



Tuscola County, Michigan Comprehensive Annual Financial Report



Fiscal Year Ended
December 31, 2021



TUSCOLA COUNTY, MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

Board of Commissioners

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Introductory Section

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CONTROLLER/ADMINISTRATOR'S OFFICE

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June 30, 2022

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Tuscola County for the fiscal year ended December 31, 2021.

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, 2021 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, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

I - Profile of the Government

County government is the largest unit of local government in Michigan and is also the oldest political subdivision of the state, having attained stature and importance before any other form of government now in existence. Tuscola County was incorporated in 1851 and is located in the east central portion of the lower peninsula of the state. The County occupies an area of approximately 803 square miles and serves a population of approximately 52,917.

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. The County Controller/Administrator shall have the authority to transfer up to \$5,000 between non-wage/fringe benefit accounts within an adopted activity (departmental) budget without approval of the Board of Commissioners. However, any increase in a total activity budget appropriation requires Board of Commissioner approval. 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 whom 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 (Comprehensive Annual Financial Report), financial status reporting and multi-year financial planning. The effectiveness of this system has produced positive results for many years.

All agencies of Tuscola County are required to submit annual budget appropriation requests to the Controller-Administrator. The Controller-Administrator uses these requests as the starting point for developing a proposed budget. The Controller-Administrator then presents this proposed budget to the Board of Commissioners for review. Departments who are not in agreement with their budget have opportunities to address specific concerns with the Board of Commissioners. Budget Public Hearings are required to be held and adoption of a final budget is required no later than December 31, which is the close of Tuscola County's fiscal year.

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

III - Economic Factors Affecting Financial Condition

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

Economic Indicators

Positive Indicators

Even with economic challenges, Tuscola County is financially stable and well managed. This is evidenced by another bond rating upgrade in 2014 from A+ to AA-. The AA- rating was reaffirmed in early 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. County assessed value increased by 3.07% from 2019 to 2020 and then increased by 3.16% from 2020 to 2021. Most of the increase was from WT personal property. Although the receipt of WT revenue is valuable, it is critical to note the amount received declines on an annual basis.

Tuscola County per capita income continues to increase. According to the Bureau of Economic Analysis, Tuscola County's per capita income increased 13.3% from 2019 to 2020, which was a greater increase than the state at 8.1% and the nation at 6.2%.

Negative Indicators

The near term financial position for county operations has not improved because of the tax revenue decrease from wind turbine (WT) and transmission line development by the International Transmission Company. The county assessed value has decreased from 2020 to 2021; the decrease is 1.03%. Industrial, Commercial & Development and Residential have increased in value with a decrease in Timber-Cut & Agriculture taxable value.

Tuscola County annualized unemployment rate at the end of 2021 was 4.8% which was higher than the state at 4.2% and the nation at 3.9%. Tuscola County's unemployment rate was also higher than surrounding counties similar in size, Huron County at 4.1% and Sanilac County at 4.6%.

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. 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 majority of jobs lost during the pandemic have been in industries that pay low average wages according to Labor Department employment data.

Tuscola County continues to experience certain economic indicators of concern. Michigan was one of nineteen states in the nation to experience a population decline from 2020 to 2021. Since 2010 Tuscola County continues to have a decline in population with the exception of the period from 2019 to 2020. The county has economic development challenges because it is rural and is also impacted by the manufacturing employment decline 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 2010 to 52,917 in 2021. This is an 11 year loss of 2,812 people or 5%. The declining population is also evidenced by school enrollment declines. In 2012, school enrollment in the county was 9,561 compared to only 7,473 in 2021. This is a 10 year decline of 2,088 students or 21.8%.

Michigan's preliminary annual average unemployment rate in 2021 was 4.2%, a significant decrease of 6.0% at end of January 2020. Tuscola County's unemployment rate was higher than the state and nation. Approximately 31% of the county residents receive some form of public assistance. Over 11.4% of the population is living at poverty level. Median household income is lower in Tuscola County than the state and nation. Home values are much lower in Tuscola County than the 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 respectively at 30.0% and the nation at 32.9% with higher degrees. This creates more challenges in trying to create employment opportunities.

Positive Steps Taken To Revitalize the Economy

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

Job Retention/Creation

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

1. Instrumental attracting a \$12,000,000 Expansion project with Walbro LLC., adding 50 new high paying union jobs and securing the future of Walbro in Cass City for many years to come. A facility that now has over 500 union jobs.
2. The EDC attracted Quality Roasting, LLC -- a Wisconsin based agricultural processing company. Worked with them on an incentive package which lead to the construction of a \$5,000,000 soy bean processing plant in Gilford Twp., giving our area farmers additional AG Value to their product.
3. . The EDC continues to work on the Former Camp Tuscola Prison Site to redevelop old site properties.
4. The Tuscola County EDC was successful in working with DTE and Consumers Energy and CISCO Gas of Cass City in securing additional capacity to be able to continue to grow the Cass City Industrial Park.

5. Assisted Thumb Electric Coop with planning for Fiber Network Connectivity for homes and businesses throughout the rural portions of Tuscola County. This provides much needed Broadband support to the continued growth of Tuscola County.
6. Assisted with the relocation of MI-Tech Tooling to a much larger building in Cass City -- dealing with the retention of 22 jobs.
7. With helping to locate and establishing Dyna Products in their new location in the Village of Millington we continue to work with them expanding their new location and supplying them with new equipment with the EDC Equipment Lease Program.
8. Provided financing for ATR Tool to locate in a vacant building within the village of Millington - - creating up to 5 new jobs. Provided them with a \$75,000.00 equipment lease to purchase a C&C Machine which this company is a supplies to Mi-Tec. Supporting another local business, supplying a need with product or service to another local manufacturing form. This piece of equipment supports the growth of both companies.
9. Putting together local and state funding for the rejuvenating of a historic building downtown Millington by adding two apartments in the upstairs of the old hardware store.
10. Support of Human Hoist new product expansion in the Village of Mayville through the equipment lease purchase of a new Cargo Van and financial incentives.
11. Ongoing work with Chinese buyers for AG products representing the Government of China. Facility and negotiating county AG products sales.
12. Support the Sale and Expansion of Wilkinson Chemical Plant in Millington Twp.
13. Received a Brownfield Redevelopment Grant of \$600,000 with funds used to put brownfield properties back into usable revenue generating properties. The grant is funding numerous business locations in Tuscola County and the Thumb Region.
14. Continued to work with DTE Energy to solve increased power needs in Tuscola County.
15. 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.
16. Continued retention calls to Tuscola County manufacturers in connection with the Michigan EDC, MDARD and GST Michigan Works.
17. 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.
18. 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.
19. 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.

20. Work with the new business owners on establishing a new sub shop in downtown Caro.
21. Worked and support of the new owners at Harvest Deli and retiring a equipment least loan.
22. Assisted with the location of a new company to service as the Tuscola County Building Department.
23. Coordinated all efforts of a local bank, the City of Caro, The EDC and new business owner to acquire and improve the historic Strand Movie Theatre in Caro -- on the few remaining theaters of its kind in the Thumb area.
24. Supporting the Sale of the Thumb meat market providing environmental services.
25. Bring back the life the vacant Nestles Manufacturing plant in Cass City by providing environmental services and Brownfield cleanup money.
26. Implemented the AG Advantage Leadership training program designed to educate High School Students on available job opportunities in their own backyard.

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 – 2021 County Activity Summary

Tuscola County continued to experience the effects in 2021 from a challenging year in 2020 due to the COVID-19 pandemic as did most of the nation. Through the challenges of the negative effects from the pandemic, 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 2022 and future years. Some of the significant positive activities for the Tuscola County government in 2021 are outlined below.

Wind Turbine Development Major Source of Revenue for Public Services

Without question the most significant event that has impacted finances in Tuscola County over the last nine 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 2021, nearly \$19,022,814 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.

Wind Turbine Assessing/Taxation

Approximately \$9,998,771 in WT revenue was collected in Tuscola County in 2021. If this had to be reduced by 27% based on the STC MT, the estimated revenue loss would be \$2,699,668. 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.

A nearly ten 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.

Michigan Indigent Defense Commission Program Successfully Implemented and in the Fourth 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, 2020 to September 30, 2021 budget is \$1,138,082 with a state share of \$885,274 and a county share of \$253,708. For the 2021 Budget from October 1, 2021 through September 30, 2022 is \$1,501,036 with the state share of \$1,249,564 and a county share of \$251,472.

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 was implemented in 2021.

Continued Successful Financial Management and Strong Bond Rating

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

All county funds continue to have positive fund balance positions and the annual budget remains balanced with adequate reserves. Importantly, funds continued to be transferred for equipment/technology and capital improvement needs in 2021. 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 three 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. 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 have graciously donated food, volunteered their time and desire to provide ways in assisting with the needs of abused and neglected animals. An electronic means of donation was implemented in 2021.

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 reviewed details from the study. An architectural firms developed conceptual drawings and a footprint for a new jail to include cost estimates. Methods of financing construction and possibly certain operational costs were reviewed. In 2020 Byce & Associates completed a more specific plan. Unfortunately COVID-19 has slowed this process down. In 2021 the final plans were presented and the New Jail project proposal to be potentially placed on a ballot for a vote by the citizens in 2022.

Geographic Information System Continues to Advance in 2021

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. 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 is used to allow Tuscola County to produce high quality printed maps which also serves as a revenue source. A template for tax map books is available for county citizens, as well as, for each township. Web apps for county departments and the public at large has been provided, along with a Delinquent Tax app.

Technological Advancements Strengthen Operational Efficiency

In 2021, approximately \$197,000 was invested in technology advancements from our Capital Improvements Fund. These funds were used for expanded video security measures, hardening our cybersecurity posture, strengthening computer system infrastructure and speed, and implementation of new software applications for increased efficiency.

Tuscola Officials Continue to be Recycling Leaders

The Tuscola County Recycling Center relocated in 2020 which provided the added space needed to expand the recycling program for Tuscola County and other surrounding counties and continues to be a success in 2021.

Continued Successful Thumb Regional Sobriety Court

For the past nine 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 \$177,000 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 provides the Mental Health court program to assist those struggling with addiction and counseling needs. This is a treatment program that is funded by a \$56,000 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 2021

- A. Tuscola County Veterans program continues to secure the \$50,000 veterans outreach grant for 4 years now. This grant assists veterans throughout the county on how to receive help that is available to them for many services.
- B. Tuscola County implemented feasible engineering controls to minimize or eliminate employee exposure to SARS-COV-2. Engineering controls reduced exposure to hazards without relying on worker behavior and was the most effective solution to implement.
- C. Tuscola County implemented an online service for online payments in order to improve internet services and convenience for citizens.
- D. Tuscola County Treasurer's office improved services affecting property foreclosures in order to comply with legislative changes.
- E. Improvements to the Tuscola County Vanderbilt Park were completed with a gravel road centerline at affected property boundary.
- F. Tuscola County hired a new Health Officer in 2021 after the former Health Officer retired after several years of service.
- G. The Unified Courts implemented the installation of a hybrid courtroom video and audio system to improve efficiencies and security.
- H. Tuscola 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.
- I. Tuscola County declared the county a sanctuary county, a place of refuge for the law abiding citizens in regards to the citizens' rights under The Constitution for the United States of America and Michigan Constitution including but not limited to the Second Amendment right to Keep and Bear Arms.
- J. Tuscola County implemented paperless payroll to reduce cost and increase convenience to staff.
- K. Tuscola County executed participation agreements with three wholesale distributors regarding the Opioid crisis.
- L. Tuscola County land bank continues to be operative and improves ways to move forward to revitalize properties throughout Tuscola County.
- M. Plans are being considered to replace the aging Tuscola County jail. Current needed improvements have been put in place to keep jail cells safe such as a padded cell and installed COVID safe visiting booths.
- N. Improvements to the Tuscola County Animal Shelter were completed. A furnace has been installed to improve air control, cat room completed, and new doors installed.

- O. Tuscola County in-home child care supervised visitation program continues to be successful to keep the institutional care cost down.
- P. Tuscola County Drain Commission was able to complete needed repairs to the Murphy Lake Dam.

V- Effective Financial Policies

The Tuscola 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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2020. The county has received this prestigious award for 21 consecutive years. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Tuscola County Board of Commissioners for their unflinching 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 Douglas DuRussel

District 3 Kim Vaughan
District 5 Daniel Grimshaw

Administration

County Controller/Administrator

Clayette Zechmeister

Elected Officials

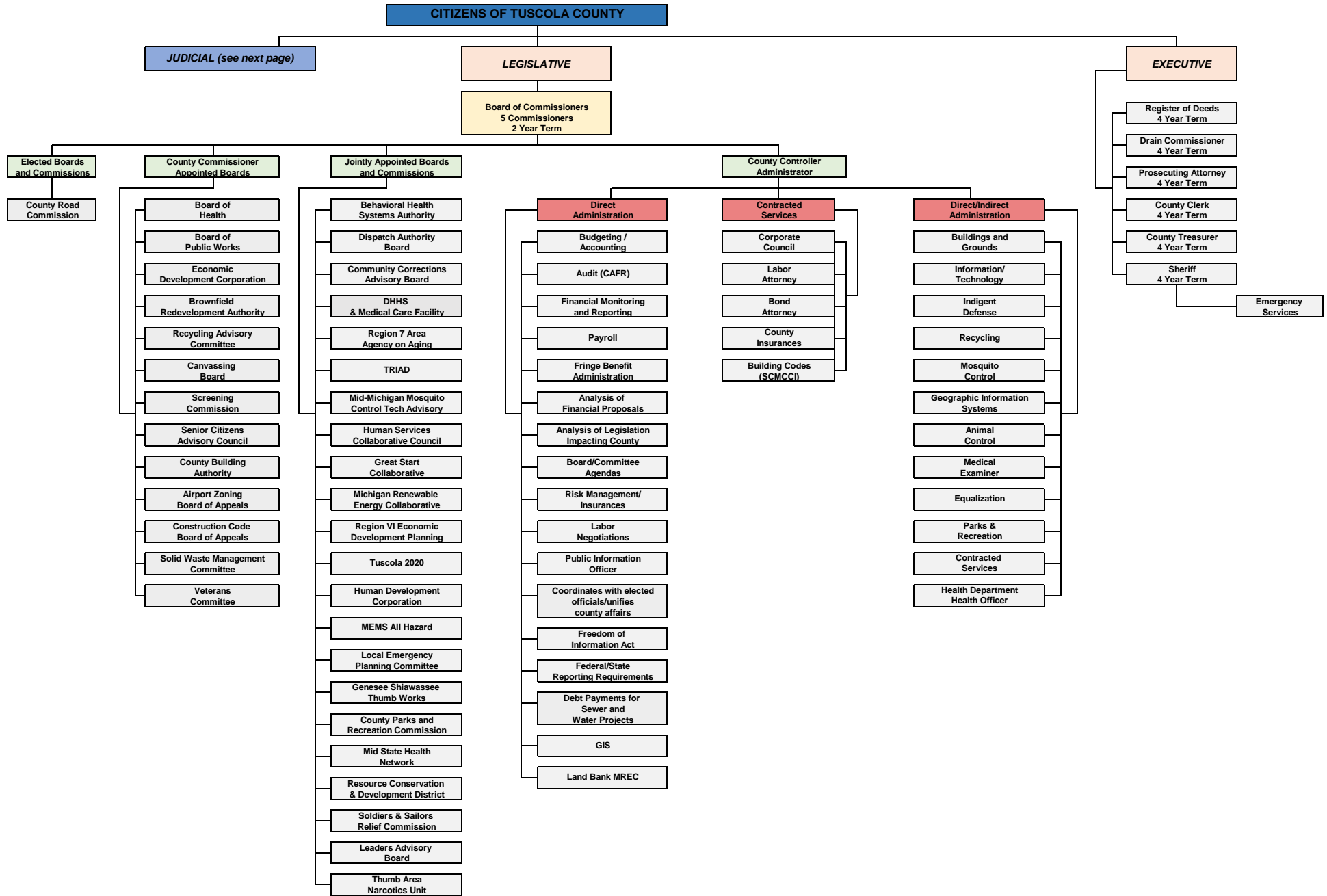
Circuit Court Judge
County Clerk
District Court Judge
Drain Commissioner
Probate Court Judge
Prosecutor
Register of Deeds
Sheriff
Treasurer

Amy Grace Gierhart
Jodi Fetting
Jason Bitzer
Robert Mantey
Nancy Thane
Mark Reese
John Bishop
Glen Skrent
Ashley Bennett

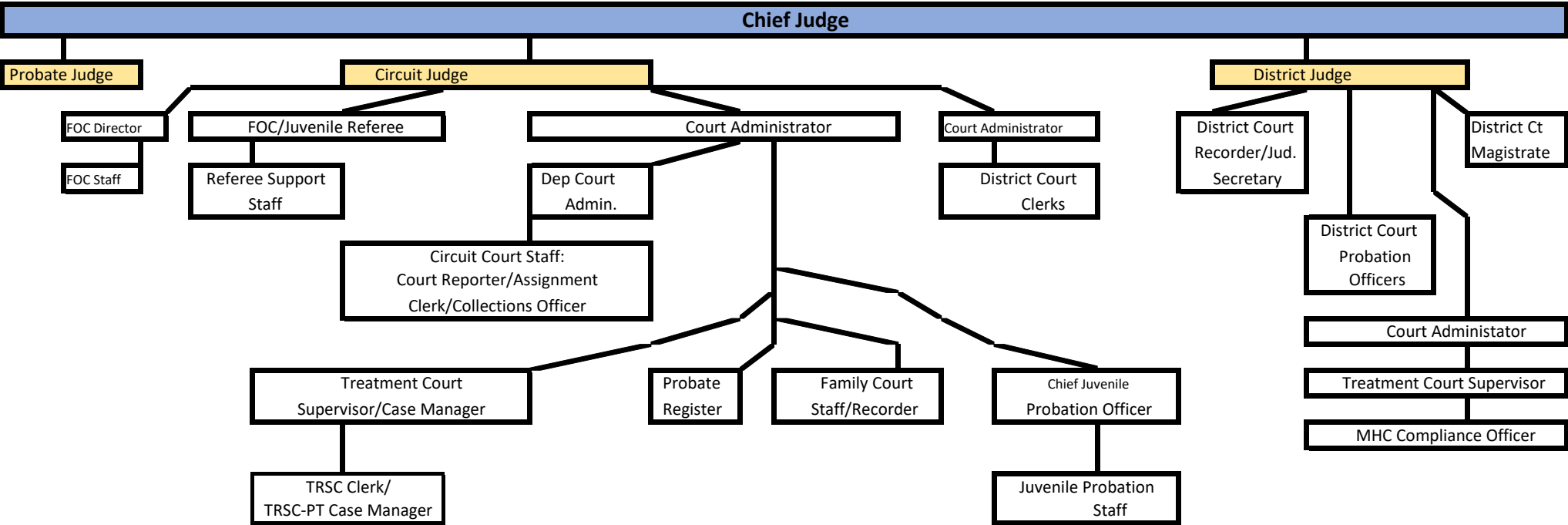
Appointed Officials

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
Ean Lee
Sandy Nielsen
Angela Daniels
Sandy Erskine
Ann Hepfer
Larry Zapfe
Jerry Johnson
Mike Miller
Robert Baxter



Tuscola County Courts Organizational Chart



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

** Effective 08-12-2021



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tuscola County
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Tuscola County, Michigan

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tuscola County, Michigan (the "County"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Tuscola County Road Commission, which represents 84.2%, 84.3%, and 90.1%, respectively, of the assets and deferred outflows, net position, and revenues of the aggregate discretely presented component units as of December 31, 2021, and the respective changes in financial position thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Tuscola County Road Commission, are based solely on the report of the other auditors. Also, we did not audit the financial statements of the Tuscola County Medical Care Facility, which represents 76.8% of the assets and deferred outflows of resources, 68.7% of the net position, and 96.2% of the revenues of the business-type activities. Those statements, also, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tuscola County Medical Care Community is based solely on the report of the other auditors. Also, we did not audit the financial statements of the Tuscola County Health Department, which represents 7.7% of the assets and deferred outflows of resources, (10.7)% of the net position, and 13.3% of the revenues of the governmental activities. Those statements, also, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tuscola County Health Department is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller general of the United States 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor governmental funds, internal service funds, custodial funds, and Drains Commission (discretely presented component unit) financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 nonmajor governmental funds, internal service funds, custodial funds, and Drains Commission (discretely presented component unit) financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, 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 County's internal control over financial reporting and compliance.



Gabridge & Company, PLC
Grand Rapids, Michigan
June 30, 2022

Management's Discussion and Analysis

Tuscola County Management's Discussion and Analysis December 31, 2021

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, 2021. 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, 2021 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 \$37,874,994 (net position), an increase of \$4,181,261 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 \$17,976,317 an increase of \$1,614,685 in comparison with the prior year. Of the fund balance amount, \$957,003 is available for spending at the government's discretion (unassigned fund balance).
- Total fund balance for the general fund was \$2,935,455, a decrease of \$19,996 from the prior year. At the end of the year, the unassigned portion of the fund balance in the general fund was \$957,003, or approximately 6.8% percent of total general fund expenditures and transfers out for the year.
- The County's investment in capital assets was \$17,596,848 at the end of the current fiscal year, which compares to \$19,047,752 at the end of the prior fiscal year.
- The County's total long-term installment debt decreased by \$928,294 during the year, from \$20,472,067 in the prior year to \$19,543,773 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, 2021), ARPA, Pension Obligation Bond, 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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 23,381,719	\$ 16,214,422	\$ 15,744,121	\$ 13,142,476	\$ 39,125,840	\$ 29,356,898
Receivables, net	10,748,660	10,667,231	5,370,714	4,444,062	16,119,374	15,111,293
Due from other governments	1,360,211	798,793	256,020	138,579	1,616,231	937,372
Other assets	99,715	90,271	385,147	237,971	484,862	328,242
Total Current Assets	35,590,305	27,770,717	21,756,002	17,963,088	57,346,307	45,733,805
<i>Noncurrent Assets</i>						
Long-term intergovernmental advances	-	510,000	-	-	-	510,000
Contracts receivable, long-term	7,726,323	7,726,323	-	-	7,726,323	7,726,323
Restricted cash	-	-	23,001	38,451	23,001	38,451
Capital assets, net	6,312,018	6,575,294	11,284,830	12,472,458	17,596,848	19,047,752
Total Assets	49,628,646	42,582,334	33,063,833	30,473,997	82,692,479	73,056,331
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferred outflows	2,901,953	1,146,091	1,223,326	543,395	4,125,279	1,689,486
Total Deferred Outflows of Resources	2,901,953	1,146,091	1,223,326	543,395	4,125,279	1,689,486
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	1,207,024	772,047	2,036,049	2,544,191	3,243,073	3,316,238
Accrued liabilities	927,348	819,077	534,785	837,408	1,462,133	1,656,485
Accrued interest	118,104	142,919	9,102	9,651	127,206	152,570
Unearned revenue	5,237,837	243,652	28,651	45,886	5,266,488	289,538
Due to other governmental units	-	-	-	-	-	-
Current portion of compensated absences	224,437	159,903	156,346	188,700	380,783	348,603
Current portion of long-term debt	1,060,000	1,007,306	238,042	225,330	1,298,042	1,232,636
Internal balances	(36)	(31,445)	36	31,445	-	-
Total Current Liabilities	8,774,714	3,113,459	3,003,011	3,882,611	11,777,725	6,996,070
<i>Noncurrent Liabilities</i>						
Compensated absences	363,093	294,650	270,579	285,609	633,672	580,259
Long-term debt	15,058,043	15,831,417	3,187,688	3,408,014	18,245,731	19,239,431
Net pension liability	3,540,624	3,147,483	213,542	248,740	3,754,166	3,396,223
Total Liabilities	27,736,474	22,387,009	6,674,820	7,824,974	34,411,294	30,211,983
DEFERRED INFLOWS OF RESOURCES						
Pension related deferred inflows	3,354,472	1,358,347	1,669,035	966,814	5,023,507	2,325,161
Property taxes levied for subsequent year	8,997,234	8,698,871	510,729	495,166	9,507,963	9,194,037
Total Deferred Inflows of Resources	12,351,706	10,057,218	2,179,764	1,461,980	14,531,470	11,519,198
NET POSITION						
Net investment in capital assets	5,714,234	5,925,950	7,859,100	8,839,114	13,573,334	14,765,064
Restricted	21,407,541	20,807,309	-	-	21,407,541	20,807,309
Unrestricted	(14,679,356)	(15,449,061)	17,573,475	12,891,324	2,894,119	(2,557,737)
Total Net Position	\$ 12,442,419	\$ 11,284,198	\$ 25,432,575	\$ 21,730,438	\$ 37,874,994	\$ 33,014,636

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 increased from \$3,396,223 to \$3,754,166 as of December 31, 2021. We continue to recover from the market loss in 2018 with strong investment returns during 2020 and 2021, offset by changes in actual vs expected experience and actuarial assumptions.
- Pension related deferred outflows and inflows increased by \$2,435,793 and \$2,698,346 as of December 31, 2021 respectively. This is a combination of amortization of prior deferred charges plus strong investment returns in 2021 (which prevented an additional layer of increased charges), along with change in actual experience. Tuscola County and the Tuscola County Health Department continue to work towards reducing their pension debts.
- Cash has an overall increase of \$9,768,942 as of December 31, 2021. This increase was related in large part to the American Rescue Plan Act (ARPA) dollars that were received but not yet spent, which in turn increased unearned revenue, while the business-type activities saw continued increases in net position.

Tuscola County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for services	\$ 7,078,392	\$ 5,550,687	\$21,056,436	\$23,581,296	\$28,134,828	\$29,131,983
Operating grants and contributions	7,717,826	7,326,865	4,952,530	1,208,521	12,670,356	8,535,386
General Revenues						
Property taxes	16,753,687	16,022,085	496,665	463,443	17,250,352	16,485,528
Unrestricted state revenue sharing	1,158,441	878,877	-	-	1,158,441	878,877
Interest income	141,089	173,819	56,925	101,760	198,014	275,579
Total Revenues	32,849,435	29,952,333	26,562,556	25,355,020	59,411,991	55,307,353
Expenses						
Legislative	194,031	151,169	-	-	194,031	151,169
Judicial	6,179,674	3,339,659	-	-	6,179,674	3,339,659
General government	4,321,644	6,466,357	-	-	4,321,644	6,466,357
Public safety	8,264,280	8,554,451	-	-	8,264,280	8,554,451
Public works	3,941,222	3,128,960	-	-	3,941,222	3,128,960
Health and welfare	8,236,356	7,455,390	-	-	8,236,356	7,455,390
Culture and recreation	23,208	94,899	-	-	23,208	94,899
Interest on long-term debt	680,166	548,035	-	-	680,166	548,035
Bond issuance cost	110,023	-	-	-	110,023	-
Community and economic development	438,485	-	-	-	438,485	-
Tuscola County Medical Care Facility	-	-	22,315,379	22,316,941	22,315,379	22,316,941
Tax foreclosure fund	-	-	376,262	243,681	376,262	243,681
Combined tax revolving fund	-	-	150,000	1,270	150,000	1,270
Total Expenses	32,389,089	29,738,920	22,841,641	22,561,892	55,230,730	52,300,812
Changes in Net Position Before Transfers	460,346	213,413	3,720,915	2,793,128	4,181,261	3,006,541
Transfers	497,179	962,862	(497,179)	(962,862)	-	-
Changes in Net Position	957,525	1,176,275	3,223,736	1,830,266	4,181,261	3,006,541
<i>Net Position at the Beginning of Period (restated)</i>	<i>11,484,894</i>	<i>10,107,923</i>	<i>22,208,839</i>	<i>19,900,172</i>	<i>33,693,733</i>	<i>30,008,095</i>
Net Position at the End of Period	\$ 12,442,419	\$11,284,198	\$25,432,575	\$21,730,438	\$37,874,994	\$33,014,636

Net position of the County increased by \$4,181,261 during the year ended December 31, 2021. The governmental activities increased by \$957,525 when compared to the prior year and the business-type activities increased by \$3,223,736.

Additional significant items to note during 2021 include:

- Charges for services decreased in part due to business-type activities having decreased charges to clients due to diminished census at the Medical Care Facility as a result of COVID-19.
- Operating grants and contributions increased by \$4,134,970, mostly due to the medical care facility receiving \$4,952,530 in provider relief funds.
- Property taxes increased by \$731,602 as the taxable value continued to increase for the current fiscal year.

Governmental Activities

During the year, the County invested \$4,321,644, or approximately 13.34%, of expenses to general government activities. Health and welfare expenses totaled \$8,236,356, or 25.43%, of governmental activities. Public safety expenses totaled \$8,264,280, or 25.52%, of governmental activities expenses. Public works, legislative, judicial, culture and recreation, community and economic development, and interest on long-term debt made up the remaining 23.54% of governmental activities expenses. In the current year expenses increased by \$2,650,169, which was primarily the result of the increased grant funding opportunities.

Business-type activities

Business type activities increased the County's net position by \$3,223,736. 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 \$3,323,607.

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 \$17,976,317, an increase of \$1,614,685 in comparison with the prior year. The overall increase in fund balance is described later in this analysis. Approximately 5.3%, or \$957,003, of this total amount constitutes *unassigned fund balance*. The remainder of fund balance is restricted (\$13,681,218 or 76.1%), *committed* (\$499,917 or 2.8%), or *assigned* (\$2,231,452 or 12.4%) to indicate that it cannot be used at the County's discretion, or it is *nonspendable* (\$606,727

or 3.4%) 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 \$957,003. 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 6.8% of total general fund expenditures and transfers out. The general fund had a decrease in fund balance of \$19,996 for an ending total fund balance of \$2,935,455. Revenues remained comparable with the prior year seeing mostly modest increases, while intergovernmental saw the biggest increase due to increased state revenue sharing, expenditures saw a comparable increase across the board.

The road patrol fund, a major fund, had an increase in fund balance of \$387,520 for an ending total fund balance of \$1,721,469. The increase in fund balance was greater than the prior year as a result of decreased 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 \$200,361 for an ending total fund balance of \$430,254. The change in fund balance was more than the prior year as a result of static public works expenses related to roads within the County.

The Tuscola County Health Department (September 30, 2021), a major fund, had an increase in fund balance of \$285,831. This is a significant change when compared to the prior year increase in fund balance of \$5,403. This was caused by a large increase in charges for services to due to prior year decrease, and a smaller increase in expenditures.

The ARPA fund had no change in fund balance as expenditures equaled the revenues recognized in the current year.

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.

The Pension Obligation Bond fund had an increase in \$4,505, in the current year the county refunded the previous bond and paid off most of the old bond in the amount of \$5,530,000.

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 \$3,223,736. 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 \$17,465,837, an increase of \$3,232,607 from the prior year.

The tax foreclosure fund ended the year with net position of \$1,861,089, an increase of \$13,831 from the prior year.

The combined revolving tax fund ended the year with net position of \$6,105,649, a decrease of \$22,702 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, building and grounds of \$872,832 were in excess of the amount appropriated of \$859,031 during the year ended December 31, 2021, for a negative variance of \$(13,801). 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, 2021, amounted to \$17,596,848 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, equipment, and vehicles.

	Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 416,144	\$ 416,144	\$ 327,926	\$ 327,926	\$ 744,070	\$ 744,070
Construction in progress	-	76,658	-	-	-	76,658
Buildings	7,697,701	7,697,701	13,705,512	14,394,270	21,403,213	22,091,971
Improvements	4,074,914	3,891,398	2,829,043	2,829,557	6,903,957	6,720,955
Equipment	4,406,060	4,279,704	9,555,485	9,669,919	13,961,545	13,949,623
Vehicles	2,129,834	1,970,504	-	-	2,129,834	1,970,504
Health Department	736,426	677,212	-	-	736,426	677,212
Accumulated depreciation	(13,149,061)	(12,434,027)	(15,133,136)	(14,749,214)	(28,282,197)	(27,183,241)
Total	\$ 6,312,018	\$ 6,575,294	\$ 11,284,830	\$ 12,472,458	\$ 17,596,848	\$ 19,047,752

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 \$19,543,773. Of this amount, \$16,118,043 was debt of governmental activities and \$3,425,730 was debt of business-type activities.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 12,035,834	\$ 12,625,208	\$ 3,320,000	\$ 3,520,000	\$ 15,355,834	\$ 16,145,208
USDA loans	4,082,209	4,206,209	-	-	4,082,209	4,206,209
Capital leases	-	7,306	105,730	113,344	105,730	120,650
Total	\$ 16,118,043	\$ 16,838,723	\$ 3,425,730	\$ 3,633,344	\$ 19,543,773	\$ 20,472,067

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 2022:

- Revenue growth is expected to be limited over the next three years. The total projected 2021 to 2022 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 2022. 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, 2021**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
<i>Current Assets</i>				
Cash and investments	\$ 23,381,719	\$ 15,744,121	\$ 39,125,840	\$ 14,986,159
Taxes receivable	9,555,846	2,877,606	12,433,452	2,571,303
Special assessments receivable	--	--	--	348,357
Due from other governments	1,360,211	256,020	1,616,231	2,977,588
Accounts receivable	1,192,814	2,493,108	3,685,922	134,686
Prepays	63,895	108,958	172,853	268,408
Inventory	35,820	276,189	312,009	518,375
Total Current Assets	35,590,305	21,756,002	57,346,307	21,804,876
<i>Noncurrent Assets</i>				
Contracts receivable	7,726,323	--	7,726,323	--
Special assessments receivable	--	--	--	2,456,633
Restricted cash	--	23,001	23,001	--
Capital assets not being depreciated	416,144	327,926	744,070	37,397,158
Capital assets being depreciated, net	5,895,874	10,956,904	16,852,778	90,418,684
Total Assets	49,628,646	33,063,833	82,692,479	152,077,351
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	2,901,953	1,223,326	4,125,279	575,659
OPEB related	--	--	--	1,572,738
Total Deferred Outflows of Resources	2,901,953	1,223,326	4,125,279	2,148,397
LIABILITIES				
<i>Current Liabilities</i>				
Accounts payable	1,207,024	2,036,049	3,243,073	653,217
Accrued liabilities	927,348	534,785	1,462,133	126,010
Accrued interest	118,104	9,102	127,206	6,171
Unearned revenue	5,237,837	28,651	5,266,488	781,010
Current portion of compensated absences	224,437	156,346	380,783	--
Current portion of long-term debt	1,060,000	238,042	1,298,042	369,984
Internal Balances	(36)	36	--	--
Total Current Liabilities	8,774,714	3,003,011	11,777,725	1,936,392
<i>Noncurrent Liabilities</i>				
Compensated absences	363,093	270,579	633,672	63,191
Long-term debt	15,058,043	3,187,688	18,245,731	2,339,905
Net pension liability	3,540,624	213,542	3,754,166	1,042,404
Net OPEB liability	--	--	--	12,765,232
Due to other governmental units, long-term	--	--	--	510,000
Total Liabilities	27,736,474	6,674,820	34,411,294	18,657,124
DEFERRED INFLOWS OF RESOURCES				
Pension related	3,354,472	1,669,035	5,023,507	803,374
OPEB related	--	--	--	2,744,434
Taxes levied for subsequent period	8,997,234	510,729	9,507,963	--
Total Deferred Inflows of Resources	12,351,706	2,179,764	14,531,470	3,547,808
NET POSITION				
Net investment in capital assets	5,714,234	7,859,100	13,573,334	125,105,953
<i>Restricted for:</i>				
Debt service	7,731,121	--	7,731,121	2,695,685
General government	475,464	--	475,464	--
Judicial	133,848	--	133,848	--
Public safety	3,487,766	--	3,487,766	--
Public works	2,003,065	--	2,003,065	1,866,025
Drains	--	--	--	5,716,980
Health and welfare	4,113,742	--	4,113,742	--
Culture and recreation	14,154	--	14,154	--
Capital projects	3,448,381	--	3,448,381	--
<i>Unrestricted (deficit)</i>	<i>(14,679,356)</i>	<i>17,573,475</i>	<i>2,894,119</i>	<i>(3,363,827)</i>
Total Net Position	\$ 12,442,419	\$ 25,432,575	\$ 37,874,994	\$ 132,020,816

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, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities:								
Legislative	\$ 194,031	\$ --	\$ --	\$ --	\$ (194,031)	\$ --	\$ (194,031)	\$ --
Judicial	6,179,674	1,408,599	1,587,334	--	(3,183,741)	--	(3,183,741)	--
General government	4,321,644	1,610,989	1,620,792	--	(1,089,863)	--	(1,089,863)	--
Public safety	8,264,280	2,747,732	578,478	--	(4,938,070)	--	(4,938,070)	--
Public works	3,941,222	163,269	91,400	--	(3,686,553)	--	(3,686,553)	--
Health and welfare	8,236,356	993,139	3,839,822	--	(3,403,395)	--	(3,403,395)	--
Culture and recreation	23,208	29,573	--	--	6,365	--	6,365	--
Bond issuance costs	110,023	--	--	--	(110,023)	--	(110,023)	--
Interest on long-term debt	680,166	--	--	--	(680,166)	--	(680,166)	--
Community and economic development	438,485	125,091	--	--	(313,394)	--	(313,394)	--
Total Governmental Activities	32,389,089	7,078,392	7,717,826	--	(17,592,871)	--	(17,592,871)	--
Business-type Activities:								
Tuscola County Medical Care Facility	22,315,379	20,058,159	4,952,530	--	--	2,695,310	9,069,440	--
Tax Foreclosure Fund	376,262	388,718	--	--	--	12,456	12,456	--
Combined Revolving Tax Fund	150,000	609,559	--	--	--	459,559	459,559	--
Total Business-type Activities	22,841,641	21,056,436	4,952,530	--	--	3,167,325	9,541,455	--
Total Primary Government	\$ 55,230,730	\$ 28,134,828	\$ 12,670,356	\$ --	(17,592,871)	3,167,325	(8,051,416)	--
Component Units								
Tuscola County Road Commission	\$ 13,142,406	\$ 1,695,166	\$ 14,309,466	\$ --	--	--	--	2,862,226
Tuscola County Drain Commission	2,771,234	2,033,990	--	--	--	--	--	(737,244)
Total Component Units	\$ 15,913,640	\$ 3,729,156	\$ 14,309,466	\$ --	--	--	--	2,124,982
General Purpose Revenues and Transfers:								
Revenues								
Property taxes					16,753,687	496,665	17,250,352	2,577,838
Unrestricted state revenue sharing					1,158,441	--	1,158,441	--
Interest income					141,089	56,925	198,014	49,091
Transfers					497,179	(497,179)	--	--
Total General Revenues and Transfers					18,550,396	56,411	18,606,807	2,626,929
Change in Net Position					957,525	3,223,736	4,181,261	4,751,911
<i>Net Position at Beginning of Period (restated, note 17)</i>					11,484,894	22,208,839	33,693,733	127,268,905
Net Position at End of Period					\$ 12,442,419	\$ 25,432,575	\$ 37,874,994	\$ 132,020,816

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

**Tuscola County
Balance Sheet
Governmental Funds
December 31, 2021**

	Special Revenue					Debt Service				Other Governmental Funds	Total Governmental Funds
	General	Road Patrol	Voted Primary Road	Tuscola County Health Department (September 30, 2021)	American Rescue Plan Act (ARPA)	Pension Obligation Bond	Caro Sewer Series 2007	Wisner Twp Water Dist Sys			
ASSETS											
Cash and investments	\$ 1,886,686	\$ 1,759,594	\$ 430,254	\$ 2,871,411	\$ 5,079,058	\$ 4,741	\$ --	\$ --	\$ 10,265,370	\$ 22,297,114	
Taxes receivable	558,612	2,722,412	1,976,761	--	--	--	--	--	4,298,061	9,555,846	
Due from other governments	584,357	--	--	287,006	--	--	--	--	488,848	1,360,211	
Accounts receivable	296,683	3,780	--	122,136	--	--	--	--	770,215	1,192,814	
Prepays	12,836	--	--	16,755	--	--	--	--	--	29,591	
Inventory	--	--	--	35,820	--	--	--	--	--	35,820	
Due from other funds	594,567	--	--	--	--	--	--	--	88,404	682,971	
Contracts receivable	--	--	--	--	--	--	2,827,114	2,575,000	2,324,209	7,726,323	
Advances to other funds	31,316	--	--	--	--	--	--	--	--	31,316	
Total Assets	\$ 3,965,057	\$ 4,485,786	\$ 2,407,015	\$ 3,333,128	\$ 5,079,058	\$ 4,741	\$ 2,827,114	\$ 2,575,000	\$ 18,235,107	\$ 42,912,006	
LIABILITIES											
Accounts payable	\$ 471,415	\$ 8,923	\$ --	\$ 201,484	\$ 79,869	\$ --	\$ --	\$ --	\$ 445,163	\$ 1,206,854	
Accrued liabilities	162,034	32,982	--	440,831	--	--	--	--	71,797	707,644	
Unearned revenue	--	--	--	82,640	4,999,189	--	--	--	156,008	5,237,837	
Due to other funds	37,524	--	--	--	--	--	--	--	632,328	669,852	
Advances from other funds	--	--	--	--	--	--	--	--	31,316	31,316	
Total Liabilities	670,973	41,905	--	724,955	5,079,058	--	--	--	1,336,612	7,853,503	
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - taxes	358,629	--	--	--	--	--	--	--	--	358,629	
Unavailable revenue - contracts	--	--	--	--	--	--	2,827,114	2,575,000	2,324,209	7,726,323	
Taxes levied for a subsequent period	--	2,722,412	1,976,761	--	--	--	--	--	4,298,061	8,997,234	
Total Liabilities and Deferred Inflows of Resources	1,029,602	2,764,317	1,976,761	724,955	5,079,058	--	2,827,114	2,575,000	7,958,882	24,935,689	
FUND BALANCE											
Nonspendable	554,152	--	--	52,575	--	--	--	--	--	606,727	
Restricted	--	1,721,469	430,254	1,248,529	--	4,741	--	--	10,276,225	13,681,218	
Committed	5,000	--	--	494,917	--	--	--	--	--	499,917	
Assigned	1,419,300	--	--	812,152	--	--	--	--	--	2,231,452	
Unassigned	957,003	--	--	--	--	--	--	--	--	957,003	
Total Fund Balance Resources and Fund Balance	\$ 3,965,057	\$ 4,485,786	\$ 2,407,015	\$ 3,333,128	\$ 5,079,058	\$ 4,741	\$ 2,827,114	\$ 2,575,000	\$ 18,235,107	\$ 42,912,006	

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, 2021

Total Fund Balance - Governmental Funds	\$	17,976,317
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.		885,952
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(118,104)
General government capital assets of \$19,461,079, net of accumulated depreciation of \$13,149,061, are not financial resources, and accordingly are not reported in the funds.		6,312,018
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(587,530)
Certain liabilities, such as bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(16,118,043)
Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.		8,084,952
Net pension liabilities, along with pension related deferred inflows, are not due and payable in the current period and, accordingly, are not reported in the funds.		(3,993,143)
Total Net Position - Governmental Activities	\$	<u>12,442,419</u>

Tuscola County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue				Debt Service				Other Governmental Funds	Total Governmental Funds
	General	Road Patrol	Voted Primary Road	Tuscola County Health Department (September 30, 2021)	American Rescue Plan Act (ARPA)	Pension Obligation Bond	Caro Sewer Series 2007	Wisner Twp Water Dist Sys		
Revenues										
Property taxes	\$ 7,819,997	\$ 2,641,836	\$ 1,919,138	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 4,175,014	\$ 16,555,985
Licenses and permits	423,378	8,477	--	136,445	--	--	--	--	333,886	902,186
Intergovernmental	2,042,539	13,156	--	3,500,954	74,800	--	423,987	156,880	3,241,029	9,453,345
Charges for services	1,868,446	47,300	--	738,104	--	--	--	--	1,778,365	4,432,215
Fines and forfeits	52,048	--	--	--	--	--	--	--	363,951	415,999
Interest and rents	525,416	8,094	4,917	--	8,069	178	--	--	81,418	628,092
Other	256,967	36,219	--	3,054	--	510,027	--	--	33,301	839,568
Total Revenues	12,988,791	2,755,082	1,924,055	4,378,557	82,869	510,205	423,987	156,880	10,006,964	33,227,390
Expenditures										
Legislative	194,770	--	--	--	--	--	--	--	--	194,770
Judicial	3,498,818	--	--	--	--	--	--	--	2,602,209	6,101,027
General government	3,388,780	--	--	--	--	--	--	--	195,769	3,584,549
Public safety	3,365,095	2,276,457	--	--	--	--	--	--	2,464,379	8,105,931
Public works	596,137	--	1,723,694	--	82,869	--	--	--	1,382,265	3,784,965
Health and welfare	487,702	--	--	4,284,954	--	--	--	--	2,940,756	7,713,412
Community and economic development	416,049	--	--	--	--	--	--	--	24,108	440,157
Culture and recreation	--	--	--	--	--	--	--	--	23,297	23,297
Other	118,817	--	--	--	--	--	--	--	--	118,817
Capital outlay	--	--	--	--	--	--	--	--	507,275	507,275
Debt service - principal	7,306	--	--	--	--	163,000	375,000	85,000	235,000	865,306
Debt service - interest	--	--	--	--	--	375,677	48,987	71,982	206,709	703,355
Bond issuance costs	--	--	--	--	--	110,023	--	--	--	110,023
Total Expenditures	12,073,474	2,276,457	1,723,694	4,284,954	82,869	648,700	423,987	156,982	10,581,767	32,252,884
Excess of Revenues Over (Under) Expenditures	915,317	478,625	200,361	93,603	--	(138,495)	--	(102)	(574,803)	974,506
Other Financing Sources (Uses)										
Refunding bond issued	--	--	--	--	--	5,530,000	--	--	--	5,530,000
Payment to refunded bond escrow agent	--	--	--	--	--	(5,387,000)	--	--	--	(5,387,000)
Transfers in	1,059,107	--	--	378,966	--	--	--	--	1,852,973	3,291,046
Transfers out	(1,994,420)	(91,105)	--	(186,738)	--	--	--	--	(521,604)	(2,793,867)
Net Other Financing Sources (Uses)	(935,313)	(91,105)	--	192,228	--	143,000	--	--	1,331,369	640,179
Net Change in Fund Balance	(19,996)	387,520	200,361	285,831	--	4,505	--	(102)	756,566	1,614,685
<i>Fund Balance at Beginning of Period</i>	<i>2,955,451</i>	<i>1,333,949</i>	<i>229,893</i>	<i>2,322,342</i>	<i>--</i>	<i>236</i>	<i>--</i>	<i>102</i>	<i>9,519,659</i>	<i>16,361,632</i>
Fund Balance at End of Period	\$ 2,935,455	\$ 1,721,469	\$ 430,254	\$ 2,608,173	\$ --	\$ 4,741	\$ --	\$ --	\$ 10,276,225	\$ 17,976,317

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, 2021

Total Net Change in Fund Balances - Governmental Funds	\$	1,614,685
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.		232,550
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 \$371,021 is exceeded by depreciation expense of \$808,738 and loss on disposal of \$26,255.		(463,972)
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.		24,815
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.		(132,977)
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.		(633,404)
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 \$865,306 plus a payment to the refunded bond escrow agent of \$5,387,000 less the changes in related bond premiums and discounts of \$1,626 during the year and refunding bonds issued of \$5,530,000.		720,680
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.		(404,852)
Changes in Net Position - Governmental Activities	\$	<u>957,525</u>

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

**Tuscola County
Statement of Net Position
Proprietary Funds
December 31, 2021**

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Tuscola County Medical Care Facility	Tax Foreclosure Fund	Combined Revolving Tax Fund	Total Enterprise Funds	
ASSETS					
<i>Current Assets</i>					
Cash and investments	\$ 10,397,384	\$ 1,863,985	\$ 3,482,752	\$ 15,744,121	\$ 1,084,605
Taxes receivable	510,729	--	2,366,877	2,877,606	--
Due from other governments	--	--	256,020	256,020	--
Accounts receivable	2,493,108	--	--	2,493,108	--
Prepays	108,958	--	--	108,958	34,304
Inventory	276,189	--	--	276,189	--
Total Current Assets	13,786,368	1,863,985	6,105,649	21,756,002	1,118,909
<i>Noncurrent Assets</i>					
Restricted cash	23,001	--	--	23,001	--
Capital assets not being depreciated	327,926	--	--	327,926	--
Capital assets being depreciated, net	10,956,904	--	--	10,956,904	--
Total Assets	25,094,199	1,863,985	6,105,649	33,063,833	1,118,909
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	1,223,326	--	--	1,223,326	--
Total Deferred Outflows of Resources	1,223,326	--	--	1,223,326	--
LIABILITIES					
<i>Current Liabilities</i>					
Accounts payable	2,035,577	472	--	2,036,049	170
Accrued liabilities	532,397	2,388	--	534,785	219,704
Accrued interest	9,102	--	--	9,102	--
Unearned revenue	28,651	--	--	28,651	--
Current portion of compensated absences	156,346	--	--	156,346	--
Current portion of long-term debt	238,042	--	--	238,042	--
Due to other funds	--	36	--	36	13,083
Total Current Liabilities	3,000,115	2,896	--	3,003,011	232,957
<i>Noncurrent Liabilities</i>					
Compensated absences	270,579	--	--	270,579	--
Long-term debt	3,187,688	--	--	3,187,688	--
Net pension liability	213,542	--	--	213,542	--
Total Liabilities	6,671,924	2,896	--	6,674,820	232,957
DEFERRED INFLOWS OF RESOURCES					
Pension related	1,669,035	--	--	1,669,035	--
Taxes levied for subsequent period	510,729	--	--	510,729	--
Total Deferred Inflows of Resources	2,179,764	--	--	2,179,764	--
NET POSITION					
Net investment in capital assets	7,859,100	--	--	7,859,100	--
<i>Unrestricted</i>	9,606,737	1,861,089	6,105,649	17,573,475	885,952
Total Net Position	\$ 17,465,837	\$ 1,861,089	\$ 6,105,649	\$ 25,432,575	\$ 885,952

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, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Tuscola County Medical Care Facility	Tax Foreclosure Fund	Combined Revolving Tax Fund	Total Enterprise Funds	
Operating Revenues					
Intergovernmental	\$ 4,952,530	\$ --	\$ --	\$ 4,952,530	\$ --
Charges for services	19,524,645	388,718	609,559	20,522,922	3,747,601
Other	533,514	--	--	533,514	--
Total Operating Revenues	25,010,689	388,718	609,559	26,008,966	3,747,601
Operating Expenses					
Operation and maintenance	20,857,315	--	--	20,857,315	3,384,529
Administration	--	376,262	150,000	526,262	130,522
Depreciation	1,330,827	--	--	1,330,827	--
Total Operating Expenses	22,188,142	376,262	150,000	22,714,404	3,515,051
Operating Income (Loss)	2,822,547	12,456	459,559	3,294,562	232,550
Non-Operating Revenues (Expenses)					
Property taxes	496,665	--	--	496,665	--
Interest income	40,632	1,375	14,918	56,925	--
Loss on sale of capital assets	(12,049)	--	--	(12,049)	--
Interest expense and fiscal charges	(115,188)	--	--	(115,188)	--
Net Non-Operating Revenues (Expenses)	410,060	1,375	14,918	426,353	--
Income Before Contributions and Transfers	3,232,607	13,831	474,477	3,720,915	232,550
Transfers in	--	--	--	--	--
Transfers out	--	--	(497,179)	(497,179)	--
Change In Net Position	3,232,607	13,831	(22,702)	3,223,736	232,550
<i>Net Position at Beginning of Period (restated, note 17)</i>	14,233,230	1,847,258	6,128,351	22,208,839	653,402
Net Position at End of Period	\$ 17,465,837	\$ 1,861,089	\$ 6,105,649	\$ 25,432,575	\$ 885,952

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, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Tuscola County Medical Care Facility	Tax Foreclosure Fund	Combined Revolving Tax Fund	Total Enterprise Funds	
Cash Flows from Operating Activities					
Cash received from customers	\$ 24,277,168	\$ 388,718	\$ 633,384	\$ 25,299,270	\$ -
Cash received from interfund services provided	-	-	-	-	3,747,601
Cash payments to suppliers for goods and services	(6,658,013)	(374,887)	(23,614)	(7,056,514)	(3,516,554)
Cash payments to employees for services	(15,202,964)	-	-	(15,202,964)	-
Net Cash Provided by Operating Activities	<u>2,416,191</u>	<u>13,831</u>	<u>609,770</u>	<u>3,039,792</u>	<u>231,047</u>
Cash Flows from Non-capital Related Financing Activities					
Property taxes	496,665	-	-	496,665	-
Transfers out	-	-	(497,179)	(497,179)	-
Increase in interfund balances	-	-	-	-	14,188
Decrease in interfund balances	-	(30,661)	(748)	(31,409)	-
Net Cash Provided (Used) by Non-capital Related Financing Activities	<u>496,665</u>	<u>(30,661)</u>	<u>(497,927)</u>	<u>(31,923)</u>	<u>14,188</u>
Cash Flows from Capital and Related Financing Activities					
Principal payments on long-term debt	(230,122)	-	-	(230,122)	-
Interest payments and fiscal charges on long-term debt	(115,736)	-	-	(115,736)	-
Purchases of capital assets	(132,741)	-	-	(132,741)	-
Net Cash Used by Capital and Related Financing Activities	<u>(478,599)</u>	<u>-</u>	<u>-</u>	<u>(478,599)</u>	<u>-</u>
Cash Flows from Investing Activities					
Interest received on investments	40,632	1,375	14,918	56,925	-
Net Cash Provided by Investing Activities	<u>40,632</u>	<u>1,375</u>	<u>14,918</u>	<u>56,925</u>	<u>-</u>
Net Increase (Decrease) in Cash and Investments	2,474,889	(15,455)	126,761	2,586,195	245,235
<i>Cash and Investments - Beginning of Year</i>	7,945,496	1,879,440	3,355,991	13,180,927	839,370
Cash and Investments - End of Year	<u>\$ 10,420,385</u>	<u>\$ 1,863,985</u>	<u>\$ 3,482,752</u>	<u>\$ 15,767,122</u>	<u>\$ 1,084,605</u>
Reconciliation of Cash and Investments - End of Year to Statement of Net Position					
Cash and investments	\$ 10,397,384	\$ 1,863,985	\$ 3,482,752	\$ 15,744,121	\$ 1,084,605
Restricted cash	23,001	-	-	23,001	-
Total Cash and Investments	<u>\$ 10,420,385</u>	<u>\$ 1,863,985</u>	<u>\$ 3,482,752</u>	<u>\$ 15,767,122</u>	<u>\$ 1,084,605</u>

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, 2021**

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Tuscola County Medical Care Facility	Tax Foreclosure Fund	Combined Revolving Tax Fund	Total Enterprise Funds	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating income	\$ 2,822,547	\$ 12,456	\$ 459,559	\$ 3,294,562	\$ 232,550
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation	1,330,827	-	-	1,330,827	-
Change in assets, liabilities, and deferred outflows/inflows:					
Taxes receivable	-	-	141,266	141,266	-
Accounts receivable	(703,309)	-	-	(703,309)	-
Prepays	(79,445)	-	-	(79,445)	(1,673)
Inventory	(67,731)	-	-	(67,731)	-
Due from other governments	-	-	(117,441)	(117,441)	-
Accounts payable	(519,610)	(1,013)	126,386	(394,237)	170
Accrued liabilities	(305,011)	2,388	-	(302,623)	-
Unearned revenue	(1,785)	-	-	(1,785)	-
Compensated absences	(47,384)	-	-	(47,384)	-
Net pension liability and related deferred items	(12,908)	-	-	(12,908)	-
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 2,416,191</u>	<u>\$ 13,831</u>	<u>\$ 609,770</u>	<u>\$ 3,039,792</u>	<u>\$ 231,047</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, 2021

	Custodial Funds
ASSETS	
Cash and investments	\$ 10,528,375
Accounts receivable	19,555
<i>Total Assets</i>	10,547,930
LIABILITIES	
Due to other governmental units	9,863,108
Undistributed collections	684,822
<i>Total Liabilities</i>	10,547,930
NET POSITION	
Held in Trust	\$ --

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, 2021

	Custodial Funds
Additions	
Taxes collected for other governments	\$ 20,996,294
Library penal fine collections	291,547
Court collections	475,887
County clerk/register of deeds collections	523,616
<i>Total Additions</i>	22,287,344
Deductions	
Payments of property taxes to other governments	20,996,294
Library penal fine distributions	297,828
Court distributions	475,887
County clerk/register of deeds distributions	523,616
<i>Total Deductions</i>	22,293,625
<i>Change in Net Position</i>	(6,281)
<i>Net Position at Beginning of Period</i>	6,281
<i>Net Position at End of Period</i>	--

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, 2021

	<u>Tuscola County Road Commission</u>	<u>Tuscola County Drain Commission</u>	<u>Total Component Units</u>
ASSETS			
<i>Current Assets</i>			
Cash and investments	\$ 8,397,950	\$ 6,588,209	\$ 14,986,159
Taxes receivable	2,571,303	--	2,571,303
Special assessments receivable	--	348,357	348,357
Due from other governments	2,977,588	--	2,977,588
Accounts receivable	134,686	--	134,686
Prepays	268,408	--	268,408
Inventory	518,375	--	518,375
Total Current Assets	<u>14,868,310</u>	<u>6,936,566</u>	<u>21,804,876</u>
<i>Noncurrent Assets</i>			
Special assessments receivable	--	2,456,633	2,456,633
Capital assets not being depreciated	37,397,158	--	37,397,158
Capital assets being depreciated, net	75,437,059	14,981,625	90,418,684
Total Assets	<u>127,702,527</u>	<u>24,374,824</u>	<u>152,077,351</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	575,659	--	575,659
OPEB related	1,572,738	--	1,572,738
Total Deferred Outflows of Resources	<u>2,148,397</u>	<u>--</u>	<u>2,148,397</u>
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable	182,683	470,534	653,217
Accrued liabilities	126,010	--	126,010
Accrued interest	--	6,171	6,171
Unearned revenue	781,010	--	781,010
Current portion of long-term debt	--	369,984	369,984
Total Current Liabilities	<u>1,089,703</u>	<u>846,689</u>	<u>1,936,392</u>
<i>Noncurrent Liabilities</i>			
Compensated absences	63,191	--	63,191
Long-term debt	--	2,339,905	2,339,905
Net pension liability	1,042,404	--	1,042,404
Net OPEB liability	12,765,232	--	12,765,232
Due to other governmental units, long-term	--	510,000	510,000
Total Liabilities	<u>14,960,530</u>	<u>3,696,594</u>	<u>18,657,124</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	803,374	--	803,374
OPEB related	2,744,434	--	2,744,434
Total Deferred Inflows of Resources	<u>3,547,808</u>	<u>--</u>	<u>3,547,808</u>
NET POSITION			
Net investment in capital assets	112,834,217	12,271,736	125,105,953
<i>Restricted for:</i>			
Debt service	--	2,695,685	2,695,685
Public works	1,866,025	--	1,866,025
Drains	--	5,716,980	5,716,980
<i>Unrestricted (deficit)</i>	(3,357,656)	(6,171)	(3,363,827)
Total Net Position	<u>\$ 111,342,586</u>	<u>\$ 20,678,230</u>	<u>\$ 132,020,816</u>

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, 2021

	Tuscola County Road Commission	Tuscola County Drain Commission	Total Component Units
Expenses			
Public works	\$ 13,142,406	\$ 2,521,000	\$ 15,663,406
Interest on long-term debt	--	250,234	250,234
Total Expenses	13,142,406	2,771,234	15,913,640
Program Revenues			
Charges for services	1,695,166	2,033,990	3,729,156
Operating grants and contributions	14,309,466	--	14,309,466
Capital grants and contributions	--	--	--
Total Program Revenues	16,004,632	2,033,990	18,038,622
Net Program Revenues (Expenses)	2,862,226	(737,244)	2,124,982
General Revenue			
Property taxes	2,577,838	--	2,577,838
Interest income	29,559	19,532	49,091
Total General Revenues	2,607,397	19,532	2,626,929
Change in Net Position	5,469,623	(717,712)	4,751,911
<i>Net Position at Beginning of Period</i>	105,872,963	21,395,942	127,268,905
Net Position at End of Period	\$ 111,342,586	\$ 20,678,230	\$ 132,020,816

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

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

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, 2021.

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

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

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, 2021)*** accounts for the charges of medical services and grant revenues along with the related operations of the Tuscola County Health Department.

The ***American Rescue Plan Act*** accounts for revenues recognized under ARPA funding and corresponding expenditures.

The ***Pension Obligation Bond*** fund accounts for the revenues and related payments for the pension obligation bonds and refunding.

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.

Tuscola County

Notes to the Financial Statements

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

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

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

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, state funds, penal fines held for libraries in the County, and funds received for the benefit of inmates).

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.

Tuscola County

Notes to the Financial Statements

- c. Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the investments company act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

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

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.

Tuscola County

Notes to the Financial Statements

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.

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.

Tuscola County

Notes to the Financial Statements

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from receivables collected beyond 60 days after the end of the County's year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods. Also, another item is future resources yet to be recognized in relation to the pension actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension liability and the actual results. The amounts are amortized over a period determined by the actuary.

Property Taxes

Property taxes (excluding those for the general fund, which are subject to a different timeline) are levied and attach as an enforceable lien on property December 1. Property taxes unpaid as of February 28 are considered to be delinquent. Although the County's 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.

Tuscola County

Notes to the Financial Statements

Long-term Obligations

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

Tuscola County

Notes to the Financial Statements

limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

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

Tuscola County

Notes to the Financial Statements

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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, 2021:

	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Negative Variance</u>
General fund			
Building and Grounds	\$ 859,031	\$ 872,832	\$ (13,801)
Voted Primary Road			
Public Works	1,722,031	1,723,694	(1,663)

Tuscola County

Notes to the Financial Statements

Net Position Deficit

The County governmental activities had an unrestricted net position deficit of \$(14,679,356) as of year-end. In addition, the Tuscola County Road Commission and Tuscola County Drain Commission, discretely presented component units, had unrestricted net position deficits of \$(3,357,656) and \$(6,171), respectively.

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 utilized by the general fund, special revenue funds, debt service funds, capital projects funds, internal service funds, fiduciary 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, 2021:

	Primary Government	Component Units	Total
Statement of Net Position			
Cash and investments	\$ 39,125,840	\$ 14,986,159	\$ 54,111,999
Restricted cash	23,001	-	23,001
Statement of Fiduciary Net Position			
Cash and investments - custodial funds	10,528,375	-	10,528,375
Total Deposits and Investments	\$ 49,677,216	\$ 14,986,159	\$ 64,663,375
<i>Less Units Separately Audited</i>			
Tuscola County Health Department (September 30, 2021)	(2,871,411)	-	(2,871,411)
Tuscola County Medical Care Facility	(10,420,385)	-	(10,420,385)
Tuscola County Road Commission	-	(8,397,950)	(8,397,950)
Deposits and Investments Managed by the County	\$ 36,385,420	\$ 6,588,209	\$ 42,973,629

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

Checking and savings accounts	\$ 36,442,570
Investments	6,531,059
Total Deposits and Investments	\$ 42,973,629

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, \$35,983,999 of the County's bank

Tuscola County

Notes to the Financial Statements

balance of \$39,418,101 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.

Custodial Credit Risk - Investments. Following is a summary of the County's investments as of December 31, 2021:

U.S. government bonds	\$ 807,845
Money market funds	753,947
Commercial paper	616,695
Michigan CLASS	1,986,605
Certificate of deposit	<u>2,365,967</u>
Total	<u>\$ 6,531,059</u>

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+	\$ 2,603,300
Standards & Poor's AA+	807,845
Not rated	<u>3,119,914</u>
Total	<u>\$ 6,531,059</u>

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

Tuscola County

Notes to the Financial Statements

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	\$ 2,740,552
Less than 1 year	2,883,698
1-5 years	<u>906,809</u>
Total	<u>\$ 6,531,059</u>

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.

Level 2 inputs use one of the following valuation techniques depending on the investment: a) traditional net asset valuation (dividing the asset value by the number of units owned), b) matrix pricing technique (relying on the securities' relationship to other benchmark quoted securities instead of exclusively on quoted prices for specific securities), or c) quoted market prices for similar assets in active markets or quoted prices for identical or similar assets in markets that are not active.

The County holds shares in the Michigan CLASS government investment pool whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. After the initial offering period, U.S. government securities are valued based on active trade data for comparable investments.

Tuscola County

Notes to the Financial Statements

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

	Level 1	Level 2	Level 3	Total
U.S. government bonds	\$ -	\$ 807,845	\$ -	\$ 807,845
Commercial paper	616,695	-	-	616,695
Michigan CLASS	-	1,986,605	-	1,986,605
	\$ 616,695	\$ 2,794,450	\$ -	3,411,145

Investment accounts not subject to fair value disclosure requirements:

Money market accounts	753,947
Certificates of deposit	2,365,967
Total Investments	\$ 6,531,059

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, 2021, due from other funds (receivable)/due to other funds (payable) consisted of the following:

	Receivable	Payable
General	\$ 594,567	\$ 37,524
Nonmajor governmental funds	88,404	632,328
Tax foreclosure fund	-	36
Internal service funds	-	13,083
Totals	\$ 682,971	\$ 682,971

As of December 31, 2021, the general fund had a short-term advance to a nonmajor governmental fund in the amount of \$31,316. 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.

Tuscola County

Notes to the Financial Statements

For the year ended December 31, 2021, interfund transfers consisted of the following:

	Transfers In	Transfers Out
General	\$ 1,059,107	\$ (1,994,420)
Road patrol	-	(91,105)
Tuscola County Health Department (September 30, 2020)	378,966	(186,738)
Nonmajor governmental funds	1,852,973	(521,604)
Combined revolving tax fund	-	(497,179)
Totals	\$ 3,291,046	\$ (3,291,046)

NOTE 5 - CAPITAL ASSETS

Primary Government

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

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets not Being Depreciated				
Land	\$ 416,144	\$ -	\$ -	\$ 416,144
Capital Assets Being Depreciated				
Buildings	7,697,701	-	-	7,697,701
Improvements	4,052,339	22,575	-	4,074,914
Equipment	4,345,553	65,797	(5,290)	4,406,060
Vehicles	2,060,510	223,435	(154,111)	2,129,834
Health department	677,212	59,214	-	736,426
Subtotal	18,833,315	371,021	(159,401)	19,044,935
Less Accumulated Depreciation				
Buildings	5,590,872	144,318	-	5,735,190
Improvements	2,333,794	183,171	-	2,516,965
Equipment	2,633,409	234,610	-	2,868,019
Vehicles	1,336,834	194,823	(133,146)	1,398,511
Health department	578,560	51,816	-	630,376
Subtotal	12,473,469	808,738	(133,146)	13,149,061
Capital Assets Being Depreciated, Net	6,359,846	(437,717)	(26,255)	5,895,874
Capital Assets, Net	\$ 6,775,990	\$ (437,717)	\$ (26,255)	\$ 6,312,018

Tuscola County

Notes to the Financial Statements

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital Assets not Being Depreciated				
Land	\$ 327,926	\$ -	\$ -	\$ 327,926
Capital Assets Being Depreciated				
Land improvements	2,829,557	19,581	(20,095)	2,829,043
Buildings	14,394,270	37,332	(726,090)	13,705,512
Equipment	9,669,919	98,336	(212,770)	9,555,485
Subtotal	<u>26,893,746</u>	<u>155,249</u>	<u>(958,955)</u>	<u>26,090,040</u>
Less Accumulated Depreciation				
Land improvements	1,269,354	171,556	(14,184)	1,426,726
Buildings	7,316,055	635,972	(719,953)	7,232,074
Equipment	6,163,805	523,299	(212,768)	6,474,336
Subtotal	<u>14,749,214</u>	<u>1,330,827</u>	<u>(946,905)</u>	<u>15,133,136</u>
Capital Assets Being Depreciated, Net	<u>12,144,532</u>	<u>(1,175,578)</u>	<u>(12,050)</u>	<u>10,956,904</u>
Capital Assets, Net	<u>\$ 12,472,458</u>	<u>\$ (1,175,578)</u>	<u>\$ (12,050)</u>	<u>\$ 11,284,830</u>

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

Governmental Activities

Judicial	\$ 7,569
General government	340,615
Public safety	325,477
Health and welfare	135,077
Total	<u>\$ 808,738</u>

Business-type Activities

Tuscola County Medical Care Facility	<u>\$ 1,330,827</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, 2021 was as follows:

<u>Tuscola County Drain Commission</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital Assets Being Depreciated				
Infrastructure	\$ 21,980,971	\$ -	\$ -	\$ 21,980,971
Less Accumulated Depreciation				
Infrastructure	6,559,726	439,620	-	6,999,346
Capital Assets, Net	<u>\$ 15,421,245</u>	<u>\$ (439,620)</u>	<u>\$ -</u>	<u>\$ 14,981,625</u>

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

Tuscola County

Notes to the Financial Statements

NOTE 6 - LONG-TERM OBLIGATIONS

Primary Government

Long-term debt activity for the year ended December 31, 2021 was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds:					
Pension - Tuscola County Series 2016	\$ 5,870,000	\$ -	\$ 5,550,000	\$ 320,000	\$ 320,000
Bond discount - pension	(1,630)	-	114	(1,516)	-
Pension - Health Department Series 2017	2,075,000	-	115,000	1,960,000	115,000
Bond discount - pension	(15,314)	-	766	(14,548)	-
Pension Refunding- Tuscola County 2021	-	5,530,000	-	5,530,000	45,000
Capital Improvement Series 2011	650,000	-	45,000	605,000	45,000
Bond discount - capital improvement	(7,962)	-	746	(7,216)	-
Mayville Storm Sewer	853,000	-	36,000	817,000	36,000
Caro Sewer System	3,202,114	-	375,000	2,827,114	375,000
USDA Loans:					
Denmark Sewer System	1,546,209	-	39,000	1,507,209	39,000
Wisner Water System	2,660,000	-	85,000	2,575,000	85,000
Capital Leases:					
Phone System	7,306	-	7,306	-	-
Compensated absences	<u>454,553</u>	<u>292,880</u>	<u>159,903</u>	<u>587,530</u>	<u>224,437</u>
Total Long-term Obligations	<u>\$ 17,293,276</u>	<u>\$ 5,822,880</u>	<u>\$ 6,413,835</u>	<u>\$ 16,705,573</u>	<u>\$ 1,284,437</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.

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

	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	0.450 - 14.80%	\$ 16,118,043
Business-type activities	7.20 - 8.70%	3,425,730

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

Tuscola County

Notes to the Financial Statements

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

Year Ended December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,079,000	\$ 379,076	\$ 1,458,076	\$ 238,042	\$ 109,228	\$ 347,270
2023	1,127,000	385,650	1,512,650	3,135,993	102,319	3,238,312
2024	1,146,000	365,336	1,511,336	25,993		25,993
2025	1,180,000	343,590	1,523,590	24,202	-	24,202
2026	1,224,000	319,345	1,543,345	1,500	-	1,500
2027 - 2031	5,229,114	1,197,044	6,426,158	-	-	-
2032 - 2036	3,171,000	563,863	3,734,863	-	-	-
2037 - 2041	831,000	264,524	1,095,524	-	-	-
2042 - 2046	704,209	120,063	824,272	-	-	-
2047 - 2051	435,000	38,225	473,225	-	-	-
2052	15,000	413	15,413	-	-	-
Total	\$ 16,141,323	\$ 3,977,131	\$ 20,103,041	\$ 3,425,730	\$ 211,547	\$ 3,637,277

2021 Refunding Bonds

On June 22, 2021, the County issued refunding bonds for \$5,530,000 known as the 2021 General Obligation Limited Tax Pension Obligation Refunding Bonds. The proceeds were used to retire the 2016 Pension Bonds (\$5,387,000). The 2021 refunding bonds mature on September 1, 2034 with annual principal payments ranging from \$395,000-535,000 and has an interest rate range of 0.5%-2.35%. The refunding is expected to save approximately \$400,943 over the course of the 2021 refunding bond life with an economic gain of approximately \$357,649.

Defeased Debt

During 2021, the County advance refunded \$5,387,000 of 2016 Pension Bonds. Resources to purchase U.S. government securities were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the liability for the bonds was removed from the statement of net position. \$47,000 of the 2016 Pension Bonds were paid from escrow funds on August 26, 2021. The balance for 2016 Pension Bonds of \$5,340,000 are defeased and will be paid with remainder of the escrow funds during 2022.

Tuscola County

Notes to the Financial Statements

Component Unit

Long-term activity for the year ended December 31, 2021 was as follows:

Governmental Activities	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
General Obligation Bonds:					
Moore Drain	\$ 725,000	\$ -	\$ (130,000)	\$ 595,000	\$ 125,000
Armbruster Intercounty Drain	63,027	-	(15,757)	47,270	15,757
Murphy Lake	-	536,000	-	536,000	35,000
Pigeon River Intercounty Drain	100,916	-	(14,417)	86,499	14,417
Fulton Street Drain	530,000	-	(50,000)	480,000	45,000
Indian Creek Intercounty Drain	307,530	-	(26,010)	281,520	26,010
Yax North Drain	405,000	-	(30,000)	375,000	30,000
<i>Total General Obligation Bonds</i>	<u>2,131,473</u>	<u>536,000</u>	<u>(266,184)</u>	<u>2,401,289</u>	<u>291,184</u>
Loans Payable:					
Akron Drain	178,000	-	(9,000)	169,000	9,000
Nutt Branch of Akron Drain	30,000	-	(10,000)	20,000	10,000
Hover Drain	25,000	-	(25,000)	-	-
Squaw Creek Drain	47,000	-	(47,000)	-	-
Walton Drain	179,400	-	(59,800)	119,600	59,800
<i>Total Loans Payable</i>	<u>459,400</u>	<u>-</u>	<u>(150,800)</u>	<u>308,600</u>	<u>78,800</u>
Total long-term Obligations	<u>\$ 2,590,873</u>	<u>\$ 536,000</u>	<u>\$ (416,984)</u>	<u>\$ 2,709,889</u>	<u>\$ 369,984</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>
Component units	2.93 - 6.50%	\$ 2,709,889

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

Year Ended December 31,	General Obligation Bonds			Loans Payable			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 291,184	\$ 59,366	\$ 350,550	\$ 78,800	\$ 9,174	\$ 87,974	\$ 369,984	\$ 68,540	\$ 596,518
2023	292,184	51,392	343,576	78,800	6,852	85,652	370,984	58,244	581,348
2024	292,183	43,181	335,364	9,000	24,950	33,950	301,183	68,131	337,260
2025	271,427	35,337	306,764	9,000	4,260	13,260	280,427	39,597	329,209
2026	271,427	27,862	299,289	9,000	3,990	12,990	280,427	31,852	329,210
2027-2031	745,639	72,572	818,211	44,000	15,900	59,900	789,639	88,472	1,170,641
2032-2036	237,245	9,016	246,261	45,000	9,300	54,300	282,245	18,316	494,500
2037-2041	-	-	-	35,000	2,580	37,580	35,000	2,580	37,580
Total	<u>\$ 2,401,289</u>	<u>\$ 298,726</u>	<u>\$ 2,700,015</u>	<u>\$ 308,600</u>	<u>\$ 77,006</u>	<u>\$ 385,606</u>	<u>\$ 2,709,889</u>	<u>\$ 375,732</u>	<u>\$ 3,876,266</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, 2021 was calculated as follows:

	Governmental Activities	Business-type Activities	Tuscola County Drain Commission
Add:			
Capital assets not being depreciated	\$ 416,144	\$ 327,926	\$ -
Capital assets being depreciated, net	5,895,874	10,956,904	14,981,625
	6,312,018	11,284,830	14,981,625
Less:			
General obligation bonds	(12,059,114)	(3,320,000)	(2,401,289)
USDA loans	(4,082,209)	-	-
Loans payable	-	-	(308,600)
Capital leases	-	(105,730)	-
Bond premiums and discounts, net	23,280	-	-
Add:			
Non-capital related debt, bond premiums and discounts, net	15,520,259	-	-
	(597,784)	(3,425,730)	(2,709,889)
Net Investment in Capital Assets	\$ 5,714,234	\$ 7,859,100	\$ 12,271,736

NOTE 8 - PENSION PLANS

Plan Description. The County, the Tuscola County Health Department (September 30, 2021), 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.

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	277
Inactive employees entitled to but not yet receiving benefits	120
Active employees	362
Total membership	759

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 \$12,633, depending on bargaining unit. Employer contributions for the Tuscola County Health Department (September 30, 2021) were \$18,687 for the general division and \$519 for employees hired as of January 1, 2017. Employer contributions for the Tuscola County Medical Care Facility were 3.63% of annual payroll for the year ended December 31, 2021.

Net Pension Liability. The general County's and the Tuscola County Medical Care Facility's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of December 31, 2020. The Tuscola County Health Department'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, 2020.

Actuarial Assumptions. The total pension liability in the December 31, 2020 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

Investment rate of return: 7.35%, net of investment expense

Mortality rates used were based on the Pub-2010 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

Tuscola County

Notes to the Financial Statements

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target 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%	7.45%	4.47%	2.50%	2.97%
Global fixed income	20.00%	4.90%	0.98%	2.50%	0.48%
Private Investments	20.00%	9.50%	1.90%	2.50%	1.40%
Totals	100.00%		7.35%		4.85%

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target 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%	5.25%	3.15%	2.50%	1.65%
Global fixed income	20.00%	1.25%	0.25%	2.50%	-0.25%
Private Investments	20.00%	7.25%	1.45%	2.50%	0.95%
Totals	100.00%		4.85%		2.35%

Discount Rate. The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Tuscola County

Notes to the Financial Statements

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

	Total		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at Beginning of Year	\$ 71,917,192	\$ 68,520,969	\$ 3,396,223
Changes for the year:			
Service cost	1,390,373	-	1,390,373
Interest	5,355,382	-	5,355,382
Difference between expected and actual experience	1,772,326	-	1,772,326
Changes in assumptions	3,805,754	-	3,805,754
Employer contributions	-	1,182,668	(1,182,668)
Employee contributions	-	838,390	(838,390)
Net investment income	-	9,401,304	(9,401,304)
Benefit payments, including employee refunds	(4,293,630)	(4,293,630)	-
Administrative expense	-	(114,046)	114,046
Other changes	(657,576)	-	(657,576)
<i>Net changes</i>	7,372,629	7,014,686	357,943
Balances at End of Year	\$ 79,289,821	\$ 75,535,655	\$ 3,754,166
	Allocated to:		
	Governmental activities (General County)	\$	1,326,147
	Governmental activities (Tuscola County Health Department)		2,214,477
	Business-type activities (Tuscola County Medical Care Facility)		213,542
		\$	3,754,166

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%, 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%) or 1% higher (8.60%) than the current rate:

	1% Decrease (6.60%)	Discount Rate (7.60%)	1% Increase (8.60%)
Net pension liability	\$ 13,616,435	\$ 3,754,166	\$ 454,931

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2021 (September 30, 2021, for the Tuscola County Health Department), the County recognized pension expense of \$1,098,554.

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:

Source	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 4,863,963
Difference between expected and actual experience	1,100,998	159,544
Change in assumptions	2,851,427	-
Employer contributions subsequent to the measurement date	172,854	-
Total	\$ 4,125,279	\$ 5,023,507
Allocated to:		
Governmental activities (General County)	\$ 2,294,264	\$ 2,988,909
Governmental activities (Tuscola County Health Department)	607,689	365,563
Business-type activities (Tuscola County Medical Care Facility)	1,223,326	1,669,035
Total	\$ 4,125,279	\$ 5,023,507

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, 2022.

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

Year Ending,	Amount
2022	2,087,021
2023	(757,213)
2024	(1,532,709)
2025	(868,181)
Total	\$ (1,071,082)

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.

Tuscola County

Notes to the Financial Statements

Following is the composition of governmental fund's fund balance as of December 31, 2021:

	<u>General Fund</u>	<u>Major Governmental Funds</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable				
Advance to nonmajor governmental fund	\$ 31,316	\$ -	\$ -	\$ 31,316
Advance to Drain Commission	510,000	-	-	510,000
Prepays	12,836	16,755	-	29,591
Inventory	-	35,820	-	35,820
Total Nonspendable	<u>554,152</u>	<u>52,575</u>	<u>-</u>	<u>606,727</u>
Restricted				
Judicial	-	-	133,848	133,848
General government	-	-	475,464	475,464
Public safety	-	1,721,469	1,766,297	3,487,766
Public works	-	-	2,003,065	2,003,065
Health and welfare	-	1,268,529	2,845,213	4,113,742
Culture and recreation	-	-	14,154	14,154
Debt service	-	4,741	57	4,798
Capital improvements	-	-	3,448,381	3,448,381
Total Restricted	<u>-</u>	<u>2,994,739</u>	<u>10,686,479</u>	<u>13,681,218</u>
Committed				
Health and welfare	<u>5,000</u>	<u>494,917</u>	<u>-</u>	<u>499,917</u>
Assigned				
Health and welfare	-	812,152	-	812,152
Reserve for subsequent year's expenditures	<u>1,419,300</u>	<u>-</u>	<u>-</u>	<u>1,419,300</u>
Total Assigned	<u>1,419,300</u>	<u>812,152</u>	<u>-</u>	<u>2,231,452</u>
Unassigned	<u>957,003</u>	<u>-</u>	<u>-</u>	<u>957,003</u>
Total Fund Balance	<u>\$ 2,935,455</u>	<u>\$ 4,354,383</u>	<u>\$ 10,686,479</u>	<u>\$ 17,976,317</u>

NOTE 10 - PROPERTY TAXES

The County property tax general operating levy is levied each July 1st and the special assessment levies are levied on December 1st through 2021 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 2021 ad valorem tax is levied and collectible by December 1, 2021, it is the County's policy for all governmental fund types (with the exception below) to recognize

Tuscola County

Notes to the Financial Statements

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, 2020 levy totaled \$1,980,663,196. The taxable value of real and personal property for the July 1, 2021 levy totaled \$2,042,915,934.

The tax levy for fiscal year December 31, 2021 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 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, 2021, the County's property taxes were reduced by \$34,452 under this program.

Tuscola County

Notes to the Financial Statements

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.

During the year ended December 31, 2021, 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, 2021, the balance of the County's member retention fund was \$130,109.

Charges in the estimated claims liability are as follows:

	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning of year	\$ -	\$ -
Claims incurred	9,143	12,058
Claims paid	<u>(9,143)</u>	<u>(12,058)</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.

Tuscola County

Notes to the Financial Statements

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

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

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

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

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

	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims (including IBNR)	62	1,234
Claims paid	<u>(62)</u>	<u>(1,234)</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.

Tuscola County

Notes to the Financial Statements

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

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

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

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

	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning of year	\$ 219,704	\$ 264,518
Incurred claims (including IBNR)	3,196,223	3,119,006
Claims paid	<u>(3,196,223)</u>	<u>(3,163,820)</u>
Unpaid claims, end of year	<u>\$ 219,704</u>	<u>\$ 219,704</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 expires on December 31, 2021. For the year ended December 31, 2021, the County received lease revenue in the amount of \$332,491.

Tuscola County

Notes to the Financial Statements

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

Year Ending December 31	Revenue
2022	\$ 332,491
2023	338,099
2024	366,142
2025	366,142
2026	366,142
2027-2028	732,284
Total	\$ 2,501,300

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, 2021, 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, 2021 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.

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

Fiscal Year Ended,	Principal
2022	\$ 1,798
2023	1,798
Total	\$ 3,596

Tuscola County

Notes to the Financial Statements

NOTE 16 - SUBSEQUENT EVENTS AND COVID-19

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 2021, 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. The County is also in the process of determining impact that the American Rescue Plan Act awards will have on revenues and expenditures.

NOTE 17 - RESTATEMENTS

Management identified \$200,696 of capital assets, net of depreciation, from prior years that met the County's capital asset capitalization criteria. Accordingly, management restated net position of governmental activities as of December 31, 2020 to reflect these assets. The County's net position and capital assets both increased by \$200,696 within its governmental activities.

Additionally, management determined that amounts owing for interest and administrative fees in it's combined revolving tax fund met the County's revenue recognition criteria and should be reflected as a receivable. The receivables and net position in the combined revolving tax fund, and business-type activities, both increased by \$478,401 as of December 31, 2020.

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

	Governmental Activities	Combined Revolving Tax Fund	Business-type Activities
Net position - December 31, 2020, as previously reported	\$ 11,284,198	\$ 5,649,950	\$ 21,730,438
Capital assets previously not recorded	200,696	-	-
Recognition of interest and administrative fees receivable	-	478,401	478,401
<i>Net position - December 31, 2020, as restated</i>	\$ 11,484,894	\$ 6,128,351	\$ 22,208,839

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
Revenues				
Taxes	\$ 8,011,767	\$ 8,103,500	\$ 7,819,997	\$ (283,503)
Licenses and permits	441,760	441,860	423,378	(18,482)
Intergovernmental	1,978,028	1,998,753	2,042,539	43,786
Charges for services	1,734,737	1,871,456	1,868,446	(3,010)
Fines and forfeits	83,200	73,400	52,048	(21,352)
Interest and rents	543,783	555,283	525,416	(29,867)
Other	299,230	305,711	256,967	(48,744)
<i>Total Revenues</i>	<u>13,092,505</u>	<u>13,349,963</u>	<u>12,988,791</u>	<u>(361,172)</u>
Other Financing Sources				
Transfers in	1,534,928	1,261,037	1,059,107	(201,930)
<i>Total Revenues and Other Financing Sources</i>	<u>14,627,433</u>	<u>14,611,000</u>	<u>14,047,898</u>	<u>(563,102)</u>
Expenditures				
Legislative				
Board of commissioners	210,349	210,349	194,770	15,579
<i>Total legislative</i>	<u>210,349</u>	<u>210,349</u>	<u>194,770</u>	<u>15,579</u>
Judicial				
Unified court	2,526,143	2,493,559	2,485,143	8,416
Title IV CPLR grant	--	3,000	2,916	84
Jury commission	5,791	8,791	8,411	380
Adult probation	10,000	10,000	7,615	2,385
Prosecutor	801,408	801,408	762,563	38,845
Co-op reimbursement - prosecutor	214,226	234,211	232,170	2,041
<i>Total judicial</i>	<u>3,557,568</u>	<u>3,550,969</u>	<u>3,498,818</u>	<u>52,151</u>
General government				
Special programs	54,800	54,800	34,106	20,694
Election	26,871	26,871	5,701	21,170
Accounting services	47,740	47,740	47,445	295
Legal counsel	130,000	169,900	163,926	5,974
Clerk	517,740	547,740	538,841	8,899
Controller	438,151	458,181	458,174	7
Equalization	253,876	260,956	260,953	3
City of Caro assessment contract	7,508	7,508	6,197	1,311
Treasurer	404,611	199,147	187,896	11,251
Computer operations	759,494	763,794	761,749	2,045
Building and grounds	815,150	859,031	872,832	(13,801)
DHHS building maintenance	84,148	60,467	50,960	9,507
<i>Total general government</i>	<u>\$ 3,540,089</u>	<u>\$ 3,456,135</u>	<u>\$ 3,388,780</u>	<u>\$ 67,355</u>

Continued...

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
Expenditures (Continued from previous page)				
Public Safety				
Courthouse security	\$ 151,604	\$ 151,604	\$ 137,633	\$ 13,971
Sheriff	2,434,805	2,472,761	2,472,637	124
County weigh master enforcement	91,339	91,339	90,437	902
Marine safety	12,869	15,899	14,098	1,801
Secondary road patrol	87,358	87,358	66,924	20,434
Thumb Area narcotics group	13,970	13,970	7,823	6,147
Community corrections service	75,304	76,104	49,419	26,685
Emergency services	111,352	112,852	104,396	8,456
Building codes	440,000	421,729	421,728	1
<i>Total public safety</i>	<u>3,418,601</u>	<u>3,443,616</u>	<u>3,365,095</u>	<u>78,521</u>
Public works				
Board of public works	1,050	1,050	967	83
Drains at large	370,938	345,335	345,334	1
Drain commission	237,487	250,887	249,836	1,051
<i>Total public works</i>	<u>609,475</u>	<u>597,272</u>	<u>596,137</u>	<u>1,135</u>
Health and Welfare				
Substance abuse	51,250	55,876	55,875	1
Medical examiner	75,000	135,000	133,850	1,150
DHHS board	10,000	10,000	9,734	266
Behavioral health	288,243	288,243	288,243	--
<i>Total health and welfare</i>	<u>424,493</u>	<u>489,119</u>	<u>487,702</u>	<u>1,417</u>
Community and economic development				
Register of deeds	300,909	316,524	290,363	26,161
Planning commission	4,430	5,000	4,986	14
Airport zoning board	--	500	485	15
Airport zoning board of appeals	840	840	215	625
Economic development corp	120,000	120,000	120,000	--
<i>Total community and economic development</i>	<u>426,179</u>	<u>442,864</u>	<u>416,049</u>	<u>26,815</u>
Other	420,554	257,140	118,817	138,323
Debt service	21,159	21,159	7,306	13,853
<i>Total Expenditures</i>	<u>12,628,467</u>	<u>12,468,623</u>	<u>12,073,474</u>	<u>395,149</u>
Other Financing Uses				
Transfers out	1,998,966	2,142,377	1,994,420	147,957
<i>Total Expenditures and Other Financing Uses</i>	<u>14,627,433</u>	<u>14,611,000</u>	<u>14,067,894</u>	<u>543,106</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>--</u>	<u>--</u>	<u>(19,996)</u>	<u>(19,996)</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u>(19,996)</u>	<u>(19,996)</u>
<i>Fund Balance at Beginning of Period</i>	2,955,451	2,955,451	2,955,451	--
<i>Fund Balance at End of Period</i>	<u>\$ 2,955,451</u>	<u>\$ 2,955,451</u>	<u>\$ 2,935,455</u>	<u>\$ (19,996)</u>

Concluded.

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Road Patrol
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Taxes	\$ 2,642,572	\$ 2,642,572	\$ 2,641,836	\$ (736)
Licenses and permits	10,000	10,000	8,477	(1,523)
Intergovernmental	33,937	33,937	13,156	(20,781)
Charges for services	10,000	40,500	47,300	6,800
Interest and rents	9,000	9,000	8,094	(906)
Other	36,600	36,600	36,219	(381)
Total Revenues	<u>2,742,109</u>	<u>2,772,609</u>	<u>2,755,082</u>	<u>(17,527)</u>
Expenditures				
Road patrol	2,603,807	2,619,807	2,255,818	363,989
Highway safety OHSP grant	24,537	24,537	12,823	11,714
Alcohol enforcement	12,219	12,219	7,816	4,403
Total Expenditures	<u>2,640,563</u>	<u>2,656,563</u>	<u>2,276,457</u>	<u>380,106</u>
Other Financing Uses				
Transfers out	91,105	91,105	91,105	--
Total Expenditures and Other Financing Uses	<u>2,731,668</u>	<u>2,747,668</u>	<u>2,367,562</u>	<u>380,106</u>
Excess (Deficiency) of Revenues and Over Expenditures and Other Uses	<u>10,441</u>	<u>24,941</u>	<u>387,520</u>	<u>362,579</u>
Net Change in Fund Balance	<u>10,441</u>	<u>24,941</u>	<u>387,520</u>	<u>362,579</u>
Fund Balance at Beginning of Period	<u>1,333,949</u>	<u>1,333,949</u>	<u>1,333,949</u>	<u>--</u>
Fund Balance at End of Period	<u>\$ 1,344,390</u>	<u>\$ 1,358,890</u>	<u>\$ 1,721,469</u>	<u>\$ 362,579</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted Primary Road
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Taxes	\$ 1,918,746	\$ 1,920,746	\$ 1,919,138	\$ (1,608)
Interest and rents	6,000	6,000	4,917	(1,083)
<i>Total Revenues</i>	<u>1,924,746</u>	<u>1,926,746</u>	<u>1,924,055</u>	<u>(2,691)</u>
Expenditures				
Public works	1,350,384	1,722,031	1,723,694	(1,663)
<i>Total Expenditures</i>	<u>1,350,384</u>	<u>1,722,031</u>	<u>1,723,694</u>	<u>(1,663)</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	<u>574,362</u>	<u>204,715</u>	<u>200,361</u>	<u>(4,354)</u>
<i>Net Change in Fund Balance</i>	<u>574,362</u>	<u>204,715</u>	<u>200,361</u>	<u>(4,354)</u>
<i>Fund Balance at Beginning of Period</i>	229,893	229,893	229,893	--
<i>Fund Balance at End of Period</i>	<u>\$ 804,255</u>	<u>\$ 434,608</u>	<u>\$ 430,254</u>	<u>\$ (4,354)</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Tuscola County Health Department (September 30, 2021)
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
Revenues				
Licenses and permits	\$ 144,492	\$ 134,578	\$ 136,445	\$ 1,867
Intergovernmental	2,549,527	3,458,661	3,500,954	42,293
Charges for services	484,165	763,367	738,104	(25,263)
Other	818	3,236	3,054	(182)
Total Revenues	3,179,002	4,359,842	4,378,557	18,715
Other Financing Sources				
Transfers in	685,082	714,521	378,966	(335,555)
Total Revenues and Other Financing Sources	3,864,084	5,074,363	4,757,523	(316,840)
Expenditures				
Health and welfare	3,825,267	4,699,638	4,284,954	414,684
Total Expenditures	3,825,267	4,699,638	4,284,954	414,684
Other Financing Uses				
Transfers out	183,420	182,755	186,738	(3,983)
Total Expenditures and Other Financing Uses	4,008,687	4,882,393	4,471,692	410,701
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(144,603)	191,970	285,831	93,861
Net Change in Fund Balance	(144,603)	191,970	285,831	93,861
<i>Fund Balance at Beginning of Period</i>	2,322,342	2,322,342	2,322,342	--
Fund Balance at End of Period	\$ 2,177,739	\$ 2,514,312	\$ 2,608,173	\$ 93,861

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
American Rescue Plan Act (ARPA)
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Intergovernmental	\$ --	\$ 5,073,990	\$ 74,800	\$ (4,999,190)
Interest and rents	--	10,000	8,069	(1,931)
Total Revenues	<u>--</u>	<u>5,083,990</u>	<u>82,869</u>	<u>(5,001,121)</u>
Expenditures				
Capital outlay	--	100,000	82,869	17,131
Total Expenditures	<u>--</u>	<u>100,000</u>	<u>82,869</u>	<u>17,131</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>--</u>	<u>4,983,990</u>	<u>--</u>	<u>(4,983,990)</u>
Net Change in Fund Balance	<u>--</u>	<u>4,983,990</u>	<u>--</u>	<u>(4,983,990)</u>
Fund Balance at Beginning of Period	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance at End of Period	<u>\$ --</u>	<u>\$ 4,983,990</u>	<u>\$ --</u>	<u>\$ (4,983,990)</u>

Tuscola County
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - County
Last Seven Fiscal Years (Measurement Date) *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability							
Service cost	\$ 588,073	\$ 582,618	\$ 616,397	\$ 623,037	\$ 644,951	\$ 663,158	\$ 640,091
Interest	2,918,825	2,766,607	2,839,889	2,760,220	2,658,106	2,521,804	2,359,153
Difference between expected and actual experience	1,086,714	(64,797)	(79,664)	(219,902)	159,878	15,636	-
Changes in assumptions **	1,811,826	1,085,711	-	-	-	1,658,902	-
Benefit payments, including employee refunds	(2,343,633)	(2,270,910)	(2,097,593)	(2,095,285)	(2,014,650)	(1,985,077)	(1,887,760)
Other changes	(239,696)	(62,723)	(271,364)	(67,737)	(120,584)	(191,533)	3,552
Net Change in Pension Liability	<u>3,822,109</u>	<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>	39,283,377	37,246,871	36,239,206	35,238,873	33,911,172	31,228,282	30,113,246
Total Pension Liability - Ending (a)	<u>\$ 43,105,486</u>	<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>
Plan Fiduciary Net Position							
Contributions - employer	\$ 634,700	\$ 553,422	\$ 410,464	\$ 367,047	\$ 359,904	\$ 7,412,953	\$ 810,207
Contributions - member	290,374	307,076	362,247	316,346	340,891	339,727	340,531
Net investment income (loss)	5,297,606	4,379,405	4,326,240	(1,336,847)	4,201,461	3,271,744	(359,078)
Benefit payments, including employee refunds	(2,343,633)	(2,270,910)	(2,097,593)	(2,095,285)	(2,014,650)	(1,985,077)	(1,887,760)
Administrative expense	(60,773)	(69,986)	(74,522)	(67,064)	(66,597)	(62,743)	(52,822)
Net Change in Plan Fiduciary Net Position	<u>3,818,274</u>	<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>	37,961,065	35,062,058	32,135,222	34,951,025	32,130,016	23,153,412	24,302,334
Plan Fiduciary Net Position - Ending (b)	<u>\$ 41,779,339</u>	<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>
Net Pension Liability - Ending (a) - (b)	\$ 1,326,147	\$ 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	96.9%	96.6%	94.1%	88.7%	99.2%	94.7%	74.1%
Covered payroll	\$ 5,667,701	\$ 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	23.4%	23.8%	37.2%	69.0%	4.7%	27.5%	129.9%

Notes to Schedule:

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

**The following were significant changes to economic and demographic assumptions:

2016 - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality

2020 - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2021 - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 634,700	\$ 553,450	\$ 367,047	\$ 359,904	\$ 359,904	\$ 512,953	\$ 810,207
Contributions in relation to the actuarially determined contribution	634,700	553,450	410,464	367,047	359,904	7,412,953	810,207
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,417</u>	<u>\$ 7,143</u>	<u>\$ -</u>	<u>\$ 6,900,000</u>	<u>\$ -</u>
 Covered payroll	 \$ 5,667,701	 \$ 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	11.2%	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	18 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	Pub-2010 and fully generational MP-2019

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

Tuscola County
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - Tuscola County Health Department (September 30, 2021)
Last Seven Years Ended December 31 (Measurement Date) *

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability							
Service cost	\$ 128,752	\$ 117,648	\$ 143,873	\$ 150,565	\$ 152,467	\$ 158,379	\$ 153,469
Interest	940,104	931,679	891,937	855,148	805,787	763,788	725,814
Difference between expected and actual experience	109,094	(18,004)	154,214	89,266	212,394	(113,593)	-
Changes in assumptions **	760,576	421,876	-	-	-	470,284	-
Benefit payments, including employee refunds	(763,444)	(706,458)	(653,814)	(609,711)	(495,658)	(426,925)	(415,952)
Other changes	-	(2)	-	-	-	(316)	-
Net Change in Pension Liability	<u>1,175,082</u>	<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>	12,687,136	11,940,397	11,404,187	10,918,919	10,243,929	9,392,312	8,928,981
Total Pension Liability - Ending (a)	<u>\$ 13,862,218</u>	<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>
Plan Fiduciary Net Position							
Contributions - employer	\$ 180,912	\$ 133,356	\$ 93,792	\$ 2,539,650	\$ 238,920	\$ 239,690	\$ 218,688
Contributions - member	51,558	55,484	60,806	62,602	64,567	60,012	57,344
Net investment income (loss)	1,338,295	1,347,573	(418,598)	1,253,297	813,161	(111,384)	449,277
Benefit payments, including employee refunds	(763,444)	(706,458)	(653,814)	(609,711)	(495,658)	(426,925)	(415,952)
Administrative expense	(21,545)	(23,207)	(21,068)	(19,576)	(16,049)	(16,247)	(16,504)
Net Change in Plan Fiduciary Net Position	<u>785,776</u>	<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>	10,861,965	10,055,217	10,994,099	7,767,837	7,162,896	7,417,750	7,124,897
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,647,741</u>	<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>
Net Pension Liability - Ending (a) - (b)	\$ 2,214,477	\$ 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	84.0%	85.6%	84.2%	96.4%	71.1%	69.9%	79.0%
Covered payroll	\$ 995,072	\$ 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	222.5%	199.7%	167.7%	35.4%	262.6%	250.7%	166.5%

Notes to Schedule:

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

**The following were significant changes to economic and demographic assumptions:

2015 - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality

2019 - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2020 - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

Tuscola County
Required Supplementary Information
Schedule of Contributions - Tuscola County Health Department (September 30, 2021)
Last Seven Fiscal Years Ended September 30 (Measurement Date) *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 180,912	\$ 133,356	\$ 93,792	\$ 137,667	\$ 216,504	\$ 195,960	\$ 188,823
Contributions in relation to the actuarially determined contribution	180,912	133,356	93,792	2,539,650	238,918	239,691	218,687
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,401,983</u>	<u>\$ 22,414</u>	<u>\$ 43,731</u>	<u>\$ 29,864</u>
Covered payroll	\$ 955,072	\$ 913,812	\$ 1,124,289	\$ 1,159,786	\$ 1,199,952	\$ 1,228,842	\$ 1,186,002
Contributions as a percentage of covered payroll	18.9%	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	18 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	Pub-2010 and fully generational MP-2019

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

Tuscola County
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - Tuscola County Medical Care Facility
Last Seven Fiscal Years (Measurement Date) *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability							
Service cost	\$ 673,548	\$ 768,207	\$ 814,884	\$ 775,341	\$ 764,075	\$ 753,907	\$ 657,495
Interest	1,496,453	1,425,909	1,469,768	1,372,873	1,284,659	1,161,030	1,105,285
Difference between expected and actual experience	576,518	(129,797)	(397,308)	(90,385)	(78,860)	134,876	-
Changes in assumptions **	1,233,352	394,831	-	-	-	612,268	-
Benefit payments, including employee refunds	(1,186,553)	(1,079,177)	(1,023,605)	(932,478)	(877,745)	(800,308)	(808,461)
Other changes	(417,880)	(350,743)	(422,746)	111,626	32,281	(282,777)	108,877
Net Change in Pension Liability	<u>2,375,438</u>	<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>	19,946,679	18,917,449	18,476,456	17,239,479	16,115,069	14,536,073	13,472,877
Total Pension Liability - Ending (a)	<u>\$ 22,322,117</u>	<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>
Plan Fiduciary Net Position							
Contributions - employer	\$ 367,056	\$ 337,471	\$ 299,217	\$ 322,829	\$ 407,013	\$ 486,598	\$ 451,869
Contributions - member	496,458	551,191	594,059	590,815	562,406	517,917	500,078
Net investment income (loss)	2,765,403	2,270,714	2,134,431	(648,954)	1,920,623	1,473,756	(196,455)
Benefit payments, including employee refunds	(1,186,553)	(1,079,177)	(1,023,605)	(932,478)	(877,745)	(800,308)	(808,461)
Administrative expense	(31,728)	(35,563)	(36,803)	(31,896)	(30,350)	(29,039)	(28,430)
Net Change in Plan Fiduciary Net Position	<u>2,410,636</u>	<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>	19,697,939	17,653,303	15,686,004	16,385,688	14,403,741	12,754,817	12,836,216
Plan Fiduciary Net Position - Ending (b)	<u>\$ 22,108,575</u>	<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>
Net Pension Liability - Ending (a) - (b)	\$ 213,542	\$ 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	99.0%	98.8%	93.3%	84.9%	95.0%	89.4%	87.7%
Covered payroll	\$ 10,482,876	\$ 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	2.0%	2.1%	10.3%	23.4%	7.7%	15.7%	18.5%

Notes to Schedule:

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

**The following were significant changes to economic and demographic assumptions:

2016 - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality

2020 - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2021 - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

Tuscola County
Required Supplementary Information
Schedule of Contributions - Tuscola County Medical Care Facility
Last Seven Calendar Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 367,056	\$ 337,471	\$ 299,217	\$ 322,829	\$ 315,912	\$ 486,598	\$ 451,869
Contributions in relation to the actuarially determined contribution	367,056	337,471	299,217	322,829	416,912	486,598	451,869
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,000</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 10,122,977	 \$ 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	3.6%	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 based on Pub-2010 Group Annuity Mortality Table

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

Combining and Individual Fund Statements and Schedules

NONMAJOR GOVERNMENTAL FUNDS

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 3rd 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.

Building Inspection (249) The building inspection fund is to account for the revenues charged to residents to provide building inspection services for the public safety of structures being built or improved within the county.

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.

Health Department Pension Obligation Bond (353)
Purdy Building Debt (374)
Mayville Storm Sewer Debt (379)

Denmark Township Sewer Debt (385)

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
Nonmajor Governmental Funds
December 31, 2021**

	Special Revenue					
	CDBG Housing Grant	Principal Residence Exemption	State Survey Grant Fund	Victim of Crime Act Grant	Register of Deeds Automation	GIS
ASSETS						
Cash and investments	\$ 60,197	\$ 27,003	\$ 498	\$ 1	\$ 101,260	\$ 179,829
Taxes receivable	--	--	--	--	--	--
Due from other governments	--	--	34,585	9,872	--	--
Accounts receivable	--	--	--	6,945	295	--
Due from other funds	--	--	255	--	--	--
Contracts receivable	--	--	--	--	--	--
Total Assets	\$ 60,197	\$ 27,003	\$ 35,338	\$ 16,818	\$ 101,555	\$ 179,829
LIABILITIES						
Accounts payable	\$ 1,637	\$ --	\$ 11,338	\$ 17	\$ 1,691	\$ --
Accrued liabilities	--	--	--	1,124	--	1,065
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	--	24,000	12,980	--	--
Advances from other funds	--	--	--	--	--	--
Total Liabilities	1,637	--	35,338	14,121	1,691	1,065
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - contracts	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	1,637	--	35,338	14,121	1,691	1,065
FUND BALANCE						
Restricted	58,560	27,003	--	2,697	99,864	178,764
Unassigned	--	--	--	--	--	--
Total Fund Balance	58,560	27,003	--	2,697	99,864	178,764
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 60,197	\$ 27,003	\$ 35,338	\$ 16,818	\$ 101,555	\$ 179,829

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Special Revenue					
	Indigent Defense Fund	Homeland Security	CPL	Local Correction Officer Training	Forfeiture Sheriff / Prosecutor	Law Library
ASSETS						
Cash and investments	\$ 152,339	\$ 4,000	\$ 161,676	\$ 13,534	\$ 281,414	\$ 36,598
Taxes receivable	--	--	--	--	--	--
Due from other governments	152,514	18,697	--	--	--	--
Accounts receivable	312,391	--	--	499	--	--
Due from other funds	35,676	--	--	--	--	--
Contracts receivable	--	--	--	--	--	--
Total Assets	\$ 652,920	\$ 22,697	\$ 161,676	\$ 14,033	\$ 281,414	\$ 36,598
LIABILITIES						
Accounts payable	\$ 70,123	\$ 3,328	\$ 60	\$ --	\$ --	\$ --
Accrued liabilities	2,371	--	--	--	--	--
Unearned revenue	156,008	--	--	--	--	--
Due to other funds	220,000	19,000	--	--	--	--
Advances from other funds	--	--	--	--	--	--
Total Liabilities	448,502	22,328	60	--	--	--
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - contracts	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	448,502	22,328	60	--	--	--
FUND BALANCE						
Restricted	204,418	369	161,616	14,033	281,414	36,598
Unassigned	--	--	--	--	--	--
Total Fund Balance	204,418	369	161,616	14,033	281,414	36,598
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 652,920	\$ 22,697	\$ 161,676	\$ 14,033	\$ 281,414	\$ 36,598

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Special Revenue					
	Voted MSU	Michigan Justice Training	Child Care DHHS	Probate Child Care	Soldiers Relief	Voted Veterans
ASSETS						
Cash and investments	\$ 63,162	\$ 6,742	\$ 412,429	\$ 116,053	\$ 56,727	\$ 160,428
Taxes receivable	200,096	--	--	--	--	347,844
Due from other governments	--	--	2,617	41,911	--	--
Accounts receivable	--	--	--	6,829	--	--
Due from other funds	--	--	--	50,880	--	--
Contracts receivable	--	--	--	--	--	--
Total Assets	\$ 263,258	\$ 6,742	\$ 415,046	\$ 215,673	\$ 56,727	\$ 508,272
LIABILITIES						
Accounts payable	\$ 70	\$ --	\$ 3,607	\$ 22,428	\$ --	\$ 74,809
Accrued liabilities	--	--	--	6,234	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	--	50,880	--	--	--
Advances from other funds	20,109	--	--	--	--	--
Total Liabilities	20,179	--	54,487	28,662	--	74,809
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - contracts	--	--	--	--	--	--
Taxes levied for a subsequent period	200,096	--	--	--	--	347,844
Total Liabilities and Deferred Inflows of Resources	220,275	--	54,487	28,662	--	422,653
FUND BALANCE						
Restricted	42,983	6,742	360,559	187,011	56,727	85,619
Unassigned	--	--	--	--	--	--
Total Fund Balance	42,983	6,742	360,559	187,011	56,727	85,619
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 263,258	\$ 6,742	\$ 415,046	\$ 215,673	\$ 56,727	\$ 508,272

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Special Revenue					
	Voted Bridge	Voted Senior Citizens	Voted Medical Care Facility	County Parks & Recreation	Arbela Twp Police Svc	Friend of the Court
ASSETS						
Cash and investments	\$ 1,431,022	\$ 156,001	\$ 1,306,287	\$ 14,827	\$ --	\$ 9,040
Taxes receivable	983,892	654,884	511,627	--	--	--
Due from other governments	--	--	--	--	12,516	63,902
Accounts receivable	--	--	--	--	--	97,526
Due from other funds	--	--	--	--	--	--
Contracts receivable	--	--	--	--	--	--
Total Assets	\$ 2,414,914	\$ 810,885	\$ 1,817,914	\$ 14,827	\$ 12,516	\$ 170,468
LIABILITIES						
Accounts payable	\$ --	\$ 1,718	\$ 1,785	\$ 485	\$ --	\$ 3,713
Accrued liabilities	--	--	--	188	1,748	10,190
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	--	--	--	10,768	130,000
Advances from other funds	--	--	--	--	--	--
Total Liabilities	--	1,718	1,785	673	12,516	143,903
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - contracts	--	--	--	--	--	--
Taxes levied for a subsequent period	983,892	654,884	511,627	--	--	--
Total Liabilities and Deferred Inflows of Resources	983,892	656,602	513,412	673	12,516	143,903
FUND BALANCE						
Restricted	1,431,022	154,283	1,304,502	14,154	--	26,565
Unassigned	--	--	--	--	--	--
Total Fund Balance	1,431,022	154,283	1,304,502	14,154	--	26,565
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,414,914	\$ 810,885	\$ 1,817,914	\$ 14,827	\$ 12,516	\$ 170,468

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Special Revenue					
	Family Counseling	Dispatch/911	Vassar Twp Police Svc	Recycling	Millington Twp Police	Mental Health Court
ASSETS						
Cash and investments	\$ 70,657	\$ 697,737	\$ 2,801	\$ 159,448	\$ 2,580	\$ 1,933
Taxes receivable	--	--	--	306,910	--	--
Due from other governments	--	--	11,046	--	21,545	11,895
Accounts receivable	15	317,666	7,864	20	13,989	--
Due from other funds	--	--	--	--	--	112
Contracts receivable	--	--	--	--	--	--
Total Assets	\$ 70,672	\$ 1,015,403	\$ 21,711	\$ 466,378	\$ 38,114	\$ 13,940
LIABILITIES						
Accounts payable	\$ --	\$ 12,307	\$ 195	\$ 1,390	\$ --	\$ 1,630
Accrued liabilities	--	26,890	1,516	5,082	3,674	297
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	--	20,000	--	34,440	12,000
Advances from other funds	--	--	--	11,207	--	--
Total Liabilities	--	39,197	21,711	17,679	38,114	13,927
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - contracts	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	--	306,910	--	--
Total Liabilities and Deferred Inflows of Resources	--	39,197	21,711	324,589	38,114	13,927
FUND BALANCE						
Restricted	70,672	976,206	--	141,789	--	13
Unassigned	--	--	--	--	--	--
Total Fund Balance	70,672	976,206	--	141,789	--	13
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 70,672	\$ 1,015,403	\$ 21,711	\$ 466,378	\$ 38,114	\$ 13,940

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Special Revenue					
	Victim Services	Animal Shelter	Mosquito Control Fund	Regional DWI Court Grant	County Veteran Service Grant	Coronavirus Emergency Supplemental Funding
ASSETS						
Cash and investments	\$ 298	\$ 52,080	\$ 882,915	\$ 51,018	\$ 50,087	\$ --
Taxes receivable	--	--	1,292,808	--	--	--
Due from other governments	50,206	--	--	44,375	--	13,167
Accounts receivable	--	1,000	--	--	--	--
Due from other funds	--	1,481	--	--	--	--
Contracts receivable	--	--	--	--	--	--
<i>Total Assets</i>	\$ 50,504	\$ 54,561	\$ 2,175,723	\$ 95,393	\$ 50,087	\$ 13,167
LIABILITIES						
Accounts payable	\$ 9	\$ 10,410	\$ 121,684	\$ 5,538	\$ 4,654	\$ 38
Accrued liabilities	1,081	4,084	4,533	1,720	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	49,200	40,000	--	--	--	9,060
Advances from other funds	--	--	--	--	--	--
<i>Total Liabilities</i>	50,290	54,494	126,217	7,258	4,654	9,098
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - contracts	--	--	--	--	--	--
Taxes levied for a subsequent period	--	--	1,292,808	--	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	50,290	54,494	1,419,025	7,258	4,654	9,098
FUND BALANCE						
Restricted	214	67	756,698	88,135	45,433	4,069
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	214	67	756,698	88,135	45,433	4,069
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 50,504	\$ 54,561	\$ 2,175,723	\$ 95,393	\$ 50,087	\$ 13,167

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Special Revenue		Debt Service			
	CARES Act	Building Inspection	Department Pension Obligation Bond	Purdy Building	Mayville Storm Sewer Debt	Denmark Twp Sewer Debt
ASSETS						
Cash and investments	\$ --	\$ 56,429	\$ 57	\$ --	\$ --	\$ --
Taxes receivable	--	--	--	--	--	--
Due from other governments	--	--	--	--	--	--
Accounts receivable	--	5,176	--	--	--	--
Due from other funds	--	--	--	--	--	--
Contracts receivable	--	--	--	--	817,000	1,507,209
<i>Total Assets</i>	<u>\$ --</u>	<u>\$ 61,605</u>	<u>\$ 57</u>	<u>\$ --</u>	<u>\$ 817,000</u>	<u>\$ 1,507,209</u>
LIABILITIES						
Accounts payable	\$ --	\$ 52,617	\$ --	\$ --	\$ --	\$ --
Accrued liabilities	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--
Advances from other funds	--	--	--	--	--	--
<i>Total Liabilities</i>	<u>--</u>	<u>52,617</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - contracts	--	--	--	--	817,000	1,507,209
Taxes levied for a subsequent period	--	--	--	--	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>--</u>	<u>52,617</u>	<u>--</u>	<u>--</u>	<u>817,000</u>	<u>1,507,209</u>
FUND BALANCE						
Restricted	--	8,988	57	--	--	--
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>--</u>	<u>8,988</u>	<u>57</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$ --</u>	<u>\$ 61,605</u>	<u>\$ 57</u>	<u>\$ --</u>	<u>\$ 817,000</u>	<u>\$ 1,507,209</u>

Continued...

**Tuscola County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Capital Projects				Total Nonmajor Governmental Funds
	State Police Building	Capital Improvements	Jail Capital Improvements	Equipment/ Technology Fund	
ASSETS					
Cash and investments	\$ 166,390	\$ 1,961,177	\$ 989,481	\$ 369,215	\$ 10,265,370
Taxes receivable	--	--	--	--	4,298,061
Due from other governments	--	--	--	--	488,848
Accounts receivable	--	--	--	--	770,215
Due from other funds	--	--	--	--	88,404
Contracts receivable	--	--	--	--	2,324,209
Total Assets	\$ 166,390	\$ 1,961,177	\$ 989,481	\$ 369,215	\$ 18,235,107
LIABILITIES					
Accounts payable	\$ --	\$ --	\$ --	\$ 37,882	\$ 445,163
Accrued liabilities	--	--	--	--	71,797
Unearned revenue	--	--	--	--	156,008
Due to other funds	--	--	--	--	632,328
Advances from other funds	--	--	--	--	31,316
Total Liabilities	--	--	--	37,882	1,336,612
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - contracts	--	--	--	--	2,324,209
Taxes levied for a subsequent period	--	--	--	--	4,298,061
Total Liabilities and Deferred Inflows of Resources	--	--	--	37,882	7,958,882
FUND BALANCE					
Restricted	166,390	1,961,177	989,481	331,333	10,276,225
Unassigned	--	--	--	--	--
Total Fund Balance	166,390	1,961,177	989,481	331,333	10,276,225
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 166,390	\$ 1,961,177	\$ 989,481	\$ 369,215	\$ 18,235,107

Concluded.

Tuscola County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

Special Revenue

	CDBG Housing Grant	Principal Residence Exemption	State Survey Grant Fund	Victim of Crime Act Grant	Register of Deeds Automation	GIS
Revenues						
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--
Intergovernmental	--	53,225	57,440	82,708	--	--
Charges for services	--	--	--	--	61,795	40,756
Fines and forfeits	--	--	--	--	--	--
Interest and rents	--	131	--	--	317	703
Other	--	--	--	--	--	--
Total Revenues	--	53,356	57,440	82,708	62,112	41,459
Expenditures						
Judicial	--	--	--	--	--	--
General government	--	43,568	57,696	--	--	94,505
Public safety	--	--	--	82,298	--	--
Public works	--	--	--	--	--	--
Health and welfare	88,352	--	--	--	--	--
Community and economic development	--	--	--	--	24,108	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	88,352	43,568	57,696	82,298	24,108	94,505
Excess of Revenues Over (Under) Expenditures	(88,352)	9,788	(256)	410	38,004	(53,046)
Other Financing Sources (Uses)						
Transfers in	--	--	255	--	--	60,000
Transfers out	--	(12,890)	--	--	--	--
Net Other Financing Sources (Uses)	--	(12,890)	255	--	--	60,000
Net Change in Fund Balance	(88,352)	(3,102)	(1)	410	38,004	6,954
<i>Fund Balance at Beginning of Period</i>	146,912	30,105	1	2,287	61,860	171,810
Fund Balance at End of Period	\$ 58,560	\$ 27,003	\$ --	\$ 2,697	\$ 99,864	\$ 178,764

Continued...

Tuscola County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue					
	Indigent Defense Fund	Homeland Security	CPL	Local Correction Officer Training	Forfeiture Sheriff / Prosecutor	Law Library
Revenues						
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	41,962	--	--	--
Intergovernmental	1,197,420	47,239	--	--	--	--
Charges for services	--	--	--	7,313	--	--
Fines and forfeits	--	--	--	--	357,451	6,500
Interest and rents	105	--	--	--	--	--
Other	--	--	--	200	--	--
Total Revenues	1,197,525	47,239	41,962	7,513	357,451	6,500
Expenditures						
Judicial	1,298,112	--	--	--	154,541	114
General government	--	--	--	--	--	--
Public safety	--	46,870	15,256	8,066	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	1,298,112	46,870	15,256	8,066	154,541	114
Excess of Revenues Over (Under) Expenditures	(100,587)	369	26,706	(553)	202,910	6,386
Other Financing Sources (Uses)						
Transfers in	253,708	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Net Other Financing Sources (Uses)	253,708	--	--	--	--	--
Net Change in Fund Balance	153,121	369	26,706	(553)	202,910	6,386
<i>Fund Balance at Beginning of Period</i>	51,297	--	134,910	14,586	78,504	30,212
Fund Balance at End of Period	\$ 204,418	\$ 369	\$ 161,616	\$ 14,033	\$ 281,414	\$ 36,598

Continued...

Tuscola County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

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>
Revenues						
Property taxes	\$ 198,498	\$ --	\$ --	\$ --	\$ --	\$ 337,530
Licenses and permits	--	--	--	--	--	--
Intergovernmental	--	3,249	11,332	272,779	--	--
Charges for services	--	--	2,078	--	--	--
Fines and forfeits	--	--	--	--	--	--
Interest and rents	256	--	--	--	--	845
Other	--	--	2,973	1,263	--	--
Total Revenues	<u>198,754</u>	<u>3,249</u>	<u>16,383</u>	<u>274,042</u>	<u>--</u>	<u>338,375</u>
Expenditures						
Judicial	--	--	--	--	--	--
General government	--	--	--	--	--	--
Public safety	154,647	3,675	--	--	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	224,216	498,196	35,449	259,683
Community and economic development	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	<u>154,647</u>	<u>3,675</u>	<u>224,216</u>	<u>498,196</u>	<u>35,449</u>	<u>259,683</u>
Excess of Revenues Over (Under) Expenditures	<u>44,107</u>	<u>(426)</u>	<u>(207,833)</u>	<u>(224,154)</u>	<u>(35,449)</u>	<u>78,692</u>
Other Financing Sources (Uses)						
Transfers in	--	--	150,000	300,000	--	--
Transfers out	(1,140)	--	--	--	--	(60,064)
Net Other Financing Sources (Uses)	<u>(1,140)</u>	<u>--</u>	<u>150,000</u>	<u>300,000</u>	<u>--</u>	<u>(60,064)</u>
Net Change in Fund Balance	<u>42,967</u>	<u>(426)</u>	<u>(57,833)</u>	<u>75,846</u>	<u>(35,449)</u>	<u>18,628</u>
<i>Fund Balance at Beginning of Period</i>	16	7,168	418,392	111,165	92,176	66,991
Fund Balance at End of Period	<u>\$ 42,983</u>	<u>\$ 6,742</u>	<u>\$ 360,559</u>	<u>\$ 187,011</u>	<u>\$ 56,727</u>	<u>\$ 85,619</u>

Continued...

Tuscola County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

Special Revenue

	Voted Bridge	Voted Senior Citizens	Voted Medical Care Facility	County Parks & Recreation	Arbela Twp Police Svc	Friend of the Court
Revenues						
Property taxes	\$ 954,729	\$ 635,495	\$ 496,463	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--
Intergovernmental	--	--	--	--	--	685,783
Charges for services	--	--	--	29,573	92,715	58,108
Fines and forfeits	--	--	--	--	--	--
Interest and rents	1,974	946	5,004	--	--	18
Other	--	--	--	--	--	--
Total Revenues	956,703	636,441	501,467	29,573	92,715	743,909
Expenditures						
Judicial	--	--	--	--	--	860,337
General government	--	--	--	--	--	--
Public safety	--	--	--	--	93,556	--
Public works	1,066,878	--	--	--	--	--
Health and welfare	--	626,099	184,521	--	--	--
Community and economic development	--	--	--	--	--	--
Culture and recreation	--	--	--	23,297	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	1,066,878	626,099	184,521	23,297	93,556	860,337
Excess of Revenues Over (Under) Expenditures	(110,175)	10,342	316,946	6,276	(841)	(116,428)
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	239,857
Transfers out	--	(8,697)	(1,973)	--	--	(210,464)
Net Other Financing Sources (Uses)	--	(8,697)	(1,973)	--	--	29,393
Net Change in Fund Balance	(110,175)	1,645	314,973	6,276	(841)	(87,035)
<i>Fund Balance at Beginning of Period</i>	1,541,197	152,638	989,529	7,878	841	113,600
Fund Balance at End of Period	\$ 1,431,022	\$ 154,283	\$ 1,304,502	\$ 14,154	\$ --	\$ 26,565

Continued...

Tuscola County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

Special Revenue

	Family Counseling	Dispatch/911	Vassar Twp Police Svc	Recycling	Millington Twp Police	Mental Health Court
Revenues						
Property taxes	\$ --	\$ --	\$ --	\$ 297,812	\$ --	\$ --
Licenses and permits	4,470	--	--	--	--	--
Intergovernmental	--	201,697	--	16,547	--	46,308
Charges for services	--	1,066,261	90,939	112,144	180,148	--
Fines and forfeits	--	--	--	--	--	--
Interest and rents	--	8,618	--	2,450	--	--
Other	1,867	2,466	--	183	--	--
Total Revenues	6,337	1,279,042	90,939	429,136	180,148	46,308
Expenditures						
Judicial	4,891	--	--	--	--	46,420
General government	--	--	--	--	--	--
Public safety	--	1,156,180	91,223	--	182,244	--
Public works	--	--	--	315,387	--	--
Health and welfare	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	4,891	1,156,180	91,223	315,387	182,244	46,420
Excess of Revenues Over (Under) Expenditures	1,446	122,862	(284)	113,749	(2,096)	(112)
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	112
Transfers out	--	(98,930)	--	(33,968)	--	--
Net Other Financing Sources (Uses)	--	(98,930)	--	(33,968)	--	112
Net Change in Fund Balance	1,446	23,932	(284)	79,781	(2,096)	--
<i>Fund Balance at Beginning of Period</i>	69,226	952,274	284	62,008	2,096	13
Fund Balance at End of Period	\$ 70,672	\$ 976,206	\$ --	\$ 141,789	\$ --	\$ 13

Continued...

Tuscola County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue					
	<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>
Revenues						
Property taxes	\$ --	\$ --	\$ 1,254,487	\$ --	\$ --	\$ --
Licenses and permits	--	107,912	--	--	--	--
Intergovernmental	92,457	--	--	178,628	54,658	58,128
Charges for services	--	13,095	--	23,440	--	--
Fines and forfeits	--	--	--	--	--	--
Interest and rents	--	1	3,784	--	--	--
Other	--	18,999	5,350	--	--	--
Total Revenues	<u>92,457</u>	<u>140,007</u>	<u>1,263,621</u>	<u>202,068</u>	<u>54,658</u>	<u>58,128</u>
Expenditures						
Judicial	--	--	--	195,990	--	41,804
General government	--	--	--	--	--	--
Public safety	92,457	331,795	--	--	--	12,255
Public works	--	--	--	--	--	--
Health and welfare	--	--	977,708	--	46,532	--
Community and economic development	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	<u>92,457</u>	<u>331,795</u>	<u>977,708</u>	<u>195,990</u>	<u>46,532</u>	<u>54,059</u>
Excess of Revenues Over (Under) Expenditures	<u>--</u>	<u>(191,788)</u>	<u>285,913</u>	<u>6,078</u>	<u>8,126</u>	<u>4,069</u>
Other Financing Sources (Uses)						
Transfers in	--	191,800	--	--	--	--
Transfers out	--	--	(93,478)	--	--	--
Net Other Financing Sources (Uses)	<u>--</u>	<u>191,800</u>	<u>(93,478)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	<u>--</u>	<u>12</u>	<u>192,435</u>	<u>6,078</u>	<u>8,126</u>	<u>4,069</u>
Fund Balance at Beginning of Period	<u>214</u>	<u>55</u>	<u>564,263</u>	<u>82,057</u>	<u>37,307</u>	<u>--</u>
Fund Balance at End of Period	<u>\$ 214</u>	<u>\$ 67</u>	<u>\$ 756,698</u>	<u>\$ 88,135</u>	<u>\$ 45,433</u>	<u>\$ 4,069</u>

Continued...

Tuscola County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	<u>Special Revenue</u>		<u>Debt Service</u>			
	<u>CARES Act</u>	<u>Building Inspection</u>	<u>Department Pension Obligation Bond</u>	<u>Purdy Building</u>	<u>Mayville Storm Sewer Debt</u>	<u>Denmark Twp Sewer Debt</u>
Revenues						
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	179,542	--	--	--	--
Intergovernmental	--	--	--	--	78,650	102,781
Charges for services	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--
Interest and rents	(88)	10	223	8	--	--
Other	--	--	--	--	--	--
Total Revenues	(88)	179,552	223	8	78,650	102,781
Expenditures						
Judicial	--	--	--	--	--	--
General government	--	--	--	--	--	--
Public safety	--	170,564	--	--	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	115,000	45,000	36,000	39,000
Debt service - interest	--	--	71,925	28,353	42,650	63,781
Total Expenditures	--	170,564	186,925	73,353	78,650	102,781
Excess of Revenues Over (Under) Expenditures	(88)	8,988	(186,702)	(73,345)	--	--
Other Financing Sources (Uses)						
Transfers in	--	--	186,738	73,344	--	--
Transfers out	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	--	186,738	73,344	--	--
Net Change in Fund Balance	(88)	8,988	36	(1)	--	--
<i>Fund Balance at Beginning of Period</i>	88	--	21	1	--	--
Fund Balance at End of Period	\$ --	\$ 8,988	\$ 57	\$ --	\$ --	\$ --

Continued...

Tuscola County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Capital Projects				Total Nonmajor Governmental Funds
	State Police Building	Capital Improvements	Jail Capital Improvements	Equipment/ Technology Fund	
Revenues					
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ 4,175,014
Licenses and permits	--	--	--	--	333,886
Intergovernmental	--	--	--	--	3,241,029
Charges for services	--	--	--	--	1,778,365
Fines and forfeits	--	--	--	--	363,951
Interest and rents	48,527	7,829	(243)	--	81,418
Other	--	--	--	--	33,301
Total Revenues	48,527	7,829	(243)	--	10,006,964
Expenditures					
Judicial	--	--	--	--	2,602,209
General government	--	--	--	--	195,769
Public safety	23,293	--	--	--	2,464,379
Public works	--	--	--	--	1,382,265
Health and welfare	--	--	--	--	2,940,756
Community and economic development	--	--	--	--	24,108
Culture and recreation	--	--	--	--	23,297
Capital outlay	--	316,022	--	191,253	507,275
Debt service - principal	--	--	--	--	235,000
Debt service - interest	--	--	--	--	206,709
Total Expenditures	23,293	316,022	--	191,253	10,581,767
Excess of Revenues Over (Under) Expenditures	25,234	(308,193)	(243)	(191,253)	(574,803)
Other Financing Sources (Uses)					
Transfers in	--	200,000	--	197,159	1,852,973
Transfers out	--	--	--	--	(521,604)
Net Other Financing Sources (Uses)	--	200,000	--	197,159	1,331,369
Net Change in Fund Balance	25,234	(108,193)	(243)	5,906	756,566
<i>Fund Balance at Beginning of Period</i>	141,156	2,069,370	989,724	325,427	9,519,659
Fund Balance at End of Period	\$ 166,390	\$ 1,961,177	\$ 989,481	\$ 331,333	\$ 10,276,225

Concluded.

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
CDBG Housing Grant
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Intergovernmental	\$ 25,000	\$ --	\$ --	\$ --
<i>Total Revenues</i>	<u>25,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
Expenditures				
Health and welfare	50,000	90,000	88,352	1,648
<i>Total Expenditures</i>	<u>50,000</u>	<u>90,000</u>	<u>88,352</u>	<u>1,648</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	(25,000)	(90,000)	(88,352)	1,648
<i>Net Change in Fund Balance</i>	<u>(25,000)</u>	<u>(90,000)</u>	<u>(88,352)</u>	<u>1,648</u>
<i>Fund Balance at Beginning of Period</i>	146,912	146,912	146,912	--
<i>Fund Balance at End of Period</i>	<u>\$ 121,912</u>	<u>\$ 56,912</u>	<u>\$ 58,560</u>	<u>\$ 1,648</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Principal Residence Exemption
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental	\$ 133,000	\$ 133,000	\$ 53,225	\$ (79,775)
Interest and rents	500	500	131	(369)
<i>Total Revenues</i>	<u>133,500</u>	<u>133,500</u>	<u>53,356</u>	<u>(80,144)</u>
Expenditures				
General government	100,000	100,000	43,568	56,432
<i>Total Expenditures</i>	<u>100,000</u>	<u>100,000</u>	<u>43,568</u>	<u>56,432</u>
Other Financing Uses				
Transfers out	12,890	12,890	12,890	--
<i>Total Expenditures and Other Financing Uses</i>	<u>112,890</u>	<u>112,890</u>	<u>56,458</u>	<u>56,432</u>
<i>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</i>	<u>20,610</u>	<u>20,610</u>	<u>(3,102)</u>	<u>(23,712)</u>
<i>Net Change in Fund Balance</i>	20,610	20,610	(3,102)	(23,712)
<i>Fund Balance at Beginning of Period</i>	30,105	30,105	30,105	--
<i>Fund Balance at End of Period</i>	\$ 50,715	\$ 50,715	\$ 27,003	\$ (23,712)

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
State Survey Grant Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental	\$ 56,615	\$ 57,440	\$ 57,440	\$ --
Total Revenues	<u>56,615</u>	<u>57,440</u>	<u>57,440</u>	<u>--</u>
Other Financing Sources				
Transfers in	--	255	255	--
Total Revenues and Other Financing Sources	<u>56,615</u>	<u>57,695</u>	<u>57,695</u>	<u>--</u>
Expenditures				
General government	56,615	57,440	57,696	(256)
Total Expenditures	<u>56,615</u>	<u>57,440</u>	<u>57,696</u>	<u>(256)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	--	255	(1)	(256)
Net Change in Fund Balance	--	255	(1)	(256)
<i>Fund Balance at Beginning of Period</i>	1	1	1	--
Fund Balance at End of Period	<u>\$ 1</u>	<u>\$ 256</u>	<u>\$ --</u>	<u>\$ (256)</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Intergovernmental	\$ 91,870	\$ 91,870	\$ 82,708	\$ (9,162)
<i>Total Revenues</i>	<u>91,870</u>	<u>91,870</u>	<u>82,708</u>	<u>(9,162)</u>
Expenditures				
Public safety	91,870	91,870	82,298	9,572
<i>Total Expenditures</i>	<u>91,870</u>	<u>91,870</u>	<u>82,298</u>	<u>9,572</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	--	--	410	410
<i>Net Change in Fund Balance</i>	--	--	410	410
<i>Fund Balance at Beginning of Period</i>	2,287	2,287	2,287	--
<i>Fund Balance at End of Period</i>	<u>\$ 2,287</u>	<u>\$ 2,287</u>	<u>\$ 2,697</u>	<u>\$ 410</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Charges for services	\$ 52,000	\$ 62,000	\$ 61,795	\$ (205)
Interest and rents	450	450	317	(133)
Total Revenues	<u>52,450</u>	<u>62,450</u>	<u>62,112</u>	<u>(338)</u>
Expenditures				
Community and economic development	51,350	51,350	24,108	27,242
Total Expenditures	<u>51,350</u>	<u>51,350</u>	<u>24,108</u>	<u>27,242</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>1,100</u>	<u>11,100</u>	<u>38,004</u>	<u>26,904</u>
Net Change in Fund Balance	1,100	11,100	38,004	26,904
<i>Fund Balance at Beginning of Period</i>	61,860	61,860	61,860	--
Fund Balance at End of Period	<u>\$ 62,960</u>	<u>\$ 72,960</u>	<u>\$ 99,864</u>	<u>\$ 26,904</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
GIS
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Charges for services	\$ 47,250	\$ 47,250	\$ 40,756	\$ (6,494)
Interest and rents	--	--	703	703
Total Revenues	<u>47,250</u>	<u>47,250</u>	<u>41,459</u>	<u>(5,791)</u>
Other Financing Sources				
Transfers in	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>--</u>
Total Revenues and Other Financing Sources	<u>107,250</u>	<u>107,250</u>	<u>101,459</u>	<u>(5,791)</u>
Expenditures				
General government	<u>91,863</u>	<u>96,863</u>	<u>94,505</u>	<u>2,358</u>
Total Expenditures	<u>91,863</u>	<u>96,863</u>	<u>94,505</u>	<u>2,358</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	<u>15,387</u>	<u>10,387</u>	<u>6,954</u>	<u>(3,433)</u>
Net Change in Fund Balance	<u>15,387</u>	<u>10,387</u>	<u>6,954</u>	<u>(3,433)</u>
<i>Fund Balance at Beginning of Period</i>	<u>171,810</u>	<u>171,810</u>	<u>171,810</u>	<u>--</u>
Fund Balance at End of Period	<u>\$ 187,197</u>	<u>\$ 182,197</u>	<u>\$ 178,764</u>	<u>\$ (3,433)</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Indigent Defense Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental	\$ 885,274	\$ 1,249,619	\$ 1,197,420	\$ (52,199)
Interest and rents	--	--	105	105
Total Revenues	<u>885,274</u>	<u>1,249,619</u>	<u>1,197,525</u>	<u>(52,094)</u>
Other Financing Sources				
Transfers in	<u>253,708</u>	<u>251,418</u>	<u>253,708</u>	<u>2,290</u>
Total Revenues and Other Financing Sources	<u>1,138,982</u>	<u>1,501,037</u>	<u>1,451,233</u>	<u>(49,804)</u>
Expenditures				
Judicial	<u>1,138,982</u>	<u>1,501,037</u>	<u>1,298,112</u>	<u>202,925</u>
Total Expenditures	<u>1,138,982</u>	<u>1,501,037</u>	<u>1,298,112</u>	<u>202,925</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	<u>--</u>	<u>--</u>	<u>153,121</u>	<u>153,121</u>
Net Change in Fund Balance	<u>--</u>	<u>--</u>	<u>153,121</u>	<u>153,121</u>
Fund Balance at Beginning of Period	<u>51,297</u>	<u>51,297</u>	<u>51,297</u>	<u>--</u>
Fund Balance at End of Period	<u>\$ 51,297</u>	<u>\$ 51,297</u>	<u>\$ 204,418</u>	<u>\$ 153,121</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Homeland Security
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 47,239	\$ (12,761)
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>47,239</u>	<u>(12,761)</u>
Expenditures				
Public safety	60,000	60,000	46,870	13,130
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>46,870</u>	<u>13,130</u>
Excess (Deficiency) of Revenues				
Over Expenditures	--	--	369	369
Net Change in Fund Balance	--	--	369	369
Fund Balance at Beginning of Period	--	--	--	--
Fund Balance at End of Period	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 369</u>	<u>\$ 369</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
CPL
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Licenses and permits	\$ 34,200	\$ 44,200	\$ 41,962	\$ (2,238)
<i>Total Revenues</i>	<u>34,200</u>	<u>44,200</u>	<u>41,962</u>	<u>(2,238)</u>
Expenditures				
Public safety	41,460	50,460	15,256	35,204
<i>Total Expenditures</i>	<u>41,460</u>	<u>50,460</u>	<u>15,256</u>	<u>35,204</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	<u>(7,260)</u>	<u>(6,260)</u>	<u>26,706</u>	<u>32,966</u>
<i>Net Change in Fund Balance</i>	<u>(7,260)</u>	<u>(6,260)</u>	<u>26,706</u>	<u>32,966</u>
<i>Fund Balance at Beginning of Period</i>	134,910	134,910	134,910	--
<i>Fund Balance at End of Period</i>	<u>\$ 127,650</u>	<u>\$ 128,650</u>	<u>\$ 161,616</u>	<u>\$ 32,966</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Local Correction Officer Training
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Charges for services	\$ 11,000	\$ 11,000	\$ 7,313	\$ (3,687)
Other	--	200	200	--
Total Revenues	<u>11,000</u>	<u>11,200</u>	<u>7,513</u>	<u>(3,687)</u>
Expenditures				
Public safety	13,700	13,700	8,066	5,634
Total Expenditures	<u>13,700</u>	<u>13,700</u>	<u>8,066</u>	<u>5,634</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,700)</u>	<u>(2,500)</u>	<u>(553)</u>	<u>1,947</u>
Net Change in Fund Balance	<u>(2,700)</u>	<u>(2,500)</u>	<u>(553)</u>	<u>1,947</u>
<i>Fund Balance at Beginning of Period</i>	14,586	14,586	14,586	--
Fund Balance at End of Period	<u>\$ 11,886</u>	<u>\$ 12,086</u>	<u>\$ 14,033</u>	<u>\$ 1,947</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Forfeiture Sheriff / Prosecutor
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Fines and forfeits	\$ 1,000	\$ 360,000	\$ 357,451	\$ (2,549)
<i>Total Revenues</i>	<u>1,000</u>	<u>360,000</u>	<u>357,451</u>	<u>(2,549)</u>
Expenditures				
Judicial	50,000	160,000	154,541	5,459
<i>Total Expenditures</i>	<u>50,000</u>	<u>160,000</u>	<u>154,541</u>	<u>5,459</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	<u>(49,000)</u>	<u>200,000</u>	<u>202,910</u>	<u>2,910</u>
<i>Net Change in Fund Balance</i>	<u>(49,000)</u>	<u>200,000</u>	<u>202,910</u>	<u>2,910</u>
<i>Fund Balance at Beginning of Period</i>	78,504	78,504	78,504	--
<i>Fund Balance at End of Period</i>	<u>\$ 29,504</u>	<u>\$ 278,504</u>	<u>\$ 281,414</u>	<u>\$ 2,910</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Law Library
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Fines and forfeits	\$ 6,500	\$ 6,500	\$ 6,500	\$ --
<i>Total Revenues</i>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>--</u>
Expenditures				
Judicial	6,500	6,500	114	6,386
<i>Total Expenditures</i>	<u>6,500</u>	<u>6,500</u>	<u>114</u>	<u>6,386</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	--	--	6,386	6,386
<i>Net Change in Fund Balance</i>	--	--	6,386	6,386
<i>Fund Balance at Beginning of Period</i>	30,212	30,212	30,212	--
<i>Fund Balance at End of Period</i>	<u>\$ 30,212</u>	<u>\$ 30,212</u>	<u>\$ 36,598</u>	<u>\$ 6,386</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted MSU
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Taxes	\$ 198,689	\$ 198,689	\$ 198,498	\$ (191)
Interest and rents	--	400	256	(144)
<i>Total Revenues</i>	<u>198,689</u>	<u>199,089</u>	<u>198,754</u>	<u>(335)</u>
Expenditures				
Public safety	178,892	178,892	154,647	24,245
<i>Total Expenditures</i>	<u>178,892</u>	<u>178,892</u>	<u>154,647</u>	<u>24,245</u>
Other Financing Uses				
Transfers out	1,140	1,140	1,140	--
<i>Total Expenditures and Other Financing Uses</i>	<u>180,032</u>	<u>180,032</u>	<u>155,787</u>	<u>24,245</u>
<i>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</i>	<u>18,657</u>	<u>19,057</u>	<u>42,967</u>	<u>23,910</u>
<i>Net Change in Fund Balance</i>	18,657	19,057	42,967	23,910
<i>Fund Balance at Beginning of Period</i>	16	16	16	--
<i>Fund Balance at End of Period</i>	\$ 18,673	\$ 19,073	\$ 42,983	\$ 23,910

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Michigan Justice Training
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Intergovernmental	\$ 4,000	\$ 4,000	\$ 3,249	\$ (751)
<i>Total Revenues</i>	<u>4,000</u>	<u>4,000</u>	<u>3,249</u>	<u>(751)</u>
Expenditures				
Public safety	4,000	4,000	3,675	325
<i>Total Expenditures</i>	<u>4,000</u>	<u>4,000</u>	<u>3,675</u>	<u>325</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	--	--	(426)	(426)
<i>Net Change in Fund Balance</i>	--	--	(426)	(426)
<i>Fund Balance at Beginning of Period</i>	7,168	7,168	7,168	--
<i>Fund Balance at End of Period</i>	<u>\$ 7,168</u>	<u>\$ 7,168</u>	<u>\$ 6,742</u>	<u>\$ (426)</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Child Care DHHS
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Intergovernmental	\$ 198,980	\$ 198,980	\$ 11,332	\$ (187,648)
Charges for services	20,000	20,000	2,078	(17,922)
Reimbursements and refunds	--	--	2,455	2,455
Other	--	--	518	518
Total Revenues	<u>218,980</u>	<u>218,980</u>	<u>16,383</u>	<u>(202,597)</u>
Other Financing Sources				
Transfers in	150,000	150,000	150,000	--
Total Revenues and Other Financing Sources	<u>368,980</u>	<u>368,980</u>	<u>166,383</u>	<u>(202,597)</u>
Expenditures				
Health and welfare	397,900	397,900	224,216	173,684
Total Expenditures	<u>397,900</u>	<u>397,900</u>	<u>224,216</u>	<u>173,684</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	<u>(28,920)</u>	<u>(28,920)</u>	<u>(57,833)</u>	<u>(28,913)</u>
Net Change in Fund Balance	(28,920)	(28,920)	(57,833)	(28,913)
<i>Fund Balance at Beginning of Period</i>	418,392	418,392	418,392	--
Fund Balance at End of Period	<u>\$ 389,472</u>	<u>\$ 389,472</u>	<u>\$ 360,559</u>	<u>\$ (28,913)</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Probate Child Care
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Intergovernmental	\$ 488,900	\$ 488,900	\$ 272,779	\$ (216,121)
Charges for services	5,000	5,000	--	(5,000)
Other	5,000	5,000	1,263	(3,737)
Total Revenues	<u>498,900</u>	<u>498,900</u>	<u>274,042</u>	<u>(224,858)</u>
Other Financing Sources				
Transfers in	300,000	300,000	300,000	--
Total Revenues and Other Financing Sources	<u>798,900</u>	<u>798,900</u>	<u>574,042</u>	<u>(224,858)</u>
Expenditures				
Health and welfare	750,166	750,166	498,196	251,970
Total Expenditures	<u>750,166</u>	<u>750,166</u>	<u>498,196</u>	<u>251,970</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	<u>48,734</u>	<u>48,734</u>	<u>75,846</u>	<u>27,112</u>
Net Change in Fund Balance	48,734	48,734	75,846	27,112
<i>Fund Balance at Beginning of Period</i>	111,165	111,165	111,165	--
Fund Balance at End of Period	\$ 159,899	\$ 159,899	\$ 187,011	\$ 27,112

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Soldiers Relief
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
<i>Total Revenues</i>	--	--	--	--
Other Financing Sources				
Transfers in	\$ 5,000	\$ --	\$ --	\$ --
<i>Total Revenues and Other Financing Sources</i>	5,000	--	--	--
Expenditures				
Health and welfare	25,000	35,500	35,449	51
<i>Total Expenditures</i>	25,000	35,500	35,449	51
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</i>	(20,000)	(35,500)	(35,449)	51
<i>Net Change in Fund Balance</i>	(20,000)	(35,500)	(35,449)	51
<i>Fund Balance at Beginning of Period</i>	92,176	92,176	92,176	--
<i>Fund Balance at End of Period</i>	\$ 72,176	\$ 56,676	\$ 56,727	\$ 51

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted Veterans
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Taxes	\$ 337,773	\$ 337,773	\$ 337,530	\$ (243)
Interest and rents	2,000	2,000	845	(1,155)
<i>Total Revenues</i>	<u>339,773</u>	<u>339,773</u>	<u>338,375</u>	<u>(1,398)</u>
Expenditures				
Health and welfare	313,659	313,659	259,683	53,976
<i>Total Expenditures</i>	<u>313,659</u>	<u>313,659</u>	<u>259,683</u>	<u>53,976</u>
Other Financing Uses				
Transfers out	62,839	62,839	60,064	2,775
<i>Total Expenditures and Other Financing Uses</i>	<u>376,498</u>	<u>376,498</u>	<u>319,747</u>	<u>56,751</u>
<i>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</i>	<u>(36,725)</u>	<u>(36,725)</u>	<u>18,628</u>	<u>55,353</u>
<i>Net Change in Fund Balance</i>	<u>(36,725)</u>	<u>(36,725)</u>	<u>18,628</u>	<u>55,353</u>
<i>Fund Balance at Beginning of Period</i>	66,991	66,991	66,991	--
<i>Fund Balance at End of Period</i>	<u>\$ 30,266</u>	<u>\$ 30,266</u>	<u>\$ 85,619</u>	<u>\$ 55,353</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted Bridge
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Taxes	\$ 955,100	\$ 955,100	\$ 954,729	\$ (371)
Interest and rents	8,000	8,000	1,974	(6,026)
Total Revenues	<u>963,100</u>	<u>963,100</u>	<u>956,703</u>	<u>(6,397)</u>
Expenditures				
Public works	868,069	1,066,051	1,066,878	(827)
Total Expenditures	<u>868,069</u>	<u>1,066,051</u>	<u>1,066,878</u>	<u>(827)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>95,031</u>	<u>(102,951)</u>	<u>(110,175)</u>	<u>(7,224)</u>
Net Change in Fund Balance	95,031	(102,951)	(110,175)	(7,224)
<i>Fund Balance at Beginning of Period</i>	1,541,197	1,541,197	1,541,197	--
Fund Balance at End of Period	<u>\$ 1,636,228</u>	<u>\$ 1,438,246</u>	<u>\$ 1,431,022</u>	<u>\$ (7,224)</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted Senior Citizens
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Taxes	\$ 635,807	\$ 636,004	\$ 635,495	\$ (509)
Interest and rents	1,000	1,000	946	(54)
Total Revenues	<u>636,807</u>	<u>637,004</u>	<u>636,441</u>	<u>(563)</u>
Expenditures				
Human development commission	504,078	595,965	590,303	5,662
Health department	37,250	37,250	25,976	11,274
Senior citizens other	32,454	32,454	9,820	22,634
Total Expenditures	<u>573,782</u>	<u>665,669</u>	<u>626,099</u>	<u>39,570</u>
Other Financing Uses				
Transfers out	8,697	8,697	8,697	--
Total Expenditures and Other Financing Uses	<u>582,479</u>	<u>674,366</u>	<u>634,796</u>	<u>39,570</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>54,328</u>	<u>(37,362)</u>	<u>1,645</u>	<u>39,007</u>
Net Change in Fund Balance	54,328	(37,362)	1,645	39,007
Fund Balance at Beginning of Period	152,638	152,638	152,638	--
Fund Balance at End of Period	<u>\$ 206,966</u>	<u>\$ 115,276</u>	<u>\$ 154,283</u>	<u>\$ 39,007</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Voted Medical Care Facility
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Taxes	\$ 494,124	\$ 494,124	\$ 496,463	\$ 2,339
Interest and rents	8,000	8,000	5,004	(2,996)
<i>Total Revenues</i>	<u>502,124</u>	<u>502,124</u>	<u>501,467</u>	<u>(657)</u>
Expenditures				
Health and welfare	249,510	249,510	184,521	64,989
<i>Total Expenditures</i>	<u>249,510</u>	<u>249,510</u>	<u>184,521</u>	<u>64,989</u>
Other Financing Uses				
Transfers out	1,973	1,973	1,973	--
<i>Total Expenditures and Other Financing Uses</i>	<u>251,483</u>	<u>251,483</u>	<u>186,494</u>	<u>64,989</u>
<i>Excess (Deficiency) of Revenues Over Expenditures and Other Uses</i>	<u>250,641</u>	<u>250,641</u>	<u>314,973</u>	<u>64,332</u>
<i>Net Change in Fund Balance</i>	250,641	250,641	314,973	64,332
<i>Fund Balance at Beginning of Period</i>	989,529	989,529	989,529	--
<i>Fund Balance at End of Period</i>	\$ 1,240,170	\$ 1,240,170	\$ 1,304,502	\$ 64,332

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
County Parks & Recreation
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Charges for services	\$ 19,500	\$ 30,000	\$ 29,573	\$ (427)
Other	--	--	(1)	(1)
<i>Total Revenues</i>	<u>19,500</u>	<u>30,000</u>	<u>29,572</u>	<u>(428)</u>
Expenditures				
Culture and recreation	19,800	24,300	23,296	1,004
<i>Total Expenditures</i>	<u>19,800</u>	<u>24,300</u>	<u>23,296</u>	<u>1,004</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	<u>(300)</u>	<u>5,700</u>	<u>6,276</u>	<u>576</u>
<i>Net Change in Fund Balance</i>	(300)	5,700	6,276	576
<i>Fund Balance at Beginning of Period</i>	7,878	7,878	7,878	--
<i>Fund Balance at End of Period</i>	<u>\$ 7,578</u>	<u>\$ 13,578</u>	<u>\$ 14,154</u>	<u>\$ 576</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Charges for services	\$ 91,463	\$ 91,463	\$ 92,715	\$ 1,252
<i>Total Revenues</i>	<u>91,463</u>	<u>91,463</u>	<u>92,715</u>	<u>1,252</u>
Expenditures				
Public safety	91,463	91,463	93,556	(2,093)
<i>Total Expenditures</i>	<u>91,463</u>	<u>91,463</u>	<u>93,556</u>	<u>(2,093)</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	--	--	(841)	(841)
<i>Net Change in Fund Balance</i>	--	--	(841)	(841)
<i>Fund Balance at Beginning of Period</i>	841	841	841	--
<i>Fund Balance at End of Period</i>	<u>\$ 841</u>	<u>\$ 841</u>	<u>\$ --</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental	\$ 810,887	\$ 810,887	\$ 685,783	\$ (125,104)
Charges for services	60,723	60,723	58,108	(2,615)
Interest and rents	462	462	18	(444)
Total Revenues	<u>872,072</u>	<u>872,072</u>	<u>743,909</u>	<u>(128,163)</u>
Other Financing Sources				
Transfers in	282,970	239,857	239,857	--
Total Revenues and Other Financing Sources	<u>1,155,042</u>	<u>1,111,929</u>	<u>983,766</u>	<u>(128,163)</u>
Expenditures				
Judicial	948,162	905,049	860,337	44,712
Total Expenditures	<u>948,162</u>	<u>905,049</u>	<u>860,337</u>	<u>44,712</u>
Other Financing Uses				
Transfers out	210,464	210,464	210,464	--
Total Expenditures and Other Financing Uses	<u>1,158,626</u>	<u>1,115,513</u>	<u>1,070,801</u>	<u>44,712</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(3,584)</u>	<u>(3,584)</u>	<u>(87,035)</u>	<u>(83,451)</u>
Net Change in Fund Balance	<u>(3,584)</u>	<u>(3,584)</u>	<u>(87,035)</u>	<u>(83,451)</u>
<i>Fund Balance at Beginning of Period</i>	113,600	113,600	113,600	--
Fund Balance at End of Period	<u>\$ 110,016</u>	<u>\$ 110,016</u>	<u>\$ 26,565</u>	<u>\$ (83,451)</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Family Counseling
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 4,470	\$ (530)
Other	4,000	4,000	1,867	(2,133)
<i>Total Revenues</i>	<u>9,000</u>	<u>9,000</u>	<u>6,337</u>	<u>(2,663)</u>
Expenditures				
Judicial	2,000	7,000	4,891	2,109
<i>Total Expenditures</i>	<u>2,000</u>	<u>7,000</u>	<u>4,891</u>	<u>2,109</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	<u>7,000</u>	<u>2,000</u>	<u>1,446</u>	<u>(554)</u>
<i>Net Change in Fund Balance</i>	7,000	2,000	1,446	(554)
<i>Fund Balance at Beginning of Period</i>	69,226	69,226	69,226	--
<i>Fund Balance at End of Period</i>	\$ 76,226	\$ 71,226	\$ 70,672	\$ (554)

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Dispatch/911
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Intergovernmental	\$ 212,000	\$ 212,000	\$ 201,697	\$ (10,303)
Charges for services	1,110,000	1,110,000	1,066,261	(43,739)
Interest and rents	10,600	10,600	8,618	(1,982)
Other	4,800	4,800	2,466	(2,334)
Total Revenues	<u>1,337,400</u>	<u>1,337,400</u>	<u>1,279,042</u>	<u>(58,358)</u>
Expenditures				
Public safety	1,145,301	1,194,301	1,156,180	38,121
Total Expenditures	<u>1,145,301</u>	<u>1,194,301</u>	<u>1,156,180</u>	<u>38,121</u>
Other Financing Uses				
Transfers out	98,930	98,930	98,930	--
Total Expenditures and Other Financing Uses	<u>1,244,231</u>	<u>1,293,231</u>	<u>1,255,110</u>	<u>38,121</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>93,169</u>	<u>44,169</u>	<u>23,932</u>	<u>(20,237)</u>
Net Change in Fund Balance	93,169	44,169	23,932	(20,237)
Fund Balance at Beginning of Period	952,274	952,274	952,274	--
Fund Balance at End of Period	<u>\$ 1,045,443</u>	<u>\$ 996,443</u>	<u>\$ 976,206</u>	<u>\$ (20,237)</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Charges for services	\$ 91,960	\$ 91,960	\$ 90,939	\$ (1,021)
<i>Total Revenues</i>	<u>91,960</u>	<u>91,960</u>	<u>90,939</u>	<u>(1,021)</u>
Expenditures				
Public safety	91,960	91,960	91,223	737
<i>Total Expenditures</i>	<u>91,960</u>	<u>91,960</u>	<u>91,223</u>	<u>737</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	--	--	(284)	(284)
<i>Net Change in Fund Balance</i>	--	--	(284)	(284)
<i>Fund Balance at Beginning of Period</i>	284	284	284	--
<i>Fund Balance at End of Period</i>	<u>\$ 284</u>	<u>\$ 284</u>	<u>\$ --</u>	<u>\$ (284)</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Recycling
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Taxes	\$ 298,034	\$ 298,034	\$ 297,812	\$ (222)
Intergovernmental	--	28,702	16,547	(12,155)
Charges for services	45,500	127,432	112,144	(15,288)
Interest and rents	3,350	3,350	2,450	(900)
Other	10	191	183	(8)
Total Revenues	<u>346,894</u>	<u>457,709</u>	<u>429,136</u>	<u>(28,573)</u>
Expenditures				
Public works	318,817	347,009	315,387	31,622
Total Expenditures	<u>318,817</u>	<u>347,009</u>	<u>315,387</u>	<u>31,622</u>
Other Financing Uses				
Transfers out	66,968	33,968	33,968	--
Total Expenditures and Other Financing Uses	<u>385,785</u>	<u>380,977</u>	<u>349,355</u>	<u>31,622</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>(38,891)</u>	<u>76,733</u>	<u>79,781</u>	<u>3,049</u>
Net Change in Fund Balance	(38,891)	76,733	79,781	3,049
<i>Fund Balance at Beginning of Period</i>	62,008	62,008	62,008	--
Fund Balance at End of Period	<u>\$ 23,117</u>	<u>\$ 138,741</u>	<u>\$ 141,789</u>	<u>\$ 3,049</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Millington Twp Police
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Charges for services	\$ 185,779	\$ 185,779	\$ 180,148	\$ (5,631)
<i>Total Revenues</i>	<u>185,779</u>	<u>185,779</u>	<u>180,148</u>	<u>(5,631)</u>
Expenditures				
Public safety	185,779	185,779	182,244	3,535
<i>Total Expenditures</i>	<u>185,779</u>	<u>185,779</u>	<u>182,244</u>	<u>3,535</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	--	--	(2,096)	(2,096)
<i>Net Change in Fund Balance</i>	--	--	(2,096)	(2,096)
<i>Fund Balance at Beginning of Period</i>	2,096	2,096	2,096	--
<i>Fund Balance at End of Period</i>	<u>\$ 2,096</u>	<u>\$ 2,096</u>	<u>\$ --</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Intergovernmental	\$ 56,180	\$ 56,180	\$ 46,308	\$ (9,872)
Total Revenues	<u>56,180</u>	<u>56,180</u>	<u>46,308</u>	<u>(9,872)</u>
Other Financing Sources				
Transfers in	--	--	112	112
Total Revenues and Other Financing Sources	<u>56,180</u>	<u>56,180</u>	<u>46,420</u>	<u>(9,760)</u>
Expenditures				
Judicial	53,543	53,543	46,420	7,123
Total Expenditures	<u>53,543</u>	<u>53,543</u>	<u>46,420</u>	<u>7,123</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	<u>2,637</u>	<u>2,637</u>	<u>--</u>	<u>(2,637)</u>
Net Change in Fund Balance	<u>2,637</u>	<u>2,637</u>	<u>--</u>	<u>(2,637)</u>
<i>Fund Balance at Beginning of Period</i>	13	13	13	--
Fund Balance at End of Period	<u>\$ 2,650</u>	<u>\$ 2,650</u>	<u>\$ 13</u>	<u>\$ (2,637)</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Victim Services
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Intergovernmental	\$ 89,275	\$ 95,626	\$ 92,457	\$ (3,169)
<i>Total Revenues</i>	<u>89,275</u>	<u>95,626</u>	<u>92,457</u>	<u>(3,169)</u>
Expenditures				
Public safety	89,275	95,626	92,457	3,169
<i>Total Expenditures</i>	<u>89,275</u>	<u>95,626</u>	<u>92,457</u>	<u>3,169</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	--	--	--	--
<i>Net Change in Fund Balance</i>	--	--	--	--
<i>Fund Balance at Beginning of Period</i>	214	214	214	--
<i>Fund Balance at End of Period</i>	<u>\$ 214</u>	<u>\$ 214</u>	<u>\$ 214</u>	<u>\$ --</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Animal Shelter
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Licenses and permits	\$ 160,000	\$ 160,000	\$ 107,912	\$ (52,088)
Charges for services	20,600	20,600	13,095	(7,505)
Interest and rents	50	50	1	(49)
Other	12,000	12,000	18,999	6,999
Total Revenues	<u>192,650</u>	<u>192,650</u>	<u>140,007</u>	<u>(52,643)</u>
Other Financing Sources				
Transfers in	150,000	191,800	191,800	--
Total Revenues and Other Financing Sources	<u>342,650</u>	<u>384,450</u>	<u>331,807</u>	<u>(52,643)</u>
Expenditures				
Public safety	344,595	342,595	331,795	10,800
Total Expenditures	<u>344,595</u>	<u>342,595</u>	<u>331,795</u>	<u>10,800</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	<u>(1,945)</u>	<u>41,855</u>	<u>12</u>	<u>(41,843)</u>
Net Change in Fund Balance	<u>(1,945)</u>	<u>41,855</u>	<u>12</u>	<u>(41,843)</u>
Fund Balance at Beginning of Period	55	55	55	--
Fund Balance at End of Period	<u>\$ (1,890)</u>	<u>\$ 41,910</u>	<u>\$ 67</u>	<u>\$ (41,843)</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Mosquito Control Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Taxes	\$ 1,254,953	\$ 1,255,953	\$ 1,254,487	\$ (1,466)
Interest and rents	3,000	4,000	3,784	(216)
Other	--	6,000	5,350	(650)
Total Revenues	<u>1,257,953</u>	<u>1,265,953</u>	<u>1,263,621</u>	<u>(2,332)</u>
Expenditures				
Health and welfare	1,160,510	1,181,510	977,708	203,802
Total Expenditures	<u>1,160,510</u>	<u>1,181,510</u>	<u>977,708</u>	<u>203,802</u>
Other Financing Uses				
Transfers out	93,748	93,748	93,478	270
Total Expenditures and Other Financing Uses	<u>1,254,258</u>	<u>1,275,258</u>	<u>1,071,186</u>	<u>204,072</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>3,695</u>	<u>(9,305)</u>	<u>192,435</u>	<u>201,740</u>
Net Change in Fund Balance	3,695	(9,305)	192,435	201,740
Fund Balance at Beginning of Period	564,263	564,263	564,263	--
Fund Balance at End of Period	<u>\$ 567,958</u>	<u>\$ 554,958</u>	<u>\$ 756,698</u>	<u>\$ 201,740</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental	\$ 231,700	\$ 231,700	\$ 178,628	\$ (53,072)
Charges for services	20,000	24,000	23,440	(560)
<i>Total Revenues</i>	<u>251,700</u>	<u>255,700</u>	<u>202,068</u>	<u>(53,632)</u>
Expenditures				
DWI court grant	233,160	233,160	178,598	54,562
Non grant division	12,000	21,000	17,392	3,608
<i>Total Expenditures</i>	<u>245,160</u>	<u>254,160</u>	<u>195,990</u>	<u>58,170</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	<u>6,540</u>	<u>1,540</u>	<u>6,078</u>	<u>4,538</u>
<i>Net Change in Fund Balance</i>	6,540	1,540	6,078	4,538
<i>Fund Balance at Beginning of Period</i>	82,057	82,057	82,057	--
<i>Fund Balance at End of Period</i>	\$ 88,597	\$ 83,597	\$ 88,135	\$ 4,538

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
County Veteran Service Grant
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental	\$ 55,374	\$ 55,374	\$ 54,658	\$ (716)
<i>Total Revenues</i>	<u>55,374</u>	<u>55,374</u>	<u>54,658</u>	<u>(716)</u>
Expenditures				
Health and welfare	44,097	80,374	46,532	33,842
<i>Total Expenditures</i>	<u>44,097</u>	<u>80,374</u>	<u>46,532</u>	<u>33,842</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	11,277	(25,000)	8,126	33,126
<i>Net Change in Fund Balance</i>	<u>11,277</u>	<u>(25,000)</u>	<u>8,126</u>	<u>33,126</u>
<i>Fund Balance at Beginning of Period</i>	37,307	37,307	37,307	--
<i>Fund Balance at End of Period</i>	<u>\$ 48,584</u>	<u>\$ 12,307</u>	<u>\$ 45,433</u>	<u>\$ 33,126</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental	\$ --	\$ 105,572	\$ 58,128	\$ (47,444)
<i>Total Revenues</i>	--	105,572	58,128	(47,444)
Expenditures				
Unified court	--	60,520	32,849	27,671
Prosecutor	--	32,797	8,955	23,842
Sheriff	--	12,255	12,255	--
<i>Total Expenditures</i>	--	105,572	54,059	51,513
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	--	--	4,069	4,069
<i>Net Change in Fund Balance</i>	--	--	4,069	4,069
<i>Fund Balance at Beginning of Period</i>	--	--	--	--
<i>Fund Balance at End of Period</i>	\$ --	\$ --	\$ 4,069	\$ 4,069

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
CARES Act
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Interest and rents	\$ --	\$ 23	\$ (88)	\$ (111)
<i>Total Revenues</i>	<u>--</u>	<u>23</u>	<u>(88)</u>	<u>(111)</u>
Expenditures				
<i>Total Expenditures</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	<u>--</u>	<u>23</u>	<u>(88)</u>	<u>(111)</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>23</u>	<u>(88)</u>	<u>(111)</u>
<i>Fund Balance at Beginning of Period</i>	88	88	88	--
<i>Fund Balance at End of Period</i>	<u>\$ 88</u>	<u>\$ 111</u>	<u>\$ --</u>	<u>\$ (111)</u>

Tuscola County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Building Inspection
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Charges for services	\$ --	\$ 179,530	\$ 179,542	\$ 12
Interest and rents	--	30	10	(20)
<i>Total Revenues</i>	<u>--</u>	<u>179,560</u>	<u>179,552</u>	<u>(8)</u>
Expenditures				
Public safety	--	170,600	170,564	36
<i>Total Expenditures</i>	<u>--</u>	<u>170,600</u>	<u>170,564</u>	<u>36</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over Expenditures</i>	<u>--</u>	<u>8,960</u>	<u>8,988</u>	<u>28</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>8,960</u>	<u>8,988</u>	<u>28</u>
<i>Fund Balance at Beginning of Period</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u>\$ --</u>	<u>\$ 8,960</u>	<u>\$ 8,988</u>	<u>\$ 28</u>

INTERNAL SERVICE FUNDS

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, 2021

	<u>Internal Service</u>			<u>Total Internal Service Funds</u>
	<u>Motor Pool Fund</u>	<u>Workers' Compensation Insurance</u>	<u>Health Insurance</u>	
ASSETS				
<i>Current Assets</i>				
Cash and investments	\$ 22,736	\$ --	\$ 1,061,869	\$ 1,084,605
Prepays	--	34,304	--	34,304
Total Assets	<u>22,736</u>	<u>34,304</u>	<u>1,061,869</u>	<u>1,118,909</u>
LIABILITIES				
<i>Current Liabilities</i>				
Accounts payable	108	62	--	170
Accrued liabilities	--	--	219,704	219,704
Due to other funds	--	13,083	--	13,083
Total Liabilities	<u>108</u>	<u>13,145</u>	<u>219,704</u>	<u>232,957</u>
NET POSITION				
<i>Unrestricted</i>	22,628	21,159	842,165	885,952
Total Net Position	<u>\$ 22,628</u>	<u>\$ 21,159</u>	<u>\$ 842,165</u>	<u>\$ 885,952</u>

Tuscola County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2021

	<u>Internal Service</u>			<u>Total Internal Service Funds</u>
	<u>Motor Pool Fund</u>	<u>Workers' Compensation Insurance</u>	<u>Health Insurance</u>	
Operating Revenues				
Charges for services	\$ 3,068	\$ 100,596	\$ 3,643,937	\$ 3,747,601
<i>Total Operating Revenues</i>	<u>3,068</u>	<u>100,596</u>	<u>3,643,937</u>	<u>3,747,601</u>
Operating Expenses				
Operation and maintenance	1,249	124	3,383,156	3,384,529
Administration	--	130,522	--	130,522
<i>Total Operating Expenses</i>	<u>1,249</u>	<u>130,646</u>	<u>3,383,156</u>	<u>3,515,051</u>
<i>Operating Income (Loss)</i>	<u>1,819</u>	<u>(30,050)</u>	<u>260,781</u>	<u>232,550</u>
<i>Change In Net Position</i>	1,819	(30,050)	260,781	232,550
<i>Net Position at Beginning of Period</i>	20,809	51,209	581,384	653,402
<i>Net Position at End of Period</i>	\$ 22,628	\$ 21,159	\$ 842,165	\$ 885,952

Tuscola County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021

	Internal Service			Total Internal Service Funds
	Motor Pool Fund	Workers' Compensation Insurance	Health Insurance	
Cash Flows from Operating Activities				
Cash received from interfund services provided	\$ 3,068	\$ 100,596	\$ 3,643,937	\$ 3,747,601
Cash payments to suppliers for goods and services	(1,141)	(132,257)	(3,383,156)	(3,516,554)
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>1,927</u>	<u>(31,661)</u>	<u>260,781</u>	<u>231,047</u>
Cash Flows from Noncapital Financing Activities				
Increase in interfund balances	-	13,083	1,105	14,188
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>-</u>	<u>13,083</u>	<u>1,105</u>	<u>14,188</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	1,927	(18,578)	261,886	245,235
<i>Cash and Investments - Beginning of the Year</i>	20,809	18,578	799,983	839,370
<i>Cash and Investments - End of the Year</i>	<u>\$ 22,736</u>	<u>\$ -</u>	<u>\$ 1,061,869</u>	<u>\$ 1,084,605</u>
Cash Flows from Operating Activities				
Operating income	\$ 1,819	\$ (30,050)	\$ 260,781	\$ 232,550
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Changes in Assets and Liabilities:				
Prepays	-	(1,673)	-	(1,673)
Accounts payable	108	62	-	170
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>\$ 1,927</u>	<u>\$ (31,661)</u>	<u>\$ 260,781</u>	<u>\$ 231,047</u>

CUSTODIAL FUNDS

General Custodial (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, 2021

	Custodial			Total Custodial Funds
	General Custodial	Library Penal Fines	Inmates' Trust	
ASSETS				
Cash and investments	\$ 10,507,412	\$ 20,963	\$ --	\$ 10,528,375
Accounts receivable	--	--	19,555	19,555
Total Assets	10,507,412	20,963	19,555	10,547,930
LIABILITIES				
Due to other governmental units	9,843,553	--	19,555	9,863,108
Undistributed collections	663,859	20,963	--	684,822
Total Liabilities	10,507,412	20,963	19,555	10,547,930
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ --	\$ --	\$ --	\$ --

Tuscola County
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended December 31, 2021

	<u>General Custodial</u>	<u>Library Penal Fines</u>	<u>Inmates' Trust</u>	<u>Custodial Funds</u>
Additions				
Taxes collected for other governments	\$ 20,996,294	\$ --	\$ --	\$ 20,996,294
Library penal fine collections	--	291,547	--	291,547
Court collections	475,887	--	--	475,887
County clerk/register of deeds collections	523,616	--	--	523,616
Total Additions	<u>21,995,797</u>	<u>291,547</u>	<u>--</u>	<u>22,287,344</u>
Deductions				
Payments of property taxes to other governments	20,996,294	--	--	20,996,294
Library penal fine distributions	--	297,828	--	297,828
Court distributions	475,887	--	--	475,887
County clerk/register of deeds distributions	523,616	--	--	523,616
Total Deductions	<u>21,995,797</u>	<u>297,828</u>	<u>--</u>	<u>22,293,625</u>
Change in Net Position	<u>--</u>	<u>(6,281)</u>	<u>--</u>	<u>(6,281)</u>
<i>Net Position at Beginning of Period</i>	<u>--</u>	<u>6,281</u>	<u>--</u>	<u>6,281</u>
Net Position at End of Period	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Tuscola County Drain Commission
Statement of Net Position
December 31, 2021

ASSETS

Current Assets

Cash and investments	\$	6,588,209
Special assessments receivable		348,357
<i>Total Current Assets</i>		6,936,566

Noncurrent Assets

Capital assets being depreciated, net		14,981,625
Special assessments receivable		2,456,633
<i>Total Assets</i>		24,374,824

LIABILITIES

Current Liabilities

Accounts payable		470,534
Accrued interest payable		6,171
Current portion of long-term debt		369,984
<i>Total Current Liabilities</i>		846,689

Noncurrent Liabilities

Long-term debt		2,339,905
Due to other governmental units, long-term		510,000
<i>Total Liabilities</i>		3,696,594

NET POSITION

Net investment in capital assets		12,271,736
<i>Restricted for:</i>		
Restricted - debt service		2,695,685
Restricted - drain projects		5,716,980
<i>Unrestricted</i>		(6,171)
<i>Total Net Position</i>	\$	20,678,230

**Tuscola County Drain Commission
Statement of Activities
For the Year ending Ended December 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Drain maintenance	\$ 2,521,000	\$ 2,033,990	\$ --	\$ --	\$ (487,010)
Interest on long-term debt	250,234	--	--	--	(250,234)
Total	\$ 2,771,234	\$ 2,033,990	\$ --	\$ --	(737,244)
General Purpose Revenues:					
					19,532
					<u>19,532</u>
					(717,712)
					21,395,942
					<u>\$ 20,678,230</u>

**Tuscola County Drain Commission
Balance Sheet
Governmental Funds
December 31, 2021**

	<u>Special Revenue</u>	<u>Debt Service</u>			
	<u>Revolving Drain</u>	<u>Northwest Debt Retirement</u>	<u>Bach & Branches Debt</u>	<u>Moore Debt Retirement</u>	<u>Armbruster I/C Debt</u>
ASSETS					
Cash and investments	\$ 88,541	\$ --	\$ 196,694	\$ 149,149	\$ 20,092
Due from other funds	728,504	--	--	--	--
Special assessments receivable	--	--	124	754,448	40,992
<i>Total Assets</i>	<u>\$ 817,045</u>	<u>\$ --</u>	<u>\$ 196,818</u>	<u>\$ 903,597</u>	<u>\$ 61,084</u>
LIABILITIES					
Accounts payable	\$ 107,045	\$ --	\$ --	\$ --	\$ --
Due to other governmental units	510,000	--	--	--	--
Due to other funds	200,000	--	--	--	--
<i>Total Liabilities</i>	817,045	--	--	--	--
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - special assessments	--	--	124	754,448	40,992
<i>Total Liabilities and Deferred Inflows of Resources</i>	817,045	--	124	754,448	40,992
FUND BALANCE					
Restricted	--	--	196,694	149,149	20,092
Unassigned	--	--	--	--	--
<i>Total Fund Balance</i>	--	--	196,694	149,149	20,092
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$ 817,045</u>	<u>\$ --</u>	<u>\$ 196,818</u>	<u>\$ 903,597</u>	<u>\$ 61,084</u>

Continued...

**Tuscola County Drain Commission
Balance Sheet
Governmental Funds
December 31, 2021**

	Debt Service				
	Akron Main Street Debt	Pigeon River I/C Debt	Fulton Street Drain Debt	Indian Creek I/C	Yax North Debt Retirement
ASSETS					
Cash and investments	\$ 21,666	\$ 9,355	\$ 65,247	\$ 36,449	\$ 39,863
Due from other funds	--	--	--	--	--
Special assessments receivable	183,008	85,327	468,975	261,853	355,514
<i>Total Assets</i>	\$ 204,674	\$ 94,682	\$ 534,222	\$ 298,302	\$ 395,377
LIABILITIES					
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other governmental units	--	--	--	--	--
Due to other funds	--	--	--	--	--
<i>Total Liabilities</i>	--	--	--	--	--
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - special assessments	183,008	85,327	468,975	261,853	355,514
<i>Total Liabilities and Deferred Inflows of Resources</i>	183,008	85,327	468,975	261,853	355,514
FUND BALANCE					
Restricted	21,666	9,355	65,247	36,449	39,863
Unassigned	--	--	--	--	--
<i>Total Fund Balance</i>	21,666	9,355	65,247	36,449	39,863
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 204,674	\$ 94,682	\$ 534,222	\$ 298,302	\$ 395,377

Continued...

**Tuscola County Drain Commission
Balance Sheet
Governmental Funds
December 31, 2021**

	<u>Debt Service</u>		<u>Capital Projects</u>		
	<u>Murphy Lake Debt Retirement</u>	<u>Murphy Lake Construction</u>	<u>Special Drain</u>	<u>Northwest Construction</u>	<u>Alder Creek Construction</u>
ASSETS					
Cash and investments	\$ 6,929	\$ 654,843	\$ 4,516,396	\$ --	\$ --
Due from other funds	--	--	--	543,820	150,000
Special assessments receivable	--	--	654,749	--	--
<i>Total Assets</i>	<u>\$ 6,929</u>	<u>\$ 654,843</u>	<u>\$ 5,171,145</u>	<u>\$ 543,820</u>	<u>\$ 150,000</u>
LIABILITIES					
Accounts payable	\$ --	\$ 164,806	\$ 196,635	\$ --	\$ --
Due to other governmental units	--	--	--	--	--
Due to other funds	--	--	1,222,324	--	--
<i>Total Liabilities</i>	<u>--</u>	<u>164,806</u>	<u>1,418,959</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - special assessments	--	--	654,749	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>--</u>	<u>164,806</u>	<u>2,073,708</u>	<u>--</u>	<u>--</u>
FUND BALANCE					
Restricted	6,929	490,037	3,097,437	543,820	150,000
Unassigned	--	--	--	--	--
<i>Total Fund Balance</i>	<u>6,929</u>	<u>490,037</u>	<u>3,097,437</u>	<u>543,820</u>	<u>150,000</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$ 6,929</u>	<u>\$ 654,843</u>	<u>\$ 5,171,145</u>	<u>\$ 543,820</u>	<u>\$ 150,000</u>

Continued...

**Tuscola County Drain Commission
Balance Sheet
Governmental Funds
December 31, 2021**

	Capital Projects					Total Governmental Funds
	Bach & Branches Const	Moore Construction	Akron Main Street	Fulton Street Drain Const	Yax North Construction	
ASSETS						
Cash and investments	\$ 258,696	\$ 294,495	\$ 1	\$ 119,927	\$ 109,866	\$ 6,588,209
Due from other funds	--	--	--	--	--	1,422,324
Special assessments receivable	--	--	--	--	--	2,804,990
Total Assets	\$ 258,696	\$ 294,495	\$ 1	\$ 119,927	\$ 109,866	\$ 10,815,523
LIABILITIES						
Accounts payable	\$ --	\$ 2,048	\$ --	\$ --	\$ --	\$ 470,534
Due to other governmental units	--	--	--	--	--	510,000
Due to other funds	--	--	--	--	--	1,422,324
Total Liabilities	--	2,048	--	--	--	2,402,858
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - special assessments	--	--	--	--	--	2,804,990
Total Liabilities and Deferred Inflows of Resources	--	2,048	--	--	--	5,207,848
FUND BALANCE						
Restricted	258,696	292,447	1	119,927	109,866	5,607,675
Unassigned	--	--	--	--	--	--
Total Fund Balance	258,696	292,447	1	119,927	109,866	5,607,675
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 258,696	\$ 294,495	\$ 1	\$ 119,927	\$ 109,866	\$ 10,815,523

Tuscola County Drain Commission
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2021

Total Fund Balance - Governmental Funds	\$ 5,607,675
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.	(6,171)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	14,981,625
Unavailable revenues are not available to to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.	2,804,990
Certain liabilities are not due and payable in the current period and are not reported in the funds.	(2,709,889)
Total Net Position - Governmental Activities	\$ <u>20,678,230</u>

Tuscola County Drain Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year ending Ended December 31, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>			
	<u>Revolving Drain</u>	<u>Northwest Debt Retirement</u>	<u>Bach & Branches Debt</u>	<u>Moore Debt Retirement</u>	<u>Armbruster I/C Debt</u>
Revenues					
Special assessments and other	\$ --	\$ --	\$ 126,465	\$ 191,940	\$ 16,535
Interest income	--	--	685	813	97
Total Revenues	<u>--</u>	<u>--</u>	<u>127,150</u>	<u>192,753</u>	<u>16,632</u>
Expenditures					
Drain maintenance	--	--	--	--	--
Debt service - principal	--	--	--	130,000	15,757
Debt service - interest and charges	--	--	--	21,318	2,691
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>151,318</u>	<u>18,448</u>
Excess of Revenues Over (Under) Expenditures	<u>--</u>	<u>--</u>	<u>127,150</u>	<u>41,435</u>	<u>(1,816)</u>
Other Financing Sources (Uses)					
General obligation bonds issued	--	--	--	--	--
Transfers in	--	--	--	--	--
Transfers out	--	(178)	--	--	--
Net Other Financing Sources (Uses)	<u>--</u>	<u>(178)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	<u>--</u>	<u>(178)</u>	<u>127,150</u>	<u>41,435</u>	<u>(1,816)</u>
Fund Balance at Beginning of Period	<u>--</u>	<u>178</u>	<u>69,544</u>	<u>107,714</u>	<u>21,908</u>
Fund Balance at End of Period	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 196,694</u>	<u>\$ 149,149</u>	<u>\$ 20,092</u>

Continued...

Tuscola County Drain Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year ending Ended December 31, 2021

	Debt Service				
	Akron Main Street Debt	Pigeon River I/C Debt	Fulton Street Drain Debt	Indian Creek I/C	Yax North Debt Retirement
Revenues					
Special assessments and other	\$ 17,351	\$ 17,216	\$ 63,142	\$ 35,441	\$ 50,670
Interest income	87	56	289	173	197
Total Revenues	17,438	17,272	63,431	35,614	50,867
Expenditures					
Drain maintenance	--	--	--	--	--
Debt service - principal	9,000	14,417	50,000	26,010	30,000
Debt service - interest and charges	5,205	2,266	12,043	8,572	10,695
Total Expenditures	14,205	16,683	62,043	34,582	40,695
Excess of Revenues Over (Under) Expenditures	3,233	589	1,388	1,032	10,172
Other Financing Sources (Uses)					
General obligation bonds issued	--	--	--	--	--
Transfers in	--	--	--	--	--
Transfers out	--	--	--	--	--
Net Other Financing Sources (Uses)	--	--	--	--	--
Net Change in Fund Balance	3,233	589	1,388	1,032	10,172
<i>Fund Balance at Beginning of Period</i>	18,433	8,766	63,859	35,417	29,691
Fund Balance at End of Period	\$ 21,666	\$ 9,355	\$ 65,247	\$ 36,449	\$ 39,863

Continued...

Tuscola County Drain Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year ending Ended December 31, 2021

	<u>Debt Service</u>	<u>Capital Projects</u>			
	<u>Murphy Lake Debt Retirement</u>	<u>Murphy Lake Construction</u>	<u>Special Drain</u>	<u>Northwest Construction</u>	<u>Alder Creek Construction</u>
Revenues					
Special assessments and other	\$ --	\$ --	\$ 1,752,981	\$ --	\$ --
Interest income	(2,344)	402	14,629	3,272	--
Total Revenues	<u>(2,344)</u>	<u>402</u>	<u>1,767,610</u>	<u>3,272</u>	<u>--</u>
Expenditures					
Drain maintenance	--	--	2,076,796	--	--
Debt service - principal	--	--	141,800	--	--
Debt service - interest and charges	--	180,570	7,229	--	--
Total Expenditures	<u>--</u>	<u>180,570</u>	<u>2,225,825</u>	<u>--</u>	<u>--</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,344)</u>	<u>(180,168)</u>	<u>(458,215)</u>	<u>3,272</u>	<u>--</u>
Other Financing Sources (Uses)					
General obligation bonds issued	--	536,000	--	--	--
Transfers in	9,273	143,478	133,396	--	--
Transfers out	--	(9,273)	(143,478)	(133,218)	--
Net Other Financing Sources (Uses)	<u>9,273</u>	<u>670,205</u>	<u>(10,082)</u>	<u>(133,218)</u>	<u>--</u>
Net Change in Fund Balance	6,929	490,037	(468,297)	(129,946)	--
<i>Fund Balance at Beginning of Period</i>	<i>--</i>	<i>--</i>	<i>3,565,734</i>	<i>673,766</i>	<i>150,000</i>
Fund Balance at End of Period	\$ 6,929	\$ 490,037	\$ 3,097,437	\$ 543,820	\$ 150,000

Continued...

Tuscola County Drain Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year ending Ended December 31, 2021

	Capital Projects					Total Governmental Funds
	Bach & Branches Const	Moore Construction	Akron Main Street	Fulton Street Drain Const	Yax North Construction	
Revenues						
Special assessments and other	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,271,741
Interest income	103	144	--	485	444	19,532
Total Revenues	<u>103</u>	<u>144</u>	<u>--</u>	<u>485</u>	<u>444</u>	<u>2,291,273</u>
Expenditures						
Drain maintenance	1,259	3,325	--	--	--	2,081,380
Debt service - principal	--	--	--	--	--	416,984
Debt service - interest and charges	--	--	--	--	--	250,589
Total Expenditures	<u>1,259</u>	<u>3,325</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,748,953</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,156)</u>	<u>(3,181)</u>	<u>--</u>	<u>485</u>	<u>444</u>	<u>(457,680)</u>
Other Financing Sources (Uses)						
General obligation bonds issued	--	--	--	--	--	536,000
Transfers in	--	--	--	--	--	286,147
Transfers out	--	--	--	--	--	(286,147)
Net Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>536,000</u>
Net Change in Fund Balance	(1,156)	(3,181)	--	485	444	78,320
Fund Balance at Beginning of Period	259,852	295,628	1	119,442	109,422	5,529,355
Fund Balance at End of Period	<u>\$ 258,696</u>	<u>\$ 292,447</u>	<u>\$ 1</u>	<u>\$ 119,927</u>	<u>\$ 109,866</u>	<u>\$ 5,607,675</u>

Concluded.

Tuscola County Drain Commission
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year ending Ended December 31, 2021

Total Net Change in Fund Balances - Governmental Funds	\$	78,320
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		355
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.		(119,016)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources		(237,751)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		(439,620)
Changes in Net Position - Governmental Activities	\$	<u>(717,712)</u>

Statistical Section

STATISTICAL SECTION

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

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

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Debt Capacity - *These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

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Demographic and Economic Information - *These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

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

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TUSCOLA COUNTY, MICHIGAN

Table 1

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

	Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 5,714,234
Restricted	1,397,671	1,336,781	1,195,900	1,864,506	2,672,329	2,882,160	10,745,988	11,510,953	20,739,755	21,407,541
Unrestricted	<u>6,853,468</u>	<u>6,312,514</u>	<u>6,644,960</u>	<u>(944,404)</u>	<u>(3,118,970)</u>	<u>(2,704,558)</u>	<u>(11,301,211)</u>	<u>(7,247,593)</u>	<u>(14,840,253)</u>	<u>(14,679,356)</u>
Total governmental activities net position	<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>\$ 5,516,688</u>	<u>\$ 10,126,581</u>	<u>\$ 11,825,452</u>	<u>\$ 12,442,419</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 7,859,100
Restricted	1,880,647	2,161,654	2,579,165	1,430,672	290,258	-	-	-	-	-
Unrestricted	<u>14,309,485</u>	<u>14,056,322</u>	<u>12,932,697</u>	<u>10,871,364</u>	<u>10,239,172</u>	<u>10,291,902</u>	<u>10,116,680</u>	<u>10,460,164</u>	<u>12,891,324</u>	<u>17,573,475</u>
Total business-type activities net position	<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>	<u>\$ 25,432,575</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 13,573,334
Restricted	3,278,318	3,498,435	3,775,065	3,295,178	2,962,587	2,882,160	10,745,988	11,510,953	20,739,755	21,407,541
Unrestricted	<u>21,162,953</u>	<u>20,368,836</u>	<u>19,577,657</u>	<u>9,926,960</u>	<u>7,120,202</u>	<u>7,587,344</u>	<u>(1,184,531)</u>	<u>3,212,571</u>	<u>(1,948,929)</u>	<u>2,894,119</u>
Total primary government net position	<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>\$ 25,574,899</u>	<u>\$ 29,842,380</u>	<u>\$ 33,555,890</u>	<u>\$ 37,874,994</u>

TUSCOLA COUNTY, MICHIGAN

Table 2

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

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 *
Expenses										
Governmental activities:										
Legislative	\$ 101,764	\$ 105,073	\$ 103,402	\$ 115,714	\$ 148,172	\$ 121,672	\$ 189,753	\$ 214,986	\$ 150,995	\$ 194,031
Judicial	2,879,517	3,196,846	3,262,153	3,298,138	4,156,591	3,336,249	4,239,644	3,244,038	3,335,836	6,179,674
General government	6,199,985	6,321,346	6,345,529	6,701,612	7,160,516	7,235,661	6,020,818	6,689,864	6,407,468	4,321,644
Public safety	5,804,282	6,029,646	5,652,616	6,579,971	7,415,067	5,972,439	8,527,437	7,818,978	8,596,195	8,264,280
Public works	795,586	924,147	815,625	678,023	777,630	746,700	3,957,531	3,689,461	3,125,358	3,941,222
Health and welfare	5,150,298	5,091,444	5,216,376	5,234,005	5,598,219	5,990,088	8,087,982	7,976,028	7,533,134	8,236,356
Culture and recreation	6,899	6,137	9,023	8,634	11,542	66,959	24,640	22,631	94,790	23,208
Community and economic development	-	-	-	-	-	-	-	-	-	438,485
Interest on debt	60,669	52,768	44,999	36,862	278,897	373,262	604,798	582,070	548,035	790,189
Total governmental activities expenses	<u>20,999,000</u>	<u>21,727,407</u>	<u>21,449,723</u>	<u>22,652,959</u>	<u>25,546,634</u>	<u>23,843,030</u>	<u>31,652,603</u>	<u>30,238,056</u>	<u>29,791,811</u>	<u>32,389,089</u>
Business-type activities:										
Medical care facility	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	22,315,379
Delinquent property tax	21	48	832	1,494	843	143	86	59,939	1,270	150,000
Water/sewage systems	258,873	242,510	526,639	304,173	293,015	281,304	-	-	-	-
Tax foreclosure	336,683	446,017	405,857	332,487	335,392	249,585	245,596	525,976	243,681	376,262
Total business-type activities expenses	<u>18,663,991</u>	<u>19,538,500</u>	<u>20,585,367</u>	<u>21,791,721</u>	<u>22,944,289</u>	<u>23,712,951</u>	<u>24,692,268</u>	<u>24,809,184</u>	<u>22,561,892</u>	<u>22,841,641</u>
Total primary government expenses	<u>\$ 39,662,991</u>	<u>\$ 41,265,907</u>	<u>\$ 42,035,090</u>	<u>\$ 44,444,680</u>	<u>\$ 48,490,923</u>	<u>\$ 47,555,981</u>	<u>\$ 56,344,871</u>	<u>\$ 55,047,240</u>	<u>\$ 52,353,703</u>	<u>\$ 55,230,730</u>
Program Revenues										
Governmental activities:										
Charges for services										
Judicial	\$ 1,274,481	\$ 1,224,201	\$ 1,216,028	\$ 1,224,277	\$ 1,074,291	\$ 1,099,980	\$ 1,035,461	\$ 997,501	\$ 2,117,867	\$ 1,408,599
General government	749,121	744,192	740,750	874,213	1,095,603	1,256,253	1,783,175	1,809,252	3,710,228	1,610,989
Public safety	1,764,703	1,842,902	2,046,308	2,121,943	2,320,821	2,173,012	2,491,334	2,686,714	3,567,773	2,747,732
Public works	376,012	472,183	369,043	252,391	369,007	338,575	62,963	68,330	66,149	163,269
Health and welfare	822,751	683,951	586,366	620,213	672,883	691,252	764,428	778,230	4,016,544	993,139
Culture and recreation	2,800	3,902	3,987	5,454	5,637	29,710	16,182	24,354	21,133	29,573
Community and economic development	-	-	-	-	-	-	-	-	-	125,091
Operating grants and contributions										
Judicial	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	1,587,334
General government	246,226	190,582	234,953	151,018	146,039	519,653	653,207	1,131,227	1,493,686	1,620,792
Public Safety	655,231	860,223	638,185	718,542	523,665	581,396	708,921	698,340	1,137,566	578,478
Public Works	-	-	-	-	-	-	-	12,529	1,012	91,400
Health and welfare	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	3,839,822
Culture and recreation	-	-	-	-	-	-	1,250	876	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>9,847,490</u>	<u>9,229,529</u>	<u>9,495,404</u>	<u>10,245,376</u>	<u>10,052,006</u>	<u>11,039,893</u>	<u>12,037,704</u>	<u>13,196,181</u>	<u>20,826,559</u>	<u>14,796,218</u>

* Functional classification of certain departments was updated during 2021 to comply with the Michigan Department of Treasury's updated Uniform Chart of Accounts

Source: Tuscola County Financial Reports

Continued...

TUSCOLA COUNTY, MICHIGAN

Table 2

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

(continued)

	Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 8,138,839	\$ 8,580,677	\$ 9,218,752	\$ 10,053,314	\$ 10,186,530	\$ 10,335,424	\$ 14,500,060	\$ 15,047,324	\$ 16,026,873	\$ 16,753,687
Grants and contributions not restricted to specific programs	1,033,823	1,045,628	1,165,279	1,219,055	1,199,905	1,215,686	1,293,320	2,303,904	878,877	1,158,441
Unrestricted investment earnings	499,575	471,176	481,646	479,580	511,528	518,143	163,578	51,149	173,819	141,089
Loss on sale of assets	-	-	-	-	-	-	-	-	-	-
Other	858,469	1,052,109	796,222	691,488	978,112	853,036	-	225,936	-	-
Transfers - Internal activities	842,214	825,463	734,858	771,258	913,352	1,068,047	856,663	2,282,487	778,489	497,179
Total governmental activities	<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>19,910,800</u>	<u>17,858,058</u>	<u>18,550,396</u>
Business-type activities:										
Property taxes	1,743,674	1,735,187	1,894,897	402,518	438,417	427,358	435,791	448,069	463,443	496,665
Unrestricted investment earnings	66,403	35,869	51,914	55,512	64,945	72,648	118,611	151,596	101,760	56,925
Other	665,500	973,408	1,115,105	706,953	854,935	721,561	-	770,839	-	-
Transfers - Internal activities	(798,862)	(777,538)	(708,253)	(715,776)	(751,361)	(832,695)	(856,663)	(962,862)	(778,489)	(497,179)
Total business-type activities	<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>407,642</u>	<u>(213,286)</u>	<u>56,411</u>
Total primary government	<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>\$ 20,318,442</u>	<u>\$ 17,644,772</u>	<u>\$ 18,606,807</u>
Change in Net Position										
Governmental activities	\$ 221,410	\$ (522,825)	\$ 442,438	\$ 807,112	\$ (1,705,201)	\$ 1,187,199	\$ (2,801,278)	\$ 2,868,925	\$ 8,892,806	\$ 957,525
Business-type activities	<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>428,427</u>	<u>2,014,639</u>	<u>3,223,736</u>
Total primary government	<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>\$ 3,297,352</u>	<u>\$ 10,907,445</u>	<u>\$ 4,181,261</u>

Source: Tuscola County Financial Reports

Concluded.

TUSCOLA COUNTY, MICHIGAN

Table 3

Fund Balances, Governmental Funds, Last Ten Fiscal Years

	Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Nonspendable	\$ 310,000	\$ 418,867	\$ 417,310	\$ 417,494	\$ 643,918	\$ 619,653	\$ 599,708	\$ 644,436	\$ 567,028	\$ 554,152
Committed	-	-	-	-	-	5,000	5,000	5,000	5,000	5,000
Assigned	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	1,419,300
Unassigned	<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>	<u>957,003</u>
Total General Fund	<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>	<u>\$ 2,935,455</u>
All Other Governmental Funds										
Nonspendable	\$ 6,800	\$ 99	\$ -	\$ -	\$ -	\$ 15,700	\$ 700	\$ -	\$ -	\$ 52,575
Restricted	3,738,092	3,638,251	3,955,027	4,222,450	4,818,281	5,075,952	8,564,559	8,739,008	9,519,895	13,681,218
Committed	-	-	5,000	5,000	5,000	-	-	-	-	494,917
Assigned	-	250,000	-	-	482,567	964,940	(77,037)	-	-	812,152
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,112)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>\$ 9,519,895</u>	<u>\$ 15,040,862</u>

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	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 *
Taxes	\$ 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	\$ 16,555,985
Licenses and permits	693,121	840,436	694,797	612,944	666,040	635,561	729,193	912,190	758,657	902,186
Intergovernmental										
Federal	3,213,216	2,645,846	2,857,756	3,483,185	2,839,403	3,691,763	7,988,041	8,851,979	8,720,251	9,453,345
State	2,660,920	2,641,255	2,977,660	3,060,793	3,034,908	3,123,882	-	-	-	-
Local	437,648	435,065	439,896	541,459	904,915	900,474	-	-	-	-
Charges for services	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	4,432,215
Fines and forfeits	51,423	43,272	235,787	84,408	214,513	156,458	93,345	83,874	77,510	415,999
Interest and rents	499,575	471,176	481,646	479,580	511,528	518,143	514,474	560,740	627,955	628,092
Reimbursements and refunds	883,282	1,101,760	806,479	742,895	823,772	711,355	21,839	25,917	267,575	-
Other	107,407	87,655	132,135	80,814	85,711	71,681	808,352	821,563	584,291	839,568
Total revenues	20,517,967	20,534,367	21,281,377	22,823,188	22,846,529	23,871,257	28,897,684	30,332,694	30,579,263	33,227,390
Expenditures										
Legislative	102,468	104,414	103,947	111,400	103,335	123,062	135,881	212,691	150,995	194,770
Judicial	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	6,237,281
General government	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	3,584,549
Public safety	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	8,105,931
Public works	795,703	921,486	814,993	680,315	774,919	747,689	3,810,200	3,729,254	3,125,358	3,784,965
Health and welfare	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	7,713,412
Community and economic development	-	-	-	-	-	-	-	-	-	440,157
Culture and recreation	6,899	6,137	9,023	8,634	11,542	66,959	24,440	27,964	94,790	23,297
Other	180,079	251,022	206,688	201,254	154,502	144,121	199,364	225,936	175,038	118,817
Capital outlay	1,030,783	905,437	439,982	1,068,837	583,532	1,532,745	786,286	252,834	205,702	371,021
Debt service (1)										
Principal	165,000	170,000	175,000	165,000	215,000	315,000	921,324	1,263,462	997,159	865,306
Interest	62,963	55,147	47,463	39,156	128,754	311,205	607,970	585,993	554,999	703,355
Bond Issuance Costs	-	-	-	-	76,268	56,622	-	-	-	110,023
Total expenditures	21,144,992	21,452,335	21,300,096	22,388,626	22,176,249	26,725,880	29,008,953	30,039,270	30,381,159	32,252,884
Excess of revenues over (under) expenditures	(627,025)	(917,968)	(18,719)	434,562	670,280	(2,854,623)	(111,269)	293,424	198,104	974,506

* Functional classification of certain departments was updated during 2021 to comply with the Michigan Department of Treasury's updated Uniform Chart of Accounts

Source: Tuscola County Financial Reports

Continued...

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

Table 4

	Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Other Financing Sources (Uses)										
Face value of debt issue	22,600	-	-	-	6,980,000	2,475,000	-	-	-	5,530,000
Discounts on bonds issued	-	-	-	-	(2,172)	(18,378)	-	-	-	-
Proceeds from capital lease	-	-	-	-	94,500	31,130	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	68,629	70,000	-	-	-	(5,387,000)
Transfer in	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	3,291,046
Transfer out	(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)	(2,793,867)
Total other financing sources (uses)	<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>	<u>640,179</u>
Special Items - Pension pre-funding	-	-	-	-	(6,865,581)	-	-	-	-	-
Net change in fund balances	<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>	<u>\$ 1,614,685</u>
Debt service as a percentage of noncapital expenditures	1.133%	1.096%	1.066%	0.96%	1.59%	2.49%	5.42%	6.21%	5.14%	4.94%

Source: Tuscola County Financial Reports

TUSCOLA COUNTY, MICHIGAN

Table 5

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

Fiscal Year Ended December 31,	Real Property				Total Assessed Value	Total Direct Tax Rate	Estimated Actual Assessed Value	Assessed Value as a Percentage of Actual Value
	Industrial, Commercial & Developmental	Residential	Timber-Cut & Agricultural	Personal Property				
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%
2021	142,380,900	1,274,359,191	974,926,175	548,178,439	2,939,844,705	8.3121	5,879,689,410	50%

Source: Tuscola County Equalization Department

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

TUSCOLA COUNTY, MICHIGAN

Table 6

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
County direct rates										
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	3.7480	3.8480	4.3980	4.3980	4.3980	4.3980	4.3980
Debt Millage	1.0000	1.0000	-	-	-	-	-	-	-	-
Total direct rate	8.4921	8.4921	7.4921	7.6621	7.7621	8.3121	8.3121	8.3121	8.3121	8.3121
City rate										
Vassar	17.0000	17.0000	16.0000	16.0000	16.0000	16.0000	16.0000	17.0000	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
Village rates	11.0000- 18.1387	11.0000- 18.1387	11.0000- 21.7268	11.0000- 21.7268	11.0000- 21.7268	11.0000- 21.7268	11.4352- 18.2892	12.5000- 18.1387	11.8880- 17.3785	10.888- 12.4089
School district rates (1)	28.2409- 28.4480	22.7079- 28.0409	22.7079- 28.4079	22.7079- 27.7079	22.7479- 27.3079	22.7479- 27.3079	18.000- 21.9895	21.9895- 21.7268	23.9766- 24.0000	18.0000- 21.5000
Township rates	1.0000- 6.3957	1.0000- 6.4175	1.0000- 6.4026	1.0000- 6.3864	1.0000- 6.3864	1.0000- 6.3912	1.0000- 3.7676	1.0000- 4.0569	1.0000- 6.3912	1.0000- 4.9779
District library rates	.7500- 1.4909	.7500- 1.4909	.7500- 1.4909	.7500- 1.4909	.7500- 1.4909	.7428- 1.4909	.8010- 1.4909	0.7408- 0.9185	1.49 - 0.7354	.7253- 1.4882
Caro Transit Authority (3)	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

TUSCOLA COUNTY, MICHIGAN

Table 7

Principal Property Tax Payers,
Current Year and Nine Years Ago

Current Year 2021

Taxpayer	Taxable Value	Rank	Percentage of Total Taxable
Consumers Energy Company	\$ 186,959,688	1	9.14%
Pegasus Wind LLC	114,673,814	2	5.60%
Tuscola Bay Wind LLC	55,686,200	3	2.72%
International Transmission Co	53,540,078	5	2.62%
DTE Electric Company	50,008,661	4	2.44%
Tuscola Wind II LLC	34,233,400	6	1.67%
Tuscola Bay Wind II LLC	18,477,344	7	0.90%
POET Biorefining Caro	10,395,171	8	0.51%
Thumb Electric Co-Op	8,442,908	9	0.41%
Dairy Farmer's of America Inc	7,180,400	10	0.35%
Totals	\$ 539,597,664		26.36%

2021
Taxable Value
\$ 2,045,969,814

9 Years ago 2012

Taxpayer	Taxable Value	Rank	Percentage of Total Taxable
Detroit Edison Company	\$ 31,599,587	1	2.27%
POET Biorefining Caro	16,034,437	2	1.15%
ITC Transmission	9,162,122	3	0.66%
Consumers Energy Company	7,472,493	4	0.54%
Michigan Sugar Co.	6,283,766	5	0.45%
Walbro Engine Management LLC	6,259,300	6	0.45%
Thumb Electric Co-Op	5,554,322	7	0.40%
Wal-Mar Stores #01-1798	5,134,600	8	0.37%
TI Group Automotive Services	2,795,697	9	0.20%
Metavation	2,476,600	10	0.18%
Totals	\$ 92,772,924		6.67%

2012
Taxable Value
\$ 1,392,442,700

Source: Tuscola County Equalization Department, Municipal Advisory Council of Michigan

TUSCOLA COUNTY, MICHIGAN

Table 8

Property Tax Levies and Collections, Last Ten Fiscal Years

Fiscal Year Ended December 31,	Operating Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquents Purchased by Treasurer	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
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	92.78%	323,351	190,184	7,751,243	99.36%
2021	7,962,602	7,102,388	89.20%	322,441	201,959	7,626,788	95.78%

Source: Tuscola County Treasurer

TUSCOLA COUNTY, MICHIGAN

Table 9

Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

Governmental Activities						
Fiscal Year	General Obligation Bonds	Capital Improvement Bonds	Pension Obligation Bonds	Bond Discount	Equipment Loan	Capital Lease Payable
2012	\$ 405,000	\$ 960,000	\$ -	\$ -	\$ -	\$ -
2013 (1)	270,000	925,000	-	(13,184)	26,013	212,496
2014	130,000	890,000	-	(12,438)	13,221	-
2015	-	855,000	-	(11,692)	-	-
2016	-	815,000	6,805,000	(13,032)	-	85,343
2017	-	775,000	9,005,000	(29,784)	-	98,460
2018	-	695,000	8,730,000	-	-	-
2019	-	655,000	8,355,000	-	-	-
2020	-	650,000	7,945,000	-	-	-
2021	-	605,000	7,810,000	-	-	-

Business-type Activities						Total Primary Government	Percentage of Personal Income	Per Capita (2)
Fiscal Year	Refunding Bonds	Medical Care Small House	Medical Care Land Contract	General Obligation Bonds	USDA Loans			
2012	\$ -	\$ -	\$ -	\$ 12,563,114	\$ -	\$ 1,365,000	120.43%	24
2013 (1)	3,450,000	4,600,000	-	7,559,114	5,219,000	1,420,325	120.76%	26
2014	2,420,000	4,600,000	-	6,743,114	5,060,000	1,020,783	171.26%	19
2015	1,320,000	4,435,000	-	6,306,114	4,969,000	843,308	221.06%	16
2016	200,000	4,265,000	140,000	5,853,114	4,872,000	7,692,311	24.32%	143
2017	-	4,090,000	70,000	5,398,114	4,769,000	9,848,676	19.11%	185
2018	-	3,730,000	70,000	4,487,114	4,549,000	9,425,000	20.10%	177
2019	-	3,555,000	35,000	4,464,000	4,218,209	9,010,000	21.95%	169
2020	-	3,520,000	35,000	4,055,000	4,206,209	8,595,000	26.20%	161
2021	-	3,320,000	35,000	3,644,114	4,082,209	8,415,000	26.76%	158

Source: Tuscola County Financial Reports, Municipal Advisory Council of Michigan

Note: Details regarding the county's debt can be found in the notes to the financial statements under Note 6.

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

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

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

Table 10

<u>General Bonded Debt Outstanding</u>									
Fiscal Year	Building Authority Bonds	General Obligation Bonds	Pension Obligation Bonds	Capital Improvement Bonds	Less Paid by Benefited Municipality	Net General Bonded	Total Taxable Value	Percentage of Taxable Value	
2012	\$ 405,000	\$ 12,975,114	\$ -	\$ 960,000	\$ 13,380,114	\$ 960,000	\$ 1,392,442,700	0.0689%	
2013	270,000	12,378,000	-	925,000	12,648,000	925,000	1,504,307,893	0.0615%	
2014	130,000	11,873,000	-	890,000	12,003,000	890,000	1,627,457,617	0.0547%	
2015	-	11,345,000	-	855,000	11,345,000	855,000	1,730,939,880	0.0494%	
2016	-	10,725,114	6,802,914	804,054	10,725,114	7,606,968	1,733,524,072	0.4388%	
2017	-	10,167,114	8,985,416	764,800	10,167,114	9,750,216	1,751,550,308	0.5567%	
2018	-	5,487,114	8,730,000	708,221	5,487,114	9,438,221	1,797,785,602	0.5250%	
2019	-	4,084,114	8,345,000	695,000	4,084,114	9,040,000	1,862,786,940	0.4853%	
2020	-	3,675,114	7,945,000	650,000	3,675,114	8,595,000	1,991,515,345	0.4316%	
2021	-	2,324,209	7,810,000	605,000	2,324,209	8,415,000	2,045,969,814	0.4113%	

Fiscal Year	School Districts	Townships	Intermediate Schools	Village	City	Net Overlapping	Percentage of Taxable Value	
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%	
2021	66,434,367	5,447,949	50,601	6,247,433	7,046,875	85,227,225	4.1656%	

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, 2018

2021 Census Totals 2021 Taxable Value	52,917 2,045,969,814	<u>Gross</u>	<u>Self-Support or Portion Paid by Benefited Municipality</u>	<u>Net</u>
Direct debt of County:				
Sewer/Water		\$ 2,324,209	\$ 2,324,209	\$ -
Capital Improvement		605,000	-	605,000
Pension Obligation Bond		7,810,000	-	7,810,000
		<u>\$ 10,739,209</u>	<u>\$ 2,324,209</u>	<u>\$ 8,415,000</u>
Per-Capita County Net Direct Debt				159.02
Percent County Net Direct Debt to 2021 Taxable				0.4113%
Overlapping Debt of County:				
School Districts				\$ 66,434,367
Townships				5,447,949
Intermediate School District				50,601
Village				6,247,433
City				7,046,875
Net Overlapping Debt				<u>\$ 85,227,225</u>
Net County and Overlapping Debt				<u>\$ 93,642,225</u>
Per-Capita County Net Direct and Overlapping Debt				\$ 1,769.61
Percent Net Direct and Overlapping Debt to Taxable Value				4.5769%

(1) Includes Primary Government

Sources: Tuscola County debt schedules, and the Municipal Advisory Council of Michigan 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>
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	10,739,209	203,020,558	5.02%
2018	2017	2,231,695,255	223,169,526	10,739,209	212,430,317	4.81%
2019	2018	2,249,374,051	224,937,405	10,739,209	214,198,196	4.77%
2020	2019	2,318,460,757	231,846,076	10,739,209	221,106,867	4.63%
2021	2020	2,939,844,705	293,984,471	10,739,209	283,245,262	3.65%

Source: Tuscola County Debt Schedules, Tuscola County Equalization Report

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>
2012	54,662	1,643,832	30,073	9,561	9.9%
2013	54,263	1,715,147	31,608	9,140	10.5%
2014	54,000	1,748,161	32,373	8,833	8.5%
2015	53,777	1,864,226	34,666	8,772	7.8%
2016	53,338	1,870,805	35,075	8,570	6.3%
2017	52,764	1,882,424	35,676	8,365	6.4%
2018	52,516	1,894,115	36,067	8,271	5.5%
2019	52,245	1,977,456	37,850	7,754	6.2%
2020	53,323	2,252,228	42,237	7,446	10.1%
2021	52,917	2,252,228	43,073	7,473	4.8%

(1) Census Bureau 2016-2020 estimated census data. 2020 actual census data. 2016-2020 estimated.

(2) Personal income includes net earnings by place of residence, dividends, interest, and rent; and personal current transfer receipts received by the residents of Tuscola County. (dollars stated in thousands)

BEA 2021 data not available. Estimates based on population changes, and state change in personal income.

2010-2020 updated with BEA revised estimates. BEA population estimates reflect county population estimates available as of November 2021.

(3) Fall membership count. Public schools only.

(4) Annual yearly rates shown.

Sources: US Census Bureau, Dept. Technology Mgt & Budget, US Bureau of Labor Statistics, Michigan Labor Market Information, Tuscola Intermediate School District.

FY2020 Population and income source: BEA last updated November 16,2021

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

Table 14

<u>2021</u>					<u>2012</u>				
<u>Employer</u>	<u>Product/Service</u>	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employer</u>	<u>Product/Service</u>	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Caro Regional Center	Mental Health Care	430	1	16.9%	Tuscola County	Government	406	1	0.7%
Tuscola County (2)	Government	397	2	15.6%	Caro Regional Center	Mental Health Care	324	2	0.6%
Walbro - Engine Management	Manufacturing	365	3	14.4%	Hills & Dales General Hospital	Health Care	301	3	0.5%
Lighthouse Neurological Rehabilitation Center	Neurological Rehabilitation	288	4	11.4%	Wolverine Human Services	Juvenile Rehabilitation	300	4	0.5%
Hills & Dales General Hospital	Health Care	265	5	10.4%	Caro Community Schools	Education	264	5	0.5%
Tuscola Intermediate School District	Education	239	6	9.4%	Vassar Schools	Education	258	6	0.5%
Caro Community Schools	Educational	188	7	7.4%	Tuscola Intermediate School District	Education	256	7	0.5%
Vassar School District	Educational	125	8	4.9%	Walbro - Engine Management	Manufacturing	140	8	0.3%
Human Development Commission	Governmental Svcs	124	9	4.9%	Wal-Mart	Retail	140	9	0.3%
Walmart	Retail	116	10	4.6%	Metavation Foundry	Manufacturing	140	10	0.3%
Total		<u><u>2537</u></u>		<u><u>100.0%</u></u>	Total		<u><u>2529</u></u>		<u><u>4.5%</u></u>

(1) Full Time employee count
(2) Includes Primary Government

Sources: Tuscola Co Economic Development Corp., US Bureau of Labor Statistics, and Tuscola Co Human Resources

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

Table 15

		<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function											
Legislative	(1)	5	5	5	-	-	-	-	-	-	-
Judicial	(2)	42	43	36	38	38	41	41	42	35	42
General Government		48	49	48	51	52	57	62	52	50	55
Public Safety		59	57	62	61	63	64	70	72	75	80
Public Works		-	-	-	-	-	-	-	-	-	-
Health and Welfare	(3)	200	203	215	228	226	230	230	255	219	220
Total		354	357	366	378	379	392	403	421	379	397

(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

Table 16

Operating Indicators by Function/Program, Last Ten Fiscal Years

<u>Function/Program</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>	<u>2021</u>
Public safety (1)										
Incarcerated offenders	2,054	1,761	1,987	1,742	1,521	1,572	1,578	1,385	878	860
First time offenders	547	514	474	548	511	491	542	468	323	338
Repeat offenders	1,507	1,247	1,513	1,194	1,010	1,081	1,036	917	555	522
Males	-	1,415	1,667	1,368	1,184	1,224	1,231	1,037	648	650
Females	-	346	320	374	337	348	347	348	230	210
Traffic violations and other summons issued	2,237	1,784	1,766	1,744	1,688	1,350	1,666	1,812	1,527	2,286
Complaints responded to	4,977	4,975	4,884	5,120	5,091	5,085	5,231	4,886	4,532	4,087
Physical arrests made	891	746	725	981	862	852	856	755	483	417
Accidents responded to	1,048	1,068	966	1,016	1,030	1,086	1,027	995	836	1,243
Fatal Crashes	11	2	8	2	2	7	7	5	7	8
Car Deer Accidents	614	609	549	599	591	643	592	601	563	577
Total 911 Calls received (2)	23,068	22,703	22,225	22,339	24,298	22,292	22,022	21,504	19,309	22,710
Wireless/Voip Calls	15,657	15,845	15,718	15,874	19,019	17,902	17,435	17,869	18,723	15,539
Landline Calls	7,411	6,858	6,507	6,465	5,279	4,782	4,587	4,198	586	833
Non-emergency calls	39,839	38,919	36,584	34,326	27,836	22,736	24,491	23,422	20,687	20,346
Calls for Service logged	33,226	37,850	39,283	40,512	40,521	40,057	41,145	41,300	35,596	40,079
Traffic Accidents	1,223	1,230	1,252	1,291	1,359	1,462	1,480	1,033	1,117	1,662
Car Deer	821	780	744	885	892	982	970	1,250	1,089	1,095
Traffic Stops	8,483	12,892	13,047	13,407	11,881	12,170	11,533	10,808	6,356	8,503
Fires	573	699	523	717	413	478	539	501	559	459
Medicals (not include accidents)	5,179	5,086	5,657	5,971	5,831	5,790	6,130	6,173	6,144	6,939
Judicial										
54th Circuit Court new case filings	1,407	1,314	1,212	1,096	1,124	1,183	1,171	1,001	911	1,117
71B District Court new case filings	7,680	7,783	7,111	6,975	6,806	6,510	6,586	7,258	4,847	5,719
Probate Court new case filings	347	400	394	379	380	396	407	370	318	453

(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 (2021 only Reports available). Tuscola County Central Dispatch Annual Report

TUSCOLA COUNTY, MICHIGAN

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

Table 17

<u>Function/Program</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>	<u>2021</u>
Public Safety										
Sheriffs Department										
Vehicles (1)	22	24	21	24	25	21	24	27	23	24
Mileage	317,250	330,004	356,320	335,880	340,893	415,692	437,270	441,077	335,514	348,045
Boats/Watercraft	2	2	2	2	2	2	2	2	2	2
Stations	1	1	1	1	1	1	1	1	1	1
Dispatch										
Vehicles	1	2	2	2	2	2	-	1	1	1
Buildings	1	1	1	1	1	1	1	1	1	1
General Government										
Building and Grounds										
Vehicles	12	12	10	10	11	10	10	10	10	11
Buildings	17	17	17	15	15	15	15	15	15	15
Mosquito control										
Vehicles	17	17	21	21	21	21	22	22	25	25
Buildings	1	1	1	1	1	1	1	2	1	1
Recycling										
Vehicles	2	2	3	3	3	3	2	3	3	3
Trailers	4	4	6	6	6	6	4	6	6	6
Buildings	1	1	1	1	1	1	1	1	1	1
Animal Control										
Vehicles	-	-	-	-	-	-	2	2	2	2
Buildings	-	-	-	-	-	-	1	1	1	1
FOC										
Vehicles	1	1	1	1	1	1	1	1	1	1
Juvenile Probation										
Vehicles	1	2	2	2	2	2	1	3	2	3
Health and Welfare										
Health Department										
Vehicles	4	4	5	5	6	6	6	7	11	12
Buildings	1	1	1	1	1	1	1	1	1	1
Recreation and Culture										
Vanderbilt Park (2)										
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, MMRMA

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, 2021**

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

August 8, 2022

To the Board of Commissioners
Tuscola County, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tuscola County, Michigan (the "County") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 30, 2022, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Gabridge & Company, PLC
Grand Rapids, MI

Tuscola County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

<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>
U.S. Department of Health and Human Services				
Child Support Enforcement:				
Prosecuting Attorney Cooperative Reimbursement Program	93.563	MDHHS	CSPA 17-79002	\$ 84,498
Friend of the Court Cooperative Reimbursement Program	93.563	MDHHS	CSFOC 17-79001	603,285
Friend of the Court Cooperative Reimbursement Program	93.563	MDHHS	GF/GP	38,429
Title IV-D Incentive Program	93.563	MDHHS	CSFOC 17-79001	29,216
Total Child Support Enforcement				<u>755,428</u>
Total U.S. Department of Health and Human Services				<u>755,428</u>
U.S. Department of Justice				
Crime Victim Assistance:				
Victims of Crime Act	16.575	DCH	2019-VA-GX-0020	82,283
Coronavirus Emergency Supplemental Funding Grant				
Courts	16.034	MSP	CESF-8-79-0181	16,939
Prosecutor	16.034	MSP	CESF-8-79-0173	37,424
Sheriff	16.034	MSP	CESF-10-2020	3,765
Total Coronavirus Emergency Supplemental Funding Grant				<u>58,128</u>
Total U.S. Department of Justice				<u>140,411</u>
U.S. Department of Transportation (Highway Safety Cluster)				
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	MDOT	N/A	13,156
Total U.S. Department of Transportation (Highway Safety Cluster)				<u>13,156</u>
U.S. Department of Treasury				
COVID-19 Coronavirus Local Fiscal Recovery Fund	21.027	Direct	N/A	82,869
Total U.S. Department of Treasury				<u>82,869</u>
U.S. Department of Homeland Security				
Homeland Security Grant Program				
Homeland Security Grant	97.067	Midland County	N/A	47,239
Emergency Management Performance Grants				
Emergency Management Performance	97.042	MSP	N/A	45,601
Boating Safety Financial Assistance				
Marine Safety Program	97.012	MDNR	N/A	14,090
Total U.S. Department of Homeland Security				<u>106,930</u>
Total Expenditures of Federal Awards				<u>\$ 1,098,794</u>

See Notes to the Schedule of Expenditures of Federal Awards

Tuscola County

Notes to the Schedule of Expenditures of Federal Awards

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, 2021. 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 (9/30/2021), 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, 2021, 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 \$4,082,209 as of December 31, 2021.

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
MDOT	Michigan Department of Transportation
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	\$ 9,453,345
Business-type activities	4,952,530
Component units	<u>14,309,466</u>
Total intergovernmental revenue:	<u>28,715,341</u>
<i>Subtract separately audited entities:</i>	
Tuscola County Health Department (09/30/2021)	(3,500,954)
Tuscola County Medical Care Facility	(4,952,530)
Tuscola County Road Commission	(14,309,466)
<i>Subtract state and local sources:</i>	<u>(4,853,597)</u>
<i>Total expenditures of federal awards:</i>	<u>\$ 1,098,794</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, 2021, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated June 30, 2022. Our report includes a reference to other auditors who audited the financial statements of the Tuscola County Health Department (09/30/2021), 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.

Report on 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.

Report on 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 8, 2022

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

Opinion on Each Major Federal Program

We have audited Tuscola County, Michigan's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of County's major federal programs for the year ended December 31, 2021. 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 (09/30/2021), 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, 2021. Our audit, described below, did not include the operations of the Tuscola County Health Department (09/30/2021), 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 (09/30/2021) and Tuscola County Medical Care Facility).

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, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each

major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of the Report

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



Gabridge & Company, PLC
Grand Rapids, MI
August 8, 2022

Tuscola County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

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?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs

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

SECTION II - FINANCIAL STATEMENT FINDINGS
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No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
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No matters were reported.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

No findings or questioned costs in the prior year.

June 30, 2022

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, 2021. 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 March 16, 2022. 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. 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 June 30, 2022.

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