



**Tuscola County, Michigan  
Annual Comprehensive  
Financial Report**



**Fiscal Year Ended  
December 31, 2020**



# **TUSCOLA COUNTY, MICHIGAN**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2020

### **Board of Commissioners**

Thomas Bardwell (Chairperson)

Thomas Young

Kim Vaughan

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Prepared by: Finance Department

### **Administrator / Controller**

Clayette Zechmeister

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## **Introductory Section**

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

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August 13, 2021

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 annual comprehensive financial report of Tuscola County for the fiscal year ended December 31, 2020.

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, 2020, 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, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of 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 51,857.

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, Indigent Defense, 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 who also serves as the Chief Judge, 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 (Annual Comprehensive 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 2021. 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. However, 2021 moving forward the County assessed value has begun to decrease. From 2020 to 2021 the decrease is 2.84%. All other classes in taxable value have increased.

County per capita income continues to increase. The per capita income increase from 2019 to 2020 was 2.1%. However, the effective buying income of the County is only 76% of the national level. The County annualized unemployment rate at the end of 2020 was 10.1% which was higher than the state at 8.2% and the nation at 6.7%.

##### **Negative Indicators**

The World Health Organization declared a pandemic following the outbreak of COVID-19 in 2020, a respiratory disease caused by a new strain of the coronavirus. On March 10, 2020, Michigan Governor Gretchen Whitmer declared a state of emergency across the State, directing State agencies to use all resources necessary to prepare for and respond to the outbreak. On March 13, 2020, President Trump

declared a national emergency to unlock federal funds to help states and local governments fight the pandemic. The current spread of COVID-19, and actions taken by the federal and state and local governments in response thereto, are altering the behavior of businesses and people in a manner that may have a long-term negative effect on economic activity, and therefore could adversely affect the future financial condition of the County, directly or indirectly.

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. Since 2010 Tuscola County continues to have a decline in population. 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 55,729 in 2011 to 51,857 in 2020. This is a 10-year loss of 3,872 people, or 7.5%. The declining population is also evidenced by school enrollment declines. In 2011, school enrollment in the County was 9,518 compared to only 7,446 in 2020. This is a 10-year decline of 2,072 students, or 27.8%.

Michigan's preliminary annual average unemployment rate in 2020 was 10.1%, a significant jump of 3.9 percentage points above the 2019 annual average rate of 6.2%. This rate reflected pandemic-related job losses in Michigan. County unemployment rates remain higher than the state and nation. Approximately 24% of the County residents receive some form of public assistance. Over 11.6% 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 13.5% 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 EDC has been approved to receive another grant of \$600,000 from the U.S. Environmental Protection Agency. This funding will be used to pay for Phase One and Two environmental assessments of commercial and industrial property in the Thumb Area. A large number of new jobs will be created with this grant. It is the third grant received by the EDC over the past several years.

The EDC has awarded more than \$ 1.2 million in State grants to businesses throughout all parts of Tuscola County that were negatively impacted by COVID 19 over the last 14 months. Funding for these programs came from the Michigan EDC. One grant program was also sponsored by the Frankenmuth Credit Union. There is a possibility of another round of funding being available later this year.

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.
5. Completed a location project for Wilsons Industries in Millington.
6. Worked on funding for rejuvenating apartment space in Downtown Cass City and Downtown Millington. Continued to secure funding for the Village of Millington.
7. 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.
8. Continued to work with Chinese contacts representing the government of China.
9. Helped to facilitate negotiations regarding County agricultural product sales.
10. Worked to locate Wilkinson Chemical Plant in Tuscola County. Job is complete expansion is up and operating.
11. 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.
12. Continued to work with DTE Energy to solve increased power needs in Tuscola County.
13. 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.
14. 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.

15. 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.
16. 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.
17. Continued retention calls to Tuscola County manufacturers in connection with the Michigan EDC and GST Michigan Works.
18. The EDC is working with Walbro of Cass City on a proposed expansion of the manufacturing company-- one of the largest employers in the Thumb Area. This project will create about 45 new jobs and retain 350 current jobs in Cass City. Tax abatement for the project will be considered next month.
19. The EDC continues to assist several industrial hemp processing plants in Tuscola County. This is one of the newest agricultural industries to be formed and is administered by the U.S. Department of Agriculture.
20. The EDC is working with the Village of Cass City on the proposed expansion of a milk processing plant. As proposed, about 35 jobs will be retained and many new jobs will be created.
21. The EDC has received grant funding to assist manufacturing firms use a new program called Industry 4.0. Implementation of the program will help these businesses be more competitive and stable.
22. The EDC helped ATR Tool to receive tax abatement from the Village of Millington this month. All units of government continue to be very supportive of approving tax abatement through PA 198 over a 12-year period to help local businesses locate and expand in Tuscola County.

### **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/ Equipment Lease Program**

The EDC has combined its Revolving Loan Fund and the Equipment Lease Program. This change will allow for more flexibility for businesses that need gap financing from the EDC. Over the last year, more than \$ 100,000 has been loaned to businesses needing funds for equipment needs within their companies. Demand for this type of program through the EDC continues to be high.

## **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 – 2020 County Activity Summary**

There is no question 2020 was a challenging year for Tuscola County as it was for most of the nation. However, 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 2021 and future years. Some of the significant positive activities for County government in 2020 are outlined below.

### **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 2020, nearly \$43.8 million in WT revenue has been received.

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.

## **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 \$9,041,235 in WT revenue was collected in Tuscola County in 2020. If this had to be reduced by 27% based on the STC MT, the estimated revenue loss would be \$2,441,113. 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 Third 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 2020 Budget from October 1, 2019, through September 30, 2020, is \$1,108,156 with the state share of \$854,199 and a County share of \$253,957.

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. The MIDC Act requires the agency to establish minimum standards, rules, and procedures to adhere to the following: "The delivery of indigent criminal defense services shall be independent of the judiciary but ensure that the judges of this state are permitted and encouraged to contribute information and advice concerning that delivery of indigent criminal defense services." Standard 5 - Independence from the Judiciary has been implemented in 2021.

## **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 Annual Comprehensive 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 2020. 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 two full years now and we continue to be pleased with the success. We increased the staffing in 2020 to three full-time and two part-time employees. Two trucks have been purchased with grants from USDA. 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. Citizens suggested they wanted better ways they could assist with helping the needs of abused and neglected animals through electronic donations. We are now able to receive these vital funds thanks to our Information Technology Department for securing this application.

### **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. In 2020 Byce & Associates completed a more specific plan. Unfortunately, COVID-19 has slowed this process down. In 2021 the final plans will be presented, and the Commissioners will review for the New Jail project to potentially be placed on a ballot for a vote by the citizens.

### **Geographic Information System Continues to Advance in 2020**

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 office. 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 2020, approximately \$246,000 was invested in technology advancements from our Capital Improvements Fund. These funds were used for expanded security measures, strengthening computer system infrastructure and speed, and implementation of new software applications for increased efficiency.

Tuscola County faced many challenges to continue to serve the public during the pandemic. Our inventory fell short on having enough laptops to work remotely or the security to ensure the safety of the data. We updated and added to our Virtual Machine pool and have increased the safety of our VM's. NSX Security software needs have been purchased and the security measures we have been able to put in place ensure the safety of all our VM's. Software cost and licenses for 100 VM's is secured for our needs as we continued through the pandemic. This was all possible by the Coronavirus Relief Local Government Grant (CRLGG) Program. Tuscola County Received \$417,467 and the majority was used for technology.

### **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 was completely remodeled with the financial assistance from state recycling grants. In 2020 the operations were finally able to move to this new site. The new location has provided the added space needed to expand recycling programs for Tuscola County and potentially other surrounding counties.

### **Continued Successful Thumb Regional Sobriety Court**

For the past eight 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 \$176,000 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.

### **Mental Health Court Continues to Grow**

Tuscola County Courts have also implemented the Mental Health court program to assist those struggling with addiction and counseling needs. This is a treatment program that is funded by a \$34,000 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 2020**

- A. Tuscola County Veterans program continues to secure the \$50,000 veterans outreach grant for 3 years now. This grant assist veterans throughout or County on how to receive help that is available to them for many services.



- B. Tuscola County Mosquito Abatement hired a new Director in 2020 after the former director retired after several years of service.
- C. The Drain Commissioner implemented a new Drain Ledger software, Solid Circle, that will improve efficiencies in the tracking of many drains.
- D. 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.
- E. 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 2021 there will be a settlement to this on-going litigation.
- F. The County land bank is now in full operation and looking for ways to move forward and begin the process of revitalizing properties throughout Tuscola County.
- G. The jail feasibility study was completed in 2020. Plans are being reviewed to see how to proceed to replace the aging jail.
- H. Improvements to Vanderbilt Park were completed. A waste dumping station has been installed 2020. Plans are underway to clear vegetation to establish a view of the bay from the park.
- I. Childcare in-home care supervised visitation program continues to be successful to keep the institutional care cost down.

## **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, debit 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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2019. The County has received this prestigious award for 20 consecutive years. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the 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 (signature withheld for security purposes)  
Controller/Administrator

## 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

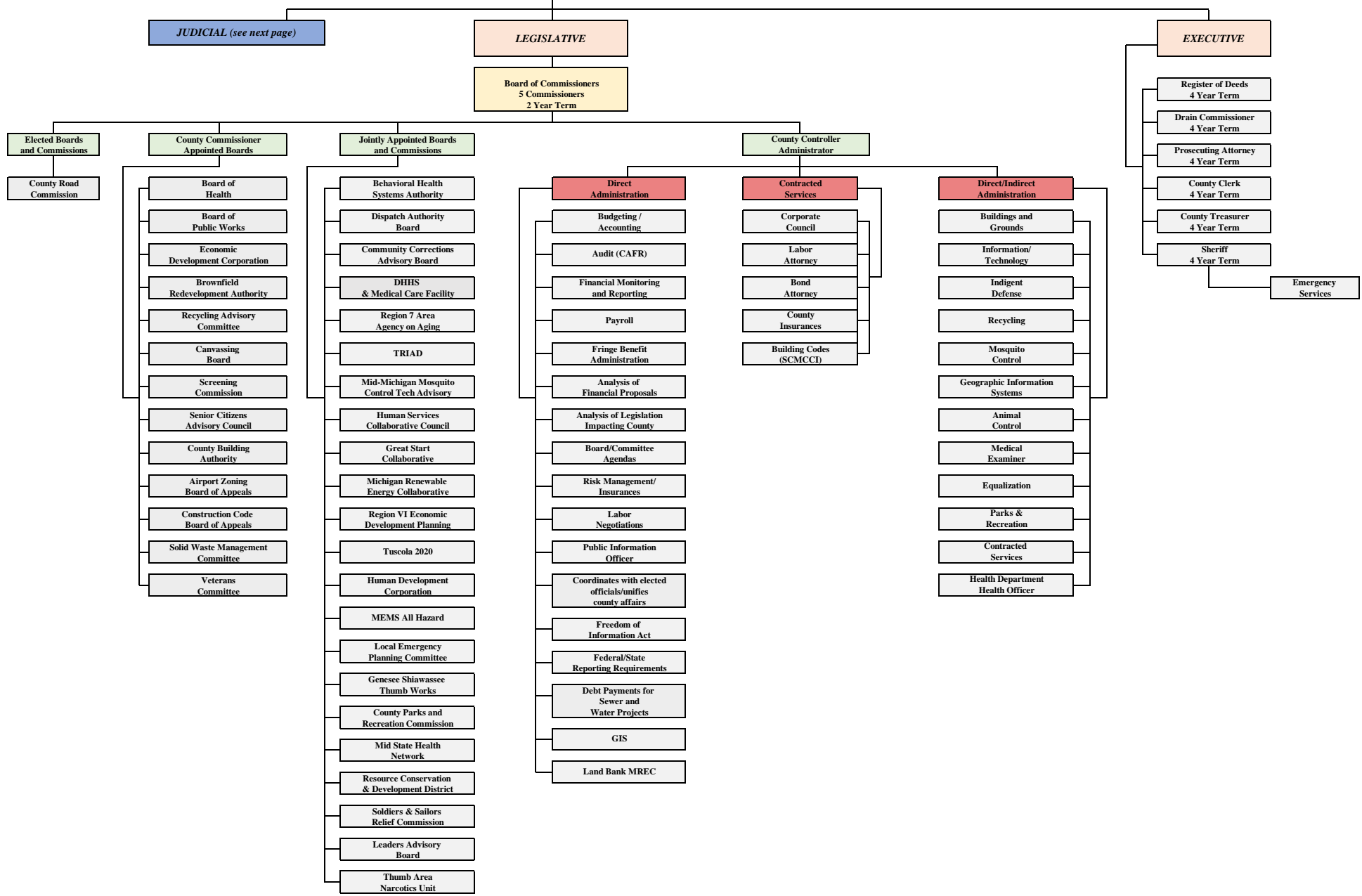
Amy Grace Gierhart  
Jodi Fetting  
Jason Bitzer  
Robert Mantey  
Nancy Thane  
Mark Reese  
John Bishop  
Glen Skrent  
Patricia Donovan-Gray

## Appointed Officials

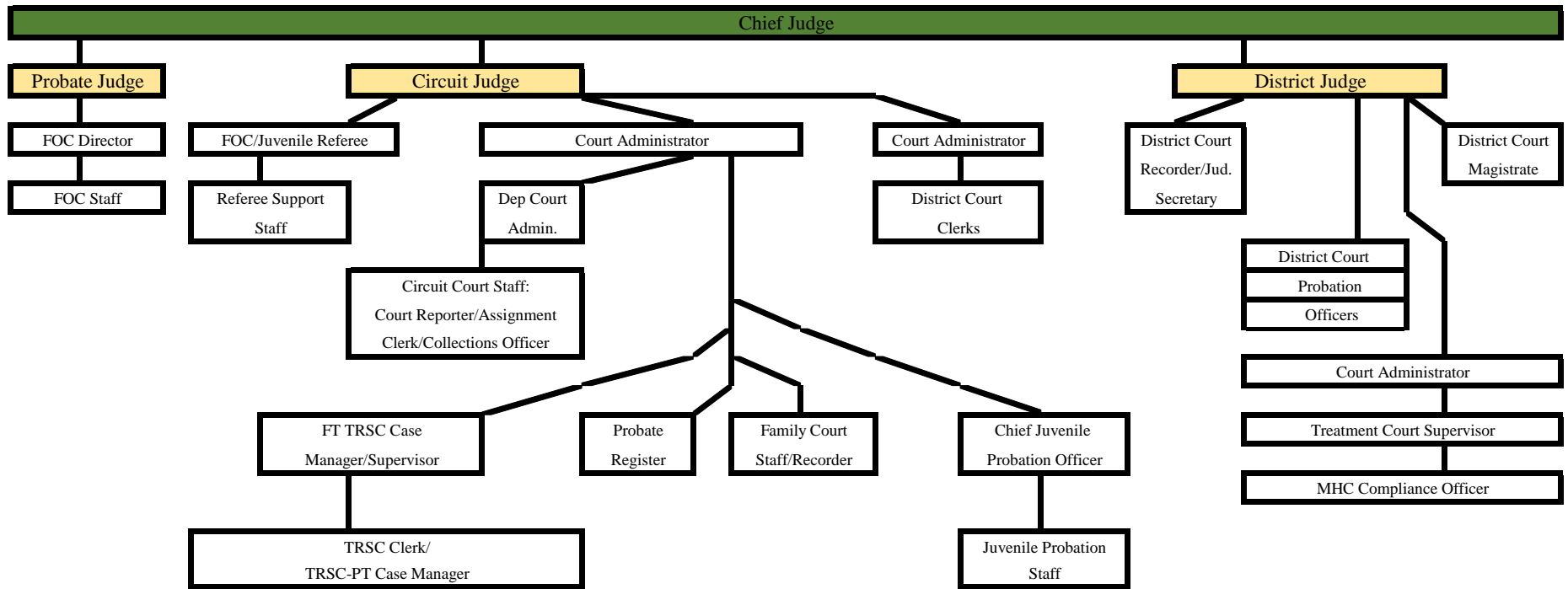
Circuit Court Administrator  
Director of Facilities & Buildings  
Director of Information Systems  
Dispatch Director  
Equalization Director  
Friend of the Court  
Health Officer  
Mosquito Abatement Director  
MSU/Co-op Director  
Recycling Coordinator  
Undersheriff

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

**CITIZENS OF TUSCOLA COUNTY**



## Tuscola County Courts Organizational Chart



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

\*\* Effective 05-24-2021



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, 2019

*Christopher P. Morill*

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

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

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

**Independent 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 (09/30/2020), a major governmental fund, which represents 7.9% of assets and deferred outflows of resources, (-10.8)% of net position, and 13.9% of total revenues of governmental activities. We also did not audit the financial statements of the Tuscola County Medical Care Facility, a major enterprise fund, which represents 75.7% of assets and deferred outflows of resources, 65.5% of net position, and 94.0% of total revenues of business-type activities. Lastly, we also did not audit the financial statements of the Tuscola County Road Commission, a discretely presented component unit, which represents 83.6% of assets and deferred outflows of resources, 83.2% of net position, and 92.5% of total revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports thereon were furnished to us, and our opinions, insofar as they relate to the amounts included for the Tuscola County Health Department (09/30/2020), Tuscola County Medical Care Facility, and the Tuscola County Road Commission, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller general of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in



the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As stated in Note 18 to the basic financial statements, the County adopted GASB Statement No. 84 *Fiduciary Activities* in 2020, which represents a change in its policy for reporting fiduciary activities. Accordingly, beginning net position of the fiduciary funds were restated. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules for the pension benefit plan, as stated 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 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 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*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards 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 August 13, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



Gabridge & Company, PLC  
Grand Rapids, Michigan  
August 13, 2021

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

## **Tuscola County Management's Discussion and Analysis December 31, 2020**

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, 2020. 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, 2020 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 \$33,014,636 (net position), an increase of \$3,006,541 from the prior year.
- 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 \$16,361,632 an increase of \$976,593 in comparison with the prior year. Of the fund balance amount, \$920,680 is available for spending at the government's discretion (unassigned fund balance).
- Total fund balance for the general fund was \$2,955,451, a decrease of \$246,866 from the prior year. At the end of the year, the unassigned portion of the fund balance in the general fund was \$920,680, or approximately 6.6% percent of total general fund expenditures and transfers out for the year.
- The County's investment in capital assets was \$19,047,752 at the end of the current fiscal year, which compares to \$19,548,613 at the end of the prior fiscal year.
- The County's total long-term installment debt decreased by \$1,077,189 during the year, from \$21,549,256 in the prior year to \$20,472,067 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., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Tuscola 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 Tuscola County Road Commission and Tuscola County 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, road patrol fund, voted primary road fund, Tuscola County Health Department (September 30, 2020), Caro Sewer Series 2007 fund, and the Wisner Twp Water Dist Sys 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 Community, 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 funds. 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 Tuscola County Medical Care Facility, tax foreclosure fund, and combined revolving tax 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>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and investments	\$ 16,214,422	\$ 15,217,063	\$ 13,142,476	\$ 7,958,328	\$ 29,356,898	\$ 23,175,391
Receivables, net	10,667,231	9,465,219	4,444,062	5,895,934	15,111,293	15,361,153
Due from other governments	798,793	540,382	138,579	108,113	937,372	648,495
Other assets	90,271	177,397	237,971	34,448	328,242	211,845
<b>Total Current Assets</b>	<b>27,770,717</b>	<b>25,400,061</b>	<b>17,963,088</b>	<b>13,996,823</b>	<b>45,733,805</b>	<b>39,396,884</b>
<i>Noncurrent Assets</i>						
Long-term intergovernmental advances	510,000	510,000	-	-	510,000	510,000
Contracts receivable, long-term	7,726,323	8,261,323	-	-	7,726,323	8,261,323
Restricted cash	-	-	38,451	24,293	38,451	24,293
Capital assets, net	6,575,294	6,577,978	12,472,458	12,970,635	19,047,752	19,548,613
<b>Total Assets</b>	<b>42,582,334</b>	<b>40,749,362</b>	<b>30,473,997</b>	<b>26,991,751</b>	<b>73,056,331</b>	<b>67,741,113</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related deferred outflows	1,146,091	1,435,304	543,395	450,046	1,689,486	1,885,350
<b>Total Deferred Outflows of Resources</b>	<b>1,146,091</b>	<b>1,435,304</b>	<b>543,395</b>	<b>450,046</b>	<b>1,689,486</b>	<b>1,885,350</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts payable	772,047	728,591	2,544,191	931,908	3,316,238	1,660,499
Accrued liabilities	819,077	855,208	837,408	349,518	1,656,485	1,204,726
Accrued interest	142,919	151,509	9,651	10,185	152,570	161,694
Unearned revenue	243,652	107,022	45,886	32,721	289,538	139,743
Due to other governmental units	-	133,157	-	-	-	133,157
Current portion of compensated absences	159,903	152,522	188,700	189,776	348,603	342,298
Current portion of long-term debt	1,007,306	997,159	225,330	195,000	1,232,636	1,192,159
Internal balances	(31,445)	(139,524)	31,445	139,524	-	-
<b>Total Current Liabilities</b>	<b>3,113,459</b>	<b>2,985,644</b>	<b>3,882,611</b>	<b>1,848,632</b>	<b>6,996,070</b>	<b>4,834,276</b>
<i>Noncurrent Liabilities</i>						
Compensated absences	294,650	270,252	285,609	248,621	580,259	518,873
Long-term debt	15,831,417	16,837,097	3,408,014	3,520,000	19,239,431	20,357,097
Net pension liability	3,147,483	4,069,993	248,740	1,264,146	3,396,223	5,334,139
<b>Total Liabilities</b>	<b>22,387,009</b>	<b>24,162,986</b>	<b>7,824,974</b>	<b>6,881,399</b>	<b>30,211,983</b>	<b>31,044,385</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related deferred inflows	1,358,347	169,700	966,814	381,947	2,325,161	551,647
Property taxes levied for subsequent year	8,698,871	7,559,684	495,166	462,652	9,194,037	8,022,336
<b>Total Deferred Inflows of Resources</b>	<b>10,057,218</b>	<b>7,729,384</b>	<b>1,461,980</b>	<b>844,599</b>	<b>11,519,198</b>	<b>8,573,983</b>
<b>NET POSITION</b>						
Net investment in capital assets	5,925,950	5,863,221	8,839,114	9,255,635	14,765,064	15,118,856
Restricted	20,807,309	20,376,296	-	-	20,807,309	20,376,296
Unrestricted	(15,449,061)	(15,947,221)	12,891,324	10,460,164	(2,557,737)	(5,487,057)
<b>Total Net Position</b>	<b>\$ 11,284,198</b>	<b>\$ 10,292,296</b>	<b>\$ 21,730,438</b>	<b>\$ 19,715,799</b>	<b>\$ 33,014,636</b>	<b>\$ 30,008,095</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 \$5,334,139 to \$3,396,223 as of December 31, 2020. We continue to recover from the market loss in 2018 with strong investment returns during 2019 and 2020.
- Pension related deferred outflows decreased from \$1,885,350 to \$1,689,486 as of December 31, 2020. This is a combination of amortization of prior deferred charges plus strong investment returns in 2020 (which prevented an additional layer of increased charges). Tuscola County and the Tuscola County Health Department continue to work towards reducing their pension debts.
- Cash has an overall increase from \$23,175,391 to \$29,356,898 as of December 31, 2020. This increase was related to an increase in governmental fund balance of \$976,593 and an increase of \$2,014,639 in business-type activities net position.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 5,550,687	\$ 6,364,381	\$23,581,296	\$24,829,969	\$29,131,983	\$31,194,350
Operating grants and contributions	7,326,865	6,831,800	1,208,521	-	8,535,386	6,831,800
<b>General Revenues</b>						
Property taxes	16,022,085	15,213,039	463,443	448,069	16,485,528	15,661,108
Unrestricted state revenue sharing	878,877	958,315	-	-	878,877	958,315
Interest income	173,819	181,107	101,760	151,596	275,579	332,703
<b>Total Revenues</b>	<u>29,952,333</u>	<u>29,548,642</u>	<u>25,355,020</u>	<u>25,429,634</u>	<u>55,307,353</u>	<u>54,978,276</u>
<b>Expenses</b>						
Legislative	151,169	214,986	-	-	151,169	214,986
Judicial	3,339,659	3,244,038	-	-	3,339,659	3,244,038
General government	6,466,357	6,689,864	-	-	6,466,357	6,689,864
Public safety	8,554,451	7,818,978	-	-	8,554,451	7,818,978
Public works	3,128,960	3,689,461	-	-	3,128,960	3,689,461
Health and welfare	7,455,390	7,976,028	-	-	7,455,390	7,976,028
Culture and recreation	94,899	22,631	-	-	94,899	22,631
Interest on long-term debt	548,035	582,070	-	-	548,035	582,070
Tuscola County Medical Care Facility	-	-	22,316,941	24,223,269	22,316,941	24,223,269
Tax foreclosure fund	-	-	243,681	525,976	243,681	525,976
Combined tax revolving fund	-	-	1,270	59,939	1,270	59,939
<b>Total Expenses</b>	<u>29,738,920</u>	<u>30,238,056</u>	<u>22,561,892</u>	<u>24,809,184</u>	<u>52,300,812</u>	<u>55,047,240</u>
<b>Changes in Net Position Before Transfers</b>	<u>213,413</u>	<u>(689,414)</u>	<u>2,793,128</u>	<u>620,450</u>	<u>3,006,541</u>	<u>(68,964)</u>
Transfers	778,489	962,862	(778,489)	(962,862)	-	-
<b>Changes in Net Position</b>	<u>991,902</u>	<u>273,448</u>	<u>2,014,639</u>	<u>(342,412)</u>	<u>3,006,541</u>	<u>(68,964)</u>
<i>Net Position at the Beginning of Period</i>	<u>10,292,296</u>	<u>10,018,848</u>	<u>19,715,799</u>	<u>20,058,211</u>	<u>30,008,095</u>	<u>30,077,059</u>
<b>Net Position at the End of Period</b>	<u>\$11,284,198</u>	<u>\$10,292,296</u>	<u>\$21,730,438</u>	<u>\$19,715,799</u>	<u>\$33,014,636</u>	<u>\$30,008,095</u>

Net position of the County increased by \$3,006,541 during the year ended December 31, 2020. The governmental activities increased by \$991,902 when compared to the prior year and the business-type activities increased by \$2,014,639.



Additional significant items to note during 2020 include:

- Charges for services decreased by \$813,694 as a result of COVID-related closures.
- Operating grants and contributions increased by \$1,703,586 when compared to the prior year for a total of \$8,535,386 for the whole County.
- Property taxes increased by \$809,046 as the taxable value continued to increase throughout the current fiscal year.

### ***Governmental Activities***

During the year, the County invested \$6,466,357, or approximately 21.74%, of expenses to general government activities. Health and welfare expenses totaled \$7,455,390, or 25.07%, of governmental activities. Public safety expenses totaled \$8,554,451, or 28.77%, of governmental activities expenses. Public works, legislative, judicial, culture and recreation, and interest on long-term debt made up the remaining 24.42% of governmental activities expenses. In the current year expenses decreased by \$499,136, which was primarily the result of the decreases in public works and health and welfare.

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

Business type activities increased the County's net position by \$2,014,639. The cause of this increase is related to the increase in net position of the Tuscola County Medical Care Facility (audited by other auditors) of \$1,516,257.

### ***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 \$16,361,632, an increase of \$976,593 in comparison with the prior year. The overall increase in fund balance is described later in this analysis. Approximately 5.6%, or \$920,680, of this total amount constitutes *unassigned fund balance*. The remainder of fund balance is restricted (\$12,478,432 or 76.3%), *committed* (\$430,024 or 2.6%), or *assigned* (\$1,907,828 or 11.7%) to indicate that it cannot be used at the County's discretion, or it is *nonspendable* (\$624,668 or 3.8%) 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 \$920,680. 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 6.6% of total general fund expenditures and transfers out. The general fund had a decrease in fund balance of \$246,866 for an ending total fund balance of \$2,955,451. Although there was a significant increase in property taxes revenue as a result of a higher taxable value for the County, charges for services decreased significantly because of COVID-related closures. In addition, related public safety expenses increased within the fund contributing to the decrease in fund balance.

The road patrol fund, a major fund, had an increase in fund balance of \$154,062 for an ending total fund balance of \$1,333,949. The increase in fund balance was less than the prior year as a result of increased public safety expenses related to patrolling the roads of the County. Fortunately, this was offset by a slight increase in collected property taxes.

The voted primary road fund, a major fund, had an increase in fund balance of \$52,906 for an ending total fund balance of \$229,893. The change in fund balance was less than the prior year as a result of increased public works expenses related to roads within the County.

The Tuscola County Health Department (September 30, 2020), a major fund, had an increase in fund balance of \$5,403. This is a significant change when compared to the prior year increase in fund balance of \$572,340. This was caused by a significant decrease in charges for services and an increase in health and welfare expenses, all caused by COVID-related closures.

The Caro Sewer Series 2007 and Wisner Twp Water Dist Sys debt service funds both had no significant changes when compared to the prior year. These funds receive enough monies to cover the underlying debt service payments.

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

Net position of the enterprise funds increased \$2,014,639. Key elements of this change have been addressed elsewhere in this analysis.

The Tuscola County Medical Care Facility ended the year with net position of \$14,233,230, an increase of \$1,516,257 from the prior year.

The tax foreclosure fund ended the year with net position of \$1,847,258, an increase of \$513,859 from the prior year.

The combined revolving tax fund ended the year with net position of \$5,649,950, a decrease of \$15,477 from the prior year.

### ***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.** Within the general fund, other expenditures of \$175,038 were in excess of the amount appropriated of \$172,830 during the year ended December 31, 2020, for a negative variance of \$(2,208). Actual expenditures came in under budgeted expenditures across all other departments.

### **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, 2020, amounted to \$19,047,752 (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>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Land	\$ 416,144	\$ 408,891	\$ 327,926	\$ 327,926	\$ 744,070	\$ 736,817
Construction in progress	76,658	84,752	-	-	76,658	84,752
Buildings	7,697,701	7,697,701	14,394,270	14,394,270	22,091,971	22,091,971
Improvements	3,891,398	3,891,398	2,829,557	2,399,987	6,720,955	6,291,385
Equipment	4,279,704	3,800,198	9,669,919	9,446,896	13,949,623	13,247,094
Vehicles	1,970,504	1,752,203	-	-	1,970,504	1,752,203
Health Department	677,212	669,750	-	-	677,212	669,750
Accumulated depreciation	<u>(12,434,027)</u>	<u>(11,726,915)</u>	<u>(14,749,214)</u>	<u>(13,598,444)</u>	<u>(27,183,241)</u>	<u>(25,325,359)</u>
<b>Total</b>	<u>\$ 6,575,294</u>	<u>\$ 6,577,978</u>	<u>\$ 12,472,458</u>	<u>\$ 12,970,635</u>	<u>\$ 19,047,752</u>	<u>\$ 19,548,613</u>

Additional information on the County’s capital assets can be found in Note 5 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 \$20,472,067. Of this amount, \$16,838,723 was debt of governmental activities and \$3,633,344 was debt of business-type activities.

	<b>Long-term Debt</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
General obligation bonds	\$ 12,625,208	\$ 13,477,582	\$ 3,520,000	\$ 3,715,000	\$ 16,145,208	\$ 17,192,582
USDA loans	4,206,209	4,328,209	-	-	4,206,209	4,328,209
Capital leases	7,306	28,465	113,344	-	120,650	28,465
<b>Total</b>	<u>\$ 16,838,723</u>	<u>\$ 17,834,256</u>	<u>\$ 3,633,344</u>	<u>\$ 3,715,000</u>	<u>\$ 20,472,067</u>	<u>\$ 21,549,256</u>

Additional information on the County’s long-term debt can be found in Note 6 of this report.

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

The following factors were considered in preparing the County's budget for 2021:

- Revenue growth is expected to be limited over the next three years. The total projected 2020 to 2021 revenue increase is \$304,212 or 2.13% for the general fund. This is an average increase of 1.9% per year. There is minimal new construction limiting property tax revenue increases. Most other County revenue sources remain flat.
- Currently wind turbine revenue generates about \$3.2 million for County services, with approximately \$1.5 million to the general fund and \$1.7 million to the nine special millage funds. However, moving forward in the upcoming years with the depreciation of the wind farms we will see a revenue decline.
- The outcome of the Michigan Renewal Energy Collaborative occurred in 2021. The 156-page opinion by Judge Enyart was not totally favorable to local governments. Appeals have been filed and the litigation will continue. The county currently has \$1,806,804 in escrowed funds: \$976,546 in the general fund and \$830,258 in the special millage fund.

### ***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

Or by telephone at (989) 672-3700.

## **Basic Financial Statements**

**Tuscola County**  
**Statement of Net Position**  
**December 31, 2020**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and investments	\$ 16,214,422	\$ 13,142,476	\$ 29,356,898	\$ 11,955,639
Taxes receivable	9,100,765	2,654,263	11,755,028	2,455,186
Special assessments receivable, current	--	--	--	289,667
Contracts receivable, current	602,554	--	602,554	--
Due from other governments	798,793	138,579	937,372	2,768,530
Accounts receivable	963,912	1,789,799	2,753,711	95,745
Prepays	49,447	29,513	78,960	215,205
Inventory	40,824	208,458	249,282	502,996
<b>Total Current Assets</b>	<b>27,770,717</b>	<b>17,963,088</b>	<b>45,733,805</b>	<b>18,282,968</b>
<i>Noncurrent Assets</i>				
Long-term intergovernmental advances	510,000	--	510,000	--
Contracts receivable	7,726,323	--	7,726,323	--
Special assessments receivable	--	--	--	2,753,074
Restricted cash	--	38,451	38,451	--
Capital assets not being depreciated	492,802	327,926	820,728	36,966,261
Capital assets being depreciated, net	6,082,492	12,144,532	18,227,024	89,725,256
<b>Total Assets</b>	<b>42,582,334</b>	<b>30,473,997</b>	<b>73,056,331</b>	<b>147,727,559</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related	1,146,091	543,395	1,689,486	593,252
OPEB related	--	--	--	2,291,550
<b>Total Deferred Outflows of Resources</b>	<b>1,146,091</b>	<b>543,395</b>	<b>1,689,486</b>	<b>2,884,802</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts payable	772,047	2,544,191	3,316,238	471,426
Accrued liabilities	819,077	837,408	1,656,485	16,306
Accrued interest	142,919	9,651	152,570	6,526
Unearned revenue	243,652	45,886	289,538	592,795
Current portion of compensated absences	159,903	188,700	348,603	--
Current portion of long-term debt	1,007,306	225,330	1,232,636	416,984
Internal balances	(31,445)	31,445	--	--
<b>Total Current Liabilities</b>	<b>3,113,459</b>	<b>3,882,611</b>	<b>6,996,070</b>	<b>1,504,037</b>
<i>Noncurrent Liabilities</i>				
Compensated absences	294,650	285,609	580,259	70,662
Long-term debt	15,831,417	3,408,014	19,239,431	2,173,889
Net pension liability	3,147,483	248,740	3,396,223	1,828,330
Net OPEB liability	--	--	--	13,790,669
Due to other governmental units, long-term	--	--	--	510,000
<b>Total Liabilities</b>	<b>22,387,009</b>	<b>7,824,974</b>	<b>30,211,983</b>	<b>19,877,587</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related	1,358,347	966,814	2,325,161	433,482
OPEB related	--	--	--	3,032,387
Taxes levied for a subsequent period	8,698,871	495,166	9,194,037	--
<b>Total Deferred Inflows of Resources</b>	<b>10,057,218</b>	<b>1,461,980</b>	<b>11,519,198</b>	<b>3,465,869</b>
<b>NET POSITION</b>				
Net investment in capital assets	5,925,950	8,839,114	14,765,064	124,100,644
<i>Restricted for:</i>				
Debt service	8,329,237	--	8,329,237	2,798,805
General government	357,166	--	357,166	--
Judicial	213,051	--	213,051	--
Public safety	2,781,139	--	2,781,139	--
Public works	1,833,098	--	1,833,098	1,771,091
Drains	--	--	--	5,773,291
Health and welfare	3,760,063	--	3,760,063	--
Culture and recreation	7,878	--	7,878	--
Capital projects	3,525,677	--	3,525,677	--
<i>Unrestricted</i>	(15,449,061)	12,891,324	(2,557,737)	(7,174,926)
<b>Total Net Position</b>	<b>\$ 11,284,198</b>	<b>\$ 21,730,438</b>	<b>\$ 33,014,636</b>	<b>\$ 127,268,905</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, 2020**

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	\$ 151,169	\$ --	\$ --	\$ --	\$ (151,169)	\$ --	\$ (151,169)	\$ --
Judicial	3,339,659	776,581	1,341,286	--	(1,221,792)	--	(1,221,792)	--
General government	6,466,357	1,680,076	1,493,686	--	(3,292,595)	--	(3,292,595)	--
Public safety	8,554,451	2,430,207	1,137,566	--	(4,986,678)	--	(4,986,678)	--
Public works	3,128,960	65,137	1,012	--	(3,062,811)	--	(3,062,811)	--
Health and welfare	7,455,390	577,553	3,353,315	--	(3,524,522)	--	(3,524,522)	--
Culture and recreation	94,899	21,133	--	--	(73,766)	--	(73,766)	--
Interest on long-term debt	548,035	--	--	--	(548,035)	--	(548,035)	--
<b>Total Governmental Activities</b>	<b>29,738,920</b>	<b>5,550,687</b>	<b>7,326,865</b>	<b>--</b>	<b>(16,861,368)</b>	<b>--</b>	<b>(16,861,368)</b>	<b>--</b>
<b>Business-type Activities:</b>								
Tuscola County Medical Care Facility	22,316,941	22,126,307	1,208,521	--	--	1,017,887	1,017,887	--
Tax Foreclosure Fund	243,681	731,236	--	--	--	487,555	487,555	--
Combined Revolving Tax Fund	1,270	723,753	--	--	--	722,483	722,483	--
<b>Total Business-type Activities</b>	<b>22,561,892</b>	<b>23,581,296</b>	<b>1,208,521</b>	<b>--</b>	<b>--</b>	<b>2,227,925</b>	<b>2,227,925</b>	<b>--</b>
<b>Total Primary Government</b>	<b>\$ 52,300,812</b>	<b>\$ 29,131,983</b>	<b>\$ 8,535,386</b>	<b>\$ --</b>	<b>(16,861,368)</b>	<b>2,227,925</b>	<b>(14,633,443)</b>	<b>--</b>
<b>Component Units</b>								
Tuscola County Road Commission	\$ 15,223,963	\$ 3,555,761	\$ 16,430,308	\$ --	--	--	--	4,762,106
Tuscola County Drain Commission	2,268,032	1,568,088	--	--	--	--	--	(699,944)
<b>Total Component Units</b>	<b>\$ 17,491,995</b>	<b>\$ 5,123,849</b>	<b>\$ 16,430,308</b>	<b>\$ --</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>4,062,162</b>
<b>General Purpose Revenues and Transfers:</b>								
<b>Revenues</b>								
Property taxes					16,022,085	463,443	16,485,528	--
Unrestricted state revenue sharing					878,877	--	878,877	--
Interest income					173,819	101,760	275,579	77,667
<b>Transfers</b>					<b>778,489</b>	<b>(778,489)</b>	<b>--</b>	<b>--</b>
<b>Total General Revenues and Transfers</b>					<b>17,853,270</b>	<b>(213,286)</b>	<b>17,639,984</b>	<b>77,667</b>
<b>Change in Net Position</b>					<b>991,902</b>	<b>2,014,639</b>	<b>3,006,541</b>	<b>4,139,829</b>
<i>Net Position at Beginning of Period (Restated, Note 17)</i>					10,292,296	19,715,799	30,008,095	123,129,076
<b>Net Position at End of Period</b>					<b>\$ 11,284,198</b>	<b>\$ 21,730,438</b>	<b>\$ 33,014,636</b>	<b>\$ 127,268,905</b>

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

**Tuscola County  
Balance Sheet  
Governmental Funds  
December 31, 2020**

	Special Revenue			Debt Service				
	General	Road Patrol	Voted Primary Road	Tuscola County Health Department (September 30, 2020)	Caro Sewer Series 2007	Wisner Twp Water Dist Sys	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and investments	\$ 2,027,821	\$ 1,371,328	\$ 229,893	\$ 2,176,424	\$ --	\$ 102	\$ 9,569,484	\$ 15,375,052
Taxes receivable	401,894	2,639,773	1,916,650	--	--	--	4,142,448	9,100,765
Due from other governments	520,603	--	--	658,878	--	--	129,312	1,308,793
Accounts receivable	177,746	2,916	--	67,585	--	--	715,665	963,912
Prepays	--	--	--	16,816	--	--	--	16,816
Inventory	--	--	--	40,824	--	--	--	40,824
Due from other funds	323,524	--	--	--	--	--	68,260	391,784
Contracts receivable	--	--	--	--	3,215,123	2,684,383	2,429,371	8,328,877
Advances to other funds	57,028	--	--	--	--	--	--	57,028
<b>Total Assets</b>	<b>\$ 3,508,616</b>	<b>\$ 4,014,017</b>	<b>\$ 2,146,543</b>	<b>\$ 2,960,527</b>	<b>\$ 3,215,123</b>	<b>\$ 2,684,485</b>	<b>\$ 17,054,540</b>	<b>\$ 35,583,851</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 220,008	\$ 11,729	\$ --	\$ 176,643	\$ --	\$ --	\$ 363,667	\$ 772,047
Accrued liabilities	134,503	26,428	--	373,898	--	--	64,544	599,373
Unearned revenue	--	--	--	87,644	--	--	156,008	243,652
Due to other funds	37,727	2,138	--	--	--	--	321,579	361,444
Advances from other funds	--	--	--	--	--	--	57,028	57,028
<b>Total Liabilities</b>	<b>392,238</b>	<b>40,295</b>	<b>--</b>	<b>638,185</b>	<b>--</b>	<b>--</b>	<b>962,826</b>	<b>2,033,544</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue - taxes	160,927	--	--	--	--	--	--	160,927
Unavailable revenue - contracts	--	--	--	--	3,215,123	2,684,383	2,429,371	8,328,877
Taxes levied for a subsequent period	--	2,639,773	1,916,650	--	--	--	4,142,448	8,698,871
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>553,165</b>	<b>2,680,068</b>	<b>1,916,650</b>	<b>638,185</b>	<b>3,215,123</b>	<b>2,684,383</b>	<b>7,534,645</b>	<b>19,222,219</b>
<b>FUND BALANCE</b>								
Nonspendable	567,028	--	--	57,640	--	--	--	624,668
Restricted	--	1,333,949	229,893	1,394,593	--	102	9,519,895	12,478,432
Committed	5,000	--	--	425,024	--	--	--	430,024
Assigned	1,462,743	--	--	445,085	--	--	--	1,907,828
Unassigned	920,680	--	--	--	--	--	--	920,680
<b>Total Fund Balance</b>	<b>2,955,451</b>	<b>1,333,949</b>	<b>229,893</b>	<b>2,322,342</b>	<b>--</b>	<b>102</b>	<b>9,519,895</b>	<b>16,361,632</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 3,508,616</b>	<b>\$ 4,014,017</b>	<b>\$ 2,146,543</b>	<b>\$ 2,960,527</b>	<b>\$ 3,215,123</b>	<b>\$ 2,684,485</b>	<b>\$ 17,054,540</b>	<b>\$ 35,583,851</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, 2020**

Total Fund Balance - Governmental Funds	\$	16,361,632
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.		653,402
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(142,919)
General government capital assets of \$19,009,321, net of accumulated depreciation of \$12,434,027, are not financial resources and, accordingly, are not reported in the funds.		6,575,294
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(454,553)
Certain liabilities, such as bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(16,838,723)
Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.		8,489,804
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.		(3,359,739)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>11,284,198</u></b>

**Tuscola County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	Special Revenue				Debt Service			Total Governmental Funds
	General	Road Patrol	Voted Primary Road	Tuscola County Health Department (September 30, 2020)	Caro Sewer Series 2007	Wisner Twp Water Dist Sys	Other Governmental Funds	
<b>Revenues</b>								
Property taxes	\$ 7,874,636	\$ 2,465,592	\$ 1,790,215	\$ --	\$ --	\$ --	\$ 3,896,430	\$ 16,026,873
Licenses and permits	438,660	9,937	--	162,763	--	--	147,297	758,657
Intergovernmental	1,761,432	48,200	--	3,229,762	430,081	159,319	3,091,457	8,720,251
Charges for services	1,444,402	16,713	--	389,056	--	--	1,665,980	3,516,151
Fines and forfeits	61,130	--	--	--	--	--	16,380	77,510
Interest and rents	515,054	10,670	6,159	--	--	78	95,994	627,955
Reimbursements and refunds	215,022	42,082	--	--	--	--	10,471	267,575
Other	53,229	--	--	1,687	--	--	529,375	584,291
<b>Total Revenues</b>	<u>12,363,565</u>	<u>2,593,194</u>	<u>1,796,374</u>	<u>3,783,268</u>	<u>430,081</u>	<u>159,397</u>	<u>9,453,384</u>	<u>30,579,263</u>
<b>Expenditures</b>								
Legislative	150,995	--	--	--	--	--	--	150,995
Judicial	2,321,200	--	--	--	--	--	995,611	3,316,811
General government	4,629,368	--	--	--	--	--	1,425,171	6,054,539
Public safety	3,332,870	2,370,764	--	--	--	--	3,119,367	8,823,001
Public works	602,586	--	1,743,468	--	--	--	779,304	3,125,358
Health and welfare	428,246	--	--	3,978,512	--	--	2,476,009	6,882,767
Culture and recreation	--	--	--	--	--	--	94,790	94,790
Other	175,038	--	--	--	--	--	--	175,038
Capital outlay	--	--	--	--	--	--	205,702	205,702
Debt service - principal	21,159	--	--	--	375,000	85,000	516,000	997,159
Debt service - interest	--	--	--	--	55,081	74,318	425,600	554,999
<b>Total Expenditures</b>	<u>11,661,462</u>	<u>2,370,764</u>	<u>1,743,468</u>	<u>3,978,512</u>	<u>430,081</u>	<u>159,318</u>	<u>10,037,554</u>	<u>30,381,159</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>702,103</u>	<u>222,430</u>	<u>52,906</u>	<u>(195,244)</u>	<u>--</u>	<u>79</u>	<u>(584,170)</u>	<u>198,104</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in	1,270,080	--	--	375,817	--	--	2,141,035	3,786,932
Transfers out	(2,219,049)	(68,368)	--	(175,170)	--	--	(545,856)	(3,008,443)
<b>Net Other Financing Sources (Uses)</b>	<u>(948,969)</u>	<u>(68,368)</u>	<u>--</u>	<u>200,647</u>	<u>--</u>	<u>--</u>	<u>1,595,179</u>	<u>778,489</u>
<b>Net Change in Fund Balance</b>	<b>(246,866)</b>	<b>154,062</b>	<b>52,906</b>	<b>5,403</b>	<b>--</b>	<b>79</b>	<b>1,011,009</b>	<b>976,593</b>
<i>Fund Balance at Beginning of Period</i>	3,202,317	1,179,887	176,987	2,316,939	--	23	8,508,886	15,385,039
<b>Fund Balance at End of Period</b>	<u>\$ 2,955,451</u>	<u>\$ 1,333,949</u>	<u>\$ 229,893</u>	<u>\$ 2,322,342</u>	<u>\$ --</u>	<u>\$ 102</u>	<u>\$ 9,519,895</u>	<u>\$ 16,361,632</u>

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, 2020**

Total Net Change in Fund Balances - Governmental Funds	\$	976,593
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.		142,253
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 \$861,339 is exceeded by depreciation expense of \$864,023.		(2,684)
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.		8,590
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.		(31,779)
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.		(555,350)
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 \$997,159 and the changes in related bond premiums and discounts of \$1,626 during the year.		995,533
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.		(541,254)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>991,902</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, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Tuscola County Medical Care Facility</b>	<b>Tax Foreclosure Fund</b>	<b>Combined Revolving Tax Fund</b>	<b>Total Enterprise Funds</b>	
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and investments	\$ 7,907,045	\$ 1,879,440	\$ 3,355,991	\$ 13,142,476	\$ 839,370
Taxes receivable	495,166	--	2,159,097	2,654,263	--
Due from other governments	--	--	138,579	138,579	--
Accounts receivable	1,789,799	--	--	1,789,799	--
Prepays	29,513	--	--	29,513	32,631
Inventory	208,458	--	--	208,458	--
Due from other funds	--	--	--	--	1,105
<b>Total Current Assets</b>	<b>10,429,981</b>	<b>1,879,440</b>	<b>5,653,667</b>	<b>17,963,088</b>	<b>873,106</b>
<i>Noncurrent Assets</i>					
Restricted cash	38,451	--	--	38,451	--
Capital assets not being depreciated	327,926	--	--	327,926	--
Capital assets being depreciated, net	12,144,532	--	--	12,144,532	--
<b>Total Assets</b>	<b>22,940,890</b>	<b>1,879,440</b>	<b>5,653,667</b>	<b>30,473,997</b>	<b>873,106</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related	543,395	--	--	543,395	--
<b>Total Deferred Outflows of Resources</b>	<b>543,395</b>	<b>--</b>	<b>--</b>	<b>543,395</b>	<b>--</b>
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Accounts payable	2,539,737	1,485	2,969	2,544,191	--
Accrued liabilities	837,408	--	--	837,408	219,704
Accrued interest	9,651	--	--	9,651	--
Unearned revenue	45,886	--	--	45,886	--
Current portion of compensated absences	188,700	--	--	188,700	--
Current portion of long-term debt	225,330	--	--	225,330	--
Due to other funds	--	30,697	748	31,445	--
<b>Total Current Liabilities</b>	<b>3,846,712</b>	<b>32,182</b>	<b>3,717</b>	<b>3,882,611</b>	<b>219,704</b>
<i>Noncurrent Liabilities</i>					
Compensated absences	285,609	--	--	285,609	--
Long-term debt	3,408,014	--	--	3,408,014	--
Net pension liability	248,740	--	--	248,740	--
<b>Total Liabilities</b>	<b>7,789,075</b>	<b>32,182</b>	<b>3,717</b>	<b>7,824,974</b>	<b>219,704</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related	1,461,980	--	--	1,461,980	--
<b>Total Deferred Inflows of Resources</b>	<b>1,461,980</b>	<b>--</b>	<b>--</b>	<b>1,461,980</b>	<b>--</b>
<b>NET POSITION</b>					
Net investment in capital assets	8,839,114	--	--	8,839,114	--
<i>Unrestricted</i>	5,394,116	1,847,258	5,649,950	12,891,324	653,402
<b>Total Net Position</b>	<b>\$ 14,233,230</b>	<b>\$ 1,847,258</b>	<b>\$ 5,649,950</b>	<b>\$ 21,730,438</b>	<b>\$ 653,402</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, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Tuscola County Medical Care Facility</b>	<b>Tax Foreclosure Fund</b>	<b>Combined Revolving Tax Fund</b>	<b>Total Enterprise Funds</b>	
<b>Operating Revenues</b>					
Intergovernmental	\$ 1,208,521	\$ --	\$ --	\$ 1,208,521	\$ --
Charges for services	21,348,194	731,236	723,753	22,803,183	3,605,716
Other	778,113	--	--	778,113	--
<b>Total Operating Revenues</b>	<b>23,334,828</b>	<b>731,236</b>	<b>723,753</b>	<b>24,789,817</b>	<b>3,605,716</b>
<b>Operating Expenses</b>					
Operation and maintenance	21,044,395	--	--	21,044,395	3,267,675
Administration	--	243,681	1,270	244,951	195,788
Depreciation	1,150,770	--	--	1,150,770	--
<b>Total Operating Expenses</b>	<b>22,195,165</b>	<b>243,681</b>	<b>1,270</b>	<b>22,440,116</b>	<b>3,463,463</b>
<b>Operating Income (Loss)</b>	<b>1,139,663</b>	<b>487,555</b>	<b>722,483</b>	<b>2,349,701</b>	<b>142,253</b>
<b>Non-Operating Revenues (Expenses)</b>					
Property taxes	463,443	--	--	463,443	--
Interest income	34,927	26,304	40,529	101,760	--
Interest expense and fiscal charges	(121,776)	--	--	(121,776)	--
<b>Net Non-Operating Revenues (Expenses)</b>	<b>376,594</b>	<b>26,304</b>	<b>40,529</b>	<b>443,427</b>	<b>--</b>
<b>Income Before Transfers</b>	<b>1,516,257</b>	<b>513,859</b>	<b>763,012</b>	<b>2,793,128</b>	<b>142,253</b>
Transfers out	--	--	(778,489)	(778,489)	--
<b>Change In Net Position</b>	<b>1,516,257</b>	<b>513,859</b>	<b>(15,477)</b>	<b>2,014,639</b>	<b>142,253</b>
<i>Net Position at Beginning of Period</i>	12,716,973	1,333,399	5,665,427	19,715,799	511,149
<b>Net Position at End of Period</b>	<b>\$ 14,233,230</b>	<b>\$ 1,847,258</b>	<b>\$ 5,649,950</b>	<b>\$ 21,730,438</b>	<b>\$ 653,402</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, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Tuscola County Medical Care Facility</b>	<b>Tax Foreclosure Fund</b>	<b>Combined Revolving Tax Fund</b>	<b>Total Enterprise Funds</b>	
<b>Cash Flows from Operating Activities</b>					
Cash received from customers	\$ 25,780,212	\$ 731,236	\$ 1,029,150	\$ 27,540,598	\$ -
Cash received from interfund services provided	-	-	-	-	3,625,590
Cash payments to suppliers for goods and services	(5,753,332)	(254,730)	727	(6,007,335)	(3,507,217)
Cash payments to employees for services	(15,157,033)	-	-	(15,157,033)	-
<b>Net Cash Provided by Operating Activities</b>	<u>4,869,847</u>	<u>476,506</u>	<u>1,029,877</u>	<u>6,376,230</u>	<u>118,373</u>
<b>Cash Flows from Non-capital Related Financing Activities</b>					
Property taxes	463,443	-	-	463,443	-
Transfers out	-	-	(778,489)	(778,489)	-
Interfund balances, net	-	(108,827)	748	(108,079)	(18,558)
<b>Net Cash Provided by (Used in) Non-capital Related Financing Activities</b>	<u>463,443</u>	<u>(108,827)</u>	<u>(777,741)</u>	<u>(423,125)</u>	<u>(18,558)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Principal payments on long-term debt	(201,373)	-	-	(201,373)	-
Interest payments and fiscal charges on long-term debt	(122,310)	-	-	(122,310)	-
Purchases of capital assets	(532,876)	-	-	(532,876)	-
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(856,559)</u>	<u>-</u>	<u>-</u>	<u>(856,559)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>					
Interest received on investments	34,927	26,304	40,529	101,760	-
<b>Net Cash Provided by Investing Activities</b>	<u>34,927</u>	<u>26,304</u>	<u>40,529</u>	<u>101,760</u>	<u>-</u>
<b>Net Increase in Cash and Investments</b>	4,511,658	393,983	292,665	5,198,306	99,815
<i>Cash and Investments - Beginning of Year</i>	3,433,838	1,485,457	3,063,326	7,982,621	739,555
<b><i>Cash and Investments - End of Year</i></b>	<u>\$ 7,945,496</u>	<u>\$ 1,879,440</u>	<u>\$ 3,355,991</u>	<u>\$ 13,180,927</u>	<u>\$ 839,370</u>
<b>Reconciliation of Operating Income to</b>					
<b>Net Cash Provided by Operating Activities</b>					
Operating income	\$ 1,139,663	\$ 487,555	\$ 722,483	\$ 2,349,701	\$ 142,253
<b>Adjustments to Reconcile Operating Income to</b>					
<b>Net Cash Provided by Operating Activities</b>					
Depreciation	1,150,770	-	-	1,150,770	-
<b>Change in assets, liabilities, and deferred outflows/inflows:</b>					
Taxes receivable	-	-	335,863	335,863	-
Accounts receivable	354,788	-	-	354,788	19,874
Prepays	4,935	-	-	4,935	1,399
Inventory	(208,458)	-	-	(208,458)	-
Due from other governments	-	-	(30,466)	(30,466)	-
Accounts payable	2,415,070	(11,049)	1,997	2,406,018	(339)
Accrued liabilities	502,048	-	-	502,048	(44,814)
Unearned revenue	(993)	-	-	(993)	-
Compensated absences	35,912	-	-	35,912	-
Net pension liability and related deferred items	(523,888)	-	-	(523,888)	-
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 4,869,847</u>	<u>\$ 476,506</u>	<u>\$ 1,029,877</u>	<u>\$ 6,376,230</u>	<u>\$ 118,373</u>

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

**Tuscola County**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2020**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and investments	\$ 1,193,806
<i>Total Assets</i>	1,193,806
<b>LIABILITIES</b>	
Accounts payable	10
Due to other governmental units	326,289
Undistributed collections	692,524
Bonds and other payables	163,971
<i>Total Liabilities</i>	1,182,794
<b>NET POSITION</b>	
Restricted for individuals, organizations, and other governments	\$ <b>11,012</b>

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

**Tuscola County**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2020**

	<b>Custodial Funds</b>
<b>Additions</b>	
Taxes collected for other governments	\$ 19,861,988
Library penal fine collections	216,242
Inmate trust collections	19,555
Court collections	829,485
County clerk/register of deeds collections	771,905
<b><i>Total Additions</i></b>	<b>21,699,175</b>
<b>Deductions</b>	
Payments of property taxes to other governments	19,861,988
Library penal fine distributions	227,025
Inmate trust distributions	39,110
Court distributions	829,485
County clerk/register of deeds distributions	771,905
<b><i>Total Deductions</i></b>	<b>21,729,513</b>
<b><i>Change in Net Position</i></b>	<b>(30,338)</b>
<i>Net Position at Beginning of Period (Restated, Note 17)</i>	41,350
<b><i>Net Position at End of Period</i></b>	<b>\$ 11,012</b>

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, 2020**

	<b>Tuscola County Road Commission</b>	<b>Tuscola County Drain Commission</b>	<b>Total Component Units</b>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and investments	\$ 5,666,758	\$ 6,288,881	\$ 11,955,639
Taxes receivable	2,455,186	--	2,455,186
Special assessments receivable, current	--	289,667	289,667
Due from other governments	2,768,530	--	2,768,530
Accounts receivable	95,745	--	95,745
Prepays	215,205	--	215,205
Inventory	502,996	--	502,996
<b>Total Current Assets</b>	<b>11,704,420</b>	<b>6,578,548</b>	<b>18,282,968</b>
<i>Noncurrent Assets</i>			
Special assessments receivable	--	2,753,074	2,753,074
Capital assets not being depreciated	36,966,261	--	36,966,261
Capital assets being depreciated, net	74,304,011	15,421,245	89,725,256
<b>Total Assets</b>	<b>122,974,692</b>	<b>24,752,867</b>	<b>147,727,559</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	593,252	--	593,252
OPEB related	2,291,550	--	2,291,550
<b>Total Deferred Outflows of Resources</b>	<b>2,884,802</b>	<b>--</b>	<b>2,884,802</b>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts payable	221,900	249,526	471,426
Accrued liabilities	16,306	--	16,306
Accrued interest	--	6,526	6,526
Unearned revenue	592,795	--	592,795
Current portion of long-term debt	--	416,984	416,984
<b>Total Current Liabilities</b>	<b>831,001</b>	<b>673,036</b>	<b>1,504,037</b>
<i>Noncurrent Liabilities</i>			
Compensated absences	70,662	--	70,662
Long-term debt	--	2,173,889	2,173,889
Net pension liability	1,828,330	--	1,828,330
Net OPEB liability	13,790,669	--	13,790,669
Due to other governmental units, long-term	--	510,000	510,000
<b>Total Liabilities</b>	<b>16,520,662</b>	<b>3,356,925</b>	<b>19,877,587</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	433,482	--	433,482
OPEB related	3,032,387	--	3,032,387
<b>Total Deferred Inflows of Resources</b>	<b>3,465,869</b>	<b>--</b>	<b>3,465,869</b>
<b>NET POSITION</b>			
Net investment in capital assets	111,270,272	12,830,372	124,100,644
<i>Restricted for:</i>			
Debt service	--	2,798,805	2,798,805
Public works	1,771,091	--	1,771,091
Drains	--	5,773,291	5,773,291
<i>Unrestricted</i>	(7,168,400)	(6,526)	(7,174,926)
<b>Total Net Position</b>	<b>\$ 105,872,963</b>	<b>\$ 21,395,942</b>	<b>\$ 127,268,905</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, 2020**

	<b>Tuscola County Road Commission</b>	<b>Tuscola County Drain Commission</b>	<b>Total Component Units</b>
<b>Expenses</b>			
Public works	\$ 15,223,963	\$ 2,178,332	\$ 17,402,295
Interest on long-term debt	--	89,700	89,700
<b>Total Expenses</b>	<b>15,223,963</b>	<b>2,268,032</b>	<b>17,491,995</b>
<b>Program Revenues</b>			
Charges for services	3,555,761	1,568,088	5,123,849
Operating grants and contributions	16,430,308	--	16,430,308
Capital grants and contributions	--	--	--
<b>Total Program Revenues</b>	<b>19,986,069</b>	<b>1,568,088</b>	<b>21,554,157</b>
<b>Net Program Revenues (Expenses)</b>	<b>4,762,106</b>	<b>(699,944)</b>	<b>4,062,162</b>
<b>General Revenue</b>			
Interest income	31,056	46,611	77,667
<b>Total General Revenues</b>	<b>31,056</b>	<b>46,611</b>	<b>77,667</b>
<b>Change in Net Position</b>	<b>4,793,162</b>	<b>(653,333)</b>	<b>4,139,829</b>
<i>Net Position at Beginning of Period (Restated, Note 17)</i>	101,079,801	22,049,275	123,129,076
<b>Net Position at End of Period</b>	<b>\$ 105,872,963</b>	<b>\$ 21,395,942</b>	<b>\$ 127,268,905</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.

#### ***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, all appointed by the County Board of Commissioners, which is deemed to provide the County with effective control over the Road Commission. 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.

## Tuscola County

### Notes to the Financial Statements

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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 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 Tuscola County Health Department are presented in the accompanying financial statements using its fiscal year-end of September 30, 2020.

#### **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

## Tuscola County

### Notes to the Financial Statements

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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.

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.

## Tuscola County

### Notes to the Financial Statements

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The ***Voted Primary Road fund*** accounts for revenues received from the County adopted special voted millage for primary county roads and streets within Tuscola County. All revenues are disbursed only to the Tuscola County Road Commission, villages, and cities, and be used exclusively for the construction, repair and maintenance of primary county roads and major streets within Tuscola County.

The ***Tuscola County Health Department fund (September 30, 2020)*** 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 ***Wisner Township Water Distribution System fund*** accounts for resources collected (against a long-term contract receivable from the Township of Wisner) to be used for servicing bond principal and interest payments.

The County reports the following major proprietary funds:

The ***Tuscola County 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 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.

## Tuscola County

### Notes to the Financial Statements

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***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.

***Custodial funds*** are custodial in nature. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in a custodial capacity (such as taxes collected for other governments).

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.

### **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.



## Tuscola County

### Notes to the Financial Statements

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- 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.

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

Restricted cash and investments are assets that have been set aside for future purposes in the Tuscola County Medical Care Facility.

#### ***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.

#### ***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.

## Tuscola County

### Notes to the Financial Statements

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#### ***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.

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

<u>Asset Type</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 four items that qualify for reporting in this category, which are the differences between expected and actual experience of the defined benefit pension plan, the net difference between projected and actual earnings on pension plan investments, the change in assumptions for the County's defined benefit pension plan, and County contributions made subsequent to the measurement date. The amounts are 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

## Tuscola County

### Notes to the Financial Statements

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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 2020 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2020, 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 of the County's operations. Therefore, the entire amount of the December 1, 2020, 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

## Tuscola County

### Notes to the Financial Statements

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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 payables 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.

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

## Tuscola County

### Notes to the Financial Statements

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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 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.

**Tuscola County**

Notes to the Financial Statements

- 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.

***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, 2020:

	<b>Final Budget</b>	<b>Actual Amount</b>	<b>Negative Variance</b>
<b>General fund</b>			
Other	\$ 172,830	\$ 175,038	\$ (2,208)
<b>GIS</b>			
Public safety	59,775	61,181	(1,406)
<b>County Veteran Service Grant</b>			
Health and welfare	49,994	62,687	(12,693)

***Net Position Deficit***

The County as a whole had an unrestricted net position deficit of \$(2,557,737) comprised of an unrestricted net position deficit within governmental activities of \$(15,449,061) and a positive net position within business-type activities of \$12,891,324. In addition, the Tuscola County Drain Commission, a discretely presented component unit, had an unrestricted net position deficit of \$(6,526).

**NOTE 3 - DEPOSITS AND INVESTMENTS**

The County utilizes various pooled cash accounts and investments consisting of a common checking account and mutual funds. The County's pooled cash accounts and investments are

## Tuscola County

### Notes to the Financial Statements

utilized by the general fund, special revenue funds, debt service funds, capital projects funds, internal service funds, trust and agency funds, and the component units. All other funds of the County utilize separate savings and interest-bearing checking accounts. In addition, certificates of deposit, money market funds, and U.S. government treasuries and agencies are held separately by several of the County's funds.

Following is a reconciliation of deposit and investment balances as of December 31, 2020:

	<b>Primary Government</b>	<b>Component Units</b>	<b>Total</b>
<b>Statement of Net Position</b>			
Cash and investments	\$ 29,356,898	\$ 11,955,639	\$ 41,312,537
Restricted cash	38,451	-	38,451
<b>Statement of Fiduciary Net Position</b>			
Cash and investments - custodial funds	1,193,806	-	1,193,806
<b>Total Deposits and Investments</b>	<b>\$ 30,589,155</b>	<b>\$ 11,955,639</b>	<b>\$ 42,544,794</b>
<i>Less Units Separately Audited</i>			
Tuscola County Health Department (September 30, 2020)	(2,176,424)	-	(2,176,424)
Tuscola County Medical Care Facility	(7,945,496)	-	(7,945,496)
Tuscola County Road Commission	-	(5,666,758)	(5,666,758)
<b>Deposits and Investments Managed by the County</b>	<b>\$ 20,467,235</b>	<b>\$ 6,288,881</b>	<b>\$ 26,756,116</b>

The following schedule summarizes the types of deposits and investments held as of year-end:

Checking and savings accounts	\$ 20,727,015
Investments	6,029,101
<b>Total Deposits and Investments</b>	<b>\$ 26,756,116</b>

*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, \$23,339,297 of the County's bank balance of \$26,384,989 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

## Tuscola County

### Notes to the Financial Statements

*Custodial Credit Risk - Investments.* Following is a summary of the County's investments as of December 31, 2020:

U.S. government bonds	\$ 208,000
Money market funds	768,050
Commercial paper	775,316
Michigan CLASS	2,024,247
Certificate of deposit	<u>2,253,488</u>
<b>Total</b>	<b><u>\$ 6,029,101</u></b>

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agency but not in the government's name. In accordance with the County's investment policy, all investments are held in the name of the County and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

*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, are summarized as follows:

Standards & Poor's AAA/A1+	\$ 2,799,563
Standards & Poor's AA+	208,000
Not rated	<u>3,021,538</u>
<b>Total</b>	<b><u>\$ 6,029,101</u></b>

*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. Maturity dates for investments held at year-end are summarized as follows:

No maturity	\$ 2,792,297
Less than 1 year	2,929,840
1-5 years	<u>306,964</u>
<b>Total</b>	<b><u>\$ 6,029,101</u></b>



**Tuscola County**

Notes to the Financial Statements

*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.

*Fair Value Measurement.* The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County had the following recurring fair value measurements at year-end:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
U.S. government bonds	\$ -	\$ 208,000	\$ -	\$ 208,000
Commercial paper	775,316	-	-	775,316
Michigan CLASS	-	2,024,247	-	2,024,247
	\$ 775,316	\$ 2,232,247	\$ -	3,007,563

Investment accounts not subject to fair value disclosure requirements:

	768,050
Money market accounts	768,050
Certificates of deposit	2,253,488
<b>Total Investments</b>	<b>\$ 6,029,101</b>

**NOTE 4 - 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. As of December 31, 2020, due from other funds (receivable)/due to other funds (payable) consisted of the following:

	<b>Receivable</b>	<b>Payable</b>
General	\$ 323,524	\$ 37,727
Road patrol	-	2,138
Nonmajor governmental funds	68,260	321,579
Tax foreclosure fund	-	30,697
Combined revolving tax fund	-	748
Internal service funds	1,105	-
	\$ 392,889	\$ 392,889

## Tuscola County

### Notes to the Financial Statements

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As of December 31, 2020, the general fund had a short-term advance to a nonmajor governmental fund in the amount of \$57,028. In addition, the general fund had a long-term advance to the Tuscola County Drain Commission in the amount of \$510,000 classified as due from other governmental units.

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. For the year ended December 31, 2020, interfund transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 1,270,080	\$ (2,219,049)
Road patrol	-	(68,368)
Tuscola County Health Department (September 30, 2020)	375,817	(175,170)
Nonmajor governmental funds	2,141,035	(545,856)
Combined revolving tax fund	-	(778,489)
	<u>\$ 3,786,932</u>	<u>\$ (3,786,932)</u>

**Tuscola County**

Notes to the Financial Statements

**NOTE 5 - CAPITAL ASSETS**

**Primary Government**

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

<u>Governmental Activities</u>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Capital Assets not Being Depreciated</b>				
Land	\$ 408,891	\$ 7,253	\$ -	\$ 416,144
Construction in progress	84,752	-	(8,094)	76,658
<b>Subtotal</b>	<u>493,643</u>	<u>7,253</u>	<u>(8,094)</u>	<u>492,802</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	7,697,701	-	-	7,697,701
Improvements	3,891,398	-	-	3,891,398
Equipment	3,800,198	479,506	-	4,279,704
Vehicles	1,752,203	375,212	(156,911)	1,970,504
Health department	669,750	7,462	-	677,212
<b>Subtotal</b>	<u>17,811,250</u>	<u>862,180</u>	<u>(156,911)</u>	<u>18,516,519</u>
<b>Less Accumulated Depreciation</b>				
Buildings	5,405,662	185,210	-	5,590,872
Improvements	2,150,794	183,000	-	2,333,794
Equipment	2,400,156	233,253	-	2,633,409
Vehicles	1,236,911	217,392	(156,911)	1,297,392
Health department	533,392	45,168	-	578,560
<b>Subtotal</b>	<u>11,726,915</u>	<u>864,023</u>	<u>(156,911)</u>	<u>12,434,027</u>
<b>Capital Assets Being Depreciated, Net</b>	<u>6,084,335</u>	<u>(1,843)</u>	<u>-</u>	<u>6,082,492</u>
<b>Capital Assets, Net</b>	<u>\$ 6,577,978</u>	<u>\$ 5,410</u>	<u>\$ (8,094)</u>	<u>\$ 6,575,294</u>

**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	-	-	-	-
<b>Subtotal</b>	<u>327,926</u>	<u>-</u>	<u>-</u>	<u>327,926</u>
<b>Capital Assets Being Depreciated</b>				
Land improvements	2,399,987	429,570	-	2,829,557
Buildings	14,394,270	-	-	14,394,270
Equipment	9,446,896	223,023	-	9,669,919
<b>Subtotal</b>	<u>26,241,153</u>	<u>652,593</u>	<u>-</u>	<u>26,893,746</u>
<b>Less Accumulated Depreciation</b>				
Land improvements	1,122,278	147,076	-	1,269,354
Buildings	6,838,297	477,758	-	7,316,055
Equipment	5,637,869	525,936	-	6,163,805
<b>Subtotal</b>	<u>13,598,444</u>	<u>1,150,770</u>	<u>-</u>	<u>14,749,214</u>
<b>Capital Assets Being Depreciated, Net</b>	<u>12,642,709</u>	<u>(498,177)</u>	<u>-</u>	<u>12,144,532</u>
<b>Capital Assets, Net</b>	<u>\$ 12,970,635</u>	<u>\$ (498,177)</u>	<u>\$ -</u>	<u>\$ 12,472,458</u>

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

**Governmental Activities**

Judicial	\$ 8,189
General government	368,484
Public safety	352,108
Health and welfare	135,242
<b>Total</b>	<u>\$ 864,023</u>

**Business-type Activities**

Tuscola County Medical Care Facility	<u>\$ 1,150,770</u>
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**Discretely Presented Component Units**

*Tuscola County Drain Commission.* Capital asset activity for the Tuscola County Drain Commission for the year ended December 31, 2020 was as follows:

<b>Tuscola County 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	6,120,106	439,620	-	6,559,726
<b>Capital Assets, Net</b>	<u>\$ 15,860,865</u>	<u>\$ (439,620)</u>	<u>\$ -</u>	<u>\$ 15,421,245</u>

## Tuscola County

### Notes to the Financial Statements

Depreciation expense of \$439,620 was charged to the public works function of the component unit.

#### NOTE 6 - LONG-TERM OBLIGATIONS

##### *Primary Government*

Long-term debt activity for the year ended December 31, 2020, 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	\$ 6,170,000	\$ -	\$ (300,000)	\$ 5,870,000	\$ 305,000
Bond discount - pension	(1,744)	-	114	(1,630)	
Pension - Health Department Series 2017	2,175,000	-	(100,000)	2,075,000	115,000
Bond discount - pension	(16,080)	-	766	(15,314)	
Capital Improvement Series 2011	695,000	-	(45,000)	650,000	45,000
Bond discount - capital improvement	(8,708)	-	746	(7,962)	
Mayville Storm Sewer	887,000	-	(34,000)	853,000	36,000
Caro Sewer System	3,577,114	-	(375,000)	3,202,114	375,000
<b>USDA Loans:</b>					
Denmark Sewer System	1,583,209	-	(37,000)	1,546,209	39,000
Wisner Water System	2,745,000	-	(85,000)	2,660,000	85,000
<b>Capital Leases:</b>					
Phone System	28,465	-	(21,159)	7,306	7,306
<b>Compensated absences</b>	<u>422,774</u>	<u>199,613</u>	<u>(167,834)</u>	<u>454,553</u>	<u>159,903</u>
<b>Total Long-term Obligations</b>	<u>\$ 18,257,030</u>	<u>\$ 199,613</u>	<u>\$ (1,163,367)</u>	<u>\$ 17,293,276</u>	<u>\$ 1,167,209</u>
<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	\$ 3,715,000	\$ -	\$ (195,000)	\$ 3,520,000	\$ 200,000
Capital lease - Computer Servers	-	119,717	(6,373)	113,344	25,330
<b>Compensated absences</b>	<u>438,397</u>	<u>1,210,237</u>	<u>(1,174,325)</u>	<u>474,309</u>	<u>188,700</u>
<b>Total Long-term Obligations</b>	<u>\$ 4,153,397</u>	<u>\$ 1,329,954</u>	<u>\$ (1,375,698)</u>	<u>\$ 4,107,653</u>	<u>\$ 414,030</u>

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.

**Tuscola County**

Notes to the Financial Statements

General obligation bonds, loans, and equipment leases currently outstanding are as follows:

	<b>Interest Rates</b>	<b>Amount</b>
Governmental activities	2.50 - 14.80%	\$ 16,838,723
Business-type activities	7.20 - 8.70%	3,633,344

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:

<b>Year Ended December 31,</b>	<b>Governmental Activities</b>			<b>Business-type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	1,096,000	446,581	1,542,581	-	-	-
2025	1,135,000	417,255	1,552,255	-	-	-
2026 - 2030	5,411,114	1,602,918	7,014,032	-	-	-
2031 - 2035	3,897,000	768,962	4,665,962	-	-	-
2036 - 2040	889,000	295,999	1,184,999	-	-	-
2041 - 2045	792,209	146,898	939,107	-	-	-
2046 - 2050	535,000	53,350	588,350	-	-	-
<b>Total</b>	<b>\$ 16,856,323</b>	<b>\$ 5,237,786</b>	<b>\$ 22,094,109</b>	<b>\$ 3,520,000</b>	<b>\$ 327,355</b>	<b>\$ 3,847,355</b>

**Tuscola County**

Notes to the Financial Statements

**Component Unit**

Long-term activity for the year ended December 31, 2020 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>					
Moore Drain	\$ 855,000	\$ -	\$ (130,000)	\$ 725,000	\$ 130,000
Bach and Branches Drain	300,000	-	(300,000)	-	-
Armbruster Intercounty Drain	78,784	-	(15,757)	63,027	15,757
Pigeon River Intercounty Drain	115,333	-	(14,417)	100,916	14,417
Fulton Street Drain	580,000	-	(50,000)	530,000	50,000
Indian Creek Intercounty Drain	333,540	-	(26,010)	307,530	26,010
Yax North Drain	435,000	-	(30,000)	405,000	30,000
<i>Total General Obligation Bonds</i>	<u>2,697,657</u>	<u>-</u>	<u>(566,184)</u>	<u>2,131,473</u>	<u>266,184</u>
<b>Loans Payable:</b>					
Akron Drain	187,000	-	(9,000)	178,000	9,000
Nutt Branch of Akron Drain	40,000	-	(10,000)	30,000	10,000
Hover Drain	50,000	-	(25,000)	25,000	25,000
Squaw Creek Drain	94,000	-	(47,000)	47,000	47,000
Walton Drain	239,200	-	(59,800)	179,400	59,800
<i>Total Loans Payable</i>	<u>610,200</u>	<u>-</u>	<u>(150,800)</u>	<u>459,400</u>	<u>150,800</u>
<b>Total long-term Obligations</b>	<u>\$ 3,307,857</u>	<u>\$ -</u>	<u>\$ (716,984)</u>	<u>\$ 2,590,873</u>	<u>\$ 416,984</u>

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.

General obligation bonds and notes currently outstanding are as follows:

	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.93 - 6.50%	\$ 2,590,873

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

<b>Year Ended December 31,</b>	<b>General Obligation Bonds</b>			<b>Loans Payable</b>			<b>Total</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 266,184	\$ 57,627	\$ 323,811	\$ 150,800	\$ 12,569	\$ 163,369	\$ 416,984	\$ 70,196	\$ 596,518
2022	256,184	50,396	306,580	78,800	9,175	87,975	334,984	59,571	581,348
2023	256,184	43,036	299,220	78,800	6,852	85,652	334,984	49,888	337,260
2024	256,183	35,448	291,631	9,000	24,950	33,950	265,183	60,398	329,209
2025	235,427	28,226	263,653	9,000	4,260	13,260	244,427	32,486	329,210
2026 - 2030	690,821	67,204	758,025	45,000	17,250	62,250	735,821	84,454	1,170,641
2031 - 2035	170,490	5,060	175,550	44,000	10,620	54,620	214,490	15,680	494,500
2036 - 2040	-	-	-	44,000	3,900	47,900	44,000	3,900	47,900
<b>Total</b>	<u>\$ 2,131,473</u>	<u>\$ 286,997</u>	<u>\$ 2,418,470</u>	<u>\$ 459,400</u>	<u>\$ 89,576</u>	<u>\$ 548,976</u>	<u>\$ 2,590,873</u>	<u>\$ 376,573</u>	<u>\$ 3,886,586</u>

## Tuscola County

### Notes to the Financial Statements

#### NOTE 7 - NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets for the County for the year ended December 31, 2020 was calculated as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Tuscola County Drain Commission</b>
<b>Add:</b>			
Capital assets not being depreciated	\$ 492,802	\$ 327,926	\$ -
Capital assets being depreciated, net	6,082,492	12,144,532	15,421,245
	6,575,294	12,472,458	15,421,245
<b>Less:</b>			
General obligation bonds	(12,650,114)	(3,520,000)	(2,131,473)
USDA loans	(4,206,209)	-	-
Loans payable	-	-	(459,400)
Capital leases	(7,306)	(113,344)	-
Bond premiums and discounts, net	24,906	-	-
<b>Add:</b>			
Non-capital related debt, bond premiums and discounts, net	16,189,379	-	-
	(649,344)	(3,633,344)	(2,590,873)
<b>Net Investment in Capital Assets</b>	<b>\$ 5,925,950</b>	<b>\$ 8,839,114</b>	<b>\$ 12,830,372</b>

#### NOTE 8 - PENSION PLANS

**Plan Description.** The County, the Tuscola County Health Department (September 30, 2020), and the Tuscola County Medical Care Facility, collectively known as the “employer” or “County”, participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability, and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. Public Act 427 of 1984, as amended, establishes, and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

**Benefits Provided.** Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a five-year period) and multipliers ranging from 1.50% to 2.50%. 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 3.00% to 6.70%. The MERS plan is closed to all new hires.



## Tuscola County

### Notes to the Financial Statements

**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	269
Inactive employees entitled to but not yet receiving benefits	122
Active employees	447
<b>Total membership</b>	<b>838</b>

**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 for the general County are a flat amount, ranging from \$0 to \$7,853, depending on bargaining unit. Employer contributions for the Tuscola County Health Department (September 30, 2020) were \$14,528 for the general division and \$548 for new hires. Employer contributions for the Tuscola County Medical Care Facility were 2.99% of annual payroll for the year ended December 31, 2020.

**Net Pension Liability.** The general County's and the Tuscola County Medical Care Facility's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of December 31, 2019. The Tuscola County Health Department'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, 2019.

**Actuarial Assumptions.** The total pension liability in the December 31, 2020 and December 31, 2019, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%

Salary increases: 3.00% in the long-term (general County and Tuscola County Medical Care Facility), 3.75% in the long-term (Tuscola County Health Department)

Investment rate of return: 7.35%, net of investment expense (general County and Tuscola County Medical Care Facility), 7.75%, net of investment expense (Tuscola County Health Department)

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

## Tuscola County

### Notes to the Financial Statements

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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class for the general County and the Tuscola County Medical Care Facility 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	60.00%	7.75%	4.65%	2.50%	3.15%
Global fixed income	20.00%	3.75%	0.75%	2.50%	0.25%
Private Investments	20.00%	9.75%	1.95%	2.50%	1.45%
	<u>100.00%</u>		<u>7.35%</u>		<u>4.85%</u>

The target allocation and best estimates of arithmetic real rates of return for each major asset class for the Tuscola County Health Department 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	60.00%	8.65%	5.19%	2.50%	3.69%
Global fixed income	20.00%	3.76%	0.75%	2.50%	0.25%
Private Investments	20.00%	9.06%	1.81%	2.50%	1.31%
	<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 7.60% for the general County and the Tuscola County Medical Care Facility and 8.00% for the Tuscola County Health Department. 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

## Tuscola County

### Notes to the Financial Statements

pension liability. The discount rate used to measure the total pension liability in the prior year was 8.00%.

**Changes in Net Pension Liability.** The components of the change in the net pension liability are summarized as follows:

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balances at Beginning of Year</b>	\$ 68,104,717	\$ 62,770,578	\$ 5,334,139
Changes for the year:			
Service cost	1,468,473	-	1,468,473
Interest	5,124,195	-	5,124,195
Difference between expected and actual experience	(212,598)	-	(212,598)
Changes in assumptions	1,902,418	-	1,902,418
Employer contributions	-	1,024,249	(1,024,249)
Employee contributions	-	913,751	(913,751)
Net investment income	-	7,997,692	(7,997,692)
Benefit payments, including employee refunds	(4,056,545)	(4,056,545)	-
Administrative expense	-	(128,756)	128,756
Other changes	(413,468)	-	(413,468)
<i>Net changes</i>	3,812,475	5,750,391	(1,937,916)
<b>Balances at End of Year</b>	\$ 71,917,192	\$ 68,520,969	\$ 3,396,223
	<b>Allocated to:</b>		
	Governmental activities (General County)		\$ 1,322,312
	Governmental activities (Tuscola County Health Department)		1,825,171
	Business-type activities (Tuscola County Medical Care Facility)		248,740
			\$ 3,396,223

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the net pension liability of the County, calculated using the discount rate of 7.60%/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 (6.60%/7.00%) or 1% higher (8.60%/9.00%) than the current rate:

	<b>1% Decrease (6.60%/7.00%)</b>	<b>Discount Rate (7.60%/8.00%)</b>	<b>1% Increase (8.60%/9.00%)</b>
Net pension liability	\$ 11,899,190	\$ 3,396,223	\$ (3,720,236)

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.** For the year ended December 31, 2020 (September 30, 2020, for the Tuscola County Health Department), the County recognized pension expense of \$1,073,374.

## Tuscola County

### Notes to the Financial Statements

As of the year-end, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

<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	\$ 43,686	\$ 1,863,267
Difference between expected and actual experience	82,552	461,894
Change in assumptions	1,427,564	-
Employer contributions subsequent to the measurement date	135,684	-
<b>Total</b>	<b>\$ 1,689,486</b>	<b>\$ 2,325,161</b>
<b>Allocated to:</b>		
Governmental activities (General County)	\$ 755,783	\$ 1,349,345
Governmental activities (Tuscola County Health Department)	390,308	9,002
Business-type activities (Tuscola County Medical Care Facility)	543,395	966,814
	<b>\$ 1,689,486</b>	<b>\$ 2,325,161</b>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending December 31, 2021.

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

<b>Year Ending,</b>	<b>Amount</b>
2021	\$ 144,329
2022	637,952
2023	(866,512)
2024	(675,829)
2025	(11,299)
<b>Total</b>	<b>\$ (771,359)</b>

#### ***Significant Changes to the Pension Valuation***

At the February 28, 2019, board meeting, the MERS Retirement Board adjusted key economic assumptions. These assumptions, in particular the investment return assumption, have a significant effect on a plan's required contribution and funding level. Historically low interest rates, along with high equity market valuations, have led to reductions in projected returns for most asset classes. This has resulted in a Board adopted reduction in the investment rate of return assumption from 7.75% to 7.35%, effective with the December 31, 2019, valuation, first impacting 2021 contributions. The Board also changed the assumed rate of wage inflation from 3.75% to 3.00%, with the same effective date.

**Tuscola County**

Notes to the Financial Statements

**NOTE 9 - 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 as of December 31, 2020:

	<b>General Fund</b>	<b>Major Governmental Funds</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Nonspendable</b>				
Advance to nonmajor governmental fund	\$ 57,028	\$ -	\$ -	\$ 57,028
Advance to Drain Commission	510,000	-	-	510,000
Prepays	-	16,816	-	16,816
Inventory	-	40,824	-	40,824
<b>Total Nonspendable</b>	<b>567,028</b>	<b>57,640</b>	<b>-</b>	<b>624,668</b>
<b>Restricted</b>				
Judicial	-	-	213,051	213,051
General government	-	-	357,166	357,166
Public safety	-	1,333,949	1,447,190	2,781,139
Public works	-	229,893	1,603,205	1,833,098
Health and welfare	-	1,394,593	2,365,470	3,760,063
Culture and recreation	-	-	7,878	7,878
Debt service	-	102	258	360
Capital improvements	-	-	3,525,677	3,525,677
<b>Total Restricted</b>	<b>-</b>	<b>2,958,537</b>	<b>9,519,895</b>	<b>12,478,432</b>
<b>Committed</b>				
Health and welfare	5,000	425,024	-	430,024
<b>Assigned</b>				
Health and welfare	-	445,085	-	445,085
Reserve for subsequent year's expenditures	1,462,743	-	-	1,462,743
<b>Total Assigned</b>	<b>1,462,743</b>	<b>445,085</b>	<b>-</b>	<b>1,907,828</b>
<b>Unassigned</b>	<b>920,680</b>	<b>-</b>	<b>-</b>	<b>920,680</b>
<b>Total Fund Balance</b>	<b>\$ 2,955,451</b>	<b>\$ 3,886,286</b>	<b>\$ 9,519,895</b>	<b>\$ 16,361,632</b>

## Tuscola County

### Notes to the Financial Statements

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#### **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 2020 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 2020 ad valorem tax is levied and collectible by December 1, 2020, 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, 2019 levy totaled \$1,850,606,384. The taxable value of real and personal property for the July 1, 2020 levy totaled \$1,980,663,196.

The tax levy for fiscal year December 31, 2020 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).

#### **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

## Tuscola County

### Notes to the Financial Statements

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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, 2020, the County's property taxes were reduced by \$26,695 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, 2020, the County's property taxes were reduced by \$59,618 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, 2020, the County's property taxes were reduced by \$731 under this program.

#### **NOTE 12 - 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.

## Tuscola County

### Notes to the Financial Statements

During the year ended December 31, 2020, 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. As of December 31, 2020, the balance of the County's member retention fund was \$144,934.

Charges in the estimated claims liability are as follows:

	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning of year	\$ -	\$ -
Claims incurred	12,058	72,499
Claims paid	<u>(12,058)</u>	<u>(72,499)</u>
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.



## Tuscola County

### Notes to the Financial Statements

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 but not reported (IBNR). Claims liabilities are estimated based on actual claims filed subsequent to year-end. There are no outstanding claims at year-end.

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

	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims (including IBNR)	1,234	192
Claims paid	<u>(1,234)</u>	<u>(192)</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

## Tuscola County

### Notes to the Financial Statements

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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.

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

	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning of year	\$ 264,518	\$ 121,434
Incurred claims (including IBNR)	3,119,006	2,935,547
Claims paid	<u>(3,163,820)</u>	<u>(2,792,463)</u>
Unpaid claims, end of year	<u>\$ 219,704</u>	<u>\$ 264,518</u>

#### **NOTE 13 - 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 14 - LEASE REVENUE**

In 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 expired on December 31, 2020. For the year ended December 31, 2020, the County received lease revenue in the amount of \$332,491.

## Tuscola County

### Notes to the Financial Statements

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The future minimum lease payments for the remainder of the lease that the County will receive are as follows:

<b>Year Ending December 31</b>	<b>Revenue</b>
2021	\$ 332,491
2022	332,491
2023	338,099
2024	366,142
2025	366,142
2026 - 2028	1,098,426
<b>Total</b>	<b>\$ 2,833,791</b>

In 1997, the County entered into a lease with the Tuscola County Health Department leasing office space to be used by the Health Department. For the year ended December 31, 2020, the County received lease revenue in the amount of \$85,676. This amount is eliminated on government-wide financial statements as the Tuscola County Health Department is included as a major governmental fund within the County's financial statements.

#### **NOTE 15 - LEASES**

##### ***Operating Lease as Lessor***

The Tuscola County 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, 2020 was \$85,676. Lease payments are determined annually by the County.

##### ***Operating Lease as Lessee***

The County, including the Tuscola County Health Department, has two operating lease agreements for postage meters with total monthly payments of \$215 and one operating lease for a phone system with a monthly payment of \$1,763.

## Tuscola County

### Notes to the Financial Statements

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

<b>Fiscal Year</b>	
<b>Ended,</b>	<b>Principal</b>
2021	\$ 10,794
2022	1,798
2023	1,798
<b>Total</b>	<b>\$ 14,390</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, 2020, related to such equipment is as follows:

Machinery and equipment	\$ 143,707
Less: accumulated depreciation	<u>(53,312)</u>
Machinery and equipment, net	<u>\$ 90,395</u>

The present value of future minimum lease payments under capital leases as of December 31, 2020, was \$7,306.

#### **NOTE 16 - SUBSEQUENT EVENTS**

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals in the United States and worldwide. In response, the United States federal government and individual state and local governments have implemented measures to combat the outbreak that have impacted health care business operations. During 2020, the County's operations were significantly impacted, as shelter-in-place orders and government mandates impacted census volumes. The County has moved to mitigate the impact by managing the workforce, actively managing cash balances, and implementing other cost reduction measures.

#### **NOTE 17- PRIOR PERIOD RESTATEMENTS**

In the fiscal year ended December 31, 2018, the County entered a five-year loan agreement for the Walton Drain in the amount of \$299,000, presented in the Tuscola County Drain Commission. The County did not include this loan as a long-term debt in the fiscal year ended December 31, 2018, or the fiscal year ended December 31, 2019. The correction in the current year resulted in an increase of \$239,200 in long-term debt as the County paid off \$59,800 in the fiscal year ended December 31, 2019. Correspondingly, net position decreased by \$239,200.

**Tuscola County**

Notes to the Financial Statements

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The correction and the effect on net position was as follows:

	<b>Tuscola County Drain Commission</b>
Net position - December 31, 2019, as previously reported	\$ 22,288,475
Correction of excluded loan payable from FY2018	<u>(239,200)</u>
Net position - December 31, 2019, as restated	<u>\$ 22,049,275</u>

The County adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, in the current year. As a result of this change, beginning net position of the fiduciary funds was increased by \$41,350.

**NOTE 18- UPCOMING ACCOUNTING PRONOUNCEMENTS**

***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.

## **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, 2020**

	<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	\$ 7,408,539	\$ 7,869,038	\$ 7,874,636	\$ 5,598
Licenses and permits	441,700	441,700	438,660	(3,040)
Intergovernmental	1,994,222	1,872,493	1,761,432	(111,061)
Charges for services	1,745,138	1,735,688	1,444,402	(291,286)
Fines and forfeits	86,300	86,300	61,130	(25,170)
Interest and rents	542,683	542,683	515,054	(27,629)
Reimbursements and refunds	271,080	283,980	215,022	(68,958)
Other	2,382	92,382	53,229	(39,153)
<i>Total Revenues</i>	<u>12,492,044</u>	<u>12,924,264</u>	<u>12,363,565</u>	<u>(560,699)</u>
<b>Other Financing Sources</b>				
Transfers in	<u>1,402,295</u>	<u>1,352,295</u>	<u>1,270,080</u>	<u>(82,215)</u>
<i>Total Revenues and Other Financing Sources</i>	<u>13,894,339</u>	<u>14,276,559</u>	<u>13,633,645</u>	<u>(642,914)</u>
<b>Expenditures</b>				
<b>Legislative</b>				
Board of commissioners	123,172	121,245	107,806	13,439
Special programs	47,500	47,500	43,189	4,311
<i>Total legislative</i>	<u>170,672</u>	<u>168,745</u>	<u>150,995</u>	<u>17,750</u>
<b>Judicial</b>				
Unified court	2,410,877	2,455,854	2,304,081	151,773
Title IV CPLR grant	--	40,129	1,548	38,581
Jury commission	3,715	8,915	8,747	168
Adult probation	11,000	11,000	6,824	4,176
<i>Total judicial</i>	<u>2,425,592</u>	<u>2,515,898</u>	<u>2,321,200</u>	<u>194,698</u>
<b>General government</b>				
Election	206,100	116,100	99,599	16,501
Accounting services	47,740	47,740	47,445	295
Legal counsel	101,000	131,000	123,016	7,984
Clerk	485,418	525,448	524,803	645
Controller	460,126	437,197	417,266	19,931
Equalization	239,486	252,747	252,005	742
City of Caro assessment contract	7,508	7,508	6,005	1,503
Prosecutor	819,794	928,837	913,459	15,378
Register of deeds	315,508	321,247	302,082	19,165
Treasurer	367,091	387,933	387,124	809
Computer operations	742,021	750,901	735,366	15,535
Building and grounds	816,000	825,583	764,537	61,046
DHHS building maintenance	60,060	68,209	56,661	11,548
<i>Total general government</i>	<u>4,667,852</u>	<u>4,800,450</u>	<u>4,629,368</u>	<u>171,082</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2020**

	<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	\$ 139,896	\$ 140,895	\$ 114,345	\$ 26,550
Sheriff	2,431,299	2,508,486	2,400,184	108,302
County weigh master enforcement	88,202	93,746	92,066	1,680
Marine safety	12,469	12,869	12,167	702
Secondary road patrol	--	109,100	109,079	21
Thumb Area narcotics group	14,172	14,368	11,052	3,316
Community corrections service	72,550	56,004	44,683	11,321
Planning commission	3,905	3,905	2,823	1,082
Emergency services	101,450	109,283	109,234	49
Building codes	440,000	440,000	437,237	2,763
<i>Total public safety</i>	<u>3,303,943</u>	<u>3,488,656</u>	<u>3,332,870</u>	<u>155,786</u>
<b>Public works</b>				
Board of public works	1,055	1,055	1,023	32
Drains at large	370,939	370,939	370,938	1
Drain commission	232,758	236,705	230,625	6,080
<i>Total public works</i>	<u>604,752</u>	<u>608,699</u>	<u>602,586</u>	<u>6,113</u>
<b>Health and welfare</b>				
Substance abuse	51,250	54,250	53,919	331
Medical examiner	75,000	75,000	75,000	--
DHHS board	10,000	11,600	11,084	516
Behavioral health	288,243	288,243	288,243	--
<i>Total health and welfare</i>	<u>424,493</u>	<u>429,093</u>	<u>428,246</u>	<u>847</u>
<b>Other</b>	433,658	172,830	175,038	(2,208)
<b>Debt service</b>	21,159	21,159	21,159	--
<b>Total Expenditures</b>	<u>12,052,121</u>	<u>12,205,530</u>	<u>11,661,462</u>	<u>544,068</u>
<b>Other Financing Uses</b>				
Transfers out	2,047,879	2,221,429	2,219,049	2,380
<b>Total Expenditures and Other Financing Uses</b>	<u>14,100,000</u>	<u>14,426,959</u>	<u>13,880,511</u>	<u>546,448</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(205,661)</u>	<u>(150,400)</u>	<u>(246,866)</u>	<u>(96,466)</u>
<b>Net Change in Fund Balance</b>	<b>(205,661)</b>	<b>(150,400)</b>	<b>(246,866)</b>	<b>(96,466)</b>
<i>Fund Balance at Beginning of Period</i>	3,202,317	3,202,317	3,202,317	--
<b>Fund Balance at End of Period</b>	<u>\$ 2,996,656</u>	<u>\$ 3,051,917</u>	<u>\$ 2,955,451</u>	<u>\$ (96,466)</u>



**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Road Patrol**  
**For the Year Ended December 31, 2020**

	<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	\$ 2,461,306	\$ 2,461,306	\$ 2,465,592	\$ 4,286
Licenses and permits	10,000	10,000	9,937	(63)
Intergovernmental	36,000	64,407	48,200	(16,207)
Charges for services	3,000	15,830	16,713	883
Interest and rents	9,000	9,000	10,670	1,670
Reimbursements and refunds	6,500	39,600	42,082	2,482
Other	500	500	--	(500)
<b><i>Total Revenues</i></b>	<u>2,526,306</u>	<u>2,600,643</u>	<u>2,593,194</u>	<u>(7,449)</u>
<b>Expenditures</b>				
Public safety	2,710,720	2,755,927	2,370,764	385,163
<b><i>Total Expenditures</i></b>	<u>2,710,720</u>	<u>2,755,927</u>	<u>2,370,764</u>	<u>385,163</u>
<b>Other Financing Uses</b>				
Transfers out	68,368	68,368	68,368	--
<b><i>Total Expenditures and Other Financing Uses</i></b>	<u>2,779,088</u>	<u>2,824,295</u>	<u>2,439,132</u>	<u>385,163</u>
<b><i>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</i></b>	<u>(252,782)</u>	<u>(223,652)</u>	<u>154,062</u>	<u>377,714</u>
<b><i>Net Change in Fund Balance</i></b>	<u>(252,782)</u>	<u>(223,652)</u>	<u>154,062</u>	<u>377,714</u>
<b><i>Fund Balance at Beginning of Period</i></b>	<u>1,179,887</u>	<u>1,179,887</u>	<u>1,179,887</u>	<u>--</u>
<b><i>Fund Balance at End of Period</i></b>	<u>\$ 927,105</u>	<u>\$ 956,235</u>	<u>\$ 1,333,949</u>	<u>\$ 377,714</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted Primary Road**  
**For the Year Ended December 31, 2020**

	<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	\$ 1,804,274	\$ 1,804,274	\$ 1,790,215	\$ (14,059)
Interest and rents	6,000	6,000	6,159	159
<b>Total Revenues</b>	<u>1,810,274</u>	<u>1,810,274</u>	<u>1,796,374</u>	<u>(13,900)</u>
<b>Expenditures</b>				
Public works	1,345,695	1,769,000	1,743,468	25,532
<b>Total Expenditures</b>	<u>1,345,695</u>	<u>1,769,000</u>	<u>1,743,468</u>	<u>25,532</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	464,579	41,274	52,906	11,632
<b>Net Change in Fund Balance</b>	<b>464,579</b>	<b>41,274</b>	<b>52,906</b>	<b>11,632</b>
<i>Fund Balance at Beginning of Period</i>	176,987	176,987	176,987	--
<b>Fund Balance at End of Period</b>	<b>\$ 641,566</b>	<b>\$ 218,261</b>	<b>\$ 229,893</b>	<b>\$ 11,632</b>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Tuscola County Health Department (September 30, 2020)**  
**For the Year Ended December 31, 2020**

	<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	\$ 151,012	\$ 165,851	\$ 162,763	\$ (3,088)
Intergovernmental	2,609,432	3,463,262	3,229,762	(233,500)
Charges for services	528,535	388,707	389,056	349
Other	1,223	1,852	1,687	(165)
<b>Total Revenues</b>	<u>3,290,202</u>	<u>4,019,672</u>	<u>3,783,268</u>	<u>(236,404)</u>
<b>Other Financing Sources</b>				
Transfers in	<u>375,817</u>	<u>375,817</u>	<u>375,817</u>	<u>--</u>
<b>Total Revenues and Other Financing Sources</b>	<u>3,666,019</u>	<u>4,395,489</u>	<u>4,159,085</u>	<u>(236,404)</u>
<b>Expenditures</b>				
Health and welfare	<u>3,620,912</u>	<u>4,259,694</u>	<u>3,978,512</u>	<u>281,182</u>
<b>Total Expenditures</b>	<u>3,620,912</u>	<u>4,259,694</u>	<u>3,978,512</u>	<u>281,182</u>
<b>Other Financing Uses</b>				
Transfers out	<u>175,170</u>	<u>175,170</u>	<u>175,170</u>	<u>--</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>3,796,082</u>	<u>4,434,864</u>	<u>4,153,682</u>	<u>281,182</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(130,063)</u>	<u>(39,375)</u>	<u>5,403</u>	<u>44,778</u>
<b>Net Change in Fund Balance</b>	<u>(130,063)</u>	<u>(39,375)</u>	<u>5,403</u>	<u>44,778</u>
<i>Fund Balance at Beginning of Period</i>	2,316,939	2,316,939	2,316,939	--
<b>Fund Balance at End of Period</b>	<u>\$ 2,186,876</u>	<u>\$ 2,277,564</u>	<u>\$ 2,322,342</u>	<u>\$ 44,778</u>

**Tuscola County**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios - County**  
**Last Six Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>						
Service cost	\$ 582,618	\$ 616,397	\$ 623,037	\$ 644,951	\$ 663,158	\$ 640,091
Interest	2,766,607	2,839,889	2,760,220	2,658,106	2,521,804	2,359,153
Difference between expected and actual experience	(64,797)	(79,664)	(219,902)	159,878	15,636	-
Changes in assumptions	1,085,711	-	-	-	1,658,902	-
Benefit payments, including employee refunds	(2,270,910)	(2,097,593)	(2,095,285)	(2,014,650)	(1,985,077)	(1,887,760)
Other changes	(62,723)	(271,364)	(67,737)	(120,584)	(191,533)	3,552
<b>Net Change in Pension Liability</b>	<u>2,036,506</u>	<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>	<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>	<u>30,113,246</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 39,283,377</u>	<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	\$ 553,422	\$ 410,464	\$ 367,047	\$ 359,904	\$ 7,412,953	\$ 810,207
Contributions - member	307,076	362,247	316,346	340,891	339,727	340,531
Net investment income (loss)	4,379,405	4,326,240	(1,336,847)	4,201,461	3,271,744	(359,078)
Benefit payments, including employee refunds	(2,270,910)	(2,097,593)	(2,095,285)	(2,014,650)	(1,985,077)	(1,887,760)
Administrative expense	(69,986)	(74,522)	(67,064)	(66,597)	(62,743)	(52,822)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>2,899,007</u>	<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>	<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>	<u>24,302,334</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 37,961,065</u>	<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>	\$ 1,322,312	\$ 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	96.6%	94.1%	88.7%	99.2%	94.7%	74.1%
Covered payroll	\$ 5,559,777	\$ 5,870,215	\$ 5,950,007	\$ 6,087,878	\$ 6,477,636	\$ 6,216,270
Net pension liability as a percentage of covered payroll	23.8%	37.2%	69.0%	4.7%	27.5%	129.9%

\* Built prospectively upon implementation on GASB 68

**Tuscola County**  
**Required Supplementary Information**  
**Schedule of Contributions - County**  
**Last Six Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 553,450	\$ 367,047	\$ 359,904	\$ 359,904	\$ 512,953	\$ 810,207
Contributions in relation to the actuarially determined contribution	553,450	410,464	367,047	359,904	7,412,953	810,207
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ 43,417</u>	<u>\$ 7,143</u>	<u>\$ -</u>	<u>\$ 6,900,000</u>	<u>\$ -</u>
Covered payroll	\$ 5,799,381	\$ 5,790,536	\$ 5,957,105	\$ 6,048,830	\$ 6,371,708	\$ 6,586,905
Contributions as a percentage of covered payroll	9.5%	7.1%	6.2%	5.9%	116.3%	12.3%

*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	14 years
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%
Retirement Age	Varies depending on plan adoption
Mortality	50% Male - 50% Female blend of the RP-2014 Group Annuity Mortality Table

**Tuscola County**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios - Tuscola County Health Department (September 30, 2020)**  
**Last Six Fiscal Years Ended December 31 (Measurement Date)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>						
Service cost	\$ 117,648	\$ 143,873	\$ 150,565	\$ 152,467	\$ 158,379	\$ 153,469
Interest	931,679	891,937	855,148	805,787	763,788	725,814
Difference between expected and actual experience	(18,004)	154,214	89,266	212,394	(113,593)	-
Changes in assumptions	421,876	-	-	-	470,284	-
Benefit payments, including employee refunds	(706,458)	(653,814)	(609,711)	(495,658)	(426,925)	(415,952)
Other changes	(2)	-	-	-	(316)	-
<b>Net Change in Pension Liability</b>	<u>746,739</u>	<u>536,210</u>	<u>485,268</u>	<u>674,990</u>	<u>851,617</u>	<u>463,331</u>
<i>Total Pension Liability - Beginning</i>	<u>11,940,397</u>	<u>11,404,187</u>	<u>10,918,919</u>	<u>10,243,929</u>	<u>9,392,312</u>	<u>8,928,981</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 12,687,136</u>	<u>\$ 11,940,397</u>	<u>\$ 11,404,187</u>	<u>\$ 10,918,919</u>	<u>\$ 10,243,929</u>	<u>\$ 9,392,312</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 133,356	\$ 93,792	\$ 2,539,650	\$ 238,920	\$ 239,690	\$ 218,688
Contributions - member	55,484	60,806	62,602	64,567	60,012	57,344
Net investment income (loss)	1,347,573	(418,598)	1,253,297	813,161	(111,384)	449,277
Benefit payments, including employee refunds	(706,458)	(653,814)	(609,711)	(495,658)	(426,925)	(415,952)
Administrative expense	(23,207)	(21,068)	(19,576)	(16,049)	(16,247)	(16,504)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>806,748</u>	<u>(938,882)</u>	<u>3,226,262</u>	<u>604,941</u>	<u>(254,854)</u>	<u>292,853</u>
<i>Plan Fiduciary Net Position - Beginning</i>	<u>10,055,217</u>	<u>10,994,099</u>	<u>7,767,837</u>	<u>7,162,896</u>	<u>7,417,750</u>	<u>7,124,897</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 10,861,965</u>	<u>\$ 10,055,217</u>	<u>\$ 10,994,099</u>	<u>\$ 7,767,837</u>	<u>\$ 7,162,896</u>	<u>\$ 7,417,750</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	\$ 1,825,171	\$ 1,885,180	\$ 410,088	\$ 3,151,082	\$ 3,081,033	\$ 1,974,562
Plan fiduciary net position as a percentage of total pension liability	85.6%	84.2%	96.4%	71.1%	69.9%	79.0%
Covered payroll	\$ 913,812	\$ 1,124,289	\$ 1,159,786	\$ 1,199,952	\$ 1,228,842	\$ 1,186,002
Net pension liability as a percentage of covered payroll	199.7%	167.7%	35.4%	262.6%	250.7%	166.5%

\* Built prospectively upon implementation on GASB 68

**Tuscola County**  
**Required Supplementary Information**  
**Schedule of Contributions - Tuscola County Health Department (September 30, 2020)**  
**Last Six Fiscal Years Ended December 31 (Measurement Date)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 133,356	\$ 93,792	\$ 137,667	\$ 216,504	\$ 195,960	\$ 188,823
Contributions in relation to the actuarially determined contribution	133,356	93,792	2,539,650	238,918	239,691	218,687
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,401,983</u>	<u>\$ 22,414</u>	<u>\$ 43,731</u>	<u>\$ 29,864</u>
Covered payroll	\$ 913,812	\$ 1,124,289	\$ 1,159,786	\$ 1,199,952	\$ 1,228,842	\$ 1,186,002
Contributions as a percentage of covered payroll	14.6%	8.3%	219.0%	19.9%	19.5%	18.4%

*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	14 years
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%
Retirement Age	Varies depending on plan adoption
Mortality	50% Male - 50% Female blend of the RP-2014 Group Annuity Mortality Table

**Tuscola County**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios - Tuscola County Medical Care Facility**  
**Last Six Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>						
Service cost	\$ 768,207	\$ 814,884	\$ 775,341	\$ 764,075	\$ 753,907	\$ 657,495
Interest	1,425,909	1,469,768	1,372,873	1,284,659	1,161,030	1,105,285
Difference between expected and actual experience	(129,797)	(397,308)	(90,385)	(78,860)	134,876	-
Changes in assumptions	394,831	-	-	-	612,268	-
Benefit payments, including employee refunds	(1,079,177)	(1,023,605)	(932,478)	(877,745)	(800,308)	(808,461)
Other changes	(350,743)	(422,746)	111,626	32,281	(282,777)	108,877
<b>Net Change in Pension Liability</b>	<u>1,029,230</u>	<u>440,993</u>	<u>1,236,977</u>	<u>1,124,410</u>	<u>1,578,996</u>	<u>1,063,196</u>
<i>Total Pension Liability - Beginning</i>	<u>18,917,449</u>	<u>18,476,456</u>	<u>17,239,479</u>	<u>16,115,069</u>	<u>14,536,073</u>	<u>13,472,877</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 19,946,679</u>	<u>\$ 18,917,449</u>	<u>\$ 18,476,456</u>	<u>\$ 17,239,479</u>	<u>\$ 16,115,069</u>	<u>\$ 14,536,073</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 337,471	\$ 299,217	\$ 322,829	\$ 407,013	\$ 486,598	\$ 451,869
Contributions - member	551,191	594,059	590,815	562,406	517,917	500,078
Net investment income (loss)	2,270,714	2,134,431	(648,954)	1,920,623	1,473,756	(196,455)
Benefit payments, including employee refunds	(1,079,177)	(1,023,605)	(932,478)	(877,745)	(800,308)	(808,461)
Administrative expense	(35,563)	(36,803)	(31,896)	(30,350)	(29,039)	(28,430)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>2,044,636</u>	<u>1,967,299</u>	<u>(699,684)</u>	<u>1,981,947</u>	<u>1,648,924</u>	<u>(81,399)</u>
<i>Plan Fiduciary Net Position - Beginning</i>	<u>17,653,303</u>	<u>15,686,004</u>	<u>16,385,688</u>	<u>14,403,741</u>	<u>12,754,817</u>	<u>12,836,216</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 19,697,939</u>	<u>\$ 17,653,303</u>	<u>\$ 15,686,004</u>	<u>\$ 16,385,688</u>	<u>\$ 14,403,741</u>	<u>\$ 12,754,817</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	\$ 248,740	\$ 1,264,146	\$ 2,790,452	\$ 853,791	\$ 1,711,328	\$ 1,781,256
Plan fiduciary net position as a percentage of total pension liability	98.8%	93.3%	84.9%	95.0%	89.4%	87.7%
Covered payroll	\$ 11,713,225	\$ 12,282,126	\$ 11,939,441	\$ 11,057,929	\$ 10,875,905	\$ 9,620,946
Net pension liability as a percentage of covered payroll	2.1%	10.3%	23.4%	7.7%	15.7%	18.5%

\* Built prospectively upon implementation on GASB 68



**Tuscola County**  
**Required Supplementary Information**  
**Schedule of Contributions - Tuscola County Medical Care Facility**  
**Last Six Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 337,471	\$ 299,217	\$ 322,829	\$ 315,912	\$ 486,598	\$ 451,869
Contributions in relation to the actuarially determined contribution	337,471	299,217	322,829	416,912	486,598	451,869
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,000</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 11,290,658	 \$ 12,173,242	 \$ 12,057,173	 \$ 12,981,188	 \$ 10,917,700	 \$ 10,638,444
 Contributions as a percentage of covered payroll	 3.0%	 2.5%	 2.7%	 3.2%	 4.5%	 4.2%

*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	14 years
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%
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 Deeds 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.

GIS (geographic information system) (258) Tuscola County implemented this valuable technology in 2014. These funds will 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.

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.

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

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.

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.

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

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.

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.

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.

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

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.

County Veteran Service Grant (246) Tuscola County Veterans Affairs applies for these funds through The Michigan Veterans Affairs Agency (MVAA). These grant dollars are intended to enhance and improve county veteran service operations in an effort to connect veterans to their federal benefits and provide consistent access to services throughout the state.

Coronavirus Emergency Supplemental Funding Grant (273) The Michigan State Police (MSP, Grants and Community Services Division, from the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance. Funding to be utilized to prevent, prepare for, and respond to the coronavirus.

CARES Act (282) The CARES Act established a \$150 billion Coronavirus Relief Fund. The Treasury made payments from the fund to States and eligible units of local government in 2020. Tuscola County was able to secure some of these funds to aid in the mitigation of COVID-19.

## **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 (353)  
Purdy Building Debt (374)  
Mayville Storm Sewer Debt (379)  
Denmark Township Sewer Debt (385)  
Medical Care Facility Debt (391)

## **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 Building (470)

### **Other**

Capital Improvements (483)

Jail Capital Improvements (488)

Equipment/Technology Fund (244)

**Tuscola County  
Combining Balance Sheet  
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	<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>GIS</b>
<b>ASSETS</b>						
Cash and investments	\$ 146,912	\$ 30,105	\$ --	\$ 2,783	\$ 68,069	\$ 169,334
Taxes receivable	--	--	--	--	--	--
Due from other governments	--	--	38,484	--	--	--
Accounts receivable	--	--	--	10,057	165	3,362
Due from other funds	--	--	73	--	--	--
Contracts receivable	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 146,912</b>	<b>\$ 30,105</b>	<b>\$ 38,557</b>	<b>\$ 12,840</b>	<b>\$ 68,234</b>	<b>\$ 172,696</b>
<b>LIABILITIES</b>						
Accounts payable	\$ --	\$ --	\$ 12,214	\$ 62	\$ 6,374	\$ --
Accrued liabilities	--	--	--	873	--	786
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	--	26,342	9,618	--	100
Advances from other funds	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>38,556</b>	<b>10,553</b>	<b>6,374</b>	<b>886</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>38,556</b>	<b>10,553</b>	<b>6,374</b>	<b>886</b>
<b>FUND BALANCE</b>						
Restricted	146,912	30,105	1	2,287	61,860	171,810
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>146,912</b>	<b>30,105</b>	<b>1</b>	<b>2,287</b>	<b>61,860</b>	<b>171,810</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 146,912</b>	<b>\$ 30,105</b>	<b>\$ 38,557</b>	<b>\$ 12,840</b>	<b>\$ 68,234</b>	<b>\$ 172,696</b>



**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020**

**Special Revenue**

	<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>ASSETS</b>						
Cash and investments	\$ 241,477	\$ --	\$ 136,204	\$ 13,685	\$ 78,504	\$ 30,212
Taxes receivable	--	--	--	--	--	--
Due from other governments	--	1,279	--	--	--	--
Accounts receivable	--	10,485	26	901	--	--
Due from other funds	35,676	--	--	--	--	--
Contracts receivable	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 277,153</b>	<b>\$ 11,764</b>	<b>\$ 136,230</b>	<b>\$ 14,586</b>	<b>\$ 78,504</b>	<b>\$ 30,212</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 67,879	\$ 969	\$ 927	\$ --	\$ --	\$ --
Accrued liabilities	1,886	--	--	--	--	--
Unearned revenue	156,008	--	--	--	--	--
Due to other funds	83	10,795	393	--	--	--
Advances from other funds	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>225,856</b>	<b>11,764</b>	<b>1,320</b>	<b>--</b>	<b>--</b>	<b>--</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>225,856</b>	<b>11,764</b>	<b>1,320</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCE</b>						
Restricted	51,297	--	134,910	14,586	78,504	30,212
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>51,297</b>	<b>--</b>	<b>134,910</b>	<b>14,586</b>	<b>78,504</b>	<b>30,212</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 277,153</b>	<b>\$ 11,764</b>	<b>\$ 136,230</b>	<b>\$ 14,586</b>	<b>\$ 78,504</b>	<b>\$ 30,212</b>

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020**

**Special Revenue**

	<u>Voted MSU</u>	<u>Michigan Justice Training</u>	<u>Child Care DHHS</u>	<u>Probate Child Care</u>	<u>Soldiers Relief</u>	<u>Voted Veterans</u>
<b>ASSETS</b>						
Cash and investments	\$ 42,405	\$ 7,168	\$ 418,024	\$ 93,813	\$ 92,176	\$ 130,710
Taxes receivable	194,004	--	--	--	--	337,270
Due from other governments	--	--	--	26,466	--	--
Accounts receivable	--	--	--	--	--	--
Due from other funds	--	--	368	--	--	--
Contracts receivable	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 236,409</b>	<b>\$ 7,168</b>	<b>\$ 418,392</b>	<b>\$ 120,279</b>	<b>\$ 92,176</b>	<b>\$ 467,980</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 67	\$ --	\$ --	\$ 2,525	\$ --	\$ 63,719
Accrued liabilities	--	--	--	6,183	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	2,104	--	--	406	--	--
Advances from other funds	40,218	--	--	--	--	--
<b>Total Liabilities</b>	<b>42,389</b>	<b>--</b>	<b>--</b>	<b>9,114</b>	<b>--</b>	<b>63,719</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - contracts	--	--	--	--	--	--
Taxes levied for a subsequent period	194,004	--	--	--	--	337,270
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>236,393</b>	<b>--</b>	<b>--</b>	<b>9,114</b>	<b>--</b>	<b>400,989</b>
<b>FUND BALANCE</b>						
Restricted	16	7,168	418,392	111,165	92,176	66,991
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>16</b>	<b>7,168</b>	<b>418,392</b>	<b>111,165</b>	<b>92,176</b>	<b>66,991</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 236,409</b>	<b>\$ 7,168</b>	<b>\$ 418,392</b>	<b>\$ 120,279</b>	<b>\$ 92,176</b>	<b>\$ 467,980</b>

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020**

**Special Revenue**

	<b>Voted Bridge</b>	<b>Voted Senior Citizens</b>	<b>Voted Medical Care Facility</b>	<b>County Parks and Recreation</b>	<b>Arbela Twp Police Svc</b>	<b>Friend of the Court</b>
<b>ASSETS</b>						
Cash and investments	\$ 1,541,197	\$ 156,179	\$ 989,529	\$ 12,627	\$ 4,009	\$ 2,361
Taxes receivable	953,998	609,841	496,141	--	--	--
Due from other governments	--	--	--	--	--	--
Accounts receivable	--	--	--	--	12,464	123,533
Due from other funds	--	--	--	--	--	--
Contracts receivable	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 2,495,195</b>	<b>\$ 766,020</b>	<b>\$ 1,485,670</b>	<b>\$ 12,627</b>	<b>\$ 16,473</b>	<b>\$ 125,894</b>
<b>LIABILITIES</b>						
Accounts payable	\$ --	\$ 3,541	\$ --	\$ 4,599	\$ --	\$ 2,476
Accrued liabilities	--	--	--	150	1,810	9,818
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	--	--	--	13,822	--
Advances from other funds	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>3,541</b>	<b>--</b>	<b>4,749</b>	<b>15,632</b>	<b>12,294</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - contracts	--	--	--	--	--	--
Taxes levied for a subsequent period	953,998	609,841	496,141	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>953,998</b>	<b>613,382</b>	<b>496,141</b>	<b>4,749</b>	<b>15,632</b>	<b>12,294</b>
<b>FUND BALANCE</b>						
Restricted	1,541,197	152,638	989,529	7,878	841	113,600
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>1,541,197</b>	<b>152,638</b>	<b>989,529</b>	<b>7,878</b>	<b>841</b>	<b>113,600</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 2,495,195</b>	<b>\$ 766,020</b>	<b>\$ 1,485,670</b>	<b>\$ 12,627</b>	<b>\$ 16,473</b>	<b>\$ 125,894</b>

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020**

**Special Revenue**

	<b>Family Counseling</b>	<b>Dispatch/911</b>	<b>Vassar Twp Police Svc</b>	<b>Recycling</b>	<b>Millington Twp Police</b>	<b>Mental Health Court</b>
<b>ASSETS</b>						
Cash and investments	\$ 69,437	\$ 659,267	\$ 4,988	\$ 80,062	\$ 3,177	\$ 1,011
Taxes receivable	--	--	--	297,569	--	--
Due from other governments	--	--	10,536	--	--	--
Accounts receivable	15	326,551	--	9,187	26,588	8,511
Due from other funds	--	--	--	--	--	--
Contracts receivable	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 69,452</b>	<b>\$ 985,818</b>	<b>\$ 15,524</b>	<b>\$ 386,818</b>	<b>\$ 29,765</b>	<b>\$ 9,522</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 226	\$ 11,679	\$ 187	\$ 5,121	\$ --	\$ --
Accrued liabilities	--	21,785	2,440	5,004	3,744	233
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	80	12,613	306	23,925	9,276
Advances from other funds	--	--	--	16,810	--	--
<b>Total Liabilities</b>	<b>226</b>	<b>33,544</b>	<b>15,240</b>	<b>27,241</b>	<b>27,669</b>	<b>9,509</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - contracts	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	--	297,569	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>226</b>	<b>33,544</b>	<b>15,240</b>	<b>324,810</b>	<b>27,669</b>	<b>9,509</b>
<b>FUND BALANCE</b>						
Restricted	69,226	952,274	284	62,008	2,096	13
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>69,226</b>	<b>952,274</b>	<b>284</b>	<b>62,008</b>	<b>2,096</b>	<b>13</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 69,452</b>	<b>\$ 985,818</b>	<b>\$ 15,524</b>	<b>\$ 386,818</b>	<b>\$ 29,765</b>	<b>\$ 9,522</b>

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020**

	<b>Special Revenue</b>					
	<u>Victim Services</u>	<u>Animal Shelter</u>	<u>Mosquito Control Fund</u>	<u>Regional DWI Court Grant</u>	<u>County Veteran Service Grant</u>	<u>Coronavirus Emergency Supplemental Funding</u>
<b>ASSETS</b>						
Cash and investments	\$ --	\$ 50,500	\$ 695,477	\$ --	\$ 50,087	\$ --
Taxes receivable	--	--	1,253,625	--	--	--
Due from other governments	24,289	25,900	--	--	--	2,358
Accounts receivable	20,427	3,362	--	96,503	--	63,528
Due from other funds	--	1,481	--	--	--	--
Contracts receivable	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 44,716</b>	<b>\$ 81,243</b>	<b>\$ 1,949,102</b>	<b>\$ 96,503</b>	<b>\$ 50,087</b>	<b>\$ 65,886</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 72	\$ 15,967	\$ 126,570	\$ 1,205	\$ 12,780	\$ 2,456
Accrued liabilities	866	3,230	4,169	1,567	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	43,564	61,991	475	11,674	--	63,430
Advances from other funds	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>44,502</b>	<b>81,188</b>	<b>131,214</b>	<b>14,446</b>	<b>12,780</b>	<b>65,886</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - contracts	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	1,253,625	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>44,502</b>	<b>81,188</b>	<b>1,384,839</b>	<b>14,446</b>	<b>12,780</b>	<b>65,886</b>
<b>FUND BALANCE</b>						
Restricted	214	55	564,263	82,057	37,307	--
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>214</b>	<b>55</b>	<b>564,263</b>	<b>82,057</b>	<b>37,307</b>	<b>--</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 44,716</b>	<b>\$ 81,243</b>	<b>\$ 1,949,102</b>	<b>\$ 96,503</b>	<b>\$ 50,087</b>	<b>\$ 65,886</b>

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020**

	<u>Special Revenue</u>		<u>Debt Service</u>			
	<u>CARES Act</u>	<u>Pension Obligation Bond</u>	<u>Health Department Pension Obligation Bond</u>	<u>Purdy Building</u>	<u>Mayville Storm Sewer Debt</u>	<u>Denmark Twp Sewer Debt</u>
<b>ASSETS</b>						
Cash and investments	\$ 88	\$ --	\$ 21	\$ 1	\$ --	\$ --
Taxes receivable	--	--	--	--	--	--
Due from other governments	--	--	--	--	--	--
Accounts receivable	--	--	--	--	--	--
Due from other funds	--	30,662	--	--	--	--
Contracts receivable	--	--	--	--	867,217	1,562,154
<b>Total Assets</b>	<b>\$ 88</b>	<b>\$ 30,662</b>	<b>\$ 21</b>	<b>\$ 1</b>	<b>\$ 867,217</b>	<b>\$ 1,562,154</b>
<b>LIABILITIES</b>						
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Accrued liabilities	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	30,426	--	--	--	--
Advances from other funds	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>30,426</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - contracts	--	--	--	--	867,217	1,562,154
Taxes levied for a subsequent period	--	--	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>30,426</b>	<b>--</b>	<b>--</b>	<b>867,217</b>	<b>1,562,154</b>
<b>FUND BALANCE</b>						
Restricted	88	236	21	1	--	--
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>88</b>	<b>236</b>	<b>21</b>	<b>1</b>	<b>--</b>	<b>--</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 88</b>	<b>\$ 30,662</b>	<b>\$ 21</b>	<b>\$ 1</b>	<b>\$ 867,217</b>	<b>\$ 1,562,154</b>

**Tuscola County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020**

	<u>Debt Service</u>		<u>Capital Projects</u>			<b>Total Nonmajor Governmental Funds</b>
	<b>Medical Care Facility Debt</b>	<b>State Police Building</b>	<b>Capital Improvements</b>	<b>Jail Capital Improvements</b>	<b>Equipment/ Technology Fund</b>	
<b>ASSETS</b>						
Cash and investments	\$ --	\$ 142,601	\$ 2,075,524	\$ 989,724	\$ 340,036	\$ 9,569,484
Taxes receivable	--	--	--	--	--	4,142,448
Due from other governments	--	--	--	--	--	129,312
Accounts receivable	--	--	--	--	--	715,665
Due from other funds	--	--	--	--	--	68,260
Contracts receivable	--	--	--	--	--	2,429,371
<b>Total Assets</b>	<b>\$ --</b>	<b>\$ 142,601</b>	<b>\$ 2,075,524</b>	<b>\$ 989,724</b>	<b>\$ 340,036</b>	<b>\$ 17,054,540</b>
<b>LIABILITIES</b>						
Accounts payable	\$ --	\$ 1,445	\$ 6,154	\$ --	\$ 14,453	\$ 363,667
Accrued liabilities	--	--	--	--	--	64,544
Unearned revenue	--	--	--	--	--	156,008
Due to other funds	--	--	--	--	156	321,579
Advances from other funds	--	--	--	--	--	57,028
<b>Total Liabilities</b>	<b>--</b>	<b>1,445</b>	<b>6,154</b>	<b>--</b>	<b>14,609</b>	<b>962,826</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - contracts	--	--	--	--	--	2,429,371
Taxes levied for a subsequent period	--	--	--	--	--	4,142,448
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>1,445</b>	<b>6,154</b>	<b>--</b>	<b>14,609</b>	<b>7,534,645</b>
<b>FUND BALANCE</b>						
Restricted	--	141,156	2,069,370	989,724	325,427	9,519,895
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>--</b>	<b>141,156</b>	<b>2,069,370</b>	<b>989,724</b>	<b>325,427</b>	<b>9,519,895</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ --</b>	<b>\$ 142,601</b>	<b>\$ 2,075,524</b>	<b>\$ 989,724</b>	<b>\$ 340,036</b>	<b>\$ 17,054,540</b>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**

	<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>GIS</b>
<b>Revenues</b>						
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--
Intergovernmental	43,917	23,599	63,740	86,103	--	--
Charges for services	--	--	--	--	52,290	17,893
Fines and forfeits	--	--	--	--	--	--
Interest and rents	--	151	--	--	623	953
Reimbursements and refunds	--	--	--	--	--	--
Other	--	--	--	--	--	--
<b>Total Revenues</b>	<b>43,917</b>	<b>23,750</b>	<b>63,740</b>	<b>86,103</b>	<b>52,913</b>	<b>18,846</b>
<b>Expenditures</b>						
Judicial	--	--	--	--	--	--
General government	--	17,347	63,739	--	86,059	--
Public safety	--	--	--	85,605	--	61,181
Public works	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>--</b>	<b>17,347</b>	<b>63,739</b>	<b>85,605</b>	<b>86,059</b>	<b>61,181</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>43,917</b>	<b>6,403</b>	<b>1</b>	<b>498</b>	<b>(33,146)</b>	<b>(42,335)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	--	--	--	60,000
Transfers out	--	(12,890)	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>(12,890)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>60,000</b>
<b>Net Change in Fund Balance</b>	<b>43,917</b>	<b>(6,487)</b>	<b>1</b>	<b>498</b>	<b>(33,146)</b>	<b>17,665</b>
<i>Fund Balance at Beginning of Period</i>	102,995	36,592	--	1,789	95,006	154,145
<b>Fund Balance at End of Period</b>	<b>\$ 146,912</b>	<b>\$ 30,105</b>	<b>\$ 1</b>	<b>\$ 2,287</b>	<b>\$ 61,860</b>	<b>\$ 171,810</b>



**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**

	<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>Revenues</b>						
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	45,564	--	--	--
Intergovernmental	946,056	35,701	--	--	--	--
Charges for services	--	--	--	6,221	--	--
Fines and forfeits	--	--	--	--	600	6,500
Interest and rents	756	--	--	--	--	--
Reimbursements and refunds	--	--	--	--	--	--
Other	--	--	--	--	--	--
<b>Total Revenues</b>	<b>946,812</b>	<b>35,701</b>	<b>45,564</b>	<b>6,221</b>	<b>600</b>	<b>6,500</b>
<b>Expenditures</b>						
Judicial	--	--	--	--	--	225
General government	1,149,472	--	--	--	1,361	--
Public safety	--	35,808	16,858	9,056	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>1,149,472</b>	<b>35,808</b>	<b>16,858</b>	<b>9,056</b>	<b>1,361</b>	<b>225</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(202,660)</b>	<b>(107)</b>	<b>28,706</b>	<b>(2,835)</b>	<b>(761)</b>	<b>6,275</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	253,957	--	--	--	--	--
Transfers out	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>253,957</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>51,297</b>	<b>(107)</b>	<b>28,706</b>	<b>(2,835)</b>	<b>(761)</b>	<b>6,275</b>
<i>Fund Balance at Beginning of Period</i>	--	107	106,204	17,421	79,265	23,937
<b>Fund Balance at End of Period</b>	<b>\$ 51,297</b>	<b>\$ --</b>	<b>\$ 134,910</b>	<b>\$ 14,586</b>	<b>\$ 78,504</b>	<b>\$ 30,212</b>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**

	<b>Special Revenue</b>					
	<b>Voted MSU</b>	<b>Michigan Justice Training</b>	<b>Child Care DHHS</b>	<b>Probate Child Care</b>	<b>Soldiers Relief</b>	<b>Voted Veterans</b>
<b>Revenues</b>						
Property taxes	\$ 185,254	\$ --	\$ --	\$ --	\$ --	\$ 314,997
Licenses and permits	--	--	--	--	--	--
Intergovernmental	--	3,323	--	23,146	--	--
Charges for services	--	--	6,571	--	--	--
Fines and forfeits	--	--	--	--	--	--
Interest and rents	303	--	--	--	--	253
Reimbursements and refunds	--	--	--	2,455	--	--
Other	--	--	--	1,580	--	--
<b>Total Revenues</b>	<b>185,557</b>	<b>3,323</b>	<b>6,571</b>	<b>27,181</b>	<b>--</b>	<b>315,250</b>
<b>Expenditures</b>						
Judicial	--	--	--	--	--	--
General government	--	--	--	--	--	--
Public safety	154,171	3,675	--	--	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	13,778	494,799	28,162	257,623
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>154,171</b>	<b>3,675</b>	<b>13,778</b>	<b>494,799</b>	<b>28,162</b>	<b>257,623</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>31,386</b>	<b>(352)</b>	<b>(7,207)</b>	<b>(467,618)</b>	<b>(28,162)</b>	<b>57,627</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	23,150	--	162,500	400,000	40,000	--
Transfers out	(1,408)	--	--	--	--	(96,115)
<b>Net Other Financing Sources (Uses)</b>	<b>21,742</b>	<b>--</b>	<b>162,500</b>	<b>400,000</b>	<b>40,000</b>	<b>(96,115)</b>
<b>Net Change in Fund Balance</b>	<b>53,128</b>	<b>(352)</b>	<b>155,293</b>	<b>(67,618)</b>	<b>11,838</b>	<b>(38,488)</b>
<i>Fund Balance at Beginning of Period</i>	(53,112)	7,520	263,099	178,783	80,338	105,479
<b>Fund Balance at End of Period</b>	<b>\$ 16</b>	<b>\$ 7,168</b>	<b>\$ 418,392</b>	<b>\$ 111,165</b>	<b>\$ 92,176</b>	<b>\$ 66,991</b>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**

	<b>Special Revenue</b>					
	<b>Voted Bridge</b>	<b>Voted Senior Citizens</b>	<b>Voted Medical Care Facility</b>	<b>County Parks and Recreation</b>	<b>Arbela Twp Police Svc</b>	<b>Friend of the Court</b>
<b>Revenues</b>						
Property taxes	\$ 890,940	\$ 593,122	\$ 463,344	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--
Intergovernmental	--	--	--	--	--	728,565
Charges for services	--	--	--	21,132	90,405	65,104
Fines and forfeits	--	--	--	--	--	--
Interest and rents	11,251	1,301	5,338	--	--	226
Reimbursements and refunds	--	--	--	--	--	--
Other	--	--	--	1	--	--
<b>Total Revenues</b>	<b>902,191</b>	<b>594,423</b>	<b>468,682</b>	<b>21,133</b>	<b>90,405</b>	<b>793,895</b>
<b>Expenditures</b>						
Judicial	--	--	--	--	--	959,754
General government	--	--	--	--	--	--
Public safety	--	--	--	--	89,564	--
Public works	406,575	--	--	--	--	--
Health and welfare	--	549,723	183,858	--	--	--
Culture and recreation	--	--	--	94,790	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>406,575</b>	<b>549,723</b>	<b>183,858</b>	<b>94,790</b>	<b>89,564</b>	<b>959,754</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>495,616</b>	<b>44,700</b>	<b>284,824</b>	<b>(73,657)</b>	<b>841</b>	<b>(165,859)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	--	50,000	--	282,970
Transfers out	--	(7,197)	(1,452)	--	--	(170,685)
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>(7,197)</b>	<b>(1,452)</b>	<b>50,000</b>	<b>--</b>	<b>112,285</b>
<b>Net Change in Fund Balance</b>	<b>495,616</b>	<b>37,503</b>	<b>283,372</b>	<b>(23,657)</b>	<b>841</b>	<b>(53,574)</b>
<i>Fund Balance at Beginning of Period</i>	1,045,581	115,135	706,157	31,535	--	167,174
<b>Fund Balance at End of Period</b>	<b>\$ 1,541,197</b>	<b>\$ 152,638</b>	<b>\$ 989,529</b>	<b>\$ 7,878</b>	<b>\$ 841</b>	<b>\$ 113,600</b>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**

	<b>Special Revenue</b>					
	<b>Family Counseling</b>	<b>Dispatch/911</b>	<b>Vassar Twp Police Svc</b>	<b>Recycling</b>	<b>Millington Twp Police</b>	<b>Mental Health Court</b>
<b>Revenues</b>						
Property taxes	\$ --	\$ --	\$ --	\$ 277,940	\$ --	\$ --
Licenses and permits	4,200	--	--	--	--	--
Intergovernmental	--	13,796	--	994	--	33,567
Charges for services	--	1,064,161	78,711	62,963	181,154	--
Fines and forfeits	--	--	--	--	--	--
Interest and rents	--	12,193	--	3,351	--	--
Reimbursements and refunds	3,440	2,400	--	--	--	--
Other	--	13,749	--	18	--	--
<b>Total Revenues</b>	<b>7,640</b>	<b>1,106,299</b>	<b>78,711</b>	<b>345,266</b>	<b>181,154</b>	<b>33,567</b>
<b>Expenditures</b>						
Judicial	2,078	--	--	--	--	33,554
General government	--	--	--	--	--	--
Public safety	--	1,307,525	84,558	--	179,058	--
Public works	--	--	--	372,729	--	--
Health and welfare	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>2,078</b>	<b>1,307,525</b>	<b>84,558</b>	<b>372,729</b>	<b>179,058</b>	<b>33,554</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>5,562</b>	<b>(201,226)</b>	<b>(5,847)</b>	<b>(27,463)</b>	<b>2,096</b>	<b>13</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	--	--	--	--
Transfers out	--	(94,241)	--	(42,573)	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>(94,241)</b>	<b>--</b>	<b>(42,573)</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>5,562</b>	<b>(295,467)</b>	<b>(5,847)</b>	<b>(70,036)</b>	<b>2,096</b>	<b>13</b>
<i>Fund Balance at Beginning of Period</i>	63,664	1,247,741	6,131	132,044	--	--
<b>Fund Balance at End of Period</b>	<b>\$ 69,226</b>	<b>\$ 952,274</b>	<b>\$ 284</b>	<b>\$ 62,008</b>	<b>\$ 2,096</b>	<b>\$ 13</b>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**

	<b>Special Revenue</b>					
	<b>Victim Services</b>	<b>Animal Shelter</b>	<b>Mosquito Control Fund</b>	<b>Regional DWI Court Grant</b>	<b>County Veteran Service Grant</b>	<b>Coronavirus Emergency Supplemental Funding</b>
<b>Revenues</b>						
Property taxes	\$ --	\$ --	\$ 1,170,801	\$ --	\$ --	\$ --
Licenses and permits	--	97,533	--	--	--	--
Intergovernmental	86,686	--	--	175,763	99,994	70,885
Charges for services	--	2,245	--	17,130	--	--
Fines and forfeits	--	9,280	--	--	--	--
Interest and rents	--	19	4,711	--	--	--
Reimbursements and refunds	--	2,176	--	--	--	--
Other	--	7,875	--	--	--	--
<b>Total Revenues</b>	<b>86,686</b>	<b>119,128</b>	<b>1,175,512</b>	<b>192,893</b>	<b>99,994</b>	<b>70,885</b>
<b>Expenditures</b>						
Judicial	--	--	--	--	--	--
General government	--	--	--	--	--	--
Public safety	86,584	260,955	--	177,793	--	70,885
Public works	--	--	--	--	--	--
Health and welfare	--	--	883,347	--	62,687	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>86,584</b>	<b>260,955</b>	<b>883,347</b>	<b>177,793</b>	<b>62,687</b>	<b>70,885</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>102</b>	<b>(141,827)</b>	<b>292,165</b>	<b>15,100</b>	<b>37,307</b>	<b>--</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	140,400	--	--	--	--
Transfers out	--	--	(84,295)	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>140,400</b>	<b>(84,295)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>102</b>	<b>(1,427)</b>	<b>207,870</b>	<b>15,100</b>	<b>37,307</b>	<b>--</b>
<i>Fund Balance at Beginning of Period</i>	112	1,482	356,393	66,957	--	--
<b>Fund Balance at End of Period</b>	<b>\$ 214</b>	<b>\$ 55</b>	<b>\$ 564,263</b>	<b>\$ 82,057</b>	<b>\$ 37,307</b>	<b>\$ --</b>

**Tuscola County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**

	<u>Special Revenue</u>		<u>Debt Service</u>			
	<u>CARES Act</u>	<u>Pension Obligation Bond</u>	<u>Health Department Pension Obligation Bond</u>	<u>Purdy Building</u>	<u>Mayville Storm Sewer Debt</u>	<u>Denmark Twp Sewer Debt</u>
<b>Revenues</b>						
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--
Intergovernmental	474,467	--	--	--	78,350	102,805
Charges for services	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--
Interest and rents	88	174	251	27	--	--
Reimbursements and refunds	--	--	--	--	--	--
Other	--	506,152	--	--	--	--
<b>Total Revenues</b>	<u>474,555</u>	<u>506,326</u>	<u>251</u>	<u>27</u>	<u>78,350</u>	<u>102,805</u>
<b>Expenditures</b>						
Judicial	--	--	--	--	--	--
General government	--	--	--	--	--	--
Public safety	474,467	--	--	--	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	300,000	100,000	45,000	34,000	37,000
Debt service - interest	--	209,700	75,840	29,905	44,350	65,805
<b>Total Expenditures</b>	<u>474,467</u>	<u>509,700</u>	<u>175,840</u>	<u>74,905</u>	<u>78,350</u>	<u>102,805</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>88</u>	<u>(3,374)</u>	<u>(175,589)</u>	<u>(74,878)</u>	<u>--</u>	<u>--</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	175,170	73,276	--	--
Transfers out	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>175,170</u>	<u>73,276</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<b>88</b>	<b>(3,374)</b>	<b>(419)</b>	<b>(1,602)</b>	<b>--</b>	<b>--</b>
<i>Fund Balance at Beginning of Period</i>	<i>--</i>	<i>3,610</i>	<i>440</i>	<i>1,603</i>	<i>--</i>	<i>--</i>
<b>Fund Balance at End of Period</b>	<b>\$ 88</b>	<b>\$ 236</b>	<b>\$ 21</b>	<b>\$ 1</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, 2020**

	Debt Service		Capital Projects			Total Nonmajor Governmental Funds
	Medical Care Facility Debt	State Police Building	Capital Improvements	Jail Capital Improvements	Equipment/ Technology Fund	
<b>Revenues</b>						
Property taxes	\$ 32	\$ --	\$ --	\$ --	\$ --	\$ 3,896,430
Licenses and permits	--	--	--	--	--	147,297
Intergovernmental	--	--	--	--	--	3,091,457
Charges for services	--	--	--	--	--	1,665,980
Fines and forfeits	--	--	--	--	--	16,380
Interest and rents	--	14,325	24,408	15,292	--	95,994
Reimbursements and refunds	--	--	--	--	--	10,471
Other	--	--	--	--	--	529,375
<b>Total Revenues</b>	32	14,325	24,408	15,292	--	9,453,384
<b>Expenditures</b>						
Judicial	--	--	--	--	--	995,611
General government	--	--	6,654	--	100,539	1,425,171
Public safety	--	5,922	7,762	7,940	--	3,119,367
Public works	--	--	--	--	--	779,304
Health and welfare	32	--	2,000	--	--	2,476,009
Culture and recreation	--	--	--	--	--	94,790
Capital outlay	--	--	10,198	--	195,504	205,702
Debt service - principal	--	--	--	--	--	516,000
Debt service - interest	--	--	--	--	--	425,600
<b>Total Expenditures</b>	32	5,922	26,614	7,940	296,043	10,037,554
<b>Excess of Revenues Over (Under) Expenditures</b>	--	8,403	(2,206)	7,352	(296,043)	(584,170)
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	169,065	--	310,547	2,141,035
Transfers out	--	--	--	--	(35,000)	(545,856)
<b>Net Other Financing Sources (Uses)</b>	--	--	169,065	--	275,547	1,595,179
<b>Net Change in Fund Balance</b>	--	8,403	166,859	7,352	(20,496)	1,011,009
<i>Fund Balance at Beginning of Period</i>	--	132,753	1,902,511	982,372	345,923	8,508,886
<b>Fund Balance at End of Period</b>	\$ --	\$ 141,156	\$ 2,069,370	\$ 989,724	\$ 325,427	\$ 9,519,895

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**CDBG Housing Grant**  
**For the Year Ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Favorable (Negative)</b>
				<u>Final to Actual</u>
<b>Revenues</b>				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 43,917	\$ (6,083)
<b>Total Revenues</b>	<u>50,000</u>	<u>50,000</u>	<u>43,917</u>	<u>(6,083)</u>
<b>Expenditures</b>				
General government	50,000	50,000	--	50,000
<b>Total Expenditures</b>	<u>50,000</u>	<u>50,000</u>	<u>--</u>	<u>50,000</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	--	--	43,917	43,917
<b>Net Change in Fund Balance</b>	--	--	<b>43,917</b>	<b>43,917</b>
<i>Fund Balance at Beginning of Period</i>	102,995	102,995	102,995	--
<b>Fund Balance at End of Period</b>	<u>\$ 102,995</u>	<u>\$ 102,995</u>	<u>\$ 146,912</u>	<u>\$ 43,917</u>



**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Principal Residence Exemption**  
**For the Year Ended December 31, 2020**

	<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	\$ 133,000	\$ 96,000	\$ 23,599	\$ (72,401)
Interest and rents	500	500	151	(349)
<b>Total Revenues</b>	<u>133,500</u>	<u>96,500</u>	<u>23,750</u>	<u>(72,750)</u>
<b>Expenditures</b>				
General government	100,000	100,000	17,347	82,653
<b>Total Expenditures</b>	<u>100,000</u>	<u>100,000</u>	<u>17,347</u>	<u>82,653</u>
<b>Other Financing Uses</b>				
Transfers out	12,890	12,890	12,890	--
<b>Total Expenditures and Other Financing Uses</b>	<u>112,890</u>	<u>112,890</u>	<u>30,237</u>	<u>82,653</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>20,610</u>	<u>(16,390)</u>	<u>(6,487)</u>	<u>9,903</u>
<b>Net Change in Fund Balance</b>	<b>20,610</b>	<b>(16,390)</b>	<b>(6,487)</b>	<b>9,903</b>
<i>Fund Balance at Beginning of Period</i>	36,592	36,592	36,592	--
<b>Fund Balance at End of Period</b>	<b>\$ 57,202</b>	<b>\$ 20,202</b>	<b>\$ 30,105</b>	<b>\$ 9,903</b>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**State Survey Grant Fund**  
**For the Year Ended December 31, 2020**

	<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	\$ 56,615	\$ 63,740	\$ 63,740	\$ --
<b><i>Total Revenues</i></b>	<u>56,615</u>	<u>63,740</u>	<u>63,740</u>	<u>--</u>
<b>Expenditures</b>				
General government	56,615	63,740	63,739	1
<b><i>Total Expenditures</i></b>	<u>56,615</u>	<u>63,740</u>	<u>63,739</u>	<u>1</u>
<b><i>Excess (Deficiency) of Revenues</i></b>				
<b><i>Over Expenditures</i></b>	<u>--</u>	<u>--</u>	<u>1</u>	<u>1</u>
<b><i>Net Change in Fund Balance</i></b>	<u>--</u>	<u>--</u>	<u>1</u>	<u>1</u>
<b><i>Fund Balance at Beginning of Period</i></b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b><i>Fund Balance at End of Period</i></b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1</u>	<u>\$ 1</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, 2020**

	<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	\$ 91,524	\$ 91,524	\$ 86,103	\$ (5,421)
<b>Total Revenues</b>	<u>91,524</u>	<u>91,524</u>	<u>86,103</u>	<u>(5,421)</u>
<b>Expenditures</b>				
Public safety	91,524	91,524	85,605	5,919
<b>Total Expenditures</b>	<u>91,524</u>	<u>91,524</u>	<u>85,605</u>	<u>5,919</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	--	--	498	498
<b>Net Change in Fund Balance</b>	--	--	<b>498</b>	<b>498</b>
<b>Fund Balance at Beginning of Period</b>	1,789	1,789	1,789	--
<b>Fund Balance at End of Period</b>	<u>\$ 1,789</u>	<u>\$ 1,789</u>	<u>\$ 2,287</u>	<u>\$ 498</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, 2020**

	<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	\$ 52,000	\$ 52,000	\$ 52,290	\$ 290
Interest and rents	450	450	623	173
<b>Total Revenues</b>	<u>52,450</u>	<u>52,450</u>	<u>52,913</u>	<u>463</u>
<b>Expenditures</b>				
General government	51,350	89,350	86,059	3,291
<b>Total Expenditures</b>	<u>51,350</u>	<u>89,350</u>	<u>86,059</u>	<u>3,291</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	1,100	(36,900)	(33,146)	3,754
<b>Net Change in Fund Balance</b>	<b>1,100</b>	<b>(36,900)</b>	<b>(33,146)</b>	<b>3,754</b>
Fund Balance at Beginning of Period	95,006	95,006	95,006	--
<b>Fund Balance at End of Period</b>	<b>\$ 96,106</b>	<b>\$ 58,106</b>	<b>\$ 61,860</b>	<b>\$ 3,754</b>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**GIS**  
**For the Year Ended December 31, 2020**

	<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	\$ 17,250	\$ 17,250	\$ 17,893	\$ 643
Interest and rents	500	500	953	453
<b>Total Revenues</b>	<u>17,750</u>	<u>17,750</u>	<u>18,846</u>	<u>1,096</u>
<b>Other Financing Sources</b>				
Transfers in	60,000	60,000	60,000	--
<b>Total Revenues and Other Financing Sources</b>	<u>77,750</u>	<u>77,750</u>	<u>78,846</u>	<u>1,096</u>
<b>Expenditures</b>				
Public safety	58,238	59,775	61,181	(1,406)
<b>Total Expenditures</b>	<u>58,238</u>	<u>59,775</u>	<u>61,181</u>	<u>(1,406)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b>	<u>19,512</u>	<u>17,975</u>	<u>17,665</u>	<u>(310)</u>
<b>Net Change in Fund Balance</b>	<b>19,512</b>	<b>17,975</b>	<b>17,665</b>	<b>(310)</b>
<i>Fund Balance at Beginning of Period</i>	154,145	154,145	154,145	--
<b>Fund Balance at End of Period</b>	<b>\$ 173,657</b>	<b>\$ 172,120</b>	<b>\$ 171,810</b>	<b>\$ (310)</b>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Indigent Defense Fund**  
**For the Year Ended December 31, 2020**

	<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	\$ 854,199	\$ 1,108,199	\$ 946,056	\$ (162,143)
Interest and rents	200	200	756	556
Reimbursements and refunds	1,000	1,000	--	(1,000)
<b>Total Revenues</b>	<u>855,399</u>	<u>1,109,399</u>	<u>946,812</u>	<u>(162,587)</u>
<b>Other Financing Sources</b>				
Transfers in	<u>253,957</u>	<u>253,958</u>	<u>253,957</u>	<u>(1)</u>
<b>Total Revenues and Other Financing Sources</b>	<u>1,109,356</u>	<u>1,363,357</u>	<u>1,200,769</u>	<u>(162,588)</u>
<b>Expenditures</b>				
General government	<u>983,513</u>	<u>1,149,491</u>	<u>1,149,472</u>	<u>19</u>
<b>Total Expenditures</b>	<u>983,513</u>	<u>1,149,491</u>	<u>1,149,472</u>	<u>19</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b>	<u>125,843</u>	<u>213,866</u>	<u>51,297</u>	<u>(162,569)</u>
<b>Net Change in Fund Balance</b>	<u>125,843</u>	<u>213,866</u>	<u>51,297</u>	<u>(162,569)</u>
<i>Fund Balance at Beginning of Period</i>	--	--	--	--
<b>Fund Balance at End of Period</b>	<u>\$ 125,843</u>	<u>\$ 213,866</u>	<u>\$ 51,297</u>	<u>\$ (162,569)</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Homeland Security**  
**For the Year Ended December 31, 2020**

	<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	\$ 35,701	\$ (24,299)
<b>Total Revenues</b>	<u>60,000</u>	<u>60,000</u>	<u>35,701</u>	<u>(24,299)</u>
<b>Expenditures</b>				
Public safety	60,000	60,000	35,808	24,192
<b>Total Expenditures</b>	<u>60,000</u>	<u>60,000</u>	<u>35,808</u>	<u>24,192</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	--	--	(107)	(107)
<b>Net Change in Fund Balance</b>	--	--	<b>(107)</b>	<b>(107)</b>
<i>Fund Balance at Beginning of Period</i>	107	107	107	--
<b>Fund Balance at End of Period</b>	<u>\$ 107</u>	<u>\$ 107</u>	<u>\$ --</u>	<u>\$ (107)</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**CPL**  
**For the Year Ended December 31, 2020**

	<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	\$ 45,974	\$ 45,564	\$ (410)
<b><i>Total Revenues</i></b>	<u>34,200</u>	<u>45,974</u>	<u>45,564</u>	<u>(410)</u>
<b>Expenditures</b>				
Public safety	21,460	21,460	16,858	4,602
<b><i>Total Expenditures</i></b>	<u>21,460</u>	<u>21,460</u>	<u>16,858</u>	<u>4,602</u>
<b><i>Excess (Deficiency) of Revenues</i></b>				
<b><i>Over Expenditures</i></b>	<u>12,740</u>	<u>24,514</u>	<u>28,706</u>	<u>4,192</u>
<b><i>Net Change in Fund Balance</i></b>	<b>12,740</b>	<b>24,514</b>	<b>28,706</b>	<b>4,192</b>
<i>Fund Balance at Beginning of Period</i>	106,204	106,204	106,204	--
<b><i>Fund Balance at End of Period</i></b>	<b>\$ 118,944</b>	<b>\$ 130,718</b>	<b>\$ 134,910</b>	<b>\$ 4,192</b>



**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Local Correction Officer Training**  
**For the Year Ended December 31, 2020**

	<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	\$ 11,000	\$ 10,000	\$ 6,221	\$ (3,779)
<i><b>Total Revenues</b></i>	<u>11,000</u>	<u>10,000</u>	<u>6,221</u>	<u>(3,779)</u>
<b>Expenditures</b>				
Public safety	13,700	13,700	9,056	4,644
<i><b>Total Expenditures</b></i>	<u>13,700</u>	<u>13,700</u>	<u>9,056</u>	<u>4,644</u>
<i><b>Excess (Deficiency) of Revenues</b></i>				
<i><b>Over Expenditures</b></i>	<u>(2,700)</u>	<u>(3,700)</u>	<u>(2,835)</u>	<u>865</u>
<i><b>Net Change in Fund Balance</b></i>	<u>(2,700)</u>	<u>(3,700)</u>	<u>(2,835)</u>	<u>865</u>
<i>Fund Balance at Beginning of Period</i>	17,421	17,421	17,421	--
<i><b>Fund Balance at End of Period</b></i>	<u>\$ 14,721</u>	<u>\$ 13,721</u>	<u>\$ 14,586</u>	<u>\$ 865</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Forfeiture Sheriff / Prosecutor**  
**For the Year Ended December 31, 2020**

	<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	\$ 1,267	\$ 1,267	\$ 600	\$ (667)
<i><b>Total Revenues</b></i>	<u>1,267</u>	<u>1,267</u>	<u>600</u>	<u>(667)</u>
<b>Expenditures</b>				
General government	65,376	65,376	1,361	64,015
<i><b>Total Expenditures</b></i>	<u>65,376</u>	<u>65,376</u>	<u>1,361</u>	<u>64,015</u>
<i><b>Excess (Deficiency) of Revenues</b></i>				
<i><b>Over Expenditures</b></i>	<u>(64,109)</u>	<u>(64,109)</u>	<u>(761)</u>	<u>63,348</u>
<i><b>Net Change in Fund Balance</b></i>	<u><b>(64,109)</b></u>	<u><b>(64,109)</b></u>	<u><b>(761)</b></u>	<u><b>63,348</b></u>
<i>Fund Balance at Beginning of Period</i>	79,265	79,265	79,265	--
<i><b>Fund Balance at End of Period</b></i>	<u><b>\$ 15,156</b></u>	<u><b>\$ 15,156</b></u>	<u><b>\$ 78,504</b></u>	<u><b>\$ 63,348</b></u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Law Library**  
**For the Year Ended December 31, 2020**

	<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	\$ --
<i><b>Total Revenues</b></i>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>--</u>
<b>Expenditures</b>				
Judicial	6,500	6,500	225	6,275
<i><b>Total Expenditures</b></i>	<u>6,500</u>	<u>6,500</u>	<u>225</u>	<u>6,275</u>
<i><b>Excess (Deficiency) of Revenues</b></i>				
<i><b>Over Expenditures</b></i>	<u>--</u>	<u>--</u>	<u>6,275</u>	<u>6,275</u>
<i><b>Net Change in Fund Balance</b></i>	<u>--</u>	<u>--</u>	<u><b>6,275</b></u>	<u><b>6,275</b></u>
<i><b>Fund Balance at Beginning of Period</b></i>	<u>23,937</u>	<u>23,937</u>	<u>23,937</u>	<u>--</u>
<i><b>Fund Balance at End of Period</b></i>	<u><b>\$ 23,937</b></u>	<u><b>\$ 23,937</b></u>	<u><b>\$ 30,212</b></u>	<u><b>\$ 6,275</b></u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted MSU**  
**For the Year Ended December 31, 2020**

	<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	\$ 186,836	\$ 186,836	\$ 185,254	\$ (1,582)
Interest and rents	200	200	303	103
<b>Total Revenues</b>	<u>187,036</u>	<u>187,036</u>	<u>185,557</u>	<u>(1,479)</u>
<b>Other Financing Sources</b>				
Transfers in	--	21,000	23,150	2,150
<b>Total Revenues and Other Financing Sources</b>	<u>187,036</u>	<u>208,036</u>	<u>208,707</u>	<u>671</u>
<b>Expenditures</b>				
Public safety	178,265	154,172	154,171	1
<b>Total Expenditures</b>	<u>178,265</u>	<u>154,172</u>	<u>154,171</u>	<u>1</u>
<b>Other Financing Uses</b>				
Transfers out	1,408	1,408	1,408	--
<b>Total Expenditures and Other Financing Uses</b>	<u>179,673</u>	<u>155,580</u>	<u>155,579</u>	<u>1</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>7,363</u>	<u>52,456</u>	<u>53,128</u>	<u>672</u>
<b>Net Change in Fund Balance</b>	<u>7,363</u>	<u>52,456</u>	<u>53,128</u>	<u>672</u>
<i>Fund Balance at Beginning of Period</i>	(53,112)	(53,112)	(53,112)	--
<b>Fund Balance at End of Period</b>	<u>\$ (45,749)</u>	<u>\$ (656)</u>	<u>\$ 16</u>	<u>\$ 672</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Michigan Justice Training**  
**For the Year Ended December 31, 2020**

	<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	\$ 3,344	\$ 3,344	\$ 3,323	\$ (21)
<b><i>Total Revenues</i></b>	<u>3,344</u>	<u>3,344</u>	<u>3,323</u>	<u>(21)</u>
<b>Expenditures</b>				
Public safety	4,000	4,000	3,675	325
<b><i>Total Expenditures</i></b>	<u>4,000</u>	<u>4,000</u>	<u>3,675</u>	<u>325</u>
<b><i>Excess (Deficiency) of Revenues</i></b>				
<b><i>Over Expenditures</i></b>	<u>(656)</u>	<u>(656)</u>	<u>(352)</u>	<u>304</u>
<b><i>Net Change in Fund Balance</i></b>	<b>(656)</b>	<b>(656)</b>	<b>(352)</b>	<b>304</b>
<b><i>Fund Balance at Beginning of Period</i></b>	<u>7,520</u>	<u>7,520</u>	<u>7,520</u>	<u>--</u>
<b><i>Fund Balance at End of Period</i></b>	<b>\$ 6,864</b>	<b>\$ 6,864</b>	<b>\$ 7,168</b>	<b>\$ 304</b>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Child Care DHHS**  
**For the Year Ended December 31, 2020**

	<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	\$ 256,500	\$ 256,500	\$ --	\$ (256,500)
Charges for services	20,000	20,000	6,571	(13,429)
Reimbursements and refunds	1,000	1,000	--	(1,000)
<i><b>Total Revenues</b></i>	<u>277,500</u>	<u>277,500</u>	<u>6,571</u>	<u>(270,929)</u>
<b>Other Financing Sources</b>				
Transfers in	162,500	162,500	162,500	--
<i><b>Total Revenues and Other Financing Sources</b></i>	<u>440,000</u>	<u>440,000</u>	<u>169,071</u>	<u>(270,929)</u>
<b>Expenditures</b>				
Health and welfare	523,000	523,000	13,778	509,222
<i><b>Total Expenditures</b></i>	<u>523,000</u>	<u>523,000</u>	<u>13,778</u>	<u>509,222</u>
<i><b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b></i>	<u>(83,000)</u>	<u>(83,000)</u>	<u>155,293</u>	<u>238,293</u>
<i><b>Net Change in Fund Balance</b></i>	<u>(83,000)</u>	<u>(83,000)</u>	<u>155,293</u>	<u>238,293</u>
<i>Fund Balance at Beginning of Period</i>	263,099	263,099	263,099	--
<i><b>Fund Balance at End of Period</b></i>	<u>\$ 180,099</u>	<u>\$ 180,099</u>	<u>\$ 418,392</u>	<u>\$ 238,293</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Probate Child Care**  
**For the Year Ended December 31, 2020**

	<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	\$ 488,900	\$ 488,900	\$ 23,146	\$ (465,754)
Charges for services	5,000	5,000	--	(5,000)
Reimbursements and refunds	--	--	2,455	2,455
Other	5,000	5,000	1,580	(3,420)
<i><b>Total Revenues</b></i>	<u>498,900</u>	<u>498,900</u>	<u>27,181</u>	<u>(471,719)</u>
<b>Other Financing Sources</b>				
Transfers in	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>--</u>
<i><b>Total Revenues and Other Financing Sources</b></i>	<u>898,900</u>	<u>898,900</u>	<u>427,181</u>	<u>(471,719)</u>
<b>Expenditures</b>				
Health and welfare	<u>969,710</u>	<u>986,207</u>	<u>494,799</u>	<u>491,408</u>
<i><b>Total Expenditures</b></i>	<u>969,710</u>	<u>986,207</u>	<u>494,799</u>	<u>491,408</u>
<i><b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b></i>	<u>(70,810)</u>	<u>(87,307)</u>	<u>(67,618)</u>	<u>19,689</u>
<i><b>Net Change in Fund Balance</b></i>	<u>(70,810)</u>	<u>(87,307)</u>	<u>(67,618)</u>	<u>19,689</u>
<i>Fund Balance at Beginning of Period</i>	<u>178,783</u>	<u>178,783</u>	<u>178,783</u>	<u>--</u>
<i><b>Fund Balance at End of Period</b></i>	<u>\$ 107,973</u>	<u>\$ 91,476</u>	<u>\$ 111,165</u>	<u>\$ 19,689</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Soldiers Relief**  
**For the Year Ended December 31, 2020**

	<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>				
<i>Total Revenues</i>	--	--	--	--
<b>Other Financing Sources</b>				
Transfers in	\$ 40,000	\$ 40,000	\$ 40,000	\$ --
<i>Total Revenues and Other     Financing Sources</i>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>--</u>
<b>Expenditures</b>				
Health and welfare	25,000	30,000	28,162	1,838
<i>Total Expenditures</i>	<u>25,000</u>	<u>30,000</u>	<u>28,162</u>	<u>1,838</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</i>	<u>15,000</u>	<u>10,000</u>	<u>11,838</u>	<u>1,838</u>
<i>Net Change in Fund Balance</i>	<b>15,000</b>	<b>10,000</b>	<b>11,838</b>	<b>1,838</b>
<i>Fund Balance at Beginning of Period</i>	80,338	80,338	80,338	--
<i>Fund Balance at End of Period</i>	<b>\$ 95,338</b>	<b>\$ 90,338</b>	<b>\$ 92,176</b>	<b>\$ 1,838</b>



**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted Veterans**  
**For the Year Ended December 31, 2020**

	<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	\$ 317,444	\$ 317,444	\$ 314,997	\$ (2,447)
Interest and rents	2,000	2,000	253	(1,747)
<b>Total Revenues</b>	<u>319,444</u>	<u>319,444</u>	<u>315,250</u>	<u>(4,194)</u>
<b>Expenditures</b>				
Health and welfare	283,056	283,056	257,623	25,433
<b>Total Expenditures</b>	<u>283,056</u>	<u>283,056</u>	<u>257,623</u>	<u>25,433</u>
<b>Other Financing Uses</b>				
Transfers out	56,035	96,035	96,115	(80)
<b>Total Expenditures and Other Financing Uses</b>	<u>339,091</u>	<u>379,091</u>	<u>353,738</u>	<u>25,353</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>(19,647)</u>	<u>(59,647)</u>	<u>(38,488)</u>	<u>21,159</u>
<b>Net Change in Fund Balance</b>	<u>(19,647)</u>	<u>(59,647)</u>	<u>(38,488)</u>	<u>21,159</u>
<b>Fund Balance at Beginning of Period</b>	105,479	105,479	105,479	--
<b>Fund Balance at End of Period</b>	<u>\$ 85,832</u>	<u>\$ 45,832</u>	<u>\$ 66,991</u>	<u>\$ 21,159</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted Bridge**  
**For the Year Ended December 31, 2020**

	<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	\$ 898,120	\$ 898,120	\$ 890,940	\$ (7,180)
Interest and rents	8,000	8,000	11,251	3,251
<b>Total Revenues</b>	<u>906,120</u>	<u>906,120</u>	<u>902,191</u>	<u>(3,929)</u>
<b>Expenditures</b>				
Public works	865,735	840,500	406,575	433,925
<b>Total Expenditures</b>	<u>865,735</u>	<u>840,500</u>	<u>406,575</u>	<u>433,925</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>40,385</u>	<u>65,620</u>	<u>495,616</u>	<u>429,996</u>
<b>Net Change in Fund Balance</b>	<b>40,385</b>	<b>65,620</b>	<b>495,616</b>	<b>429,996</b>
<i>Fund Balance at Beginning of Period</i>	1,045,581	1,045,581	1,045,581	--
<b>Fund Balance at End of Period</b>	<b>\$ 1,085,966</b>	<b>\$ 1,111,201</b>	<b>\$ 1,541,197</b>	<b>\$ 429,996</b>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted Senior Citizens**  
**For the Year Ended December 31, 2020**

	<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	\$ 596,906	\$ 596,906	\$ 593,122	\$ (3,784)
Interest and rents	1,000	1,000	1,301	301
<b><i>Total Revenues</i></b>	<u>597,906</u>	<u>597,906</u>	<u>594,423</u>	<u>(3,483)</u>
<b>Expenditures</b>				
Health and welfare	558,387	576,579	549,723	26,856
<b><i>Total Expenditures</i></b>	<u>558,387</u>	<u>576,579</u>	<u>549,723</u>	<u>26,856</u>
<b>Other Financing Uses</b>				
Transfers out	7,197	7,197	7,197	--
<b><i>Total Expenditures and Other Financing Uses</i></b>	<u>565,584</u>	<u>583,776</u>	<u>556,920</u>	<u>26,856</u>
<b><i>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</i></b>	<u>32,322</u>	<u>14,130</u>	<u>37,503</u>	<u>23,373</u>
<b><i>Net Change in Fund Balance</i></b>	<b>32,322</b>	<b>14,130</b>	<b>37,503</b>	<b>23,373</b>
<i>Fund Balance at Beginning of Period</i>	115,135	115,135	115,135	--
<b><i>Fund Balance at End of Period</i></b>	<b>\$ 147,457</b>	<b>\$ 129,265</b>	<b>\$ 152,638</b>	<b>\$ 23,373</b>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Voted Medical Care Facility**  
**For the Year Ended December 31, 2020**

	<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	\$ 466,830	\$ 466,830	\$ 463,344	\$ (3,486)
Interest and rents	8,400	8,400	5,338	(3,062)
<b>Total Revenues</b>	<u>475,230</u>	<u>475,230</u>	<u>468,682</u>	<u>(6,548)</u>
<b>Expenditures</b>				
Health and welfare	276,374	263,250	183,858	79,392
<b>Total Expenditures</b>	<u>276,374</u>	<u>263,250</u>	<u>183,858</u>	<u>79,392</u>
<b>Other Financing Uses</b>				
Transfers out	1,452	1,452	1,452	--
<b>Total Expenditures and Other Financing Uses</b>	<u>277,826</u>	<u>264,702</u>	<u>185,310</u>	<u>79,392</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>197,404</u>	<u>210,528</u>	<u>283,372</u>	<u>72,844</u>
<b>Net Change in Fund Balance</b>	<b>197,404</b>	<b>210,528</b>	<b>283,372</b>	<b>72,844</b>
<i>Fund Balance at Beginning of Period</i>	706,157	706,157	706,157	--
<b>Fund Balance at End of Period</b>	<u>\$ 903,561</u>	<u>\$ 916,685</u>	<u>\$ 989,529</u>	<u>\$ 72,844</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**County Parks and Recreation**  
**For the Year Ended December 31, 2020**

	<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	\$ 19,500	\$ 21,550	\$ 21,132	\$ (418)
Other	--	--	1	1
<b>Total Revenues</b>	<u>19,500</u>	<u>21,550</u>	<u>21,133</u>	<u>(417)</u>
<b>Other Financing Sources</b>				
Transfers in	<u>15,000</u>	<u>50,000</u>	<u>50,000</u>	<u>--</u>
<b>Total Revenues and Other Financing Sources</b>	<u>34,500</u>	<u>71,550</u>	<u>71,133</u>	<u>(417)</u>
<b>Expenditures</b>				
Culture and recreation	<u>17,300</u>	<u>95,210</u>	<u>94,790</u>	<u>420</u>
<b>Total Expenditures</b>	<u>17,300</u>	<u>95,210</u>	<u>94,790</u>	<u>420</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b>	<u>17,200</u>	<u>(23,660)</u>	<u>(23,657)</u>	<u>3</u>
<b>Net Change in Fund Balance</b>	<u>17,200</u>	<u>(23,660)</u>	<u>(23,657)</u>	<u>3</u>
<b>Fund Balance at Beginning of Period</b>	<u>31,535</u>	<u>31,535</u>	<u>31,535</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 48,735</u>	<u>\$ 7,875</u>	<u>\$ 7,878</u>	<u>\$ 3</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, 2020**

	<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	\$ 89,173	\$ 93,173	\$ 90,405	\$ (2,768)
<b><i>Total Revenues</i></b>	<u>89,173</u>	<u>93,173</u>	<u>90,405</u>	<u>(2,768)</u>
<b>Expenditures</b>				
Public safety	89,173	93,173	89,564	3,609
<b><i>Total Expenditures</i></b>	<u>89,173</u>	<u>93,173</u>	<u>89,564</u>	<u>3,609</u>
<b><i>Excess (Deficiency) of Revenues</i></b>				
<b><i>Over Expenditures</i></b>	--	--	841	841
<b><i>Net Change in Fund Balance</i></b>	--	--	<b>841</b>	<b>841</b>
<b><i>Fund Balance at Beginning of Period</i></b>	--	--	--	--
<b><i>Fund Balance at End of Period</i></b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 841</u>	<u>\$ 841</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, 2020**

	<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	\$ 773,400	\$ 773,400	\$ 728,565	\$ (44,835)
Charges for services	63,300	63,300	65,104	1,804
Interest and rents	500	500	226	(274)
Reimbursements and refunds	100	100	--	(100)
<b>Total Revenues</b>	<u>837,300</u>	<u>837,300</u>	<u>793,895</u>	<u>(43,405)</u>
<b>Other Financing Sources</b>				
Transfers in	<u>282,970</u>	<u>282,970</u>	<u>282,970</u>	<u>--</u>
<b>Total Revenues and Other Financing Sources</b>	<u>1,120,270</u>	<u>1,120,270</u>	<u>1,076,865</u>	<u>(43,405)</u>
<b>Expenditures</b>				
Judicial	<u>989,374</u>	<u>1,008,527</u>	<u>959,754</u>	<u>48,773</u>
<b>Total Expenditures</b>	<u>989,374</u>	<u>1,008,527</u>	<u>959,754</u>	<u>48,773</u>
<b>Other Financing Uses</b>				
Transfers out	<u>170,685</u>	<u>170,685</u>	<u>170,685</u>	<u>--</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>1,160,059</u>	<u>1,179,212</u>	<u>1,130,439</u>	<u>48,773</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(39,789)</u>	<u>(58,942)</u>	<u>(53,574)</u>	<u>5,368</u>
<b>Net Change in Fund Balance</b>	<u>(39,789)</u>	<u>(58,942)</u>	<u>(53,574)</u>	<u>5,368</u>
<i>Fund Balance at Beginning of Period</i>	<u>167,174</u>	<u>167,174</u>	<u>167,174</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 127,385</u>	<u>\$ 108,232</u>	<u>\$ 113,600</u>	<u>\$ 5,368</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Family Counseling**  
**For the Year Ended December 31, 2020**

	<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	\$ 4,200	\$ (800)
Reimbursements and refunds	4,000	4,000	3,440	(560)
<b>Total Revenues</b>	<u>9,000</u>	<u>9,000</u>	<u>7,640</u>	<u>(1,360)</u>
<b>Expenditures</b>				
Judicial	2,000	2,100	2,078	22
<b>Total Expenditures</b>	<u>2,000</u>	<u>2,100</u>	<u>2,078</u>	<u>22</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>7,000</u>	<u>6,900</u>	<u>5,562</u>	<u>(1,338)</u>
<b>Net Change in Fund Balance</b>	<b>7,000</b>	<b>6,900</b>	<b>5,562</b>	<b>(1,338)</b>
<i>Fund Balance at Beginning of Period</i>	63,664	63,664	63,664	--
<b>Fund Balance at End of Period</b>	<b>\$ 70,664</b>	<b>\$ 70,564</b>	<b>\$ 69,226</b>	<b>\$ (1,338)</b>



**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Dispatch/911**  
**For the Year Ended December 31, 2020**

	<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	\$ 14,000	\$ 14,000	\$ 13,796	\$ (204)
Charges for services	1,110,000	1,110,000	1,064,161	(45,839)
Interest and rents	11,100	11,100	12,193	1,093
Reimbursements and refunds	2,400	2,400	2,400	--
Other	1,000	1,000	13,749	12,749
<b>Total Revenues</b>	<u>1,138,500</u>	<u>1,138,500</u>	<u>1,106,299</u>	<u>(32,201)</u>
<b>Expenditures</b>				
Public safety	1,696,026	1,724,173	1,307,525	416,648
<b>Total Expenditures</b>	1,696,026	1,724,173	1,307,525	416,648
<b>Other Financing Uses</b>				
Transfers out	98,250	98,250	94,241	4,009
<b>Total Expenditures and Other Financing Uses</b>	<u>1,794,276</u>	<u>1,822,423</u>	<u>1,401,766</u>	<u>420,657</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>(655,776)</u>	<u>(683,923)</u>	<u>(295,467)</u>	<u>388,456</u>
<b>Net Change in Fund Balance</b>	<b>(655,776)</b>	<b>(683,923)</b>	<b>(295,467)</b>	<b>388,456</b>
<i>Fund Balance at Beginning of Period</i>	1,247,741	1,247,741	1,247,741	--
<b>Fund Balance at End of Period</b>	<u>\$ 591,965</u>	<u>\$ 563,818</u>	<u>\$ 952,274</u>	<u>\$ 388,456</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, 2020**

	<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	\$ 92,985	\$ 93,261	\$ 78,711	\$ (14,550)
<i><b>Total Revenues</b></i>	<u>92,985</u>	<u>93,261</u>	<u>78,711</u>	<u>(14,550)</u>
<b>Expenditures</b>				
Public safety	92,985	93,261	84,558	8,703
<i><b>Total Expenditures</b></i>	<u>92,985</u>	<u>93,261</u>	<u>84,558</u>	<u>8,703</u>
<i><b>Excess (Deficiency) of Revenues</b></i>				
<i>Over Expenditures</i>	--	--	(5,847)	(5,847)
<i>Net Change in Fund Balance</i>	--	--	<b>(5,847)</b>	<b>(5,847)</b>
<i>Fund Balance at Beginning of Period</i>	6,131	6,131	6,131	--
<i><b>Fund Balance at End of Period</b></i>	<u>\$ <b>6,131</b></u>	<u>\$ <b>6,131</b></u>	<u>\$ <b>284</b></u>	<u>\$ <b>(5,847)</b></u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Recycling**  
**For the Year Ended December 31, 2020**

	<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	\$ 280,254	\$ 280,254	\$ 277,940	\$ (2,314)
Intergovernmental	25,000	47,000	994	(46,006)
Charges for services	40,000	56,790	62,963	6,173
Interest and rents	3,350	3,350	3,351	1
Other	210	210	18	(192)
<b>Total Revenues</b>	<u>348,814</u>	<u>387,604</u>	<u>345,266</u>	<u>(42,338)</u>
<b>Expenditures</b>				
Public works	337,210	416,609	372,729	43,880
<b>Total Expenditures</b>	337,210	416,609	372,729	43,880
<b>Other Financing Uses</b>				
Transfers out	42,573	42,573	42,573	--
<b>Total Expenditures and Other Financing Uses</b>	<u>379,783</u>	<u>459,182</u>	<u>415,302</u>	<u>43,880</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</b>	<u>(30,969)</u>	<u>(71,578)</u>	<u>(70,036)</u>	<u>1,542</u>
<b>Net Change in Fund Balance</b>	<b>(30,969)</b>	<b>(71,578)</b>	<b>(70,036)</b>	<b>1,542</b>
<i>Fund Balance at Beginning of Period</i>	132,044	132,044	132,044	--
<b>Fund Balance at End of Period</b>	<u>\$ 101,075</u>	<u>\$ 60,466</u>	<u>\$ 62,008</u>	<u>\$ 1,542</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Millington Twp Police**  
**For the Year Ended December 31, 2020**

	<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	\$ 180,312	\$ 181,226	\$ 181,154	\$ (72)
<b><i>Total Revenues</i></b>	<u>180,312</u>	<u>181,226</u>	<u>181,154</u>	<u>(72)</u>
<b>Expenditures</b>				
Public safety	180,312	181,226	179,058	2,168
<b><i>Total Expenditures</i></b>	<u>180,312</u>	<u>181,226</u>	<u>179,058</u>	<u>2,168</u>
<b><i>Excess (Deficiency) of Revenues</i></b>				
<b><i>Over Expenditures</i></b>	--	--	2,096	2,096
<b><i>Net Change in Fund Balance</i></b>	--	--	<b>2,096</b>	<b>2,096</b>
<b><i>Fund Balance at Beginning of Period</i></b>	--	--	--	--
<b><i>Fund Balance at End of Period</i></b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,096</u>	<u>\$ 2,096</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Mental Health Court**  
**For the Year Ended December 31, 2020**

	<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	\$ 75,823	\$ 75,823	\$ 33,567	\$ (42,256)
<b>Total Revenues</b>	<u>75,823</u>	<u>75,823</u>	<u>33,567</u>	<u>(42,256)</u>
<b>Expenditures</b>				
Judicial	75,219	75,219	33,554	41,665
<b>Total Expenditures</b>	<u>75,219</u>	<u>75,219</u>	<u>33,554</u>	<u>41,665</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	604	604	13	(591)
<b>Net Change in Fund Balance</b>	<b>604</b>	<b>604</b>	<b>13</b>	<b>(591)</b>
<i>Fund Balance at Beginning of Period</i>	--	--	--	--
<b>Fund Balance at End of Period</b>	<u>\$ 604</u>	<u>\$ 604</u>	<u>\$ 13</u>	<u>\$ (591)</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Victim Services**  
**For the Year Ended December 31, 2020**

	<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	\$ 90,733	\$ 90,733	\$ 86,686	\$ (4,047)
<b>Total Revenues</b>	<u>90,733</u>	<u>90,733</u>	<u>86,686</u>	<u>(4,047)</u>
<b>Expenditures</b>				
Public safety	90,733	90,733	86,584	4,149
<b>Total Expenditures</b>	<u>90,733</u>	<u>90,733</u>	<u>86,584</u>	<u>4,149</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	--	--	102	102
<b>Net Change in Fund Balance</b>	--	--	<b>102</b>	<b>102</b>
<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>\$ 214</u>	<u>\$ 102</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Animal Shelter**  
**For the Year Ended December 31, 2020**

	<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>				
Licenses and permits	\$ 140,000	\$ 97,000	\$ 97,533	\$ 533
Charges for services	5,000	4,600	2,245	(2,355)
Fines and forfeits	16,000	10,000	9,280	(720)
Interest and rents	104	104	19	(85)
Reimbursements and refunds	2,600	2,220	2,176	(44)
Other	5,280	7,280	7,875	595
<b>Total Revenues</b>	<u>168,984</u>	<u>121,204</u>	<u>119,128</u>	<u>(2,076)</u>
<b>Other Financing Sources</b>				
Transfers in	90,000	140,400	140,400	--
<b>Total Revenues and Other Financing Sources</b>	<u>258,984</u>	<u>261,604</u>	<u>259,528</u>	<u>(2,076)</u>
<b>Expenditures</b>				
Public safety	279,028	263,085	260,955	2,130
<b>Total Expenditures</b>	<u>279,028</u>	<u>263,085</u>	<u>260,955</u>	<u>2,130</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b>	<u>(20,044)</u>	<u>(1,481)</u>	<u>(1,427)</u>	<u>54</u>
<b>Net Change in Fund Balance</b>	<u>(20,044)</u>	<u>(1,481)</u>	<u>(1,427)</u>	<u>54</u>
<b>Fund Balance at Beginning of Period</b>	1,482	1,482	1,482	--
<b>Fund Balance at End of Period</b>	<u>\$ (18,562)</u>	<u>\$ 1</u>	<u>\$ 55</u>	<u>\$ 54</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Mosquito Control Fund**  
**For the Year Ended December 31, 2020**

	<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	\$ 1,180,054	\$ 1,180,054	\$ 1,170,801	\$ (9,253)
Interest and rents	3,000	3,000	4,711	1,711
Reimbursements and refunds	300	300	--	(300)
<b><i>Total Revenues</i></b>	<u>1,183,354</u>	<u>1,183,354</u>	<u>1,175,512</u>	<u>(7,842)</u>
<b>Expenditures</b>				
Health and welfare	1,107,116	1,118,242	883,347	234,895
<b><i>Total Expenditures</i></b>	<u>1,107,116</u>	<u>1,118,242</u>	<u>883,347</u>	<u>234,895</u>
<b>Other Financing Uses</b>				
Transfers out	84,295	84,295	84,295	--
<b><i>Total Expenditures and Other Financing Uses</i></b>	<u>1,191,411</u>	<u>1,202,537</u>	<u>967,642</u>	<u>234,895</u>
<b><i>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</i></b>	<u>(8,057)</u>	<u>(19,183)</u>	<u>207,870</u>	<u>227,053</u>
<b><i>Net Change in Fund Balance</i></b>	<u>(8,057)</u>	<u>(19,183)</u>	<u>207,870</u>	<u>227,053</u>
<b><i>Fund Balance at Beginning of Period</i></b>	356,393	356,393	356,393	--
<b><i>Fund Balance at End of Period</i></b>	<u>\$ 348,336</u>	<u>\$ 337,210</u>	<u>\$ 564,263</u>	<u>\$ 227,053</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, 2020**

	<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	\$ 197,880	\$ 197,880	\$ 175,763	\$ (22,117)
Charges for services	20,000	20,000	17,130	(2,870)
<b>Total Revenues</b>	<u>217,880</u>	<u>217,880</u>	<u>192,893</u>	<u>(24,987)</u>
<b>Expenditures</b>				
Public safety	209,663	211,582	177,793	33,789
<b>Total Expenditures</b>	<u>209,663</u>	<u>211,582</u>	<u>177,793</u>	<u>33,789</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>8,217</u>	<u>6,298</u>	<u>15,100</u>	<u>8,802</u>
<b>Net Change in Fund Balance</b>	<b>8,217</b>	<b>6,298</b>	<b>15,100</b>	<b>8,802</b>
<i>Fund Balance at Beginning of Period</i>	66,957	66,957	66,957	--
<b>Fund Balance at End of Period</b>	<u>\$ 75,174</u>	<u>\$ 73,255</u>	<u>\$ 82,057</u>	<u>\$ 8,802</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**County Veteran Service Grant**  
**For the Year Ended December 31, 2020**

	<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	\$ --	\$ 99,994	\$ 99,994	\$ --
<b>Total Revenues</b>	<u>--</u>	<u>99,994</u>	<u>99,994</u>	<u>--</u>
<b>Expenditures</b>				
Health and welfare	--	49,994	62,687	(12,693)
<b>Total Expenditures</b>	<u>--</u>	<u>49,994</u>	<u>62,687</u>	<u>(12,693)</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>--</u>	<u>50,000</u>	<u>37,307</u>	<u>(12,693)</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>50,000</u>	<u>37,307</u>	<u>(12,693)</u>
<i>Fund Balance at Beginning of Period</i>	--	--	--	--
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ 50,000</u>	<u>\$ 37,307</u>	<u>\$ (12,693)</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Coronavirus Emergency Supplemental Funding**  
**For the Year Ended December 31, 2020**

	<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	\$ --	\$ 176,457	\$ 70,885	\$ (105,572)
<b><i>Total Revenues</i></b>	<u>--</u>	<u>176,457</u>	<u>70,885</u>	<u>(105,572)</u>
<b>Expenditures</b>				
Public safety	--	176,457	70,885	105,572
<b><i>Total Expenditures</i></b>	<u>--</u>	<u>176,457</u>	<u>70,885</u>	<u>105,572</u>
<b><i>Excess (Deficiency) of Revenues</i></b>				
<b><i>Over Expenditures</i></b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b><i>Net Change in Fund Balance</i></b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b><i>Fund Balance at Beginning of Period</i></b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b><i>Fund Balance at End of Period</i></b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Tuscola County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**CARES Act**  
**For the Year Ended December 31, 2020**

	<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	\$ --	\$ 474,467	\$ 474,467	\$ --
Interest and rents	--	--	88	88
<b><i>Total Revenues</i></b>	<u>--</u>	<u>474,467</u>	<u>474,555</u>	<u>88</u>
<b>Expenditures</b>				
Public safety	--	474,467	474,467	--
<b><i>Total Expenditures</i></b>	<u>--</u>	<u>474,467</u>	<u>474,467</u>	<u>--</u>
<b><i>Excess (Deficiency) of Revenues</i></b>				
<b><i>Over Expenditures</i></b>	<u>--</u>	<u>--</u>	<u>88</u>	<u>88</u>
<b><i>Net Change in Fund Balance</i></b>	<u>--</u>	<u>--</u>	<u>88</u>	<u>88</u>
<b><i>Fund Balance at Beginning of Period</i></b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b><i>Fund Balance at End of Period</i></b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 88</u>	<u>\$ 88</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, 2020**

	<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	\$ 20,809	\$ 18,578	\$ 799,983	\$ 839,370
Prepays	--	32,631	--	32,631
Due from other funds	--	--	1,105	1,105
<b>Total Assets</b>	<u>20,809</u>	<u>51,209</u>	<u>801,088</u>	<u>873,106</u>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accrued liabilities	--	--	219,704	219,704
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>219,704</u>	<u>219,704</u>
<b>NET POSITION</b>				
<i>Unrestricted</i>	20,809	51,209	581,384	653,402
<b>Total Net Position</b>	<u>\$ 20,809</u>	<u>\$ 51,209</u>	<u>\$ 581,384</u>	<u>\$ 653,402</u>

**Tuscola County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**

	<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>Operating Revenues</b>				
Charges for services	\$ 3,145	\$ 210,857	\$ 3,391,714	\$ 3,605,716
<b>Total Operating Revenues</b>	<u>3,145</u>	<u>210,857</u>	<u>3,391,714</u>	<u>3,605,716</u>
<b>Operating Expenses</b>				
Operation and maintenance	1,133	61	3,266,481	3,267,675
Administration	--	195,788	--	195,788
<b>Total Operating Expenses</b>	<u>1,133</u>	<u>195,849</u>	<u>3,266,481</u>	<u>3,463,463</u>
<b>Operating Income</b>	<u>2,012</u>	<u>15,008</u>	<u>125,233</u>	<u>142,253</u>
<b>Change In Net Position</b>	<b>2,012</b>	<b>15,008</b>	<b>125,233</b>	<b>142,253</b>
<i>Net Position at Beginning of Period</i>	18,797	36,201	456,151	511,149
<b>Net Position at End of Period</b>	<u>\$ 20,809</u>	<u>\$ 51,209</u>	<u>\$ 581,384</u>	<u>\$ 653,402</u>

**Tuscola County**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**

	Internal Service			Total Internal Service Funds
	Motor Pool Fund	Workers' Compensation Insurance	Health Insurance	
<b>Cash Flows from Operating Activities</b>				
Cash received from interfund services provided	\$ 3,145	\$ 230,731	\$ 3,391,714	\$ 3,625,590
Cash payments to suppliers for goods and services	(1,222)	(194,700)	(3,311,295)	(3,507,217)
<b>Net Cash Provided by Operating Activities</b>	1,923	36,031	80,419	118,373
<b>Cash Flows from Noncapital Financing Activities</b>				
Interfund balances, net	-	(17,453)	(1,105)	(18,558)
<b>Net Cash Used in Noncapital Financing Activities</b>	-	(17,453)	(1,105)	(18,558)
<i>Net Increase in Cash and Investments</i>	1,923	18,578	79,314	99,815
<i>Cash and Investments - Beginning of the Year</i>	18,886	-	720,669	739,555
<i>Cash and Investments - End of the Year</i>	\$ 20,809	\$ 18,578	\$ 799,983	\$ 839,370
<b>Cash Flows from Operating Activities</b>				
Operating income	\$ 2,012	\$ 15,008	\$ 125,233	\$ 142,253
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>				
<b>Changes in Assets and Liabilities:</b>				
Accounts receivable	-	19,874	-	19,874
Prepays	-	1,399	-	1,399
Accounts payable	(89)	(250)	-	(339)
Accrued liabilities	-	-	(44,814)	(44,814)
<b>Net Cash Provided by Operating Activities</b>	\$ 1,923	\$ 36,031	\$ 80,419	\$ 118,373



# CUSTODIAL 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.

**Tuscola County**  
**Combining Statement of Net Position**  
**Custodial Funds**  
**December 31, 2020**

	Custodial			
	Trust and Agency	Library Penal Fines	Inmates' Trust	Total Custodial Funds
<b>ASSETS</b>				
Cash and investments	\$ 1,167,397	\$ 21,678	\$ 4,731	\$ 1,193,806
<i>Total Assets</i>	1,167,397	21,678	4,731	1,193,806
<b>LIABILITIES</b>				
Accounts payable	10	--	--	10
Due to other governmental units	326,289	--	--	326,289
Undistributed collections	677,127	15,397	--	692,524
Bonds and other payables	163,971	--	--	163,971
<i>Total Liabilities</i>	1,167,397	15,397	--	1,182,794
<b>NET POSITION</b>				
Restricted for individuals, organizations, and other governments	\$ --	\$ 6,281	\$ 4,731	\$ 11,012
	--	6,281	4,731	11,012

**Tuscola County**  
**Combining Statement of Changes in Net Position**  
**Custodial Funds**  
**For the Year Ended December 31, 2020**

	<b>Custodial</b>			
	<b>Trust and Agency</b>	<b>Library Penal Fines</b>	<b>Inmates' Trust</b>	<b>Total Custodial Funds</b>
<b>Additions</b>				
Taxes collected for other governments	\$ 19,861,988	\$ --	\$ --	\$ 19,861,988
Library penal fine collections	--	216,242	--	216,242
Inmate trust collections	--	--	19,555	19,555
Court collections	829,485	--	--	829,485
County clerk/register of deeds collections	771,905	--	--	771,905
<b>Total Additions</b>	<b>21,463,378</b>	<b>216,242</b>	<b>19,555</b>	<b>21,699,175</b>
<b>Deductions</b>				
Payments of property taxes to other governments	19,861,988	--	--	19,861,988
Library penal fine distributions	--	227,025	--	227,025
Inmate trust distributions	--	--	39,110	39,110
Court distributions	829,485	--	--	829,485
County clerk/register of deeds distributions	771,905	--	--	771,905
<b>Total Deductions</b>	<b>21,463,378</b>	<b>227,025</b>	<b>39,110</b>	<b>21,729,513</b>
<b>Change in Net Position</b>	<b>--</b>	<b>(10,783)</b>	<b>(19,555)</b>	<b>(30,338)</b>
<i>Net Position at Beginning of Period (Restated, Note 17)</i>	--	17,064	24,286	41,350
<b>Net Position at End of Period</b>	<b>\$ --</b>	<b>\$ 6,281</b>	<b>\$ 4,731</b>	<b>\$ 11,012</b>

**Tuscola County Drain Commission**  
**Statement of Net Position**  
**December 31, 2020**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash and investments	\$ 6,288,881
Special assessments receivable, current	289,667
<b>Total Current Assets</b>	<b>6,578,548</b>
<i>Noncurrent Assets</i>	
Capital assets being depreciated, net	15,421,245
Special assessments receivable	2,753,074
<b>Total Assets</b>	<b>24,752,867</b>
<b>LIABILITIES</b>	
<i>Current Liabilities</i>	
Accounts payable	249,526
Accrued interest payable	6,526
Current portion of long-term debt	416,984
<b>Total Current Liabilities</b>	<b>673,036</b>
<i>Noncurrent Liabilities</i>	
Long-term debt	2,173,889
Due to other governmental units, long-term	510,000
<b>Total Liabilities</b>	<b>3,356,925</b>
<b>NET POSITION</b>	
Net investment in capital assets	12,830,372
<i>Restricted for:</i>	
Restricted - debt service	2,798,805
Restricted - drain projects	5,773,291
<i>Unrestricted</i>	(6,526)
<b>Total Net Position</b>	<b>\$ 21,395,942</b>

**Tuscola County Drain Commission  
Statement of Activities  
For the Year Ended December 31, 2020**

<b>Functions/Programs</b>	<b>Program Revenues</b>				<b>Net (Expense) Revenue</b>
<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>		
<b>Governmental Activities:</b>					
Drain maintenance	\$ 2,178,332	\$ 1,568,088	\$ --	\$ --	\$ (610,244)
Interest on long-term debt	89,700	--	--	--	(89,700)
<b>Total</b>	<b>\$ 2,268,032</b>	<b>\$ 1,568,088</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ (699,944)</b>
<b>General Purpose Revenues:</b>					
					46,611
					46,611
					<b>(653,333)</b>
					22,049,275
					<b>\$ 21,395,942</b>

**Tuscola County Drain Commission  
Balance Sheet  
Governmental Funds  
December 31, 2020**

	<u>Special Revenue</u>	<u>Debt Service</u>			
	<u>Revolving Drain</u>	<u>Northwest Debt Retirement</u>	<u>Shebeon Inter County Debt</u>	<u>Bach and Branches Debt</u>	<u>Moore Debt Retirement</u>
<b>ASSETS</b>					
Cash and investments	\$ 180,083	\$ 178	\$ --	\$ 69,544	\$ 107,714
Due from other funds	624,117	--	--	--	--
Special assessments receivable	--	--	--	124	906,071
<b>Total Assets</b>	<b>\$ 804,200</b>	<b>\$ 178</b>	<b>\$ --</b>	<b>\$ 69,668</b>	<b>\$ 1,013,785</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 94,200	\$ --	\$ --	\$ --	\$ --
Due to other governmental units	510,000	--	--	--	--
Due to other funds	200,000	--	--	--	--
<b>Total Liabilities</b>	<b>804,200</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - special assessments	--	--	--	124	906,071
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>804,200</b>	<b>--</b>	<b>--</b>	<b>124</b>	<b>906,071</b>
<b>FUND BALANCE</b>					
Restricted	--	178	--	69,544	107,714
Unassigned	--	--	--	--	--
<b>Total Fund Balance</b>	<b>--</b>	<b>178</b>	<b>--</b>	<b>69,544</b>	<b>107,714</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 804,200</b>	<b>\$ 178</b>	<b>\$ --</b>	<b>\$ 69,668</b>	<b>\$ 1,013,785</b>

**Tuscola County Drain Commission  
Balance Sheet  
Governmental Funds  
December 31, 2020**

	<b>Debt Service</b>				
	<u>Armbruster I/C Debt</u>	<u>Akron Main Street Debt</u>	<u>Pigeon River I/C Debt</u>	<u>Fulton Street Drain Debt</u>	<u>Indian Creek I/C</u>
<b>ASSETS</b>					
Cash and investments	\$ 21,908	\$ 18,433	\$ 8,766	\$ 63,859	\$ 35,417
Due from other funds	--	--	--	--	--
Special assessments receivable	54,655	192,644	99,548	515,872	286,547
<b>Total Assets</b>	<b>\$ 76,563</b>	<b>\$ 211,077</b>	<b>\$ 108,314</b>	<b>\$ 579,731</b>	<b>\$ 321,964</b>
<b>LIABILITIES</b>					
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other governmental units	--	--	--	--	--
Due to other funds	--	--	--	--	--
<b>Total Liabilities</b>	--	--	--	--	--
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - special assessments	54,655	192,644	99,548	515,872	286,547
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>54,655</b>	<b>192,644</b>	<b>99,548</b>	<b>515,872</b>	<b>286,547</b>
<b>FUND BALANCE</b>					
Restricted	21,908	18,433	8,766	63,859	35,417
Unassigned	--	--	--	--	--
<b>Total Fund Balance</b>	<b>21,908</b>	<b>18,433</b>	<b>8,766</b>	<b>63,859</b>	<b>35,417</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 76,563</b>	<b>\$ 211,077</b>	<b>\$ 108,314</b>	<b>\$ 579,731</b>	<b>\$ 321,964</b>

**Tuscola County Drain Commission  
Balance Sheet  
Governmental Funds  
December 31, 2020**

	<u>Debt Service</u>		<u>Capital Projects</u>		
	<u>Yax North Debt Retirement</u>	<u>Special Drain</u>	<u>Northwest Construction</u>	<u>Alder Creek Construction</u>	<u>Bach and Branches Const</u>
<b>ASSETS</b>					
Cash and investments	\$ 29,691	\$ 4,968,542	\$ 26	\$ --	\$ 259,852
Due from other funds	--	--	673,740	150,000	--
Special assessments receivable	387,834	599,446	--	--	--
<b>Total Assets</b>	<b>\$ 417,525</b>	<b>\$ 5,567,988</b>	<b>\$ 673,766</b>	<b>\$ 150,000</b>	<b>\$ 259,852</b>
<b>LIABILITIES</b>					
Accounts payable	\$ --	\$ 154,951	\$ --	\$ --	\$ --
Due to other governmental units	--	--	--	--	--
Due to other funds	--	1,247,857	--	--	--
<b>Total Liabilities</b>	--	1,402,808	--	--	--
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - special assessments	387,834	599,446	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>387,834</b>	<b>2,002,254</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCE</b>					
Restricted	29,691	3,565,734	673,766	150,000	259,852
Unassigned	--	--	--	--	--
<b>Total Fund Balance</b>	<b>29,691</b>	<b>3,565,734</b>	<b>673,766</b>	<b>150,000</b>	<b>259,852</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 417,525</b>	<b>\$ 5,567,988</b>	<b>\$ 673,766</b>	<b>\$ 150,000</b>	<b>\$ 259,852</b>



**Tuscola County Drain Commission  
Balance Sheet  
Governmental Funds  
December 31, 2020**

	<b>Capital Projects</b>				<b>Total Governmental Funds</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	\$ 296,003	\$ 1	\$ 119,442	\$ 109,422	\$ 6,288,881
Due from other funds	--	--	--	--	1,447,857
Special assessments receivable	--	--	--	--	3,042,741
<b>Total Assets</b>	<b>\$ 296,003</b>	<b>\$ 1</b>	<b>\$ 119,442</b>	<b>\$ 109,422</b>	<b>\$ 10,779,479</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 375	\$ --	\$ --	\$ --	\$ 249,526
Due to other governmental units	--	--	--	--	510,000
Due to other funds	--	--	--	--	1,447,857
<b>Total Liabilities</b>	<b>375</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,207,383</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - special assessments	--	--	--	--	3,042,741
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>375</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>5,250,124</b>
<b>FUND BALANCE</b>					
Restricted	295,628	1	119,442	109,422	5,529,355
Unassigned	--	--	--	--	--
<b>Total Fund Balance</b>	<b>295,628</b>	<b>1</b>	<b>119,442</b>	<b>109,422</b>	<b>5,529,355</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 296,003</b>	<b>\$ 1</b>	<b>\$ 119,442</b>	<b>\$ 109,422</b>	<b>\$ 10,779,479</b>

**Tuscola County Drain Commission**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2020**

Total Fund Balance - Governmental Funds	\$	5,529,355
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(6,526)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		15,421,245
Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.		3,042,741
Certain liabilities are not due and payable in the current period and are not reported in the funds.		(2,590,873)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>21,395,942</u></b>

**Tuscola County Drain Commission**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	<u>Special Revenue</u>		<u>Debt Service</u>		
	<u>Revolving Drain</u>	<u>Northwest Debt Retirement</u>	<u>Shebeon Inter County Debt</u>	<u>Bach and Branches Debt</u>	<u>Moore Debt Retirement</u>
<b>Revenues</b>					
Special assessments and other	\$ --	\$ --	\$ --	\$ 139,520	\$ 194,631
Interest income	--	7,431	61	1,368	831
<b>Total Revenues</b>	<u>--</u>	<u>7,431</u>	<u>61</u>	<u>140,888</u>	<u>195,462</u>
<b>Expenditures</b>					
Drain maintenance	--	--	--	--	--
Debt service - principal	--	--	--	300,000	130,000
Debt service - interest and charges	--	--	--	6,419	25,675
<b>Total Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>306,419</u>	<u>155,675</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>--</u>	<u>7,431</u>	<u>61</u>	<u>(165,531)</u>	<u>39,787</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	--	--	--	--	--
Transfers out	--	(1,358,116)	(10,449)	--	--
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>(1,358,116)</u>	<u>(10,449)</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>(1,350,685)</u>	<u>(10,388)</u>	<u>(165,531)</u>	<u>39,787</u>
<b>Fund Balance at Beginning of Period</b>	<u>--</u>	<u>1,350,863</u>	<u>10,388</u>	<u>235,075</u>	<u>67,927</u>
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ 178</u>	<u>\$ --</u>	<u>\$ 69,544</u>	<u>\$ 107,714</u>

**Tuscola County Drain Commission**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	<b>Debt Service</b>				
	<b>Armbruster I/C Debt</b>	<b>Akron Main Street Debt</b>	<b>Pigeon River I/C Debt</b>	<b>Fulton Street Drain Debt</b>	<b>Indian Creek I/C</b>
<b>Revenues</b>					
Special assessments and other	\$ 20,562	\$ 17,947	\$ 17,634	\$ 75,431	\$ 36,259
Interest income	140	106	70	390	275
<b>Total Revenues</b>	<b>20,702</b>	<b>18,053</b>	<b>17,704</b>	<b>75,821</b>	<b>36,534</b>
<b>Expenditures</b>					
Drain maintenance	--	--	--	--	--
Debt service - principal	15,757	9,000	14,417	50,000	26,010
Debt service - interest and charges	3,419	5,475	2,555	12,943	13,768
<b>Total Expenditures</b>	<b>19,176</b>	<b>14,475</b>	<b>16,972</b>	<b>62,943</b>	<b>39,778</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,526</b>	<b>3,578</b>	<b>732</b>	<b>12,878</b>	<b>(3,244)</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>Net Change in Fund Balance</b>	<b>1,526</b>	<b>3,578</b>	<b>732</b>	<b>12,878</b>	<b>(3,244)</b>
<i>Fund Balance at Beginning of Period</i>	20,382	14,855	8,034	50,981	38,661
<b>Fund Balance at End of Period</b>	<b>\$ 21,908</b>	<b>\$ 18,433</b>	<b>\$ 8,766</b>	<b>\$ 63,859</b>	<b>\$ 35,417</b>

**Tuscola County Drain Commission**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	<u>Debt Service</u>	<u>Capital Projects</u>			
	<u>Yax North Debt Retirement</u>	<u>Special Drain</u>	<u>Northwest Construction</u>	<u>Alder Creek Construction</u>	<u>Bach and Branches Const</u>
<b>Revenues</b>					
Special assessments and other	\$ 46,514	\$ 1,358,035	\$ --	\$ --	\$ --
Interest income	256	27,609	3,001	--	1,724
<b>Total Revenues</b>	<u>46,770</u>	<u>1,385,644</u>	<u>3,001</u>	<u>--</u>	<u>1,724</u>
<b>Expenditures</b>					
Drain maintenance	--	1,704,277	15,061	--	--
Debt service - principal	30,000	141,800	--	--	--
Debt service - interest and charges	12,133	10,388	--	--	--
<b>Total Expenditures</b>	<u>42,133</u>	<u>1,856,465</u>	<u>15,061</u>	<u>--</u>	<u>--</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>4,637</u>	<u>(470,821)</u>	<u>(12,060)</u>	<u>--</u>	<u>1,724</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	--	1,225,256	265,000	--	--
Transfers out	--	--	(121,691)	--	--
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>1,225,256</u>	<u>143,309</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<b>4,637</b>	<b>754,435</b>	<b>131,249</b>	<b>--</b>	<b>1,724</b>
<i>Fund Balance at Beginning of Period</i>	25,054	2,811,299	542,517	150,000	258,128
<b>Fund Balance at End of Period</b>	<u>\$ 29,691</u>	<u>\$ 3,565,734</u>	<u>\$ 673,766</u>	<u>\$ 150,000</u>	<u>\$ 259,852</u>

**Tuscola County Drain Commission**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

**Capital Projects**

	<b>Moore Construction</b>	<b>Akron Main Street</b>	<b>Fulton Street Drain Const</b>	<b>Yax North Construction</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Special assessments and other	\$ --	\$ --	\$ --	\$ --	\$ 1,906,533
Interest income	1,990	--	688	671	46,611
<b>Total Revenues</b>	<b>1,990</b>	<b>--</b>	<b>688</b>	<b>671</b>	<b>1,953,144</b>
<b>Expenditures</b>					
Drain maintenance	3,707	--	1,170	14,497	1,738,712
Debt service - principal	--	--	--	--	716,984
Debt service - interest and charges	--	--	--	--	92,775
<b>Total Expenditures</b>	<b>3,707</b>	<b>--</b>	<b>1,170</b>	<b>14,497</b>	<b>2,548,471</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,717)</b>	<b>--</b>	<b>(482)</b>	<b>(13,826)</b>	<b>(595,327)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	--	--	--	--	1,490,256
Transfers out	--	--	--	--	(1,490,256)
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>(1,717)</b>	<b>--</b>	<b>(482)</b>	<b>(13,826)</b>	<b>(595,327)</b>
<b>Fund Balance at Beginning of Period</b>	<b>297,345</b>	<b>1</b>	<b>119,924</b>	<b>123,248</b>	<b>6,124,682</b>
<b>Fund Balance at End of Period</b>	<b>\$ 295,628</b>	<b>\$ 1</b>	<b>\$ 119,442</b>	<b>\$ 109,422</b>	<b>\$ 5,529,355</b>

**Tuscola County Drain Commission**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended December 31, 2020**

Total Net Change in Fund Balances - Governmental Funds	\$	(595,327)
<p>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.</p>		
		720,059
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources</p>		
		(338,445)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
		(439,620)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>(653,333)</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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# TUSCOLA COUNTY, MICHIGAN

Table 1

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

	<u>Fiscal Year</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>	<u>2020</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 5,925,950
Restricted	1,555,459	1,397,671	1,336,781	1,195,900	1,864,506	2,672,329	2,882,160	10,745,988	20,376,296	20,807,309
Unrestricted	6,120,317	6,853,468	6,312,514	6,644,960	(944,404)	(3,118,970)	(2,704,558)	(6,799,051)	(15,947,221)	(15,449,061)
Total governmental activities net position	<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>	<u>\$ 11,284,198</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 8,839,114
Restricted	1,564,341	1,880,647	2,161,654	2,579,165	1,430,672	290,258	-	-	-	-
Unrestricted	12,337,630	14,309,485	14,056,322	12,932,697	10,871,364	10,239,172	10,291,902	10,116,680	10,460,164	12,891,324
Total business-type activities net position	<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>	<u>\$ 21,730,438</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 14,765,064
Restricted	3,119,800	3,278,318	3,498,435	3,775,065	3,295,178	2,962,587	2,882,160	10,745,988	20,376,296	20,807,309
Unrestricted	18,457,947	21,162,953	20,368,836	19,577,657	9,926,960	7,120,202	7,587,344	3,317,629	(5,487,057)	(2,557,737)
Total primary government net position	<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>	<u>\$ 33,014,636</u>

# TUSCOLA COUNTY, MICHIGAN

Table 2

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

	<b>Fiscal year</b>									
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
<b>Expenses</b>										
<b>Governmental activities:</b>										
Legislative	\$ 101,774	\$ 101,764	\$ 105,073	\$ 103,402	\$ 115,714	\$ 148,172	\$ 121,672	\$ 189,753	\$ 214,986	\$ 151,169
Judicial	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	3,339,659
General government	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	6,466,357
Public safety	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	8,554,451
Public works	693,296	795,586	924,147	815,625	678,023	777,630	746,700	3,957,531	3,689,461	3,128,960
Health and welfare	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	7,455,390
Culture and recreation	9,725	6,899	6,137	9,023	8,634	11,542	66,959	24,640	22,631	94,899
Interest on debt	41,826	60,669	52,768	44,999	36,862	278,897	373,262	604,798	582,070	548,035
<b>Total governmental activities expenses</b>	<b><u>22,282,522</u></b>	<b><u>20,999,000</u></b>	<b><u>21,727,407</u></b>	<b><u>21,449,723</u></b>	<b><u>22,652,959</u></b>	<b><u>25,546,634</u></b>	<b><u>23,843,030</u></b>	<b><u>31,652,603</u></b>	<b><u>30,238,056</u></b>	<b><u>29,738,920</u></b>
<b>Business-type activities:</b>										
Medical care facility	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	22,316,941
Delinquent property tax	85	21	48	832	1,494	843	143	86	59,939	1,270
Water/sewage systems	284,295	258,873	242,510	526,639	304,173	293,015	281,304	-	-	-
Tax foreclosure	343,287	336,683	446,017	405,857	332,487	335,392	249,585	245,596	525,976	243,681
<b>Total business-type activities expenses</b>	<b><u>18,527,497</u></b>	<b><u>18,663,991</u></b>	<b><u>19,538,500</u></b>	<b><u>20,585,367</u></b>	<b><u>21,791,721</u></b>	<b><u>22,944,289</u></b>	<b><u>23,712,951</u></b>	<b><u>24,692,268</u></b>	<b><u>24,809,184</u></b>	<b><u>22,561,892</u></b>
<b>Total primary government expenses</b>	<b><u>\$ 40,810,019</u></b>	<b><u>\$ 39,662,991</u></b>	<b><u>\$ 41,265,907</u></b>	<b><u>\$ 42,035,090</u></b>	<b><u>\$ 44,444,680</u></b>	<b><u>\$ 48,490,923</u></b>	<b><u>\$ 47,555,981</u></b>	<b><u>\$ 56,344,871</u></b>	<b><u>\$ 55,047,240</u></b>	<b><u>\$ 52,300,812</u></b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services</b>										
Judicial	\$ 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	\$ 776,581
General government	689,760	749,121	744,192	740,750	874,213	1,095,603	1,256,253	1,783,175	1,809,252	1,680,076
Public safety	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	2,430,207
Public works	269,213	376,012	472,183	369,043	252,391	369,007	338,575	62,963	68,330	65,137
Health and welfare	810,346	822,751	683,951	586,366	620,213	672,883	691,252	764,428	778,230	577,553
Culture and recreation	1,548	2,800	3,902	3,987	5,454	5,637	29,710	16,182	24,354	21,133
<b>Operating grants and contributions</b>										
Judicial	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	1,341,286
General government	547,666	246,226	190,582	234,953	151,018	146,039	519,653	653,207	1,131,227	1,493,686
Public safety	883,561	655,231	860,223	638,185	718,542	523,665	581,396	708,921	698,340	1,137,566
Public works	-	-	-	-	-	-	-	-	12,529	1,012
Health and welfare	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	3,353,315
Culture and recreation	-	-	-	-	-	-	-	1,250	876	-
<b>Total governmental activities program revenues</b>	<b><u>10,145,608</u></b>	<b><u>9,847,490</u></b>	<b><u>9,229,529</u></b>	<b><u>9,495,404</u></b>	<b><u>10,245,376</u></b>	<b><u>10,052,006</u></b>	<b><u>11,039,893</u></b>	<b><u>12,037,704</u></b>	<b><u>13,196,181</u></b>	<b><u>12,877,552</u></b>

**TUSCOLA COUNTY, MICHIGAN**

Table 2

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

(continued)

	<b>Fiscal year</b>									
	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
Business-type activities:										
Charges for services										
Medical Care Community	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	22,126,307
Delinquent Tax	787,947	718,620	754,501	582,800	673,670	636,870	663,661	765,067	747,800	723,753
Water/Sewer Systems	-	-	-	-	-	-	-	-	-	-
Tax Foreclosure	-	175,909	179,424	175,250	193,571	194,918	189,286	555,174	647,641	731,236
Operating grants and contributions	207,628	-	-	-	-	-	-	-	-	1,208,521
Capital grants and contributions	284,295	258,856	242,510	400,446	304,173	293,015	281,304	-	-	-
Total business-type activities program revenues	<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>	<u>24,789,817</u>
Total primary government program revenues	<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>	<u>\$ 37,667,369</u>
<b>Net (Expenses)/Revenue</b>										
Governmental activities	\$ (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)	\$(16,861,368)
Business-type activities	<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>	<u>2,227,925</u>
Total primary government net expense	<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>	<u>\$ (14,633,443)</u>

**TUSCOLA COUNTY, MICHIGAN**

Table 2

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

(continued)

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 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	\$ 16,022,085
Grants and contributions not restricted to specific programs	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	878,877
Unrestricted investment earnings	560,159	499,575	471,176	481,646	479,580	511,528	518,143	163,578	181,107	173,819
Loss on sale of assets	-	-	-	-	-	-	-	-	-	-
Other	1,139,163	858,469	1,052,109	796,222	691,488	978,112	853,036	-	-	-
Transfers - Internal activities	908,509	842,214	825,463	734,858	771,258	913,352	1,068,047	856,663	962,862	778,489
Total governmental activities	<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>	<u>17,853,270</u>
Business-type activities:										
Property taxes	1,770,769	1,743,674	1,735,187	1,894,897	402,518	438,417	427,358	435,791	448,069	463,443
Unrestricted investment earnings	75,249	66,403	35,869	51,914	55,512	64,945	72,648	118,611	151,596	101,760
Other	693,617	665,500	973,408	1,115,105	706,953	854,935	721,561	-	-	-
Transfers - Internal activities	(860,272)	(798,862)	(777,538)	(708,253)	(715,776)	(751,361)	(832,695)	(856,663)	(962,862)	(778,489)
Total business-type activities	<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>	<u>(213,286)</u>
Total primary government	<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>	<u>\$ 17,639,984</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (194,334)	\$ 221,410	\$ (522,825)	\$ 442,438	\$ 807,112	\$ (1,705,201)	\$ 1,187,199	\$ (2,801,278)	\$ 273,448	\$ 991,902
Business-type activities	<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>	<u>2,014,639</u>
Total primary government	<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>	<u>\$ 3,006,541</u>

(concluded)

**TUSCOLA COUNTY, MICHIGAN**

Table 3

Fund Balances, Governmental Funds,  
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Nonspendable	\$ 416,551	\$ 310,000	\$ 418,867	\$ 417,310	\$ 417,494	\$ 643,918	\$ 619,653	\$ 599,708	\$ 644,436	\$ 567,028
Committed	-	-	-	-	-	-	5,000	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	1,462,743
Unassigned	<u>691,679</u>	<u>1,024,692</u>	<u>955,077</u>	<u>883,279</u>	<u>1,035,936</u>	<u>418,032</u>	<u>337,763</u>	<u>524,324</u>	<u>1,142,881</u>	<u>920,680</u>
<b>Total General Fund</b>	<u>\$ 2,356,598</u>	<u>\$ 2,546,692</u>	<u>\$ 2,645,944</u>	<u>\$ 2,762,589</u>	<u>\$ 2,917,330</u>	<u>\$ 3,093,670</u>	<u>\$ 2,608,042</u>	<u>\$ 3,015,968</u>	<u>\$ 3,202,317</u>	<u>\$ 2,955,451</u>
<b>Health Department</b>										
Nonspendable	\$ 72,939	\$ 99,596	\$ 86,687	\$ 65,630	\$ 42,385	\$ 31,931	\$ 38,521	\$ 46,884	\$ 65,959	\$ 57,640
Restricted	224,790	394,145	39,475	149,830	952,882	966,194	1,270,266	1,253,882	1,592,058	1,394,593
Committed	279,162	347,752	353,337	412,486	416,335	417,563	382,539	365,490	351,814	425,024
Assigned	-	-	26,779	-	-	1,943	-	78,343	307,108	445,085
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total Health Department</b>	<u>\$ 576,891</u>	<u>\$ 841,493</u>	<u>\$ 506,278</u>	<u>\$ 627,946</u>	<u>\$ 1,411,602</u>	<u>\$ 1,417,631</u>	<u>\$ 1,691,326</u>	<u>\$ 1,744,599</u>	<u>\$ 2,316,939</u>	<u>\$ 2,322,342</u>
<b>Road Patrol</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	218,087	358,260	617,466	879,963	1,179,887	1,333,949
Committed	-	-	-	-	41,741	84,358	24,198	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
<b>Total Road Patrol</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,828</u>	<u>\$ 442,618</u>	<u>\$ 641,664</u>	<u>\$ 879,963</u>	<u>\$ 1,179,887</u>	<u>\$ 1,333,949</u>
<b>Voted Mosquito</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	16,413	9,447	132,662	-	-	-
Committed	-	-	-	-	160,098	146,176	56,280	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
<b>Total Voted Mosquito</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,511</u>	<u>\$ 155,623</u>	<u>\$ 188,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Permanent funds	-	-	-	-	-	-	-	-	-	-
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	9,749,890
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>	<u>\$ 3,961,799</u>	<u>\$ 3,744,892</u>	<u>\$ 3,888,350</u>	<u>\$ 3,960,027</u>	<u>\$ 4,227,450</u>	<u>\$ 5,305,848</u>	<u>\$ 6,056,592</u>	<u>\$ 8,488,222</u>	<u>\$ 8,685,896</u>	<u>\$ 9,749,890</u>

(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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Taxes	\$ 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	\$ 16,026,873
Licenses and permits	568,282	693,121	840,436	694,797	612,944	666,040	635,561	729,193	912,190	758,657
Intergovernmental (1)	-	-	-	-	-	-	-	7,988,041	8,851,979	8,720,251
Federal	3,763,104	3,213,216	2,645,846	2,857,756	3,483,185	2,839,403	3,691,763	-	-	-
State	2,828,386	2,660,920	2,641,255	2,977,660	3,060,793	3,034,908	3,123,882	-	-	-
Local	420,500	437,648	435,065	439,896	541,459	904,915	900,474	-	-	-
Charges for services	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	3,516,151
Fines and forfeits	56,072	51,423	43,272	235,787	84,408	214,513	156,458	93,345	83,874	77,510
Interest and rents	560,159	499,575	471,176	481,646	479,580	511,528	518,143	514,474	560,740	627,955
Reimbursements and refunds	1,155,875	883,282	1,101,760	806,479	742,895	823,772	711,355	21,839	25,917	267,575
Other	105,329	107,407	87,655	132,135	80,814	85,711	71,681	808,352	821,563	584,291
<b>Total revenues</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>30,579,263</b>
<b>Expenditures</b>										
Legislative	101,988	102,468	104,414	103,947	111,400	103,335	123,062	135,881	212,691	150,995
Judicial	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	3,316,811
General government	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	6,054,539
Public safety	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	8,823,001
Public works	693,338	795,703	921,486	814,993	680,315	774,919	747,689	3,810,200	3,729,254	3,125,358
Health and welfare	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	6,882,767
Culture and recreation	9,725	6,899	6,137	9,023	8,634	11,542	66,959	24,440	27,964	94,790
Other	360,059	180,079	251,022	206,688	201,254	154,502	144,121	199,364	225,936	175,038
Capital outlay	2,569,679	1,030,783	905,437	439,982	1,068,837	583,532	1,532,745	786,286	252,834	205,702
Debt service (2)										
Principal	120,000	165,000	170,000	175,000	165,000	215,000	315,000	921,324	1,263,462	997,159
Interest	40,626	62,963	55,147	47,463	39,156	128,754	311,205	607,970	585,993	554,999
Bond Issuance Costs	-	-	-	-	-	76,268	56,622	-	-	-
<b>Total expenditures</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>	<b>30,381,159</b>
Excess of revenues over (under) expenditures	(2,401,429)	(627,025)	(917,968)	(18,719)	434,562	670,280	(2,854,623)	(111,269)	293,424	198,104

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)

Other Financing Sources (Uses)	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	2,555,146	2,370,765	2,601,686	2,642,235	3,403,347	3,587,630	7,090,189	3,954,388	3,983,193	3,786,932
Transfer out	(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)	(3,008,443)
Total other financing sources (uses)	<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>	<u>778,489</u>
Special Items - Pension pre-funding	-	-	-	-	-	(6,865,581)	-	-	-	-
Net change in fund balances	<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>	<u>\$ 976,593</u>
Debt service as a percentage of noncapital expenditures	0.759%	1.133%	1.096%	1.066%	0.96%	1.59%	2.49%	5.42%	6.21%	5.14%

(1) Federal, state, and local intergovernmental sources grouped together in 2018.

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

Source: Tuscola County Financial Reports

(concluded)



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

Table 5

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				
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%
2020	136,865,050	1,184,605,341	996,990,366	534,704,449	2,853,165,206	8.3121	5,706,330,412	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)*

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<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	3.7480	3.8480	4.3980	4.3980	4.3980	4.3980
Debt Millage	1.0000	1.0000	1.0000	-	-	-	-	-	-	-
Total direct rate	8.4921	8.4921	8.4921	7.4921	7.6621	7.7621	8.3121	8.3121	8.3121	8.3121
<b>City rate</b>										
Vassar	17.0000	17.0000	17.0000	16.0000	16.0000	16.0000	16.0000	16.0000	17.0000	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-	11.0000-	11.0000-	11.0000-	11.0000-	11.0000-	11.0000-	11.4352-	12.5000-	11.8880-
	21.6036	18.1387	18.1387	21.7268	21.7268	21.7268	21.7268	18.2892	18.1387	17.3785
<b>School district rates (1)</b>										
	28.2409-	28.2409-	22.7079-	22.7079-	22.7079-	22.7479-	22.7479-	18.000-	21.9895-	23.9766-
	29.2409	28.4480	28.0409	28.4079	27.7079	27.3079	27.3079	21.9895	21.7268	24.0000
<b>Township rates</b>										
	1.0000-	1.0000-	1.0000-	1.0000-	1.0000-	1.0000-	1.0000-	1.0000-	1.0000-	1.000 -
	6.3957	6.3957	6.4175	6.4026	6.3864	6.3864	6.3912	3.7676	4.0569	6.3912
<b>District library rates</b>										
	.7916-	.7500-	.7500-	.7500-	.7500-	.7500-	.7428-	.8010-	0.7408-	1.49 -
	1.4909	1.4909	1.4909	1.4909	1.4909	1.4909	1.4909	1.4909	0.9185	0.7354
<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

Table 7

Principal Property Tax Payers,  
Current Year and Nine Years Ago

## Current Year 2020

Taxpayer	Taxable Value	Rank	Percentage of Total Taxable
Consumers Energy Company	\$ 199,836,661	1	10.05%
Pegasus Wind LLC	79,283,479	2	3.99%
Tuscola Bay Wind LLC	60,532,000	3	3.04%
International Transmission Co	55,066,521	5	2.77%
DTE Electric Company	47,566,574	4	2.39%
Tuscola Wind II LLC	36,969,800	6	1.86%
Tuscola Bay Wind II LLC	19,993,939	7	1.01%
POET Biorefining Caro	11,620,853	8	0.58%
Thumb Electric Co-Op	7,940,174	9	0.40%
Dairy Farmer's of America Inc	7,290,400	10	0.37%
<hr/>			
Totals	<u>\$ 526,100,401</u>		<u>26.46%</u>

**2020**  
**Taxable Value**  
**\$ 1,987,953,596**

## 9 Years ago 2011

Taxpayer	Taxable Value	Rank	Percentage of Total Taxable
Detroit Edison Company	\$ 30,814,163	1	2.20%
POET-Biorefining - Caro	16,935,342	2	1.21%
Wal-Mart Stores #01-1798	5,990,896	3	0.43%
Consumers Energy Company	5,813,877	4	0.41%
Thumb Electric Co-Op	5,519,315	5	0.39%
Michigan Sugar Co.	4,244,748	6	0.30%
TI Group Automotive Services	3,006,682	7	0.21%
ITC Transmission	2,831,374	8	0.20%
International Transmission Co	26,659,094	9	1.90%
Metavation	2,524,200	10	0.18%
<hr/>			
Totals	<u>\$ 104,339,691</u>		<u>7.43%</u>

**2011**  
**Taxable Value**  
**\$ 1,401,083,732**

**Source:** Tuscola County Equalization Department.

# TUSCOLA COUNTY, MICHIGAN

Table 8

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

<u>Fiscal Year Ended December 31,</u>	<u>Operating Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Delinquents Purchased by Treasurer</u>	<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>			<u>Amount</u>	<u>Percentage of Levy</u>
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	89.53%	333,258	264,738	7,122,985	97.74%
2020	7,801,256	7,237,708	95.39%	323,351	190,184	7,751,243	99.36%

Source: Tuscola County Treasurer

## TUSCOLA COUNTY, MICHIGAN

Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years

Table 9

<b>Governmental Activities</b>							
Fiscal Year	General Obligation Bonds	Capital Improvement Bonds	Pension Obligation Bonds	Bond Discount	Equipment Loan	Capital Lease Payable	USDA Loans
2011	14,166,114	995,000	-	-	-	-	-
2012	12,968,114	960,000	-	-	-	-	-
2013 (1)	7,829,114	925,000	-	(13,184)	26,013	212,496	5,219,000
2014	6,873,114	890,000	-	(12,438)	13,221	-	5,060,000
2015	6,306,114	855,000	-	(11,692)	-	-	4,969,000
2016	5,853,114	815,000	6,805,000	(13,032)	-	85,343	4,872,000
2017	5,398,114	775,000	9,005,000	(29,784)	-	98,460	4,769,000
2018	4,937,114	735,000	8,720,000	(28,158)	-	73,136	4,659,000
2019	4,464,114	695,000	8,345,000	(26,532)	-	28,465	4,328,209
2020	4,055,114	650,000	7,945,000	(24,906)	-	7,306	4,206,209

<b>Business-Type Activities</b>							
Fiscal Year	Refunding Bonds	Medical Care Small House	Medical Care Land Contract	Capital Lease Payable	Total Primary Government	Percentage of Personal Income	Per Capita (2)
2011	-	-	-	-	15,161,114	10.89%	260
2012	-	-	-	-	13,928,114	11.80%	250
2013 (1)	3,450,000	4,600,000	-	-	22,248,439	7.71%	407
2014	2,420,000	4,600,000	-	-	19,843,897	8.81%	366
2015	1,320,000	4,435,000	-	-	17,873,422	10.43%	331
2016	200,000	4,265,000	140,000	-	23,022,425	8.13%	428
2017	-	4,090,000	70,000	-	24,175,790	7.79%	453
2018	-	3,905,000	-	-	23,001,092	8.23%	431
2019	-	3,715,000	-	-	21,549,256	9.26%	404
2020	-	3,520,000	-	113,344	20,472,067	9.87%	384

**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**

Table 10

Ratios of Net General Bonded Debt Outstanding  
(Last ten years)

<b>General Bonded Debt Outstanding</b>									
<b>Fiscal Year</b>	<b>Building Authority Bonds</b>	<b>General Obligation Bonds</b>	<b>USDA Loans</b>	<b>Capital Leases</b>	<b>Net Pension Obligation Bonds</b>	<b>Net Capital Improvement Bonds</b>	<b>Less Paid by Benefited Municipality</b>	<b>Net General Bonded</b>	<b>Total Taxable Value</b>
2011	535,000	13,631,114	-	-	-	995,000	14,166,114	995,000	1,401,083,732
2012	405,000	12,563,114	-	-	-	960,000	12,968,114	960,000	1,392,442,700
2013	270,000	7,545,930	5,219,000	238,509	-	925,000	7,815,930	6,382,509	1,504,307,893
2014	130,000	6,730,676	5,060,000	13,221	-	890,000	6,860,676	5,963,221	1,627,457,617
2015	-	6,294,422	4,969,000	-	-	855,000	6,294,422	5,824,000	1,730,939,880
2016	-	5,840,082	4,872,000	85,343	-	815,000	5,840,082	5,772,343	1,733,524,072
2017	-	5,368,330	4,769,000	98,460	9,005,000	775,000	5,368,330	14,647,460	1,751,550,308
2018	-	4,908,956	4,659,000	73,136	8,720,000	735,000	4,908,956	14,187,136	1,797,785,602
2019	-	4,437,582	4,328,209	28,465	8,345,000	695,000	4,437,582	13,396,674	1,862,786,940
2020	-	4,030,208	4,206,209	7,306	7,945,000	650,000	4,030,208	12,808,515	1,991,515,345
									<b>Percentage of Taxable Value</b>
	<b>School Districts</b>	<b>Townships</b>	<b>Intermediate Schools</b>			<b>Village</b>	<b>City</b>	<b>Net Overlapping</b>	<b>Value</b>
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%
2020	71,637,950	5,919,010	32,837			6,504,608	4,562,125	88,656,530	4.4517%

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, 2020

2020 Census Totals 2020 Taxable Value	52,289 1,991,515,345	<u>Gross</u>	<u>Self-Support or Portion Paid by Benefited Municipality</u>	<u>Net</u>
Direct debt of County:				
General Obligation Bonds		\$ 4,030,208	\$ 4,030,208	\$ -
USDA Loans		4,206,209	-	4,206,209
Capital Leases		7,306	-	7,306
Pension Obligation Bond		7,945,000	-	7,945,000
Capital Improvement		650,000	-	650,000
		<u>\$ 16,838,723</u>	<u>\$ 4,030,208</u>	<u>\$ 12,808,515</u>
Per-Capita County Net Direct Debt				244.96
Percent County Net Direct Debt to 2020 Taxable				0.6432%
Overlapping Debt of County: (2)				
School Districts				\$ 71,637,950
Townships				5,919,010
Intermediate School District				32,837
Village				6,504,608
City				4,562,125
Net Overlapping Debt				<u>\$ 88,656,530</u>
Net County and Overlapping Debt				<u>\$ 101,465,045</u>
Per-Capita County Net Direct and Overlapping Debt				\$ 1,940.47
Percent Net Direct and Overlapping Debt to Taxable Value				5.0949%

(1) Includes Primary Government

(2) Overlapping debt of County is provided by the Municipal Advisory Council of Michigan's overlapping debt schedules

# TUSCOLA COUNTY, MICHIGAN

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

**Table 12**

<u>Fiscal Year</u>	<u>Assessed Year</u>	<u>Assessed Value of Property</u>	<u>Debt limit, 10% of Assessed Value (Statutory Limitation)</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</u>
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	19,917,330	\$ 205,020,075	8.85%
2020	2019	2,318,460,757	231,846,076	16,838,723	\$ 215,007,353	7.26%



# 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>
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%
2020	51,857	2,020,611	38,965	7,446	10.1%

(1) Census Bureau 2015-2020 estimated census data. 2019 actual census data. 2015-2020 estimated.

(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 BEA data not available for 2020. Estimates based on population changes, and state change in personal income.

2009-2019 updated with BEA revised estimates. BEA population estimates reflect county population estimates available a

(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 Interi

**TUSCOLA COUNTY, MICHIGAN**

**Table 14**

Principal Employers  
Current Year (1) and Nine Years Ago - Unaudited

<u>Employer</u>	<u>2020 (1)</u>				<u>Percentage of Total County Employment</u>	<u>Employer</u>	<u>2011 (3)</u>			
	<u>Product/Service</u>	<u>Employees</u>	<u>Rank</u>	<u>Rank</u>			<u>Product/Service</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Caro Regional Center	Mental Health Care	398	1	1.9%	Tuscola County	Government	406	1	1.6%	
Tuscola County (2)	Government	379	2	1.8%	Caro Regional Center	Mental Health Care	324	2	1.3%	
Walbro - Engine Management	Manufacturing	365	3	1.7%	Hills & Dales General Hospital	Health Care	301	3	1.2%	
Lighthouse Neurological Rehabilitation Center	urological Rehabilitat	331	4	1.6%	Wolverine Human Services	Juvenile Rehabilitation	300	4	1.2%	
Hills & Dales General Hospital	Health Care	250	5	1.2%	Caro Community Schools	Education	264	5	1.1%	
Tuscola Intermediate School District	Education	230	6	1.1%	Vassar Schools	Education	258	6	1.0%	
Caro Community Schools	Education	175	7	0.8%	Tuscola Intermediate School District	Education	256	7	1.0%	
Vassar School District	Education	125	8	0.6%	Walbro - Engine Management	Manufacturing	224	8	0.9%	
Human Development Commission	Governmental Service	119	9	0.6%	Wal-Mart	Retail	140	9	0.6%	
Walmart	Retail	116	10	0.5%	Metavation Foundry	Manufacturing	140	10	0.6%	
<b>Total</b>		<b>2488</b>		<b>11.7%</b>	<b>Total</b>		<b>2613</b>		<b>10.4%</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

Function	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Legislative (1)	5	5	5	5	-	-	-	-	-	-
Judicial (2)	44	42	43	36	38	38	41	41	42	35
General Government	50	48	49	48	51	52	57	62	52	50
Public Safety	60	59	57	62	61	63	64	70	72	75
Public Works	-	-	-	-	-	-	-	-	-	-
Health and Welfare (3)	196	200	203	215	228	226	230	230	255	219
<b>Total</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>	<b>379</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

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>Function/Program</u></b>										
<b>Public safety (1)</b>										
Incarcerated offenders	2,002	2,054	1,761	1,987	1,742	1,521	1,572	1,578	1,385	878
First time offenders	577	547	514	474	548	511	491	542	468	323
Repeat offenders	1,425	1,507	1,247	1,513	1,194	1,010	1,081	1,036	917	555
Males	-	-	1,415	1,667	1,368	1,184	1,224	1,231	1,037	648
Females	-	-	346	320	374	337	348	347	348	230
Traffic violations and other summons issued	2,263	2,237	1,784	1,766	1,744	1,688	1,350	1,666	1,812	1,527
Complaints responded to	5,088	4,977	4,975	4,884	5,120	5,091	5,085	5,231	4,886	4,532
Physical arrests made	854	891	746	725	981	862	852	856	755	483
Accidents responded to	1,033	1,048	1,068	966	1,016	1,030	1,086	1,027	995	836
Fatal Crashes	1	11	2	8	2	2	7	7	5	7
Car Deer Accidents	621	614	609	549	599	591	643	592	601	563
Total 911 Calls received (2)	22,791	23,068	22,703	22,225	22,339	24,298	22,292	22,022	21,504	19,309
Wireless/Voip Calls	14,919	15,657	15,845	15,718	15,874	19,019	17,902	17,435	17,869	18,723
Landline Calls	7,872	7,411	6,858	6,507	6,465	5,279	4,782	4,587	4,198	586
Non-emergency calls	41,752	39,839	38,919	36,584	34,326	27,836	22,736	24,491	23,422	20,687
Calls for Service logged	32,165	33,226	37,850	39,283	40,512	40,521	40,057	41,145	41,300	35,596
Traffic Accidents	1,265	1,223	1,230	1,252	1,291	1,359	1,462	1,480	1,033	1,117
Car Deer	825	821	780	744	885	892	982	970	1,250	1,089
Traffic Stops	8,390	8,483	12,892	13,047	13,407	11,881	12,170	11,533	10,808	6,356
Fires	576	573	699	523	717	413	478	539	501	559
Medicals (not include accidents)	4,913	5,179	5,086	5,657	5,971	5,831	5,790	6,130	6,173	6,144
<b>Judicial</b>										
54th Circuit Court new case filings	1,311	1,407	1,314	1,212	1,096	1,124	1,183	1,171	1,001	854
71B District Court new case filings	7,670	7,680	7,783	7,111	6,975	6,806	6,510	6,586	7,258	4,847
Probate Court new case filings	343	347	400	394	379	380	396	407	370	334

(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>Fiscal Year</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>	<u>2020</u>
<b>Public Safety</b>										
<b>Sheriffs Department</b>										
Vehicles (1)	22	22	24	21	24	25	21	24	27	23
Mileage	364,153	317,250	330,004	356,320	335,880	340,893	415,692	437,270	441,077	15,962
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	2	2	2	2	2	-	1	1
Buildings	1	1	1	1	1	1	1	1	1	1
<b>General Government</b>										
<b>Building and Grounds</b>										
Vehicles	12	12	12	10	10	11	10	10	10	10
Buildings	16	17	17	17	15	15	15	15	15	15
<b>Mosquito control</b>										
Vehicles	17	17	17	21	21	21	21	22	22	25
Buildings	1	1	1	1	1	1	1	1	2	1
<b>Recycling</b>										
Vehicles	2	2	2	3	3	3	3	2	3	3
Trailers	3	4	4	6	6	6	6	4	6	6
Buildings	1	1	1	1	1	1	1	1	1	1
<b>Animal Control</b>										
Vehicles	-	-	-	-	-	-	-	2	2	2
Buildings	-	-	-	-	-	-	-	1	1	1
<b>FOC</b>										
Vehicles	1	1	1	1	1	1	1	1	1	1
<b>Juvenile Probation</b>										
Vehicles	1	1	2	2	2	2	2	1	3	2
<b>Health and Welfare</b>										
<b>Health Department</b>										
Vehicles	4	4	4	5	5	6	6	6	7	11
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, 2020**

**Tuscola County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2020**

<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	N/A	\$ 45,800
<b>Total U.S. Department of Agriculture</b>				<b><u>45,800</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	74,972
Friend of the Court Cooperative Reimbursement Program	93.563	MDHHS	CSFOC 17-79001	605,289
Friend of the Court Cooperative Reimbursement Program	93.563	MDHHS	GF/GP	42,848
Title IV-D Incentive Program	93.563	MDHHS	CSFOC 17-79001	64,921
Total Child Support Enforcement				<u>788,030</u>
<b>Total U.S. Department of Health and Human Services</b>				<b><u>788,030</u></b>
<b>U.S. Department of Justice</b>				
Crime Victim Assistance:				
Victims of Crime Act	16.575	DCH	2019-VA-GX-0020	85,371
Coronavirus Emergency Supplemental Funding Grant				
Courts	16.034	MSP	CESF-8-79-0181	14,303
Prosecutor	16.034	MSP	CESF-8-79-0173	3,173
Sheriff	16.034	MSP	CESF-10-2020	53,409
Total Coronavirus Emergency Supplemental Funding Grant				<u>70,885</u>
<b>Total U.S. Department of Justice</b>				<b><u>156,256</u></b>
<b>U.S. Department of Treasury</b>				
Coronavirus Relief Local Government Grants	21.019	MDT	N/A	417,467
First Responder Hazard Pay Premiums	21.019	MDT	N/A	57,000
<b>Total U.S. Department of Treasury</b>				<b><u>474,467</u></b>
<b>U.S. Department of Homeland Security</b>				
Homeland Security Grant Program				
Homeland Security Grant	97.067	Midland County	N/A	35,701
Emergency Management Performance Grants				
Emergency Management Performance	97.042	MSP	N/A	31,378
Boating Safety Financial Assistance				
Marine Safety Program	97.012	MDNR	N/A	12,163
<b>Total U.S. Department of Homeland Security</b>				<b><u>79,242</u></b>
<b>Total Expenditures of Federal Awards</b>				<b><u>\$ 1,543,795</u></b>

See Notes to the Schedule of Expenditures of Federal Awards

## Tuscola County

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

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#### **NOTE A - BASIS OF PRESENTATION**

The accompanying 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, 2020. 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 Audited Financial Statements. The County's financial statements include the operations of the Tuscola County Health Department (09/30/2020), Tuscola County Medical Care Facility, and the Tuscola County Road Commission, which received federal awards that are not included in the Schedule for the year ended December 31, 2020, as these entities were separately audited from the County.

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

Expenditures reported on the Schedule are reported on the 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

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

#### **NOTE C – UNITED STATES DEPARTMENT OF AGRICULTURE LONG-TERM DEBT**

The County has outstanding loans under the United States Department of Agriculture (USDA) Water and Waste Disposal Systems for Rural Development Communities totaling \$4,206,209 as of December 31, 2020.



**Tuscola County**

Notes to the Schedule of Expenditures of Federal Awards

**NOTE D – PASS-THROUGH ENTITIES**

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:

<u>Pass-through Entity Abbreviation</u>	<u>Pass-through Entity Name</u>
MDHHS	Michigan Department of Health and Human Services
DCH	Michigan Department of Community Health
MSP	Michigan Department of State Police
MDT	Michigan Department of Treasury
MDNR	Michigan Department of Natural Resources

**NOTE E - RECONCILIATION TO FINANCIAL STATEMENTS**

A reconciliation of the amounts presented in the Schedule to the amounts presented in the financial statements is as follows:

Intergovernmental revenues reported in the financial statements:	
Governmental funds	\$ 8,720,251
Business-type activities	1,208,521
Component units	16,430,308
Total intergovernmental revenue:	<u>26,359,080</u>
<i>Subtract separately audited entities:</i>	
Tuscola County Health Department (09/30/2020)	(3,229,762)
Tuscola County Medical Care Facility	(1,208,521)
Tuscola County Road Commission	(16,430,308)
<i>Subtract state and local sources:</i>	<u>(3,946,694)</u>
Total expenditures of federal awards:	<u>\$ 1,543,795</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*

To 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, 2020, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated August 13, 2021. Our report includes a reference to other auditors who audited the financial statements of the Tuscola County Health Department (09/30/2020), Tuscola County Medical Care Facility, and the Tuscola County Road Commission, 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.

**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) as a basis for designing 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 financial statements. 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  
August 13, 2021

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

To the Board of Commissioners  
Tuscola County, 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, 2020. 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 Health Department (09/30/2020), the Tuscola County Medical Care Facility, and the Tuscola County Road Commission, which received over \$750,000 in federal awards and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2020. Our audit, described below, did not include the operations of the Tuscola County Health Department (09/30/2020), the Tuscola County Medical Care Facility, and the Tuscola County Road Commission, because each entity arranged for a separate financial statement audit and either did not meet the criteria for a single audit in accordance with the Uniform Guidance (Tuscola County Road Commission) or met the criteria and had a single audit engagement performed in accordance with the Uniform Guidance (Tuscola County Health Department (09/30/2020) and Tuscola County Medical Care Facility).

***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.

***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, 2020.

**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 Count'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 a 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.

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  
August 13, 2021

**Tuscola County**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2020**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal controls over financial reporting	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
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

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between Type A and B programs?	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS**

No matters were reported in the prior year.



August 13, 2021

To 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") for the year ended December 31, 2020. 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 Matters

#### *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, except as stated in Note 18 to the financial statements, the application of existing policies was not changed during 2020. 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 lives 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 to calculate the actuarial report and the net present value of pension benefits is based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop the useful lives in determining that it is reasonable in relation to the 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, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 13, 2021.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to 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 the management's discussion and analysis, budgetary comparison schedules, and the schedules for the pension benefit plan, 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,

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

Gabridge & Company, PLC  
Grand Rapids, MI