u>771,258</u>	<u>8,054,309</u>	<u>3,625,799</u>	<u>856,663</u>	<u>962,862</u>
Special Items - Pension pre-funding	-	-	-	-	-	-	(6,865,581)	-	-	-
Net change in fund balances	<u>\$ 199,885</u>	<u>\$ (463,764)</u>	<u>\$ 237,789</u>	<u>\$ (92,505)</u>	<u>\$ 716,139</u>	<u>\$ 1,205,820</u>	<u>\$ 1,859,008</u>	<u>\$ 771,176</u>	<u>\$ 745,394</u>	<u>\$ 1,256,286</u>
Debt service as a percentage of noncapital expenditures	0.829%	0.759%	1.133%	1.096%	1.066%	0.96%	1.59%	2.49%	5.42%	6.21%

(1) Debt Service re-classed from Business Activities for 2018

Source: Tuscola County Financial Reports

(concluded)

# TUSCOLA COUNTY, MICHIGAN

Table 5

Assessed Value and Estimated Actual Value of Taxable Property,  
Last Ten Fiscal Years  
*(in thousands of dollars)*

Fiscal Year Ended December 31,	Real Property				Total Assessed Value	Total Direct Tax Rate	Estimated Actual Assessed Value	Assessed Value as a Percentage of Actual Value
	Industrial, Commercial & Developmental	Residential	Timber-Cut & Agricultural	Personal Property				
2010	140,962,900	998,577,902	591,196,950	98,725,410	1,829,463,162	8.4921	3,658,926,324	50%
2011	132,608,025	916,610,507	586,216,731	101,708,858	1,737,144,121	8.4921	3,474,288,242	50%
2012	130,754,171	878,425,910	620,457,418	104,604,689	1,734,242,188	8.4921	3,468,484,376	50%
2013	126,476,800	865,378,642	712,747,569	217,916,056	1,922,519,067	8.4921	3,845,038,134	50%
2014	120,812,500	881,972,835	855,585,985	333,054,579	2,191,425,899	7.4921	4,382,851,798	50%
2015	122,071,635	917,724,525	936,140,455	454,937,999	2,430,874,614	7.6621	4,861,749,228	50%
2016	121,354,400	978,552,403	1,037,690,870	417,773,965	2,555,371,638	7.7621	5,110,743,276	50%
2017	125,248,200	1,031,884,701	1,049,895,623	411,101,536	2,618,130,060	8.3121	5,236,260,120	50%
2018	125,431,100	1,048,833,555	1,057,430,600	423,069,250	2,654,764,505	8.3121	5,309,529,010	50%
2019	131,854,400	1,109,929,134	1,007,590,517	446,063,604	2,695,437,655	8.3121	5,390,875,310	50%

**Source:** Tuscola County Equalization Department

**Note:** Property in the county is reassessed annually. The county assesses property at approximately 50 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of taxable value.

# TUSCOLA COUNTY, MICHIGAN

Table 6

Direct and Overlapping Property Tax Rates,  
Last Ten Fiscal Years  
*(rates per \$1,000 of assessed value)*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>County direct rates</b>										
Operating Millage	3.9141	3.9141	3.9141	3.9141	3.9141	3.9141	3.9141	3.9141	3.9141	3.9141
Special Millage	3.5780	3.5780	3.5780	3.5780	3.5780	3.7480	3.8480	4.3980	4.3980	4.3980
Debt Millage	1.0000	1.0000	1.0000	1.0000	-	-	-	-	-	-
Total direct rate	8.4921	8.4921	8.4921	8.4921	7.4921	7.6621	7.7621	8.3121	8.3121	8.3121
<b>City rate</b>										
Vassar	17.5000	17.0000	17.0000	17.0000	16.0000	16.0000	16.0000	16.0000	16.0000	17.0000
Caro (2)	16.1643	16.1643	16.1643	16.1643	16.1643	16.1643	16.1643	16.1643	16.1643	16.1643
<b>Village rates</b>										
	11.0000- 21.6036	11.0000- 21.6036	11.0000- 18.1387	11.0000- 18.1387	11.0000- 21.7268	11.0000- 21.7268	11.0000- 21.7268	11.0000- 21.7268	11.4352- 18.2892	12.5000- 18.1387
<b>School district rates (1)</b>										
	26.7817- 29.0998	28.2409- 29.2409	28.2409- 28.4480	22.7079- 28.0409	22.7079- 28.4079	22.7079- 27.7079	22.7479- 27.3079	22.7479- 27.3079	21.9895- 18.0000	21.9895- 21.7268
<b>Township rates</b>										
	1.0000- 5.6563	1.0000- 6.3957	1.0000- 6.3957	1.0000- 6.4175	1.0000- 6.4026	1.0000- 6.3864	1.0000- 6.3864	1.0000- 6.3912	1.0000- 3.7676	1.0000- 4.0569
<b>District library rates</b>										
	.7916- 1.4761	.7916- 1.4909	.7500- 1.4909	.7500- 1.4909	.7500- 1.4909	.7500- 1.4909	.7500- 1.4909	.7428- 1.4909	.8010- 1.4909	0.7408 0.9185
<b>Caro Transit Authority (3)</b>										
	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

(1) Includes local, SET, and averaged intermediate school district millages. Non-Homestead Rates

(2) In 2010 Caro was voted in as a City, rather than being a Village

(3) In 2010 new millage for public transportation.

**Source:** Tuscola County Equalization Department.

**Note:** State law requires that localities obtain the approval of the state legislature or a majority of the voters in a public election to raise direct rates.

# TUSCOLA COUNTY, MICHIGAN

Principal Property Tax Payers,  
Current Year and Nine Years Ago

Table 7

<b>Current Year 2019</b>			
<u>Taxpayer</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable</u>
Consumers Energy Company	\$ 141,115,665	1	7.58%
Tuscola Bay Wind LLC	65,532,300	2	3.52%
International Transmission Co	59,061,357	3	3.17%
DTE Electric Company	41,016,535	5	2.20%
Tuscola Wind II LLC	40,026,300	4	2.15%
Pegasus LLC	39,946,900	6	2.14%
Tuscola Bay Wind LLC	21,697,532	7	1.16%
POET Biorefining Caro	11,758,126	8	0.63%
Thumb Electric Co-Op	7,640,023	9	0.41%
Dairy Farmer's of America Inc	7,496,680	10	0.40%
<hr/>			
Totals	<u>\$ 435,291,418</u>		<u>23.36%</u>

<b>9 Years ago 2010</b>			
<u>Taxpayer</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable</u>
Detroit Edison Company	\$ 29,019,649	1	2.02%
POET-Biorefining - Caro	14,853,539	2	1.03%
Dept. of Natural Resources	9,288,747	3	0.65%
Wal-Mart Stores #01-1798	6,174,494	4	0.43%
Consumers Energy Company	5,787,883	5	0.40%
Thumb Electric Co-Op	5,498,610	6	0.38%
Michigan Sugar Co.	4,126,134	7	0.29%
International Transmission Co.	3,812,484	8	0.27%
TI Group Automotive Services	3,138,631	9	0.22%
Millenium Industries Inc.	3,007,200	10	0.21%
<hr/>			
Totals	<u>\$ 84,707,371</u>		<u>5.90%</u>

	<b>2019</b> <b>Taxable Value</b> <b>\$ 1,862,786,940</b>
	<b>2010</b> <b>Taxable Value</b> <b>\$ 1,436,953,853</b>

Source: Tuscola County Equalization Department.

# TUSCOLA COUNTY, MICHIGAN

Table 8

## Property Tax Levies and Collections, Last Ten Fiscal Years

Fiscal Year Ended December 31,	Operating Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquents Purchased by Treasurer	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2010	\$ 5,577,639	\$ 4,858,788	87.11%	\$ 408,811	\$ 271,535	\$ 5,539,134	99.31%
2011	5,455,216	4,837,071	88.67%	369,721	183,040	5,389,832	98.80%
2012	5,123,153	4,538,536	88.59%	292,379	281,547	5,112,462	99.79%
2013	5,372,959	4,762,105	88.63%	326,624	273,660	5,362,389	99.80%
2014	5,884,294	5,339,435	90.74%	288,450	251,009	5,878,894	99.91%
2015	6,353,186	5,686,840	89.51%	306,719	335,066	6,328,625	99.61%
2016	6,752,971	5,937,568	87.93%	309,983	394,996	6,642,547	98.36%
2017	6,812,328	6,112,770	89.73%	318,150	259,843	6,690,763	98.22%
2018	7,020,989	6,276,705	89.40%	348,809	271,466	6,896,980	98.23%
2019	7,287,641	6,524,989	95.39%	333,258	264,738	7,122,985	97.74%

Source: Tuscola County Treasurer

# TUSCOLA COUNTY, MICHIGAN

Table 9

## Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

<b>Governmental Activities</b>						
Fiscal Year	General Obligation Bonds	Capital Improvement Bonds	Pension Obligation Bonds	Bond Discount	Equipment Loan	Capital Lease Payable
2010	655,000	-	-	-	-	-
2011	535,000	995,000	-	-	-	-
2012	405,000	960,000	-	-	-	-
2013 (1)	270,000	925,000	-	(13,184)	26,013	212,496
2014	130,000	890,000	-	(12,438)	13,221	-
2015	-	855,000	-	(11,692)	-	-
2016	-	815,000	6,805,000	(13,032)	-	85,343
2017	-	775,000	9,005,000	(29,784)	-	98,460
2018	-	695,000	8,730,000	-	-	-
2019	-	655,000	8,355,000	-	-	-

<b>Business-Type Activities</b>								
Fiscal Year	Refunding Bonds	Medical Care Small House	Medical Care Land Contract	General Obligation Bonds	USDA Loans	Total Primary Government	Percentage of Personal Income	Per Capita (2)
2010	-	-	-	16,034,912	-	655,000	232.37%	11
2011	-	-	-	13,631,114	-	1,530,000	107.95%	27
2012	-	-	-	12,563,114	-	1,365,000	120.43%	25
2013 (1)	3,450,000	4,600,000	-	7,559,114	5,219,000	1,420,325	120.76%	26
2014	2,420,000	4,600,000	-	6,743,114	5,060,000	1,020,783	171.26%	19
2015	1,320,000	4,435,000	-	6,306,114	4,969,000	843,308	221.06%	16
2016	200,000	4,265,000	140,000	5,853,114	4,872,000	7,692,311	24.32%	144
2017	-	4,090,000	70,000	5,398,114	4,769,000	9,848,676	19.11%	185
2018	-	3,730,000	70,000	4,487,114	4,549,000	9,425,000	20.10%	177
2019	-	3,555,000	35,000	4,084,114	4,218,209	9,010,000	22.14%	169

**Source:** Tuscola County Financial Reports

**Note:** Details regarding the county's debt can be found in the notes to the financial statements under Note 7.

(1) Populated table to include breakdown as stated in financial reports

(2) Per Capita based on estimated population changes. Population continues to decrease.

**TUSCOLA COUNTY, MICHIGAN**  
 Ratios of Net General Bonded Debt Outstanding  
 (Last ten years)

Fiscal Year	General Bonded Debt Outstanding						Total Taxable Value	Percentage of Taxable Value
	Building Authority Bonds	Sewer Obligation Bonds	Net Pension Obligation Bonds	Net Capital Improvement Bonds	Less Paid by Benefited Municipality	Net General Bonded		
2010	655,000	4,422,000	-	-	5,077,000	-	1,436,953,853	0.0000%
2011	535,000	10,240,114	-	995,000	10,775,114	995,000	1,401,083,732	0.0710%
2012	405,000	12,975,114	-	960,000	13,380,114	960,000	1,392,442,700	0.0689%
2013	270,000	12,378,000	-	925,000	12,648,000	925,000	1,504,307,893	0.0615%
2014	130,000	11,873,000	-	890,000	12,003,000	890,000	1,627,457,617	0.0547%
2015	-	11,345,000	-	855,000	11,345,000	855,000	1,730,939,880	0.0494%
2016	-	10,725,114	6,802,914	804,054	10,725,114	7,606,968	1,733,524,072	0.4388%
2017	-	10,167,114	8,985,416	764,800	10,167,114	9,750,216	1,751,550,308	0.5567%
2018	-	5,487,114	8,730,000	708,221	5,487,114	9,438,221	1,797,785,602	0.5250%
2019	-	4,084,114	8,345,000	695,000	4,084,114	9,040,000	1,862,786,940	0.4853%

Fiscal Year	General Bonded Debt Outstanding			Village	City	Net Overlapping	Percentage of Taxable Value
	School Districts	Townships	Intermediate Schools				
2010	55,944,375	4,215,737	79,603	5,686,071	567,127	66,492,913	4.6274%
2011	52,883,867	3,911,263	23,915	5,229,922	532,633	62,581,600	4.4667%
2012	50,170,509	6,877,194	73,342	3,213,133	2,678,404	63,012,582	4.5253%
2013	56,502,273	6,556,673	1,291,641	2,810,984	2,287,615	69,449,186	4.6167%
2014	47,882,889	6,939,267	1,286,014	3,403,835	1,994,106	61,506,111	3.7793%
2015	62,195,613	7,424,969	1,281,445	3,226,164	2,536,597	76,664,788	4.4291%
2016	52,429,998	7,120,679	20,392	3,268,193	6,994,088	69,833,350	4.0284%
2017	54,132,775	6,597,293	43,966	7,590,666	6,332,580	74,697,280	4.2646%
2018	63,494,376	6,393,388	37,031	6,996,491	5,706,750	82,628,036	4.5961%
2019	66,819,870	6,137,346	30,948	6,756,783	5,136,375	84,881,322	4.5567%

Source: Tuscola County debt schedules, and the Municipal Advisory Council of Michigan overlapping debt schedules

# TUSCOLA COUNTY, MICHIGAN

Table 11

Computation of Direct and Overlapping Bonded Debt - Unaudited (1)  
December 31, 2019

2019 Census Totals 2019 Taxable Value	53,250 1,858,103,064 (2019)	<u>Gross</u>	<u>Self-Support or Portion Paid by Benefited Municipality</u>	<u>Net</u>
Direct debt of County:				
Sewer/Water		\$ 8,792,323	\$ 8,792,323	\$ -
Capital Improvement		686,292	-	686,292
Pension Obligation Bond		8,327,176	-	8,327,176
		<u>\$ 17,805,791</u>	<u>\$ 8,792,323</u>	<u>\$ 9,013,468</u>
Per-Capita County Net Direct Debt				169.27
Percent County Net Direct Debt to 2019 Taxable				0.4851%
Overlapping Debt of County:				
School Districts				\$ 66,819,870
Townships				6,137,346
Intermediate School District				30,948
Village				6,756,783
City				5,136,375
Net Overlapping Debt				<u>\$ 84,881,322</u>
Net County and Overlapping Debt				<u>\$ 93,894,790</u>
Per-Capita County Net Direct and Overlapping Debt				\$ 1,763.28
Percent Net Direct and Overlapping Debt to Taxable Value				5.0533%

(1) Includes Primary Government

Sources: Tuscola County debt schedules, and the Municipal Advisory Council of Michigan overlapping debt schedules.



# TUSCOLA COUNTY, MICHIGAN

Table 12

## Legal Debt Margin Information (Last Ten Fiscal Years)

Fiscal Year	Assessed Year	Assessed Value of Property	Debt limit, 10% of Assessed Value (Statutory Limitation)	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2010	2009	1,829,463,162	182,946,316	5,077,000	\$ 177,869,316	2.78%
2011	2010	1,737,144,121	173,714,412	11,770,114	\$ 161,944,298	6.78%
2012	2011	1,734,242,188	173,424,219	14,340,114	\$ 159,084,105	8.27%
2013	2012	1,504,307,893	150,430,789	13,573,000	\$ 136,857,789	9.02%
2014	2013	1,627,457,617	162,745,762	12,893,000	\$ 149,852,762	7.92%
2015	2014	1,730,939,880	173,093,988	12,200,000	\$ 160,893,988	7.05%
2016	2015	1,975,936,615	197,593,662	18,332,082	\$ 179,261,580	9.28%
2017	2016	2,137,597,673	213,759,767	19,917,330	\$ 193,842,437	9.32%
2018	2017	2,231,695,255	223,169,526	19,022,956	\$ 204,146,570	8.52%
2019	2018	2,249,374,051	224,937,405	17,805,791	\$ 207,131,614	7.92%

# TUSCOLA COUNTY, MICHIGAN

Demographic and Economic Statistics,  
Last Ten Calendar Years

Table 13

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2010	55,665	1,522,050	26,226	9,496	14.4%
2011	55,729	1,651,680	27,589	9,518	11.4%
2012	54,662	1,643,832	29,712	9,561	9.9%
2013	54,263	1,715,147	30,923	9,140	10.5%
2014	54,000	1,748,161	31,105	8,833	8.5%
2015	53,777	1,864,226	32,820	8,772	7.8%
2016	53,338	1,870,805	34,739	8,570	6.3%
2017	52,764	1,882,424	35,676	8,365	6.4%
2018	52,516	1,894,115	36,638	8,271	5.5%
2019	52,245	1,994,484	37,979	7,754	6.2%

(1) Census Bureau 2010-2019 estimated census data. 2019 actual census data. 2010-2019 mid-year estimates

(2) Personal income consists of the income that persons receive in return for their provision of labor, land, capital used in current production as well as other income, such as personal current transfer receipts. (dollars stated in thousands)  
BEA data not available for 2019. Estimates based on population changes, and state change in personal income.

2010-2018 updated with BEA revised estimates. BEA population estimates reflect county population estimates available as of March 2019.

(3) Fall membership count. Public schools only.

(4) Annual yearly rates shown.

**Sources:** US Census Bureau, BEA, US Bureau of Labor Statistics, Michigan Labor Market Information and the Tuscola Intermediate School District.

**TUSCOLA COUNTY, MICHIGAN**  
Principal Employers  
Current Year (1) and Nine Years Ago - Unaudited

Table 14

<u>2019</u>					<u>2010 (3)</u>				
<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Tuscola County (2)	Government	421	1	1.9%	Tuscola County	Government	475	1	1.9%
Caro Regional Center	Health Care	406	2	1.8%	Caro Regional Center	Mental Health Care	412	2	1.6%
Walbro - Engine Management	Manufacturing	311	3	1.4%	Wolverine Human Services	Juvenile Rehabilitation	388	3	1.5%
Hills & Dales General Hospital	Medical	258	4	1.2%	Hills and Dales General Hospital	Health Care	301	4	1.2%
Tuscola Intermediate School Dist	Eductation	251	5	1.1%	Wal-Mart, Inc.	Retail	300	5	1.2%
Caro Community Schools	Educational	169	6	0.8%	Grede-Vassar	Manufacturing	278	6	1.1%
Caro Community Hospital	Health Care	145	7	0.6%	Caro Schools	Education	264	7	1.1%
Human Development Comm.	Government Services	120	8	0.5%	Vassar School District	Education	258	8	1.0%
Walmart	Retailing	116	9	0.5%	Walbro - Engine Management	Manufacturing	250	9	1.0%
Millennium Steering	Fuel System Rails	90	10	0.4%	Tuscola Intermediate School Dist.	Education	250	10	1.0%
<b>Total</b>		<b><u>2287</u></b>		<b><u>10.2%</u></b>	<b>Total</b>		<b><u>3176</u></b>		<b><u>12.7%</u></b>

(1) Full Time employee count

(2) Includes Primary Government

(3) Included all employees full time and part time. Resources not available to account for only full time

Sources: Tuscola Co Economic Development Corp., Michigan Bureau of Labor Market Information and Strategic Initiatives, and Tuscola Co Human Resources

**TUSCOLA COUNTY, MICHIGAN**  
 Full-Time Equivalent County Employees by Function,  
 Last Ten Fiscal Years

Table 15

<b>Function</b>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Legislative (1)	5	5	5	5	5	-	-	-	-	-
Judicial (2)	45	44	42	43	36	38	38	41	41	42
General Government	50	50	48	49	48	51	52	57	62	52
Public Safety	60	60	59	57	62	61	63	64	70	72
Public Works	-	-	-	-	-	-	-	-	-	-
Health and Welfare (3)	189	196	200	203	215	228	226	230	230	255
<b>Total</b>	<b>349</b>	<b>355</b>	<b>354</b>	<b>357</b>	<b>366</b>	<b>378</b>	<b>379</b>	<b>392</b>	<b>403</b>	<b>421</b>

(1) In 2015 Board of Commissioners were classed PT by Board Action 14-M-226

(2) In 2014 we Reclassified Probate Child care to Health and Welfare

(3) Does not include Component Units

**Source:** Tuscola County Human Resources, Tuscola Co Medical Care Facility, Tuscola Co Health Dept.

# TUSCOLA COUNTY, MICHIGAN

## Operating Indicators by Function/Program, Last Ten Fiscal Years

Table 16

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Public safety (1)</b>										
Incarcerated offenders	2,025	2,002	2,054	1,761	1,987	1,742	1,521	1,572	1,578	1,385
First time offenders	562	577	547	514	474	548	511	491	542	468
Repeat offenders	1,463	1,425	1,507	1,247	1,513	1,194	1,010	1,081	1,036	917
Males	-	-	-	1,415	1,667	1,368	1,184	1,224	1,231	1,037
Females	-	-	-	346	320	374	337	348	347	348
Traffic violations and other summons issued	2,968	2,263	2,237	1,784	1,766	1,744	1,688	1,350	1,666	1,812
Complaints responded to	5,040	5,088	4,977	4,975	4,884	5,120	5,091	5,085	5,231	4,886
Physical arrests made	893	854	891	746	725	981	862	852	856	755
Accidents responded to	1,071	1,033	1,048	1,068	966	1,016	1,030	1,086	1,027	995
Fatal Crashes	2	1	11	2	8	2	2	7	7	5
Car Deer Accidents	644	621	614	609	549	599	591	643	592	601
Total 911 Calls received (2)	20,406	22,791	23,068	22,703	22,225	22,339	24,298	22,292	22,022	21,504
Wireless/Voip Calls	12,616	14,919	15,657	15,845	15,718	15,874	19,019	17,902	17,435	17,869
Landline Calls	7,790	7,872	7,411	6,858	6,507	6,465	5,279	4,782	4,587	4,198
Non-emergency calls	42,783	41,752	39,839	38,919	36,584	34,326	27,836	22,736	24,491	23,422
Calls for Service logged	32,604	32,165	33,226	37,850	39,283	40,512	40,521	40,057	41,145	41,300
Traffic Accidents	1,272	1,265	1,223	1,230	1,252	1,291	1,359	1,462	1,480	1,033
Car Deer	805	825	821	780	744	885	892	982	970	1,250
Traffic Stops	9,639	8,390	8,483	12,892	13,047	13,407	11,881	12,170	11,533	10,808
Fires	625	576	573	699	523	717	413	478	539	501
Medicals (not include accidents)	4,671	4,913	5,179	5,086	5,657	5,971	5,831	5,790	6,130	6,173
<b>Judicial</b>										
54th Circuit Court new case filings	1,368	1,311	1,407	1,314	1,212	1,096	1,124	1,183	1,171	1,001
71B District Court new case filings	8,922	7,670	7,680	7,783	7,111	6,975	6,806	6,510	6,586	7,258
Probate Court new case filings	325	343	347	400	394	379	380	396	407	370

(1) Tuscola County Sheriff's Department only. Incarcerated offenders are from all police departments.

(2) All calls for Tuscola County are handled through Central Dispatch

Sources: Sheriff's Annual Report, State Court Administrative Reports. Tuscola County Central Dispatch

# TUSCOLA COUNTY, MICHIGAN

## Capital Asset Statistics by Function/Program, Last Ten Fiscal Years

Table 17

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Public Safety</b>										
<b>Sheriffs Department</b>										
Vehicles (1)	23	22	22	24	21	24	25	21	24	27
Mileage	383,335	364,153	317,250	330,004	356,320	335,880	340,893	415,692	437,270	441,077
Boats/Watercraft	2	2	2	2	2	2	2	2	2	2
Stations	1	1	1	1	1	1	1	1	1	1
<b>Dispatch</b>										
Vehicles	1	1	1	2	2	2	2	2	-	1
Buildings	1	1	1	1	1	1	1	1	1	1
<b>General Government</b>										
<b>Building and Grounds</b>										
Vehicles	11	12	12	12	10	10	11	10	10	10
Buildings	16	16	17	17	17	15	15	15	15	15
<b>Mosquito control</b>										
Vehicles	19	17	17	17	21	21	21	21	22	22
Buildings	1	1	1	1	1	1	1	1	1	2
<b>Recycling</b>										
Vehicles	2	2	2	2	3	3	3	3	2	3
Trailers	3	3	4	4	6	6	6	6	4	6
Buildings	1	1	1	1	1	1	1	1	1	1
<b>Animal Control</b>										
Vehicles	-	-	-	-	-	-	-	-	2	2
Buildings	-	-	-	-	-	-	-	-	1	1
<b>FOC</b>										
Vehicles	1	1	1	1	1	1	1	1	1	1
<b>Juvenile Probation</b>										
Vehicles	1	1	1	2	2	2	2	2	1	3
<b>Health and Welfare</b>										
<b>Health Department</b>										
Vehicles	4	4	4	4	5	5	6	6	6	7
Buildings	1	1	1	1	1	1	1	1	1	1
<b>Recreation and Culture</b>										
<b>Vanderbilt Park (2)</b>										
Acres	17	17	17	17	17	17	17	17	17	17

(1) Not all vehicles used for Road Patrol

(2) Vanderbilt Park is the only county owned park

Source: Tuscola County Controller's Office Asset Tracking System

Note: Not all historical information is currently available. This table will continue to be populated as more information becomes available.



**TUSCOLA COUNTY  
SINGLE AUDIT ACT COMPLIANCE  
YEAR ENDED DECEMBER 31, 2019**





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**INDEPENDENT AUDITOR'S REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

July 30, 2020

Members of the Board of Commissioners  
Tuscola County, Michigan  
Caro, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tuscola 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. We issued our report thereon dated July 30, 2020, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Gabridge & Company, PLC  
Grand Rapids, MI

**Tuscola County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2019**

<u>Federal Agency / Cluster / Program Title</u>	<u>CFDA Number</u>	<u>Passed Through</u>	<u>Pass-Through / Grantor Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture</b>				
Community Facilities Loans and Grants				
Loans and Grants	10.766	Direct		\$ 33,000
<b>Total U.S. Department of Agriculture</b>				<b><u>33,000</u></b>
<b>U.S. Department of Health and Human Services</b>				
Child Support Enforcement:				
Prosecuting Attorney Cooperative Reimbursement Program	93.563	MDHHS	CSPA 17-79002	73,952
Friend of the Court Cooperative Reimbursement Program	93.563	MDHHS	CSFOC 17-79001	591,478
Friend of the Court Cooperative Reimbursement Program	93.563	MDHHS	GF/GP	33,227
Title IV-D Incentive Program	93.563	MDHHS	CSFOC 17-79001	66,689
<b>Total U.S. Department of Health and Human Services</b>				<b><u>765,346</u></b>
<b>U.S. Department of Justice</b>				
Crime Victim Assistance:				
Victims of Crime Act	16.575	OCH	2019-VA-GX-0020	80,770
<b>Total U.S. Department of Justice</b>				<b><u>80,770</u></b>
<b>U.S. Department of Transportation</b>				
Highway Safety Impaired	20.600	MSP	PT-18-32	7,087
<b>Total U.S. Department of Transportation</b>				<b><u>7,087</u></b>
<b>U.S. Department of Homeland Security</b>				
Homeland Security Grant Program				
Homeland Security Grant	97.067	Alcona County		59,889
Boating Safety Financial Assistance				
Marine Safety Program	97.012	MDNR		12,400
<b>Total U.S. Department of Homeland Security</b>				<b><u>72,289</u></b>
<b>Total Expenditures of Federal Awards</b>				<b><u>\$ 958,492</u></b>

## Tuscola County

### Notes to the Schedule of Expenditures of Federal Awards

---

#### **NOTE 1 - BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of Tuscola County, Michigan (the “County”) under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

The County’s reporting entity is defined in Note 1 of the County’s Comprehensive Annual Financial Report. The County’s financial statements include the operations of the Tuscola County Road Commission as a discretely presented component unit, which received federal awards that are not included in the Schedule for the year ended December 31, 2019, as it was separately audited. The County’s financial statements include the Tuscola County Health Department, which received federal awards that are not included in the Schedule for the year ended December 31, 2019, as the entity was separately audited.

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the County’s financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

For purposes of charging indirect costs to federal awards, the County has not elected to use the 10% de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

#### **NOTE 3 - USDA LONG-TERM DEBT**

The County has outstanding loans under the USDA Water and Waste Disposal Systems for Rural Development Communities totaling \$4,328,209 at December 31, 2019.

## Tuscola County

### Notes to the Schedule of Expenditures of Federal Awards

---

#### **NOTE 4 - PASS-THROUGH AGENCIES**

The County received certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

<b>Pass-through Agency</b>	
<b>Abbreviation</b>	<b>Pass-through Agency Name</b>
MDHS	Michigan Department of Human Services
MDNR	Michigan Department of Natural Resources
OCH	Michigan Office of Community Health
MSP	Michigan Department of State Police

#### **NOTE 5 - RECONCILIATION TO FINANCIAL STATEMENTS**

Below is a reconciliation of federal revenues as reported in the County's Comprehensive Annual Financial Report and federal expenditures as reported in the County's Schedule of Expenditures of Federal Awards:

Interlocal revenue reported in the financial statements	
Governmental funds	\$ 8,851,979
Subtract state and local sources:	<u>7,893,487</u>
Total expenditures of federal awards	<u>\$ 958,492</u>

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

Members of the Board of Commissioners  
Tuscola County, Michigan  
Caro, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tuscola 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, and have issued our report thereon dated July 30, 2020. Our report includes a reference to other auditors who audited the financial statements of the Tuscola County Road Commission, the Tuscola County Health Department, and the Tuscola County Medical Care Facility, as described in our report on the County’s financial statements. This report does not include the results of the other auditor’s testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Medical Care Facility were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Gabridge & Company".

Gabridge & Company, PLC  
Grand Rapids, MI  
July 30, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

Members of the Board of Commissioners  
Tuscola County, Michigan  
Caro, Michigan

**Report on Compliance for Each Major Federal Program**

We have audited Tuscola County, Michigan's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The County's basic financial statements include the operations of the Tuscola County Road Commission, the Tuscola County Health Department, and the Tuscola County Medical Care Facility, which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2019. Our audit, described below, did not include the operations of the Tuscola County Road Commission, the Tuscola County Health Department, and the Tuscola County Medical Care Facility because they arranged for a separate financial statement audit report.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Independent Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.



## ***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

## **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## ***Purpose of this Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Gabridge & Company, PLC  
Grand Rapids, MI  
July 30, 2020

**Tuscola County**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2019**

<b>SECTION I - SUMMARY OF AUDITOR'S RESULTS</b>
---

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal controls over financial reporting	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs

Name of Federal Program or Cluster	CFDA Number
Child Support Enforcement	93.563
Dollar threshold used to distinguish between Type A and B programs?	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

<b>SECTION II - FINANCIAL STATEMENT FINDINGS</b>
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None.

<b>SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</b>
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No matters were reported.

<b>SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS</b>
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No findings or questioned costs in the prior year.

July 30, 2020

To the Board of Commissioners  
Tuscola County  
Caro, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tuscola, Michigan (the "County") as of and for the year ended December 31, 2019. Our report includes a reference to other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 11, 2019. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the fiscal year ended December 31, 2019. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management's estimate of the useful life of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's assumptions used in the actuarial valuations of the pension are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

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

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated July 30, 2020.

#### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### Other Matters

We applied certain limited procedures to management's discussion and analysis, pension schedules, and the budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

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

### Restriction on Use

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

Very truly yours,



Gabridge & Company, PLC  
Grand Rapids, MI