

## WAYS AND MEANS COMMITTEE MEETING

FRIDAY, MARCH 12, 2021

9:00 A.M.

### MINUTES

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**MEMBERS PRESENT:** Commissioners Blake Mulder, Terrance Augustine, Joe Brehler, Brian Droscha, Brian Lautzenheiser, Jim Mott and Jeanne Pearl-Wright.

**ALSO PRESENT:** Commissioners Jeremy Whittum, Mark Mudry, Barbara Rogers and Jane Whitacre; Paul Matz – Rehmann Group, Tim Vandermark,, District Court Judge Julie O'Neill, Judge Kelly Morton, Heather Berkompas, Amy Etzel, Kathy Brooks, Allen Schlossberg, Troy Stowell, Adam Morris, John Fuentes and Connie Sobie.

The Ways and Means Committee met in virtual session on March 12, 2021 in accordance with PA 228 of 2020. The members announced the location from which they are attending remotely as follows:

Commissioner Augustine, in the City of Charlotte, Eaton County, MI  
Commissioner Pearl-Wright, their residence in Delta Township, Eaton County, MI  
Commissioner Droscha, their residence in District 9, Eaton Township, Eaton County, MI  
Commissioner Brehler, their residence in the City of Lansing, Eaton County, MI  
Commissioner Mott, their residence in Walton Township, Olivet, Eaton County, MI  
Commissioner Lautzenheiser, their residence in the City of Charlotte, Eaton County, MI  
Commissioner Mulder, in the City of Charlotte, Eaton County, MI

Chairman Mulder called the meeting to order at 9:00 am.

The Pledge of Allegiance was given by all.

Mr. Fuentes requested to add the Resolution to Appoint the District Court Magistrate and an update on the American Rescue Plan to the agenda. Commissioner Lautzenheiser moved to approve the agenda, as amended. Commissioner Brehler seconded. Motion carried by unanimous roll call vote.

Commissioner Lautzenheiser moved to approve the minutes of the February 12, 2021 Ways and Means Committee meeting. Commissioner Mott seconded. Motion carried by unanimous roll call vote.

There was no Limited Public Comment.

Paul Matz with the audit firm of Rehmann was present to discuss the results of the audit of County Financial Statements for the year ended September 30, 2020. Mr. Matz explained this is not the final draft due to awaiting a finalization of the state funding distributions for Federal CARES Act grants. Mr. Matz explained the County received an unqualified audit opinion on the financial statements' presentation in accordance with Generally Accepted Accounting Practices (GAAP) and provided a review of the financial statements detailing the governmental activities. Mr. Matz provided an explanation of the field testing conducted and as well as the evaluation of internal controls which both indicated no issues. The Single Audit, which is the compliance audit of federal expenditures received by the County, received an unmodified opinion with

no material weaknesses or findings. Mr. Matz discussed the general fund balance providing an amount sufficient to cover 2.8 months of expenditures in the fund. Mr. Matz also provided an explanation on the pension liability and actuarial liabilities. Mr. Fuentes is working on a proposal to utilize savings in the general fund to contribute to the pension liability. Mr. Matz and Mr. Fuentes answered questions from Committee members. Mr. Fuentes also discussed the federal expenditures related to the CARES Act. Discussion held.

Commissioner Augustine moved to recommend acceptance of the September 30, 2020 Audit Report, to the Board of Commissioners. Commissioner Pearl-Wright seconded. Board Chairman noted some changes in the note disclosures regarding the number of Road Commissioners as well as information related to Drain Commissioner information. It was reported that the noted items would be corrected prior to the final issuance. Motion carried by unanimous roll call vote.

There was discussion regarding this being the final year of the audit contract with Rehmann. Mr. Fuentes will request a renewal proposal from Rehmann for the Committee's consideration.

An update of the position vacancies was presented and discussed (attached). Commissioner Lautzenheiser moved to refill the position vacancies as presented. Commissioner Pearl-Wright seconded. Motion carried by unanimous roll call vote.

Connie Sobie discussed the position in the Friend of the Court for an Investigator/Conciliator, which is currently an intermittent position with less than 20 hours per week. This position has been difficult to fill when vacant and the Friend of the Court has had a difficult time utilizing the position to its full need due to the hours restrictions. Friend of the Court Allen Schlossberg was present to discuss the position and the need for additional hours. Discussion held. Commissioner Brehler moved to recommend approval to amend the position allocation list, create a budget amendment and to fill the position to the Board of Commissioners. Commissioner Augustine seconded. Motion carried by unanimous roll call vote.

The January Health Insurance Expenditure report was presented (attached). The report indicates an unfavorable variance of (\$30,547) compared to the budget projection for both the County and Health Department. The County's portion is an unfavorable variance of (\$45,781) The County's active employees' favorable variance is \$10,465 and the retirees' unfavorable variance is (\$56,246). Discussion held.

Mr. Fuentes provide an update to the Public Improvement projects (attached). The Public Defender office construction work will begin in April. An amendment to the current MIDC grant will be submitted for the final contract amount.

Troy Stowell, Parks and Recreation Director, was present to discuss the Parks Commission recommendation to reallocate a proposed capital outlay project for culverts and drainage system to provide an expansion to the parking lot of 88 traditional spaces, 6 disabled parking spaces and 4 trailer pull through spaces. Mr. Stowell provided an update on the Crandell Park. This request does not increase the capital budget, but reallocates to a different project. Discussion held. Commissioner Augustine moved to approve the request to reallocate the budget to provide for the parking lot expansion. Commissioner Droscha seconded. Motion carried by unanimous roll call vote.

A renewal agreement for appraisal services was presented and discussed. Commissioner Brehler moved to approve the contract for appraisal services. Discussion held. Commissioner Droscha seconded. Motion carried by unanimous roll call vote.

A revised Interlocal agreement to Approve the Designated Assessor for Eaton County was presented. The State of Michigan required revisions to the original submission related to the designation being a County employee and a proposed fee schedule. The agreement was revised and sent to the local units for consideration and approval. Discussion held. Commissioner Augustine moved to recommend approval of the revised interlocal agreement. Commissioner Brehler seconded. Motion carried by unanimous roll call vote.

Mr. Fuentes requested the resolution to appoint the magistrate be discussed to accommodate the District Court Judges schedules. The Court is recommending the appointment of Attorney Heather Berkompas as the Attorney/Magistrate was presented. Judge O'Neill and Judge Morton spoke regarding their recommendation. Commissioner Droscha moved to recommend the appointment of Attorney Heather Berkompas as the Attorney/Magistrate. Commissioner Brehler seconded. Motion carried by unanimous roll call vote.

Mr. Fuentes presented a notice of public hearing to establish a Corridor Improvement Authority in Delta Township along with the development plans and proposed boundary of the district (attached). The public hearing is scheduled for Monday, March 15, 2021. The proposed tax capture district was discussed, which is proposed to be the area currently being developed, referred to as Delta Crossings. Discussion held.

Chairman Mulder adjourned the meeting at 10:43 for a short break.

The meeting reconvened at 10:49.

An analysis provided by the National Association of Counties of the Coronavirus State and Local Fiscal Recovery Fund under The American Rescue Plan Act of 2021 was presented. Mr. Fuentes highlighted the statutory language related to allowable and unallowable uses. Mr. Fuentes indicated the U.S. Department of Treasury will provide additional guidance in the future. There was discussion regarding Eaton County's allocation and establishing a work group to create a prioritization and plan for use of the funding. There was discussion regarding possible projects, grants or pass through funding for other agencies.

Commissioner Augustine moved to recommend approval of the payment of the claims against the County in the amount of \$333,635.55 and immediate claims in the amount of \$9,692,945.99 to the Board of Commissioners, as presented. Commissioner Pearl-Wright seconded. Motion carried by unanimous roll call vote.

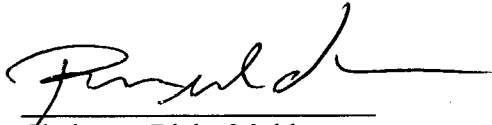
The 2021/2022 Personnel Expenditure estimates were presented. Discussion held. Department heads and elected officials are preparing revenue and expenditure requests for presentation at next month's meeting.

There was no Limited Public Comment.

Commissioner Mudry indicated he could be contacted regarding any questions related to Delta Crossings.

Chairperson Mulder adjourned the meeting at 11:19 a.m.

The next regular meeting of the Way and Means Committee will be held Friday, April 16, 2021, at 9:00 a.m.

  
Chairman Blake Mulder

**EATON COUNTY BOARD OF COMMISSIONERS**

**MARCH 17, 2021**

**RESOLUTION TO ACCEPT THE SEPTEMBER 30, 2020  
EATON COUNTY AUDIT**

**Introduced by the Ways and Means Committee**

**WHEREAS**, the firm of Rehmann completed an audit of Eaton County for the year ending September 30, 2020; and

**WHEREAS**, such audit and the recommendations included therein have been, reviewed by the Ways and Means Committee.

**NOW, THEREFORE, BE IT RESOLVED** that the Eaton County Board of Commissioners accept the September 30, 2020 Eaton County audit.

## **Independent Auditors' Communication with Those Charged with Governance**

Month xx, 2021

Board of Commissioners  
Eaton County, Michigan  
Charlotte, 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 **Eaton County, Michigan** (the "County") as of and for the year ended September 30, 2020, and have issued our report thereon dated Month xx, 2021. We did not audit the financial statements of the Eaton County Health and Rehabilitation Services enterprise fund or the Eaton County Road Commission discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements and this report, insofar as they relate to the Eaton County Health and Rehabilitation Services enterprise fund and the Eaton County Road Commission discretely presented component unit, are based solely on the reports of other auditors. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated January 7, 2021, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the County solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated Month xx, 2021.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on January 15, 2021.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

### **Qualitative Aspects of the County's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the County is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the 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 estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the pension and other postemployment benefits plans are based on historical trends and industry standards.

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

In addition, the financial statements include a net pension liability and other pension-related amounts, which are dependent on estimates made by the plan. These estimates are based on historical trends and industry standards but are not within the control of management.

#### **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the County's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in Attachment B to this letter.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the County's auditors.

### **Other Information in Documents Containing Audited Financial Statements**

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. 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.

### **Upcoming Changes in Accounting Standards**

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment A to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

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

Very truly yours,

## EATON COUNTY, MICHIGAN

### ■ Attachment A – Upcoming Changes in Accounting Standards / Regulations

For the September 30, 2020 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the County in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the County. For the complete text of these and other GASB standards, visit [www.gasb.org](http://www.gasb.org) and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

#### **GASB 84 ■ Fiduciary Activities**

*Effective 12/15/2020 (your FY 2021)*

This standard establishes new criteria for determining how to report fiduciary activities in governmental financial statements. The focus is on whether the government is controlling the assets, and who the beneficiaries are. Under this revised standard, certain activities previously reported in agency funds may be reclassified in future periods.

#### **GASB 87 ■ Leases**

*Effective 06/15/2022 (your 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.

#### **GASB 89 ■ Accounting for Interest Cost Incurred before the End of a Construction Period**

*Effective 12/15/2021 (your FY 2022)*

This standard eliminates the requirement for governments to capitalize interest during the construction period for business-type activities. As this simplifies the accounting for interest, early implementation is encouraged. We do not expect this standard to have any significant effect on the County.

#### **GASB 91 ■ Conduit Debt Obligations**

*Effective 12/15/2022 (your FY 2023)*

This standard defines "conduit debt obligations", where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is more likely than not that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the County.

#### **GASB 92 ■ Omnibus 2020**

*Effective 06/15/2022 (your FY 2022)*

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the County.

## EATON COUNTY, MICHIGAN

### ■ Attachment A – Upcoming Changes in Accounting Standards / Regulations For the September 30, 2020 Audit

#### **GASB 93 ■ Replacement of Interbank Offered Rates**

*Effective 06/15/2022 (your FY 2022)*

This standard provides guidance to governments with agreements with variable payments tied to LIBOR, and how to transition them to a new reference rate. We do not expect this standard to have any significant effect on the County.

#### **GASB 94 ■ Public-Private and Public-Public Partnerships and Availability Payment Arrangements**

*Effective 06/15/2023 (your FY 2023)*

This standard addresses accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. We do not expect this standard to have any significant effect on the County.

#### **GASB 96 ■ Subscription-Based Information Technology Arrangements**

*Effective 06/15/2023 (your FY 2023)*

This standard expands on the new guidance for leases and applies it to computer software contracts (subscriptions) with similar characteristics. Governments that subscribe to a vendor's IT software will now report offsetting intangible subscription assets and subscription liabilities equal to the present value of future subscription payments.

#### **GASB 97 ■ Certain Component Unit Criteria and IRC Section 457 Deferred Compensation Plans**

*Effective 06/15/2022 (your FY 2022)*

This standard amends the requirements for when to report defined contribution pension plans (such as 401k and 403b plans) as fiduciary component units, and how to account for Section 457 deferred compensation plans.

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## **EATON COUNTY, MICHIGAN**

### **Attachment B – Management Representations** For the September 30, 2020 Audit

The following pages contain the written representations that we requested from management.

Month //, 2021

Rehmann Robson  
2330 East Paris Ave. SE  
Grand Rapids, MI 49546

This representation letter is provided in connection with your audit of 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 **Eaton County, Michigan** (the "County"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the General Fund and each major special revenue fund of the County in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of Month //, 2021:

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 7, 2021, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
4. With respect to any assistance you provided in drafting the financial statements and related notes, we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;

- c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the service performed; and
  - e. Established and maintained internal controls, including monitoring ongoing activities.
- 5. We acknowledge our responsibility 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.
  - 6. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
  - 7. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
  - 8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
  - 9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
  - 10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
  - 11. With regard to items reported at fair value:
    - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
    - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
    - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
  - 12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
  - 13. All funds and activities are properly classified.
  - 14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
  - 15. All components of net position and fund balance classifications have been properly reported.
  - 16. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
  - 17. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
  - 18. All interfund and intra-entity transactions and balances have been properly classified and reported.

19. Deposit and investment risks have been properly and fully disclosed.
20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
21. All required supplementary information is measured and presented within the prescribed guidelines.
22. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
23. We are responsible for the fair presentation of the County's net pension liability as calculated by the Municipal Employees' Retirement System of Michigan (MERS) and related amounts. We provided MERS with complete and accurate information regarding the County's participation in the plan, and have reviewed the information provided by MERS for inclusion in the County's financial statements.
24. In response to the novel coronavirus outbreak (COVID-19), the Governor issued various temporary Executive Orders that, among other stipulations, effectively prohibited in-person work activities for most businesses and industries including non-essential government services, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak is disrupting and affecting the County's normal activities. The extent of the ultimate impact of the pandemic on the County's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the government for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the County's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

### Information Provided

25. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
26. All transactions have been recorded in the accounting records and are reflected in the financial statements.
27. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
28. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.

29. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
30. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
31. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
32. We have a process to track the status of audit findings and recommendations.
33. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
34. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
35. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
36. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
37. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
38. The County has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
39. We have disclosed to you all guarantees, whether written or oral, under which the County is contingently liable.
40. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
41. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
42. The County has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
43. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

44. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

#### **Supplementary Information in Relation to the Financial Statements as a Whole**

45. With respect to the supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

#### **Required Supplementary Information**

46. With respect to the required supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

#### **Uniform Guidance (2 CFR 200)**

47. With respect to federal awards, we represent the following to you:
- a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
  - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
  - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.

- d. The methods of measurement or presentation have not changed from those used in the prior period.
- e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- g. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- h. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- i. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- j. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
- k. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- l. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- m. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- n. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- o. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- p. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance.

- q. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- s. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- u. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- v. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- w. The reporting package does not contain protected personally identifiable information.
- x. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- y. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- z. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

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John F. Fuentes, Controller / Administrator

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Connie L. Sobie, Deputy Controller / Administrator

**WAYS & MEANS COMMITTEE**  
**Positions Update**  
**3/12/2021**

| <u>DEPARTMENT</u>     | <u>POSITION OPENING</u>                      | <u>STATUS</u> | <u>GRADE</u> |
|-----------------------|----------------------------------------------|---------------|--------------|
| Community Development | Administrative Assistant - Veterans Services | Posted        | Grade 3      |
| Controller's Office   | Accountant                                   | Reviewing     | Grade 7      |
| County Clerk          | Deputy County Clerk                          | Filled        | Grade 2      |
|                       | Deputy Court Clerk                           | Interviewing  | Grade 2      |
| Drain Office          | Administrative Assistant                     | Interviewing  | Grade 3      |
| Prosecutor's Office   | Legal Assistant                              | Filled        | Grade 3      |
| Sheriff's Office      | Corrections Deputy                           | Interviewing  | Union        |
|                       | Corrections Deputy                           | Interviewing  | Union        |
|                       | Registered Nurse - Jail                      | On-Hold       | Grade 9      |
|                       | Deputy                                       | Interviewing  | Union        |
|                       | Deputy                                       | Interviewing  | Union        |
| Trial Court           | Juvenile Deputy Register                     | Filled        | Grade 3      |

**CURRENT POSITION OPENINGS:**

|                   |                                                   |             |          |
|-------------------|---------------------------------------------------|-------------|----------|
| Central Dispatch  | Public Safety Telecommunicator                    | Recommended | Union    |
| Resource Recovery | Part-Time Educational Assistant                   | Recommended | Grade 4  |
| Sheriff's Office  | Deputy                                            | Recommended | Union    |
|                   | Corrections Deputy                                | Recommended | Union    |
|                   | Administrative Services Assistant                 | Recommended | Grade 4  |
| Trial Court       | Friend of the Court Administrative Assistant      | Recommended | Grade 3  |
|                   | Probate Register                                  | Recommended | Grade 6  |
|                   | Part-Time Attorney Magistrate                     | Recommended | Grade 10 |
|                   | Friend of the Court Investigator/Conciliator      | Recommended | Grade 7  |
|                   | (Position is currently intermittent 19-20 hrs/wk) |             |          |

Eaton County  
**All: Blue Cross Claims Analysis -- January 1, 2021 Through December 31, 2021**  
**ALL COUNTY AND BEDHD ACTIVE EMPLOYEES AND RETIREES**

|                                    |             |
|------------------------------------|-------------|
| <b>Worst Case Scenario:</b>        |             |
| Contracts at Renewal               | 444         |
| Adm Fee                            | \$63.64     |
| Specific and Aggregate Stop Loss*  | \$356.98    |
| Attachment Point                   | \$14,085.00 |
| <b>TOTAL WORST CASE (MED ONLY)</b> |             |

\* Specific Deductible Is: \$55,000

|                              |             |
|------------------------------|-------------|
| Fixed Costs                  | \$2,241,063 |
| Maximum Aggregate Liability: | \$6,253,740 |
| Total Worst Case Medical:    | \$8,494,803 |

| Date              | Blue Cross       | Blue Shield      | Drug             | Stop Loss    | Medical Totals   | Vision       | MI Tax       | Contracts | QTR Adj | Fixd Costs       | Amount Pd        | Qtrly Totals      |
|-------------------|------------------|------------------|------------------|--------------|------------------|--------------|--------------|-----------|---------|------------------|------------------|-------------------|
| Jan-21            | \$162,708        | \$143,346        | \$129,282        | \$0          | \$435,336        | \$0          | \$0          | 459       |         | \$193,065        | \$628,401        |                   |
| Feb-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |         | \$0              | \$0              |                   |
| Mar-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |         | \$0              | \$0              | \$628,401 1st Qtr |
| Apr-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |         | \$0              | \$0              |                   |
| May-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |         | \$0              | \$0              |                   |
| Jun-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |         | \$0              | \$0              | \$0 2nd Qtr       |
| Jul-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |         | \$0              | \$0              |                   |
| Aug-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |         | \$0              | \$0              |                   |
| Sep-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |         | \$0              | \$0              | \$0 3rd Qtr       |
| Oct-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |         | \$0              | \$0              |                   |
| Nov-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |         | \$0              | \$0              |                   |
| Dec-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |         | \$0              | \$0              | \$0 4th Qtr       |
| <b>Totals</b>     | <b>\$162,708</b> | <b>\$143,346</b> | <b>\$129,282</b> | <b>\$0</b>   | <b>\$435,336</b> | <b>\$0</b>   | <b>\$0</b>   |           |         | <b>\$193,065</b> | <b>\$628,401</b> |                   |
| <b>% Of Total</b> | <b>25.89%</b>    | <b>22.81%</b>    | <b>20.57%</b>    | <b>0.00%</b> | <b>69.28%</b>    | <b>0.00%</b> | <b>0.00%</b> |           |         | <b>30.72%</b>    | <b>100.00%</b>   |                   |

| 2021 BUDGET               |           |                |
|---------------------------|-----------|----------------|
| Expected Cost \$7,174,243 |           |                |
| Comp To Budg              | Budget    | Surp/(Def) YTD |
| Jan-21                    | \$597,854 | (\$30,547)     |
| Feb-21                    | \$0       | (\$30,547)     |
| Mar-21                    | \$0       | (\$30,547)     |
| Apr-21                    | \$0       | (\$30,547)     |
| May-21                    | \$0       | (\$30,547)     |
| Jun-21                    | \$0       | (\$30,547)     |
| Jul-21                    | \$0       | (\$30,547)     |
| Aug-21                    | \$0       | (\$30,547)     |
| Sep-21                    | \$0       | (\$30,547)     |
| Oct-21                    | \$0       | (\$30,547)     |
| Nov-21                    | \$0       | (\$30,547)     |
| Dec-21                    | \$0       | (\$30,547)     |

| Reconciliation |          |            |
|----------------|----------|------------|
| County         | BEDHD    | Total      |
| (\$45,781)     | \$15,234 | (\$30,547) |

Eaton County  
All: Blue Cross Claims Analysis -- January 1, 2021 Through December 31, 2021  
 ALL COUNTY ACTIVE EMPLOYEES AND RETIREES

**Worst Case Scenario:**

Contracts at Renewal 414  
 Adm Fee \$63.64  
 Specific and Aggregate Stop Loss\* \$356.98  
 Attachment Point \$14,085.00

\* Specific Deductible Is: \$55,000

| Date              | Blue Cross       | Blue Shield      | Drug             | Stop Loss    | Medical Total    | Vision       | MI Tax       | Contracts | Adjustments | Fixd Costs       | Amount Pd        | Qtrly Totals |
|-------------------|------------------|------------------|------------------|--------------|------------------|--------------|--------------|-----------|-------------|------------------|------------------|--------------|
| Jan-21            | \$158,826        | \$138,342        | \$126,441        | \$0          | \$423,609        | \$0          | \$0          | 428       |             | \$180,025        | \$603,634        |              |
| Feb-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |             | \$0              | \$0              |              |
| Mar-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |             | \$0              | \$0              | 1st Qtr      |
| Apr-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |             | \$0              | \$0              |              |
| May-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |             | \$0              | \$0              |              |
| Jun-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |             | \$0              | \$0              | 2nd Qtr      |
| Jul-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |             | \$0              | \$0              |              |
| Aug-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |             | \$0              | \$0              |              |
| Sep-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |             | \$0              | \$0              | 3rd Qtr      |
| Oct-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |             | \$0              | \$0              |              |
| Nov-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |             | \$0              | \$0              |              |
| Dec-21            | \$0              | \$0              | \$0              | \$0          | \$0              | \$0          | \$0          | 0         |             | \$0              | \$0              | 4th Qtr      |
| <b>Totals</b>     | <b>\$158,826</b> | <b>\$138,342</b> | <b>\$126,441</b> | <b>\$0</b>   | <b>\$423,609</b> | <b>\$0</b>   | <b>\$0</b>   |           |             | <b>\$180,025</b> | <b>\$603,634</b> |              |
| <b>% Of Total</b> | <b>26.31%</b>    | <b>22.92%</b>    | <b>20.95%</b>    | <b>0.00%</b> | <b>70.18%</b>    | <b>0.00%</b> | <b>0.00%</b> |           |             | <b>29.82%</b>    | <b>100.00%</b>   |              |

| 2020 BUDGET   |           |            |
|---------------|-----------|------------|
| Expected Cost |           |            |
| \$6,694,243   |           |            |
| Comp To Budg  | Budget    | Surp/(Def) |
| Jan-21        | \$557,854 | (\$45,781) |
| Feb-21        | \$0       | (\$45,781) |
| Mar-21        | \$0       | (\$45,781) |
| Apr-21        | \$0       | (\$45,781) |
| May-21        | \$0       | (\$45,781) |
| Jun-21        | \$0       | (\$45,781) |
| Jul-21        | \$0       | (\$45,781) |
| Aug-21        | \$0       | (\$45,781) |
| Sep-21        | \$0       | (\$45,781) |
| Oct-21        | \$0       | (\$45,781) |
| Nov-21        | \$0       | (\$45,781) |
| Dec-21        | \$0       | (\$45,781) |
|               |           | YTD        |

Eaton County  
**All: Blue Cross Claims Analysis -- January 1, 2021 Through December 31, 2021**  
**EATON COUNTY ACTIVE EMPLOYEES**

**Worst Case Scenario:**

Contracts at Renewal  
 Adm Fee 270  
           \$63.64  
 Specific and Aggregate Stop Loss\*  
           \$356.98  
 Attachment Point  
           \$14,085.00

\* Specific Deductible Is: \$55,000

| Date              | Blue Cross      | Blue Shield      | Drug            | Stop Loss    | Medical Total    | Vision       | MI Tax       | Contracts | Adj | Fixd Costs       | Amount Pd        | Qtrly Totals      |
|-------------------|-----------------|------------------|-----------------|--------------|------------------|--------------|--------------|-----------|-----|------------------|------------------|-------------------|
| Jan-21            | \$80,003        | \$107,161        | \$69,910        | \$0          | \$257,074        | \$0          | \$0          | 284       |     | \$119,456        | \$376,530        |                   |
| Feb-21            | \$0             | \$0              | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0              | \$0              |                   |
| Mar-21            | \$0             | \$0              | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0              | \$0              | \$376,530 1st Qtr |
| Apr-21            | \$0             | \$0              | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0              | \$0              |                   |
| May-21            | \$0             | \$0              | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0              | \$0              |                   |
| Jun-21            | \$0             | \$0              | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0              | \$0              |                   |
| Jul-21            | \$0             | \$0              | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0              | \$0              | \$0 2nd Qtr       |
| Aug-21            | \$0             | \$0              | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0              | \$0              |                   |
| Sep-21            | \$0             | \$0              | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0              | \$0              |                   |
| Oct-21            | \$0             | \$0              | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0              | \$0              |                   |
| Nov-21            | \$0             | \$0              | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0              | \$0              |                   |
| Dec-21            | \$0             | \$0              | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0              | \$0              |                   |
| <b>Totals</b>     | <b>\$80,003</b> | <b>\$107,161</b> | <b>\$69,910</b> | <b>\$0</b>   | <b>\$257,074</b> | <b>\$0</b>   | <b>\$0</b>   |           |     | <b>\$119,456</b> | <b>\$376,530</b> |                   |
| <b>% Of Total</b> | <b>21.25%</b>   | <b>28.46%</b>    | <b>18.57%</b>   | <b>0.00%</b> | <b>68.27%</b>    | <b>0.00%</b> | <b>0.00%</b> |           |     | <b>31.73%</b>    | <b>100.00%</b>   |                   |

| 2021 BUDGET                  |           |            |                   |
|------------------------------|-----------|------------|-------------------|
| Expected Cost<br>\$4,643,947 |           |            |                   |
| Comp To Budg                 |           |            |                   |
|                              | Budget    | Surp/(Def) | Surp/(Def)<br>YTD |
| Jan-21                       | \$386,996 | \$10,465   | \$10,465          |
| Feb-21                       | \$0       | \$0        | \$10,465          |
| Mar-21                       | \$0       | \$0        | \$10,465          |
| Apr-21                       | \$0       | \$0        | \$10,465          |
| May-21                       | \$0       | \$0        | \$10,465          |
| Jun-21                       | \$0       | \$0        | \$10,465          |
| Jul-21                       | \$0       | \$0        | \$10,465          |
| Aug-21                       | \$0       | \$0        | \$10,465          |
| Sep-21                       | \$0       | \$0        | \$10,465          |
| Oct-21                       | \$0       | \$0        | \$10,465          |
| Nov-21                       | \$0       | \$0        | \$10,465          |
| Dec-21                       | \$0       | \$0        | \$10,465          |

**Eaton County**  
**All: Blue Cross Claims Analysis -- January 1, 2021 Through December 31, 2021**  
**EATON COUNTY RETIREES**

**Worst Case Scenario:**

Contracts at Renewal  
 Adm Fee 144  
 \$63.64  
 Specific and Aggregate Stop Loss\*  
 Attachment Point \$356.98  
 \$14,085.00

\* Specific Deductible Is: \$55,000

| Date              | Blue Cross      | Blue Shield     | Drug            | Stop Loss    | Medical Total    | Vision       | MI Tax       | Contracts | Adj | Fixd Costs      | Amount Pd        | Qtrly Totals      |
|-------------------|-----------------|-----------------|-----------------|--------------|------------------|--------------|--------------|-----------|-----|-----------------|------------------|-------------------|
| Jan-21            | \$78,823        | \$31,181        | \$56,531        | \$0          | \$166,535        | \$0          | \$0          | 144       |     | \$60,569        | \$227,104        |                   |
| Feb-21            | \$0             | \$0             | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0             | \$0              |                   |
| Mar-21            | \$0             | \$0             | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0             | \$0              | \$227,104 1st Qtr |
| Apr-21            | \$0             | \$0             | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0             | \$0              |                   |
| May-21            | \$0             | \$0             | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0             | \$0              |                   |
| Jun-21            | \$0             | \$0             | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0             | \$0              | \$0 2nd Qtr       |
| Jul-21            | \$0             | \$0             | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0             | \$0              |                   |
| Aug-21            | \$0             | \$0             | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0             | \$0              |                   |
| Sep-21            | \$0             | \$0             | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0             | \$0              | \$0 3rd Qtr       |
| Oct-21            | \$0             | \$0             | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0             | \$0              |                   |
| Nov-21            | \$0             | \$0             | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0             | \$0              |                   |
| Dec-21            | \$0             | \$0             | \$0             | \$0          | \$0              | \$0          | \$0          |           |     | \$0             | \$0              | \$0 4th Qtr       |
| <b>Totals</b>     | <b>\$78,823</b> | <b>\$31,181</b> | <b>\$56,531</b> | <b>\$0</b>   | <b>\$166,535</b> | <b>\$0</b>   | <b>\$0</b>   |           |     | <b>\$60,569</b> | <b>\$227,104</b> |                   |
| <b>% of Total</b> | <b>34.71%</b>   | <b>13.73%</b>   | <b>24.89%</b>   | <b>0.00%</b> | <b>73.33%</b>    | <b>0.00%</b> | <b>0.00%</b> |           |     | <b>26.67%</b>   | <b>100.00%</b>   |                   |

| 2021 BUDGET   |            |                |
|---------------|------------|----------------|
| Expected Cost |            |                |
| \$2,050,296   |            |                |
| Comp To Budg  |            |                |
| Budget        | Surp/(Def) | Surp/(Def) YTD |
| Jan-21        | \$170,858  | (\$56,246)     |
| Feb-21        | \$0        | (\$56,246)     |
| Mar-21        | \$0        | (\$56,246)     |
| Apr-21        | \$0        | (\$56,246)     |
| May-21        | \$0        | (\$56,246)     |
| Jun-21        | \$0        | (\$56,246)     |
| Jul-21        | \$0        | (\$56,246)     |
| Aug-21        | \$0        | (\$56,246)     |
| Sep-21        | \$0        | (\$56,246)     |
| Oct-21        | \$0        | (\$56,246)     |
| Nov-21        | \$0        | (\$56,246)     |
| Dec-21        | \$0        | (\$56,246)     |

Eaton County  
**All: Blue Cross Claims Analysis -- January 1, 2021 Through December 31, 2021**  
**BEDHD ACTIVE EMPLOYEES AND RETIREES**

**Worst Case Scenario:**

Contracts at Renewal 29  
 Adm Fee \$63.64  
 Specific and Aggregate Stop Loss\* \$356.98  
 Attachment Point \$14,085.00

\* Specific Deductible Is: \$55,000

| Date              | Blue Cross        | Blue Shield    | Drug           | Stop Loss    | Medical Total   | MI Tax       | Contracts | Adjustments | Fixd Costs      | Amount Pd       | Qtrly Totals     |
|-------------------|-------------------|----------------|----------------|--------------|-----------------|--------------|-----------|-------------|-----------------|-----------------|------------------|
| Jan-21            | \$3,882           | \$5,004        | \$2,841        | \$0          | \$11,727        | \$0          | 31        |             | \$13,039        | \$24,766        |                  |
| Feb-21            | \$0               | \$0            | \$0            | \$0          | \$0             | \$0          | 0         |             | \$0             | \$0             |                  |
| Mar-21            | \$0               | \$0            | \$0            | \$0          | \$0             | \$0          | 0         |             | \$0             | \$0             | \$24,766 1st Qtr |
| Apr-21            | \$0               | \$0            | \$0            | \$0          | \$0             | \$0          | 0         |             | \$0             | \$0             |                  |
| May-21            | \$0               | \$0            | \$0            | \$0          | \$0             | \$0          | 0         |             | \$0             | \$0             |                  |
| Jun-21            | \$0               | \$0            | \$0            | \$0          | \$0             | \$0          | 0         |             | \$0             | \$0             | \$0 2nd Qtr      |
| Jul-21            | \$0               | \$0            | \$0            | \$0          | \$0             | \$0          | 0         |             | \$0             | \$0             |                  |
| Aug-21            | \$0               | \$0            | \$0            | \$0          | \$0             | \$0          | 0         |             | \$0             | \$0             |                  |
| Sep-21            | \$0               | \$0            | \$0            | \$0          | \$0             | \$0          | 0         |             | \$0             | \$0             | \$0 3rd Qtr      |
| Oct-21            | \$0               | \$0            | \$0            | \$0          | \$0             | \$0          | 0         |             | \$0             | \$0             |                  |
| Nov-21            | \$0.00            | \$0            | \$0            | \$0          | \$0             | \$0          | 0         |             | \$0             | \$0             |                  |
| Dec-21            | \$0.00            | \$0            | \$0            | \$0          | \$0             | \$0          | 0         |             | \$0             | \$0             | \$0 4th Qtr      |
| <b>Totals</b>     | <b>\$3,882.10</b> | <b>\$5,004</b> | <b>\$2,841</b> | <b>\$0</b>   | <b>\$11,727</b> | <b>\$0</b>   |           |             | <b>\$13,039</b> | <b>\$24,766</b> |                  |
| <b>% Of Total</b> | <b>15.67%</b>     | <b>20.20%</b>  | <b>11.47%</b>  | <b>0.00%</b> | <b>47.35%</b>   | <b>0.00%</b> |           |             | <b>52.65%</b>   | <b>100.00%</b>  |                  |

| 2021 BUDGET<br>Expected Cost<br>\$480,000 |            |          | Surp/(Def)<br>YTD |
|-------------------------------------------|------------|----------|-------------------|
| Comp To Budg                              |            |          |                   |
| Budget                                    | Surp/(Def) |          |                   |
| Jan-21                                    | \$40,000   | \$15,234 | \$15,234          |
| Feb-21                                    | \$0        | \$0      | \$15,234          |
| Mar-21                                    | \$0        | \$0      | \$15,234          |
| Apr-21                                    | \$0        | \$0      | \$15,234          |
| May-21                                    | \$0        | \$0      | \$15,234          |
| Jun-21                                    | \$0        | \$0      | \$15,234          |
| Jul-21                                    | \$0        | \$0      | \$15,234          |
| Aug-21                                    | \$0        | \$0      | \$15,234          |
| Sep-21                                    | \$0        | \$0      | \$15,234          |
| Oct-21                                    | \$0        | \$0      | \$15,234          |
| Nov-21                                    | \$0        | \$0      | \$15,234          |
| Dec-21                                    | \$0        | \$0      | \$15,234          |

Ways and Means Committee Meeting  
March 12, 2021

|            | 2020/2021                                                 | BUDGET     | ADJUSTMEN<br>& RESERVES | ADJUSTED<br>BUDGET | EXPENSES | BALANCE      |
|------------|-----------------------------------------------------------|------------|-------------------------|--------------------|----------|--------------|
| 0001.01.21 | Complex - Roof Maintenance                                | \$ 5,000   |                         | \$ 5,000           |          | \$ 5,000     |
| 0001.02.21 | Complex - Control Upgrade                                 | 5,000      |                         | 5,000              |          | \$ 5,000     |
| 0001.03.21 | Complex - Concrete                                        | 5,000      |                         | 5,000              |          | \$ 5,000     |
| 0001.04.21 | Complex - Parking Maintenance                             | 5,000      |                         | 5,000              |          | \$ 5,000     |
|            |                                                           |            |                         |                    |          |              |
| 1025.13.21 | Jail - Shower Improvements                                |            | 175,000                 | 175,000            | 8,048    | \$ 166,952   |
| 1033.08.21 | Health Dept - Parking Lot Paving                          |            | 70,000                  | 70,000             |          | \$ 70,000    |
| 0551.09.21 | 551 Bldg - Parking Lot Paving                             |            | 100,000                 | 100,000            |          | \$ 100,000   |
| 1033.10.21 | Health Dept - Indigent Defense Office Remodel             |            | 100,000                 | 100,000            | 19,125   | \$ 80,875    |
| 1045.11.21 | Courthouse - Domestic Water Heater Replacement            |            | 20,000                  | 20,000             |          | \$ 20,000    |
|            |                                                           |            |                         |                    |          | \$ -         |
|            |                                                           |            |                         |                    |          |              |
|            |                                                           |            |                         |                    |          |              |
|            |                                                           |            |                         |                    |          |              |
| 0822.05.21 | Youth Facility - Rooftop Replacements                     |            | 35,000                  |                    |          | \$ 35,000    |
| 1045.06.21 | Technology Services - Generator 2019 (CH)                 | -          | 285,000                 |                    |          | \$ 285,000   |
| 1025.07.21 | Sheriff Bldg - Fire Alarm Upgrade Phase II                | 55,000     | 113,500                 |                    |          | \$ 168,500   |
| Reserves   | Animal Control/Maint. - Parking Lot Paving (2nd of 4 yrs) | 20,000     | 25,000                  |                    |          | \$ 45,000    |
| Reserves   | Central Dispatch - Parking Lot Paving (2nd of 4 yrs)      | 20,000     | 20,000                  |                    |          | \$ 40,000    |
| Reserves   | Health Dept - Window Upgrade (2nd of 5 yrs)               | 10,000     | 10,000                  |                    |          | \$ 20,000    |
| Reserves   | Sheriff/Jail - Sewage Grinder Replacement (1st of 2 yrs)  | -          | 10,000                  |                    |          | \$ 10,000    |
|            |                                                           |            |                         |                    |          |              |
|            |                                                           |            |                         |                    |          |              |
|            |                                                           |            |                         |                    |          |              |
|            |                                                           |            |                         |                    |          |              |
|            | TOTAL PROPOSED EXPENDITURES                               | \$ 125,000 | \$ 963,500              | \$ 485,000         | 27,173   | \$ 1,061,327 |
|            |                                                           |            |                         |                    |          |              |
|            | 245,901,000.970.000                                       |            |                         |                    |          |              |
|            |                                                           |            |                         |                    |          |              |

## **RENEWAL AGREEMENT TO PROVIDE APPRAISAL SERVICES**

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THIS AGREEMENT made this 18th day of March, by and between the COUNTY OF Eaton, STATE OF MICHIGAN, hereinafter referred to as the County; and **Accurate**, hereinafter referred to as the Consultant.

### **1. TERM/INDEPENDENT CONTRACTOR SERVICES**

The County shall retain the services of Consultant for a term of one (1) year beginning March 18th, 2021, and terminating March 18th, 2022. During the term of this agreement, Consultant shall provide Independent Contractor Services to the County as set forth in this Agreement. This contract will automatically renew every year unless written notice is given by either party stating they don't want to continue the contract with a 30 days notice.

### **2. COMPENSATION**

The County will compensate the Consultant for the 2021 contract year for services pursuant to this Agreement as follows:

All Real Properties @ \$55 per parcel.

The numbers of parcels to be appraised are as follows up to 410. The maximum cost of the contract is \$22,550.

Minimum of 10% of class in the Ag, Comm, and Ind to be appraised, as well as Residential ECF's.

In the event that the sales studies can be utilized in the above-mentioned class, the number of parcels referenced may be reduced.  
The Consultant shall issue a voucher for services rendered.

### **3. PERFORMANCE STANDARDS**

In performing Services under this Agreement, Consultant shall:

- a) Act in good faith, with diligence and in the best interests of the County; and
- b) Devote as much of his time as necessary to perform the services necessary to fulfill the duties and obligations pursuant to this Agreement.

### **4. INDEPENDENT CONTRACTOR**

In the performance of the services to be rendered pursuant to this Agreement, it is mutually understood and agreed that Consultant shall be at all times acting and performing as an independent contractor. Nothing in this Agreement is intended to create an employer/employee relationship or joint venture relationship between the parties.

The parties agree that the Consultant is not an employee of the County, and not eligible for any compensation, fringe benefits, pension, workers'

compensation, sickness or health insurance benefits or other similar benefits accorded employees of the County. The parties agree that the County will not withhold any sums for income tax, unemployment insurance, social security, or any other withholding pursuant to any law or requirement of any governmental body.

## **5. RESPONSIBILITIES OF CONSULTANT**

The Consultant shall be responsible for performing all necessary and required functions including, but not limited to:

- a) Maintaining a Level II State Certified Assessing License or higher.
- b) The Consultant shall field inspect, photograph all buildings, interview the property owner, if possible, and input all pertinent data into software appraisal program. Properties to be inspected will be chosen by the Consultant and verified by the Equalization Director.
- c) The Consultant shall, interview the property owner of the property that has sold, and any pertinent information to be used for the income approach to value.
- d) The Consultant shall utilize appraisal software as determined by the County; specifically BS&A Software, dot net, all drawings entered into apex software and pictures attached.
- e) **The consultant is responsible for all software license costs such as BS & A and apex.**
- f) The Consultant shall utilize Volume one and two of the Michigan Assessor's Manual or current version of BS&A Software for the valuation of all classes.
- g) The Consultant shall make himself available during the month of November & December to review appraisals as requested by local assessors.
- h) **The Consultant is responsible for using their own vehicle for fieldwork and maintaining their own insurance coverage.**

The Consultant shall hold the County and its officers harmless from all claims, demands, payments, suits, actions, recoveries, and judgements of every kind and description brought or recovered against Consultant by reason of any act or omission of Consultant.

## **6. RESPONSIBILITIES OF COUNTY**

County shall indemnify and hold the Consultant harmless for claims, demands, payments, suits, actions, recoveries and judgments of every kind and description brought against Consultant for any act or omission of Consultant, its agents or employees which fall within the scope and course of the services to be provided by Consultant under this Agreement and occurring while Consultant is engaged in the execution and performance of such services.

The County will continue to employ members of the Equalization staff to complete all tasks as directed by the Consultant, including, but not limited to:

- 1) Preparation of tax maps, appraisal cards, deeds, and descriptions for properties to be appraised in each classification.

## **7. COMPLIANCE WITH CONSTITUTION, LAWS, AND RULES**

All work and services rendered in connection with this project shall be performed in accordance with the Constitution and laws of the State of Michigan, the rules and regulations established by the State Tax Commission and published in its four (4) volume Assessors Manual, the Michigan Tax Tribunal rules, and any additional revisions and updates of these above mentioned items throughout the term of this agreement, as well as any collective bargaining agreement in effect for County employees.

#### **8. NONDISCRIMINATION**

Consultant shall not discriminate against a person to be served or employee or applicant for employment because of race, color, age, sex, sexual preference, handicap, height, weight, marital status, political affiliation or beliefs.

#### **9. TITLE TO RECORDS**

The County shall have exclusive right, title and interest to any and all records, documents, papers, maps or other data pertaining to or prepared pursuant to the contract.

#### **10. RETURN OF COUNTY RECORDS & EQUIPMENT UPON TERMINATION**

Upon termination or completion of the project, Consultant shall turn over to the County all records and equipment of the County within five (5) days of such termination or completion.

#### **11. NON-EXCLUSIVITY**

Consultant warrants that he is, and holds himself out to the public as, an independent contractor engaged in the business of providing services such as those to be provided to the County pursuant to this Agreement. Nothing in this Agreement prohibits the Consultant from providing such services, or other services within the consultant's expertise, to other individuals or entities, provided that consultant shall not engage in the provision of services to others which constitute a conflict of interest for the consultant or which violate applicable law.

#### **12. COMPLETENESS OF AGREEMENT**

The agreement and any additional or supplementary documents incorporated herein by specific reference contains all of the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement or any part thereof shall have any validity or bind any of the parties hereto unless in writing and signed by the County and Consultant.

#### **13. GOVERNING LAW**

This Agreement and any dispute arising under it or in any way related to it, shall be interpreted and/or governed, as the case may be, by the laws of the State of Michigan. In case of any such dispute, the parties agree to resolution of such dispute by means of binding arbitration conducted pursuant to the rules of the American Arbitration Association then in effect. Upon the rendition of an award in any such arbitration, the parties agree that judgment may be entered thereon in any court of competent jurisdiction.

**14. TIME FRAME**

The Consultant shall have all residential/agricultural appraisals completed and the necessary and required documentation to the County Equalization Director no later than Sept 30, 2021. Commercial/Industrial appraisals shall be completed no later than Oct. 30, 2021.

**15. TERMINATION**

The agreement may be terminated by either party without cause on thirty (30) days notice sent certified mail to the other party. After receiving notice of termination, the Consultant shall complete all normal appraisal tasks during the notice period, and the County shall make prompt payment of the fee for such services.

In the event of termination prior to the normal expiration date, the terminating party shall hold harmless the other party to the agreement as to any and all continued performance after the date of termination. In the event that the terminating party should require some further service or services, then the party performing such service or services shall be entitled to renegotiate a fee for such performance based upon their prevailing consultant fee.

IN WITNESS WHEREOF, an authorized representative of the County of Eaton, State of Michigan, acting on behalf of said County and Accurate, have signed this agreement.

WITNESS

COUNTY OF EATON, STATE OF MICHIGAN

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By: \_\_\_\_\_

Contractor

---

By: \_\_\_\_\_

## **Inter-local Agreement for Eaton County to Approve the Designated Assessor for the period January 1, 2021 through December 31, 2025**

Public Act 660 of 2018 requires a county to have a Designated Assessor on file with the State Tax Commission as of December 31, 2020. Accordingly, the following inter-local agreement (hereinafter "AGREEMENT") has been executed by the Board of Commissioners for Eaton County, a majority of the assessing districts in Eaton County, and the individual put forth as the proposed Designated Assessor Eaton County and the Assessing Districts are collectively referred to throughout this AGREEMENT as the "Parties."

### **RECITALS**

WHEREAS, The Assessing Districts are Municipal Corporations located within the County of Eaton, in the State of Michigan;

WHEREAS, The Michigan Constitution of 1963, Article 7, Section 28 permits a political subdivision to exercise jointly with any other political subdivision any power, privilege or authority which such political subdivisions share in common with each other and which each might exercise separately;

WHEREAS, The Urban Cooperation Act of 1967, being MCL 124.505 *et seq*, and the Intergovernmental Transfer of Functions and Responsibilities Act, give effect to the Constitutional provision by providing that public agencies may enter into interlocal agreements to carry out their respective functions, powers and authority;

WHEREAS, P.A. 660 of 2018 requires each County to enter into an AGREEMENT that designates the individual who will serve as the County's Designated Assessor. That inter-local agreement must be approved by the County Board and a majority of the assessing districts in the County.

WHEREAS, P.A. 660 of 2018 mandates that the Designated Assessor shall be an advanced assessing officer or a master assessing officer.

NOW, THEREFORE, based on the foregoing Recitals, and in consideration of the terms of this Agreement, the Members agree as follows:

### **BACKGROUND INFORMATION**

Eaton County proposes that Timothy Vandermark (R- 7793) serve as the Designated Assessor for the following assessing districts within Eaton County: Bellevue Township, Benton Charter Township, Brookfield Township, Carmel Township, Chester Township, Delta Charter Township, Eaton Township, Eaton Rapids Township, Hamlin Township, Kalamo Township, Oneida Charter Township, Roxand Township, Sunfield Township, Vermontville Township, Walton Township, Windsor Charter Township, City of Charlotte, City of Eaton Rapids, , City of Grand Ledge, City of Olivet and City of Potterville included as an addendum to this AGREEMENT are the Eaton County SEV totals by class, including special act values, those properties deemed unique or

complex by a local assessing district, and a listing of the total number of parcels, by classification, including special act rolls, within each assessing district.

Once the designated assessor process is invoked, the Parties agree that the Designated Assessor will perform the duties associated with being the assessor of record for an assessing district at the following location: Eaton County Equalization Department, 1045 Independence Blvd, Charlotte, MI. The Parties further agree that specific hours will be negotiated as part of the employment contract to be executed in the event an assessing district is subject to the designated assessor process.

### **QUALIFICATIONS OF DESIGNATED ASSESSOR**

Included as an addendum to this AGREEMENT, the Eaton County Board of Commissioners has received and reviewed the following documents provided by the Designated Assessor:

1. Resume, curriculum vitae, or other documents providing the Designated Assessor's current employment status as well as additional and specific details regarding the Designated Assessor's current assessing or equalization responsibilities and local unit assessing experience as it relates to being approved as the Designated Assessor for Eaton County.
2. Disclosure of any conflicts of the interest involving the proposed Designated Assessor, the County, or any assessing district, if applicable.

It is understood that the individual identified as the Designated Assessor in this AGREEMENT will, during the length of this agreement, maintain their assessor certification in good standing with the State Tax Commission and when required to serve as the Designated Assessor for an assessing district in Eaton County shall act as the Assessor of Record for that assessing district. When acting as the Assessor of Record for an assessing district, the Designated Assessor shall meet all the requirements as set forth by the State Tax Commission's *Supervising Preparation of the Assessment Roll* approved by the State Tax Commission August 21, 2018.

Any additional requirements that are agreed to by the Designated Assessor, the County and the Assessing Districts may not conflict with the State Tax Commission's *Supervising Preparation of the Rolls*.

### **DUTIES AND RESPONSIBILITIES OF DESIGNATED ASSESSOR**

The Designated Assessor, while serving as the assessor of record for an assessing district within Eaton County, shall satisfy all requirements contained State Tax Commission's *Supervising Preparation of the Assessment Roll* approved by the State Tax Commission August 21, 2018.

Within days of being appointed as the Designated Assessor for the assessing district, the Designated Assessor shall prepare and transmit to the assessing district's supervisor, manager, or chief executive a detailed proposal, including a schedule for delivery of documents, to correct deficiencies identified by the State Tax Commission's audit.

The Parties agree that the Designated Assessor, while serving as the assessor of record for an assessing district within Eaton County, shall:

1. Attend all March, July and December Board of Review meetings.
2. Costs incurred in appeals to the Michigan Tax Tribunal (i.e., appraisal costs, expert witness fees and attorney fees) shall be incurred by the represented assessment unit.
3. The Designated Assessor shall prepare all reporting as required by the State Tax Commission and relevant and reasonable reports for review by the supervisor, manager, chief executive, board, or council as requested..

For an assessing district employing assessing staff other than the assessor of record, assessing staff will conduct their duties as under the direction and supervision of the Designated Assessor.

While not acting in the capacity as the Designated Assessor for an assessing district, the Designated Assessor will have the following duties and responsibilities for Eaton County and the assessing districts within Eaton County: Equalization Director.

## **DUTIES AND RESPONSIBILITIES OF EATON COUNTY AND ASSESSING DISTRICTS WITHIN EATON COUNTY**

The Parties to this AGREEMENT understand and agree that the assessing districts identified in this AGREEMENT required to utilize the services of the Designated Assessor will, during and throughout the term of this AGREEMENT, to the following:

1. Provide the Designated Assessor with reasonable access to records, documents, databases and information in order to allow the Designated Assessor to serve as the assessor of record for the assessing district and satisfy all requirements *Supervising Preparation of the Assessment Roll* approved by the State Tax Commission August 21, 2018.
2. Furnish the Designated Assessor with any applicable policies and procedures that the Designated Assessor may be subject to during the period of time the Designated Assessor serves as the assessing district's assessor of record.
3. Provide any technology, equipment, and workspace necessary for the Designated Assessor to carry out their requirements under this Agreement.

## **DESIGNATED ASSESSOR COMPENSATION**

The Designated Assessor may charge an assessing district that is required to contract with the Designated Assessor and that assessing district shall pay, for the reasonable costs incurred by the Designated Assessor in serving as the assessing district's Assessor of Record, including, but not limited to, the costs of overseeing and administering the annual assessment, preparing and defending the assessment roll, and operating the assessing office.). Compensation amounts shall be set within the ongoing contract between the Designated Assessor and the Assessing Districts plus the County. All fees and services of the Designated Assessor shall be billed monthly and paid within 45 days of invoicing. All annual fees will be billed on a prorated basis. All payment for services rendered will be paid by the assessing district directly to Eaton County. The current fee schedule is as follows: .

Complete Reassessment of the District at \$20.00 / parcel  
Maintenance of the Tax Roll at \$15.00 per parcel for the first year  
\$15.50 per parcel for the 2<sup>nd</sup> year

\$16.00 per parcel for the 3<sup>rd</sup> year  
\$16.50 per parcel for the 4<sup>th</sup> year  
\$17.00 per parcel for the 5<sup>th</sup> year

If required by the Designated Assessor, the Assessing Districts shall each be responsible for an equal share of an annual retainer fee paid to the Designated Assessor. The County shall collect each share and disperse the retainer fee to the Designated Assessor. The County is not responsible for paying a share of the retainer fee. No retainer fee is being charged to the local for the duration of the contract with Timothy Vandermark.

Fees owed by a jurisdiction under the inter-local agreement will be billed monthly, paid to Eaton County Equalization and will be due 30 days post invoice date.

This inter-local agreement shall become effective upon the execution hereof by the parties hereto.

**COUNTY OF EATON:**

\_\_\_\_\_  
Jeremy Whittum, Chairperson  
County Board of Commissioners

\_\_\_\_\_  
Date

**BELLEVUE TOWNSHIP:**

\_\_\_\_\_  
Don L. Chase  
Supervisor

\_\_\_\_\_  
Date

**BENTON CHARTER TOWNSHIP:**

\_\_\_\_\_  
Gary Suits  
Supervisor

\_\_\_\_\_  
Date

**BROOKFIELD TOWNSHIP:**

\_\_\_\_\_  
Nolan Spotts  
Supervisor

\_\_\_\_\_  
Date

**CARMEL TOWNSHIP:**

\_\_\_\_\_  
Steven C. Willard  
Supervisor

\_\_\_\_\_  
Date

**CHESTER TOWNSHIP:**

\_\_\_\_\_  
Donald Stall  
Supervisor

\_\_\_\_\_  
Date

**DELTA CHARTER TOWNSHIP:**

\_\_\_\_\_  
Kenneth Fletcher  
Supervisor

\_\_\_\_\_  
Date

**EATON TOWNSHIP:**

\_\_\_\_\_  
Dave Roberts  
Supervisor

\_\_\_\_\_  
Date

**EATON RAPIDS TOWNSHIP:**

\_\_\_\_\_  
Scott Wilson  
Supervisor

\_\_\_\_\_  
Date

**HAMLIN TOWNSHIP:**

\_\_\_\_\_  
Phillip A. Bombrys  
Supervisor

\_\_\_\_\_  
Date

**KALAMO TOWNSHIP:**

\_\_\_\_\_  
Brett Ramey  
Supervisor

\_\_\_\_\_  
Date

**ONEIDA CHARTER TOWNSHIP:**

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Donald Cooley  
Supervisor

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Date

**ROXAND TOWNSHIP:**

---

Larry Mead  
Supervisor

---

Date

**SUNFIELD TOWNSHIP:**

---

Selena Duits  
Supervisor

---

Date

**VERMONTVILLE TOWNSHIP:**

---

Jack Owens  
Supervisor

---

Date

**WALTON TOWNSHIP:**

---

Bob E. Starkweather  
Supervisor

---

Date

**WINDSOR CHARTER TOWNSHIP:**

---

Kern G. Slucter  
Supervisor

---

Date

**CITY OF CHARLOTTE:**

---

Authorized Representative

---

Date

**CITY OF EATON RAPIDS:**

---

Authorized Representative

---

Date

**CITY OF GRAND LEDGE:**

---

Authorized Representative

---

Date

**CITY OF OLIVET:**

---

Authorized Representative

---

Date

**CITY OF POTTERVILLE:**

---

Authorized Representative

---

Date

**DESIGNATED ASSESSOR**

---

Timothy Vandermark, MMAO  
Eaton County Equalization

---

Date

### **[Addendum]**

(Reports detailing current SEV County totals by class, including special act values; total number of parcels, by classification, including special act rolls, within each local unit; and list of any unique, complex or high value properties within the County.)

Supervisor Kenneth R. Fletcher  
Clerk Mary R. Clark  
Treasurer Dennis R. Fedewa  
Manager Brian T. Reed



Trustee Elizabeth S. Bowen  
Trustee Fonda J. Brewer  
Trustee Andrea M. Cascarilla  
Trustee Karen J. Mojica

Clerk's Office

(517) 323-8500

**CHARTER TOWNSHIP OF DELTA  
NOTICE OF PUBLIC HEARING TO ESTABLISH A CORRIDOR IMPROVEMENT AUTHORITY  
ALONG SAGINAW HIGHWAY**

Notice is hereby given that the Delta Township Board will conduct a public hearing on Monday, March 15, 2021 at 6:00 PM to receive comments related to the establishment of a Corridor Improvement Authority for the Saginaw Highway corridor. The meeting will be conducted via the Zoom webinar platform in compliance with Michigan Public Act 254 (Open Meetings Act). Zoom login information will be available prior to the meeting on the Delta Township website at [www.deltami.gov/CIA](http://www.deltami.gov/CIA).

The Township Board expressed its intent to establish a Corridor Improvement Authority (CIA) and designate its development area boundaries, as required by the Recodified Tax Increment Financing Act, PA 57 of 2018, on February 15, 2021. The generalized boundaries of the proposed development area include all properties fronting on West Saginaw Highway from Broadbent Road to North Waverly Road. A map of the proposed development area is provided on the Delta Township website at [www.deltami.gov/CIA](http://www.deltami.gov/CIA) and is available for review in the Township Clerk's Office, 7710 West Saginaw Highway, Lansing, MI 48917.

Every citizen, taxpayer, or property owner of the Township, or an official from a taxing jurisdiction with a millage that would be subject to capture has a right to be heard regarding the establishment of the authority and the boundaries of the proposed development area.

For more information please visit [www.deltami.gov/CIA](http://www.deltami.gov/CIA) or call 517-323-8590. If you are interested in this matter, please attend the public hearing or send a representative. Written comments will be accepted between 8 a.m. and 5 p.m. on Township business days if received before 5 p.m., on the day of the Public Hearing at the Township Clerk's Office, 7710 West Saginaw Highway, Lansing, MI 48917 or emailed to [clerk@deltami.gov](mailto:clerk@deltami.gov).

**MARY R. CLARK**

**DELTA TOWNSHIP CLERK**





## Delta Township, Michigan

Corridor Improvement Authority Parcels



1 AM 7. DELTA



U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION



DELTA  
TOWNSHIP

**EATON COUNTY BOARD OF COMMISSIONERS**

**MARCH 17, 2021**

**RESOLUTION TO APPOINT  
DISTRICT COURT MAGISTRATE**

**Introduced by the Ways & Means Committee**

**WHEREAS,** The District Court has recommended the appointment of Attorney Heather Berkompas as the District Court Magistrate; and

**WHEREAS,** Pursuant to MCL 600.8501, the Board of Commissioners must approve the appointment of such Magistrate positions.

**NOW, THEREFORE, BE IT RESOLVED,** that the Eaton County Board of Commissioners approves the appointment of Attorney Heather Berkompas as the District Court Magistrate.

**NACo LEGISLATIVE ANALYSIS FOR COUNTIES:  
U.S. SENATE'S SUBSTITUTE AMENDMENT  
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUND  
UPDATED: MARCH 8, 2021**



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**To find your county's estimated allocation through the U.S. Senate's  
Coronavirus State and Local Recovery Funds, [click here](#).**

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**SUMMARY**

On March 6, the U.S. Senate passed The American Rescue Plan Act of 2021. The amended Senate version moves back to the U.S. House of Representatives on March 10 for final consideration before being sent to the president for his signature.

As part of the overall package, the **Coronavirus State and Local Fiscal Recovery Fund** would provide (1) approximately \$350 billion in new federal fiscal assistance for our nation's states, territories, tribes, counties, and municipalities, (2) \$10 billion for coronavirus capital projects, and (3) \$1.5 billion over two years for revenue sharing counties (i.e. public lands counties).

The measure outlines that states, along with the District of Columbia, would receive \$195.3 billion, distributed mostly upon each state's share of unemployed workers over the three-month period of October-December 2020. Each state and the District of Columbia would be guaranteed a minimum of \$500 million or no less than the state received in total (state plus local) under the CARES Act Coronavirus Relief Fund (CRF). D.C. would also receive a special allocation to compensate for its treatment under the CARES Act last year.

Local governments would receive \$130.2 billion, split evenly between municipalities and counties, **resulting in a direct county allocation based on population of \$65.1 billion. In addition, the final Senate bill added another \$1.5 billion, split evenly over federal FYs 2022 and 2023, for eligible revenue share counties (i.e. public land counties).** These revenue share payments would be available for any governmental purpose other than a lobbying activity.

Tribal governments would receive \$20 billion and U.S. territories would receive \$4.5 billion.

The U.S. Department of the Treasury would oversee and administer these payments to state and local governments, and every county would be eligible to receive a direct allocation from Treasury. Municipalities and counties would now receive funds in two tranches – with 50 percent this year and the remaining 50 percent no earlier than 12 months from the first payment. States may receive funding in one or two tranches, at the discretion of Treasury.

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DISTRIBUTION  
FORMULA FOR  
STATE AND LOCAL  
RECOVERY FUNDS

Of the approximately \$350 billion in the Senate bill for fiscal relief, 57 percent would be allocated to states and 35 percent to local governments. The distribution formula is as follows:

- **States and District of Columbia: \$195.3 billion**
  - \$25.5 billion is equally divided with state minimum of \$500 million.
  - \$169 billion based on the state share of unemployed workers over a three-month period from October-December 2020.
  - \$1.25 billion in additional aid for the District of Columbia.
- **Local governments: \$130.2 billion divided evenly between non-county municipalities and counties.**
  - **COUNTIES: \$65.1 billion in direct federal aid to *all counties*** (including parishes in Louisiana, boroughs in Alaska, consolidated city-county entities and the District of Columbia) based on the county share of the U.S. population. *Counties that are CDBG recipients would receive the larger share, based on its population or calculated share under the CDBG allocation method.* Treasury shall allocate these resources within 60 days of enactment.
  - **NON-COUNTY MUNICIPALITIES: \$65.1 billion to cities and other non-county municipalities.**
    - \$45.57 billion in direct federal aid for municipalities with populations of at least 50,000, using a modified Community Development Block Grant formula.
    - \$19.53 billion for municipalities with populations of less than 50,000 based on each jurisdiction's percentage of the state's population. Amount per jurisdiction may not exceed 75 percent of its most recent budget as of January 27, 2020. Aid is distributed through the states, with the ability for states to request extensions if they are unable to distribute within a maximum of 120 days. Any amounts that are not distributed to non-entitlement municipalities shall be returned to the U.S. Treasury. However, if the state fails to distribute to these local entities, the penalty comes from the *state* portion of the State and Local Coronavirus Recovery Fund.
- **U.S. Territories: \$4.5 billion.**
- **Tribal governments: \$20 billion** to federally recognized Tribal governments.

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ALLOWABLE  
USES OF  
RECOVERY FUNDS

The Senate bill outlines that **funds may be used by counties to:**

1. **Respond to the public health emergency with respect to the COVID-19 or its negative economic impacts**, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality
2. Respond to workers performing essential work during the COVID-19 public health emergency by **providing premium pay to eligible workers of the county** that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work
3. For the provision of **government services to the extent of the reduction in revenue** (i.e. online, property or income tax) due to the public health emergency relative to revenues collected in the most recent full fiscal year of the county prior to the emergency (*i.e. January 20, 2020*), or
4. **Make necessary investments** in water, sewer or broadband infrastructure.

*It is important to note under #1 that the examples outlined are intended to clarify congressional intent that these activities would be eligible. However, state and local activities would NOT be limited only to these activities.*

The Senate bill also outlines that:

- **States are not allowed to use the funds to either directly or indirectly offset a reduction in the net tax revenue** that results from a change in law, regulation or administrative interpretation during the covered period that reduces any tax. If a state violates this provision, it would be required to repay the amount of the applicable reduction to net tax revenue.
- **No funds shall be deposited into any pension fund.**
- **State and local governments are allowed to transfer** to a private nonprofit organization, a public benefit corporation involved in the transportation of passengers or cargo **or a special-purpose unit of State or local government.**
- Any local government, including counties, that **fail to comply with the federal law and related guidelines shall be required to repay** the federal Treasury.
- **“Premium pay” means an additional amount up to \$13 per hour** that is paid to an eligible worker for work during the COVID-19 pandemic. The bill imposes a cap of \$25,000 for any single eligible worker.

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## REPORTING REQUIREMENTS, CERTIFICATION & RECOUPMENT

The Senate bill would **require state and local governments to fulfill reporting requirements**, such as:

- **States are required to report how funds are used and how their tax revenue was modified** during the time that funds were spent during the covered period (covered period begins on March 3, 2021 and ends on the last day of the fiscal year a state or local government has expended or returned all funds to the U.S. Treasury).
- Local governments would be required to provide “**periodic reports**” providing a detailed accounting of the use of funds.
- If a state, county or municipality does not comply with any provision of this bill, they will be **required to repay the U.S. Treasury** an equal amount to the funds used in violation.

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## ADMINISTRATION OF RECOVERY FUNDS

The Senate bill further outlines that **funds would be administered as follows**:

- Funds would be distributed by the U.S. Department of the Treasury.
- **The deadline to spend funds would be December 31, 2024.**
- The **U.S. Treasury is required to pay first tranche to counties not later than 60-days after enactment**, and second payment no earlier than 12 months after the first payment.
- The bill would provide \$77 million for the Government Accountability Office and \$40 million for the Pandemic Response and Accountability Committee **for oversight and to promote transparency and accountability.**

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## CORONAVIRUS CAPITAL PROJECTS FUND (SEC. 604)

- **\$10 billion for states, territories, and tribal governments to carry out critical capital projects**, until expended, specifically related to enabling work, education, and health monitoring, including remote options, in response to the COVID-19 public health emergency.
- Each **state, the District of Columbia and Puerto Rico would receive a minimum allocation of \$100 million**, plus another \$100 million is divided among other U.S. territories and another \$100 million is designated for tribal governments and Native Hawaiian use.
- **Of the remaining funds, states would receive an additional allocation** based on population (50 percent), number of individuals living in rural areas as a percentage of the U.S. rural population (25 percent), and proportion of the state’s population of households living in poverty.

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## LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND (SEC. 605)

- An **additional \$1.5 billion is provided for eligible revenue share counties** (notably public land counties that receive Payment-in-Lieu-of-Taxes (PILT) and Secure Rural School (SRS) payments), with \$750 million allotted each year for federal Fiscal Years 2022 and 2023.
- An additional \$500 million is provided, equally divided, over two fiscal years for eligible Tribal governments.
- **U.S. Treasury will be responsible for determining the funding formula**, taking into account the economic conditions of each eligible revenue sharing county, using measurements of poverty rates, household income, land values, and unemployment rates as well as other economic indicators, over the 20-year period ending with Sept. 30, 2021.
- Eligible **counties may use these funds for any governmental purpose other than a lobbying activity.**
- **Counties shall be required to provide periodic reports** with a detailed accounting of the use of funds.
- Failure to submit required reports or **misuse of funds will result in the recoup of funds** by the federal government.

According to a statement for the record by U.S. Senate Finance Chairman Ron Wyden (D-Ore.), “I also fully expect Treasury to consult with others in government who have history in this arena on the creation of this new formula such as the Secretaries of Agriculture and Interior, as well as the **National Association of Counties, state county associations, including the Association of O&C Counties Oregon**, and many other groups with a deep understanding of these impacts across the United States.”

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## RESOURCES

To access NACo’s resource hub on the State and Local Coronavirus Recovery Funds, [click here](#). **This resource hub contains a searchable table that contains projected allocations for each county under the U.S. Senate’s bill.**

To access the bill text of the U.S. Senate’s bill, [click here](#).

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**CLAIMS AUDITED BY THE BOARD OF COMMISSIONERS MARCH 12, 2021**

| <b>FUND#</b> | <b>DEPT#</b> | <b>DEPARTMENT</b>          | <b>AMOUNT</b>        |
|--------------|--------------|----------------------------|----------------------|
|              |              |                            |                      |
| 101          | 101          | BOARD OF COMMISSIONERS     | \$ 240.75            |
| 101          | 131          | CIRCUIT COURT              | \$ 7,995.10          |
| 101          | 136          | DISTRICT COURT             | \$ 2,296.86          |
| 101          | 141          | FRIEND OF THE COURT        | \$ 1,203.54          |
| 101          | 148          | PROBATE COURT              | \$ 3,819.85          |
| 101          | 149          | JUVENILE COURT             | \$ 23,930.00         |
| 101          | 172          | CONTROLLER                 | \$ 4,851.65          |
| 101          | 215          | COUNTY CLERK               | \$ 164.88            |
| 101          | 228          | TECHNOLOGY SERVICES        | \$ 276.59            |
| 101          | 253          | COUNTY TREASURER           | \$ 1,238.63          |
| 101          | 257          | EQUALIZATION               | \$ 2,975.81          |
| 101          | 265          | BUILDING AND GROUNDS       | \$ 26,005.56         |
| 101          | 267.229      | PROSECUTING ATTORNEY       | \$ 442.70            |
| 101          | 267.232      | ECONOMIC CRIME UNIT        | \$ 990.50            |
| 101          | 301          | SHERIFF DEPARTMENT         | \$ 5,829.15          |
| 101          | 303          | SHERIFF DELTA              | \$ 6,988.59          |
| 101          | 351          | SHERIFF CORRECTIONS        | \$ 9,635.08          |
| 101          | 430          | ANIMAL CONTROL             | \$ 958.33            |
| 101          | 648          | MEDICAL EXAMINER           | \$ 23,554.25         |
| 101          | 681          | VETERANS                   | \$ 1,931.56          |
| 101          | 721          | COMMUNITY DEVELOPMENT      | \$ 490.00            |
| 245          | 901          | PUBLIC IMPROVEMENT         | \$ 1,501.00          |
| 249          | 371          | CONSTRUCTION CODE          | \$ 349.81            |
| 252          | 299          | PUBLIC DEFENDER            | \$ 93,477.68         |
| 261          | 325          | CENTRAL DISPATCH           | \$ 16,284.41         |
| 261          | 327          | WIRELESS TRAINING          | \$ 625.00            |
| 264          | 351          | CORRECTIONS LOCAL TRAINING | \$ 1,700.00          |
| 265          | 301          | MICHIGAN JUSTICE TRAINING  | \$ 4,560.00          |
| 277          | 301          | SHERIFF DEPARTMENT         | \$ 386.00            |
| 298          | 228          | COMPUTER FUND              | \$ 48,627.64         |
| 298          | 901          | COMPUTER FUND CAPITAL      | \$ 40,304.63         |
|              |              | <b>GRAND TOTAL</b>         | <b>\$ 333,635.55</b> |

**CLAIMS AUDITED BY THE BOARD OF COMMISSIONERS MARCH 12, 2021  
IMMEDIATE PAYMENTS**

| <b>FUND#</b> | <b>DEPT#</b> | <b>DEPARTMENT</b>                 | <b>AMOUNT</b> |
|--------------|--------------|-----------------------------------|---------------|
| 101          | 040.801      | STORM WATER IMPCT FEE REC'V       | \$ 30.00      |
| 101          | 090.004      | PREPAID EXPENSE-TELEPHONE         | \$ 86.05      |
| 101          | 090.006      | PREPAID EXPENSE-POSTAGE/PRESORT   | \$ 919.45     |
| 101          | 273          | RECEIPTS REFUNDABLE               | \$ 315.95     |
| 101          | 273.001      | RECEIPTS REFUNDABLE - ECU         | \$ 27,699.43  |
| 101          | 273.002      | RECEIPTS REFUNDABLE - ECU - MDHHS | \$ 4,170.54   |
| 101          | 101.426      | EMERGENCY SERVICES                | \$ 5,954.39   |
| 101          | 131          | CIRCUIT COURT                     | \$ 7,769.96   |
| 101          | 136          | DISTRICT COURT                    | \$ 9,805.97   |
| 101          | 141          | FRIEND OF THE COURT               | \$ 956.61     |
| 101          | 148          | PROBATE COURT                     | \$ 6,141.62   |
| 101          | 149          | JUVENILE COURT                    | \$ 446.26     |
| 101          | 151          | CIRCUIT COURT PROBATION           | \$ 61.89      |
| 101          | 172          | CONTROLLER                        | \$ 21,826.69  |
| 101          | 262          | ELECTIONS                         | \$ 1,279.22   |
| 101          | 215          | COUNTY CLERK                      | \$ 472.40     |
| 101          | 228          | INFORMATION SYSTEMS               | \$ 1,192.25   |
| 101          | 253          | COUNTY TREASURER                  | \$ 479.57     |
| 101          | 257          | EQUALIZATION                      | \$ 513.59     |
| 101          | 265          | BUILDING AND GROUNDS              | \$ 20,336.10  |
| 101          | 267-229      | PROSECUTING ATTORNEY              | \$ 1,748.41   |
| 101          | 267-232      | ECU                               | \$ 2,045.08   |
| 101          | 267-234      | CHILD SUPPORT                     | \$ 211.98     |
| 101          | 268          | REGISTER OF DEEDS                 | \$ 515.00     |
| 101          | 275          | DRAIN COMMISSION                  | \$ 4,500.51   |
| 101          | 301          | SHERIFF DEPARTMENT                | \$ 38,150.41  |
| 101          | 303          | SHERIFF DELTA                     | \$ 11,365.68  |
| 101          | 351          | SHERIFF CORRECTIONS               | \$ 26,882.40  |
| 101          | 430          | ANIMAL CONTROL                    | \$ 1,100.75   |
| 101          | 671.101.673  | SALE OF FIXED ASSETS              | \$ 400.00     |
| 101          | 672          | TRI-COUNTY AGING                  | \$ 72,154.00  |
| 101          | 681          | VETERANS                          | \$ 6.00       |
| 101          | 721          | COMMUNITY DEVELOPMENT             | \$ 566.70     |
| 101          | 906-131      | 994.000 PRINCIPAL                 | \$ 244.56     |
| 101          |              | 995.000 INTEREST                  | \$ 52.28      |
| 101          | 906-149      | 994.000 PRINCIPAL                 | \$ 818.62     |
| 101          |              | 995.000 INTEREST                  | \$ 191.00     |
| 101          | 906-228      | 994.000 PRINCIPAL                 | \$ 495.25     |
| 101          |              | 995.000 INTEREST                  | \$ 127.65     |
| 101          | 906-229      | 994.000 PRINCIPAL                 | \$ 269.30     |
| 101          |              | 995.000 INTEREST                  | \$ 58.70      |
| 101          | 906.257      | 994.000 PRINCIPAL                 | \$ 711.94     |
| 101          |              | 995.000 INTEREST                  | \$ 157.37     |
| 101          | 906-275      | 994.000 PRINCIPAL                 | \$ 1,469.90   |
| 101          |              | 995.000 INTEREST                  | \$ 370.29     |
| 101          | 906-301      | 994.000 PRINCIPAL                 | \$ 7,572.89   |
| 101          |              | 995.000 INTEREST                  | \$ 1,347.01   |
| 101          | 906-303      | 994.000 PRINCIPAL                 | \$ 5,835.90   |
| 101          |              | 995.000 INTEREST                  | \$ 888.56     |
| 101          | 906-351      | 994.000 PRINCIPAL                 | \$ 420.22     |
| 101          | 906.351      | 995.000 INTEREST                  | \$ 113.79     |
| 101          | 906.430      | 994.000 PRINCIPAL                 | \$ 693.38     |
| 101          |              | 995.000 INTEREST                  | \$ 140.77     |
| 201          | 449          | ROAD COMMISSION                   | \$ 960,975.55 |
| 208          | 751          | PARKS ADMINISTRATION              | \$ 1,678.18   |
| 208          | 752          | FITZGERALD PARKS                  | \$ 2,131.65   |

**CLAIMS AUDITED BY THE BOARD OF COMMISSIONERS MARCH 12, 2021  
IMMEDIATE PAYMENTS**

| <b>FUND#</b> | <b>DEPT#</b> | <b>DEPARTMENT</b>                          | <b>AMOUNT</b>   |
|--------------|--------------|--------------------------------------------|-----------------|
| 208          | 753          | FOX PARK                                   | \$ 236.99       |
| 208          | 755          | LINCOLN PARK                               | \$ 484.77       |
| 208          | 906          | 994.000 PRINCIPAL                          | \$ 1,268.54     |
| 208          | 906          | 995.000 INTEREST                           | \$ 273.56       |
| 221          | 601          | HEALTH DEPARTMENT                          | \$ 515,469.07   |
| 228          | 528          | RESOURCE RECOVERY                          | \$ 173.14       |
| 228          | 529          | COUNTY PROJECTS                            | \$ 170.50       |
| 228          | 530          | LOCAL UNIT GRANT PROJECTS                  | \$ 38,115.47    |
| 228          | 906          | 994.000 PRINCIPAL                          | \$ 584.28       |
| 228          | 906          | 995.000 INTEREST                           | \$ 106.90       |
| 235          | 690          | CDBG-CARES ACT FUNDING                     | \$ 54,453.34    |
| 249          | 371          | CONSTRUCTION CODE                          | \$ 3,124.78     |
| 252          | 299          | PUBLIC DEFENDER                            | \$ 1,416.63     |
| 255          | 257          | REMONUMENTATION                            | \$ 1,680.00     |
| 256          | 268          | REGISTER OF DEEDS - AUTOMATION             | \$ 89.00        |
| 260          | 325          | 911 SURCHARGE                              | \$ 569.96       |
| 261          | 325          | CENTRAL DISPATCH                           | \$ 13,666.81    |
| 261          | 101-426      | EMERGENCY SERVICES                         | \$ 440.35       |
| 261          | 906.994.000  | DEBT SERVICE- PRINCIPAL                    | \$ 994.57       |
| 261          | 906.995.000  | DEBT SERVICE -INTEREST                     | \$ 236.04       |
| 272          | 130-138      | PRIORITY COURT                             | \$ 3,175.00     |
| 273          | 130-138      | SOBRIETY COURT                             | \$ 915.00       |
| 273          | 130-140      | DRUG COURT - PROGRAM INCOME                | \$ 919.33       |
| 274          | 130.138      | SWIFT & SURE SANCTIONS                     | \$ 2,325.75     |
| 275          | 130-138      | VETERAN'S COURT                            | \$ 1,920.00     |
| 276          | 130-152      | COMMUNITY CORRECTIONS                      | \$ 356.87       |
| 276          | 130.153      | COMMUNITY CORRECTIONS                      | \$ 6,280.00     |
| 277          | 301          | SHERIFF DEPARTMENT                         | \$ 6,527.29     |
| 278          | 130-138      | DRUG COURT - GRANT FUNDING                 | \$ 1,147.50     |
| 287          | 301-428      | AREA PLANNER                               | \$ 4,155.20     |
| 292          | 273          | RECEIPTS REFUNDABLE                        | \$ 55.36        |
| 292          | 130-356      | YOUTH FACILITY                             | \$ 11,292.34    |
| 292          | 130-358      | COMMUNITY BASED TREATMENT                  | \$ 315.29       |
| 292          | 130-360      | DAY TREATMENT                              | \$ 1,367.74     |
| 292          | 130-362      | IN HOME CARE                               | \$ 1,733.51     |
| 292          | 130-368      | CCF PREVENTION SERVICES                    | \$ 9,777.25     |
| 292          | 130-650      | STATE INSTITUTIONS                         | \$ 15,947.58    |
| 292          | 906-356      | 994.000 PRINCIPAL                          | \$ 550.65       |
| 292          |              | 995.000 INTEREST                           | \$ 119.03       |
| 292          | 906-360      | 994.000 PRINCIPAL                          | \$ 706.87       |
| 292          |              | 995.000 INTEREST                           | \$ 133.64       |
| 293          | 689          | SOLDIERS & SAILORS                         | \$ 1,155.00     |
| 296          | 130-149      | JUVENILE MILEAGE                           | \$ 3,277.33     |
| 298          | 901          | COMPUTER FUND CAPITAL                      | \$ 2,131.30     |
| 320          | 906-995      | INTEREST                                   | \$ 79,356.55    |
| 512          | 635          | MEDICAL CARE FACILITY                      | \$ 1,770,019.81 |
| 512          |              | 995.000 MEDICAL CARE FACILITY INTEREST     | \$ 17,250.00    |
| 515          | 253          | FORECLOSING GVT UNIT                       | \$ 470.00       |
| 656          | 861          | EMPLOYER SHARED RETIREMENT                 | \$ 325,539.43   |
| 670          | 090.000      | HEALTH - SELF INSURANCE - PREPAID EXPENSES | \$ 525,803.00   |
| 676          | 852          | RETIREE HEALTH HCSP                        | \$ 24,935.58    |
| 677          | 871          | WORKERS COMPENSATION                       | \$ 3,588.62     |
| 679          | 853          | LIFE & DISABILITY                          | \$ 2,711.93     |
| 680          | 854          | DENTAL INSURANCE                           | \$ 16,171.62    |
| 698          | 20X8.275.000 | DUE TO TAXPAYERS TAX OVERPAYMENT           | \$ 10.22        |

**CLAIMS AUDITED BY THE BOARD OF COMMISSIONERS MARCH 12, 2021  
IMMEDIATE PAYMENTS**

| <b>FUND#</b>                   | <b>DEPT#</b> | <b>DEPARTMENT</b>                           | <b>AMOUNT</b>   |
|--------------------------------|--------------|---------------------------------------------|-----------------|
| 698                            | 20X8 300.000 | BONDS PAYABLE                               | \$ 10,801.75    |
| 698                            | 906.000      | DEBT SERVICE INTEREST                       | \$ 0.82         |
| 699                            | 20X9.275.000 | DUE TO TAXPAYERS TAX OVERPYMT               | \$ 6,057.52     |
| 699                            | 20X9.300.000 | BONDS PAYABLE                               | \$ 386,000.00   |
| 701                            | 228-001      | DUE TO STATE EDUCATION TAX                  | \$ 101,597.86   |
| 701                            | 228-006      | T/A-DUE TO STATE PROBATE CRT SHARED FEES    | \$ 3,217.76     |
| 701                            | 228-028      | T/A-DUE TO STATE PROBATE CRT ORDERED PYMT   | \$ 3,421.99     |
| 701                            | 228-037      | T/A-DUE TO STATE CRIME VICTIMS RIGHTS       | \$ 1,532.25     |
| 701                            | 228-042      | T/A-DUE TO STATE STATE COURT FEES           | \$ 1,530.00     |
| 701                            | 228.044      | T/A0DUE TO STATE TSFR TAX                   | \$ 351,937.50   |
| 701                            | 228-046      | T/A-DUE TO STATE TRAILER COACH PARK SPECIFI | \$ 758.00       |
| 701                            | 228-055      | T/A-DUE TO STATE DNA SPECIMEN FEE           | \$ 78.00        |
| 701                            | 228-056      | T/A-DUE TO STATE ELECTRONIC FILING FEE      | \$ 2,200.00     |
| 701                            | 228-057      | T/A-DUE TO STATE JUROR COMPENSATION FUND    | \$ 150.00       |
| 701                            | 228-058      | T/A-DUE TO STATE CIVIL FILING FEE FUND      | \$ 11,215.00    |
| 701                            | 228-059      | T/A-DUE TO STATE JUSTICE SYSTEM FUND        | \$ 1,722.00     |
| 701                            | 231.010      | PAYROLL DEDUCTIONS PAYABLE AMERICAN FIDEL   | \$ 2,946.47     |
| 701                            | 265-000      | T/A-APPEARANCE BONDS PAYABLE                | \$ 10,142.00    |
| 701                            | 271-002      | T/A-RESTITUTION PAYABLE PROBATION           | \$ 27,091.25    |
| 701                            | 271-004      | T/A-RESTITUTION PAYABLE JUVENILE            | \$ 1,545.50     |
| 701                            | 274.001      | UNDISTRIBUTED TAX COLLECTION STATE TAX AP   | \$ 6,644.08     |
| 701                            | 274.010      | UNDISTRIBUTED TAX COLLECTIONS GENERAL TAX   | \$ 2,000,000.00 |
| 702                            | 221.004      | DUE TO CITIES LANSING                       | \$ 486.40       |
| 702                            | 228.002      | DUE TO STATE MI WITHHOLDING TAX             | \$ 53,400.65    |
| 702                            | 229.001      | DUE TO FEDERAL GOV'T FED WITHHOLDING        | \$ 126,287.98   |
| 702                            | 229-002      | T/A-PAYROLL DUE TO FED GOVT SS TAXES        | \$ 89,851.04    |
| 702                            | 229-003      | T/A-DUE TO FED GOVT MEDICARE TAXES          | \$ 21,013.53    |
| 702                            | 231.000      | T/A - PAYROLL DEDUCTIONS PAYABLE            | \$ 17,037.06    |
| 702                            | 231-002      | T/A-PAYROLL DEDUCTIONS PAYABLE HGB WELLNE   | \$ 1,386.20     |
| 702                            | 231.008      | PYRL DEDUCTIONS PBLE FLEXIBLE SPENDING ACC  | \$ 11,375.86    |
| 702                            | 231.009      | PYRL DEDUCTIONS PBLE DEF COMP               | \$ 30,757.65    |
| 702                            | 231.010      | PAYROLL DEDUCTIONS PAYABLE AMERICAN FIDEL   | \$ 2,766.99     |
| 702                            | 231.011      | PYRL DEDUCTION PBLE HEALTH CARE SAVING PLA  | \$ 23,759.71    |
| 702                            | 231.015      | PYRL DEDUCTIONS PBLE MERS                   | \$ 124,183.28   |
| 702                            | 258.000      | ACCRUED TAXES PAYABLE                       | \$ 110,864.49   |
| 720                            | 301          | SHERIFF DEPT DONATIONS                      | \$ 40.68        |
| 768                            | 130-356      | DONATIONS - YOUTH FACILITY                  | \$ 31.64        |
| 801                            | 901          | DRAIN FUND                                  | \$ 436,706.38   |
| 851                            | 906.996.000  | DRAIN BOND ISSUANCE COSTS                   | \$ 500.00       |
|                                |              | TOTAL CHECKS                                | \$ 8,713,605.20 |
| <b>CATEGORY</b>                |              | <b>WIRE TRANSFERS</b>                       |                 |
| PAYROLL AND BENEFITS           |              |                                             | \$ 979,340.79   |
|                                |              |                                             |                 |
|                                |              | TOTAL WIRE TRANSFERS                        | \$ 979,340.79   |
| GRAND TOTAL IMMEDIATE PAYMENTS |              |                                             | \$ 9,692,945.99 |

Eaton County,  
Michigan



Year Ended  
September 30,  
2020

Financial  
Statements and  
Single Audit Act  
Compliance

**Rehmann**

# EATON COUNTY, MICHIGAN

## ■ Table of Contents

|                                                                                                                              | <u>Page</u> |
|------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Introductory Section</b>                                                                                                  | <b>1</b>    |
| Letter of Transmittal                                                                                                        | 3           |
| Organizational Chart                                                                                                         | 5           |
| Principal Officials                                                                                                          | 6           |
| <b>Financial Section</b>                                                                                                     | <b>7</b>    |
| <b>Independent Auditors' Report</b>                                                                                          | <b>9</b>    |
| <b>Management's Discussion and Analysis</b>                                                                                  | <b>13</b>   |
| <b>Basic Financial Statements</b>                                                                                            |             |
| Government-wide Financial Statements:                                                                                        |             |
| Statement of Net Position                                                                                                    | 26          |
| Statement of Activities                                                                                                      | 27          |
| Fund Financial Statements:                                                                                                   |             |
| Balance Sheet – Governmental Funds                                                                                           | 30          |
| Reconciliation of Fund Balances of Governmental Funds<br>to Net Position of Governmental Activities                          | 31          |
| Statement of Revenues, Expenditures and Changes in Fund Balances –<br>Governmental Funds                                     | 32          |
| Reconciliation of Net Changes in Fund Balances of Governmental Funds<br>to Change in Net Position of Governmental Activities | 33          |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balance – Budget and Actual:                                      |             |
| General Fund                                                                                                                 | 34          |
| Child Care Special Revenue Fund                                                                                              | 35          |
| Central Dispatch 911 Surcharge Special Revenue Fund                                                                          | 36          |
| Statement of Net Position – Proprietary Funds                                                                                | 37          |
| Statement of Revenues, Expenses and Changes in<br>Fund Net Position – Proprietary Funds                                      | 38          |
| Statement of Cash Flows – Proprietary Funds                                                                                  | 39          |
| Statement of Fiduciary Net Position - Fiduciary Funds                                                                        | 41          |
| Statement of Changes in Fiduciary Net Position - Fiduciary Funds                                                             | 42          |
| Combining Statement of Net Position – Discretely Presented Component Units                                                   | 43          |
| Combining Statement of Activities – Discretely Presented Component Units                                                     | 44          |
| Notes to Financial Statements                                                                                                | 45          |
| <b>Required Supplementary Information</b>                                                                                    | <b>103</b>  |
| MERS Agent Multiple-Employer Defined Benefit Pension Plan - County:                                                          |             |
| Schedule of Changes in the County's Net Pension Liability and Related Ratios                                                 | 104         |
| Schedule of Contributions                                                                                                    | 106         |

## EATON COUNTY, MICHIGAN

### ■ Table of Contents

|                                                                                                                      | <u>Page</u> |
|----------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Required Supplementary Information (Concluded)</b>                                                                |             |
| MERS Agent Multiple-Employer Defined Benefit Pension Plan - Health and Rehabilitation Services Facility:             |             |
| Schedule of Changes in the Facility's Net Pension Liability and Related Ratios                                       | 108         |
| Schedule of Contributions                                                                                            | 111         |
| MERS Agent Multiple-Employer Defined Benefit Pension Plan - District Health:                                         |             |
| Schedule of Changes in the District's Net Pension Liability and Related Ratios                                       | 112         |
| Schedule of Contributions                                                                                            | 114         |
| Retiree Healthcare Plan - County:                                                                                    |             |
| Schedule of Changes in the County's Net OPEB Liability and Related Ratios                                            | 115         |
| Schedule of Contributions                                                                                            | 116         |
| Schedule of Investment Returns                                                                                       | 117         |
| Retiree Healthcare Plan - Health and Rehabilitation Services Facility:                                               |             |
| Schedule of Changes in the Facility's Total OPEB Liability and Related Ratios                                        | 118         |
| Notes to Required Supplementary Information                                                                          | 119         |
| <b>Combining and Individual Fund Financial Statements and Schedules</b>                                              | 123         |
| General Fund:                                                                                                        |             |
| Detailed Schedule of Revenues and Other                                                                              |             |
| Financing Sources - Budget and Actual                                                                                | 124         |
| Detailed Schedule of Expenditures and Other                                                                          |             |
| Financing Uses - Budget and Actual                                                                                   | 127         |
| Nonmajor Governmental Funds:                                                                                         |             |
| Combining Balance Sheet                                                                                              | 130         |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances                                           | 136         |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Nonmajor Special Revenue Funds | 142         |
| Nonmajor Enterprise Funds:                                                                                           |             |
| Combining Statement of Net Position                                                                                  | 156         |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Position                                           | 157         |
| Combining Statement of Cash Flows                                                                                    | 158         |
| Internal Service Funds:                                                                                              |             |
| Combining Statement of Net Position                                                                                  | 160         |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Position                                           | 162         |
| Combining Statement of Cash Flows                                                                                    | 164         |

## EATON COUNTY, MICHIGAN

### ■ Table of Contents

|                                                                                                                                                                                                                                    | <u>Page</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Combining and Individual Fund Financial Statements and Schedules (Concluded)</b>                                                                                                                                                |             |
| Agency Funds:                                                                                                                                                                                                                      |             |
| Combining Statement of Fiduciary Assets and Liabilities                                                                                                                                                                            | 166         |
| Discretely Presented Component Units:                                                                                                                                                                                              |             |
| Board of Public Works:                                                                                                                                                                                                             |             |
| Statement of Net Position and Governmental Funds Balance Sheet                                                                                                                                                                     | 168         |
| Reconciliation of Fund Balances of Governmental Funds<br>to Net Position of Governmental Activities                                                                                                                                | 171         |
| Statement of Activities and Governmental Fund Revenues,<br>Expenditures and Changes in Fund Balance                                                                                                                                | 172         |
| Reconciliation of Net Changes in Fund Balances of Governmental Funds<br>to Change in Net Position of Governmental Activities                                                                                                       | 175         |
| Drainage Districts:                                                                                                                                                                                                                |             |
| Statement of Net Position and Governmental Funds Balance Sheet                                                                                                                                                                     | 176         |
| Reconciliation of Fund Balances of Governmental Funds<br>to Net Position of Governmental Activities                                                                                                                                | 179         |
| Statement of Activities and Governmental Fund Revenues,<br>Expenditures and Changes in Fund Balance                                                                                                                                | 180         |
| Reconciliation of Net Changes in Fund Balances of Governmental Funds<br>to Change in Net Position of Governmental Activities                                                                                                       | 183         |
| District Health Department:                                                                                                                                                                                                        |             |
| Statement of Net Position and Governmental Funds Balance Sheet                                                                                                                                                                     | 184         |
| Reconciliation of Fund Balances of Governmental Funds<br>to Net Position of Governmental Activities                                                                                                                                | 185         |
| Statement of Activities and Governmental Fund Revenues,<br>Expenditures and Changes in Fund Balance                                                                                                                                | 186         |
| Reconciliation of Net Changes in Fund Balances of Governmental Funds<br>to Change in Net Position of Governmental Activities                                                                                                       | 187         |
| <b>Single Audit Act Compliance</b>                                                                                                                                                                                                 | 189         |
| Independent Auditors' Report on the Schedule of Expenditures<br>of Federal Awards Required by the Uniform Guidance                                                                                                                 | 191         |
| Schedule of Expenditures of Federal Awards                                                                                                                                                                                         | 192         |
| Notes to Schedule of Expenditures of Federal Awards                                                                                                                                                                                | 195         |
| Independent Auditors' Report on Internal Control over<br>Financial Reporting and on Compliance and Other Matters<br>Based on an Audit of Financial Statements Performed in<br>Accordance with <i>Government Auditing Standards</i> | 197         |

## EATON COUNTY, MICHIGAN

### ■ Table of Contents

|                                                                                                                                                          | <u>Page</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Single Audit Act Compliance (Concluded)</b>                                                                                                           |             |
| Independent Auditors' Report on Compliance for<br>Each Major Federal Program and on Internal Control over<br>Compliance Required by the Uniform Guidance | 199         |
| Schedule of Findings and Questioned Costs                                                                                                                | 202         |
| Summary Schedule of Prior Audit Findings                                                                                                                 | 205         |

## **INTRODUCTORY SECTION**

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## EATON COUNTY CONTROLLER/ADMINISTRATOR

1045 Independence  
Blvd  
Charlotte, MI 48813

(517) 543-2122  
(517) 543-3331 Fax

**John F. Fuentes**  
CPA  
Controller/  
Administrator

**Connie L. Sobie**  
Deputy  
Controller/  
Administrator

**Melissa Ballard**  
Accountant

Month //, 2021

### To the Members of the Board of Commissioners:

The Annual Financial Report of Eaton County, Michigan for the fiscal year ended September 30, 2020, is hereby submitted. Responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the County. These financial statements have been prepared in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB). All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

### Format

The report is presented in two sections: *Introductory and Financial*. The Introductory section includes this transmittal, an organizational chart, and a list of principal officials. The Financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial statements and schedules.

### Reporting Entity

The financial reporting entity includes all the funds of the County as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

**Blended Component Units** – although legally separate entities, they are, in substance, part of the primary governments operations and are included as part of the primary government. The following organizations are reported within the combining and individual fund financial statements:

- Eaton County Department of Human Services
- Eaton County Building Authority

**Discretely Presented Component Units** – are legally separate from the primary government and are reported in separate columns in the combined financial statements to differentiate their financial position and results of operations from those of the primary government. The following are reported as discretely presented component units:

- Eaton County Road Commission
- Eaton County Board of Public Works
- Eaton County Drainage Districts
- Eaton County Land Bank Authority

**Joint Ventures** – are legal entities that result from a contractual arrangement, or interlocal agreement, which is owned, operated, or governed by two or more participants. The following is reported as a discretely presented component unit:

- Barry/Eaton District Health Department

The following **Related Organization** did not meet the financial accountability criteria and has been excluded from the County's financial statements:

- Eaton County Transportation Authority

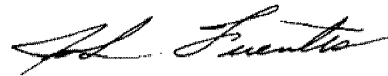
#### **Financial Reporting and Auditing**

The County is required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance. Information pertaining to this single audit, including the auditors' reports on the internal control structure and compliance with laws and regulations, the schedule of federal awards and a schedule of findings and questioned costs, is presented in this report.

#### **Independent Audit**

The State of Michigan requires that an annual audit of the financial records and transactions of all departments of the County be performed by an independent certified public accountant. In addition, the audit is designed to meet the requirements set forth in the Uniform Guidance. The auditors' report on the financial statements is included in the financial section of the report. The auditors' reports relating specifically to the single audit are presented in this report as well.

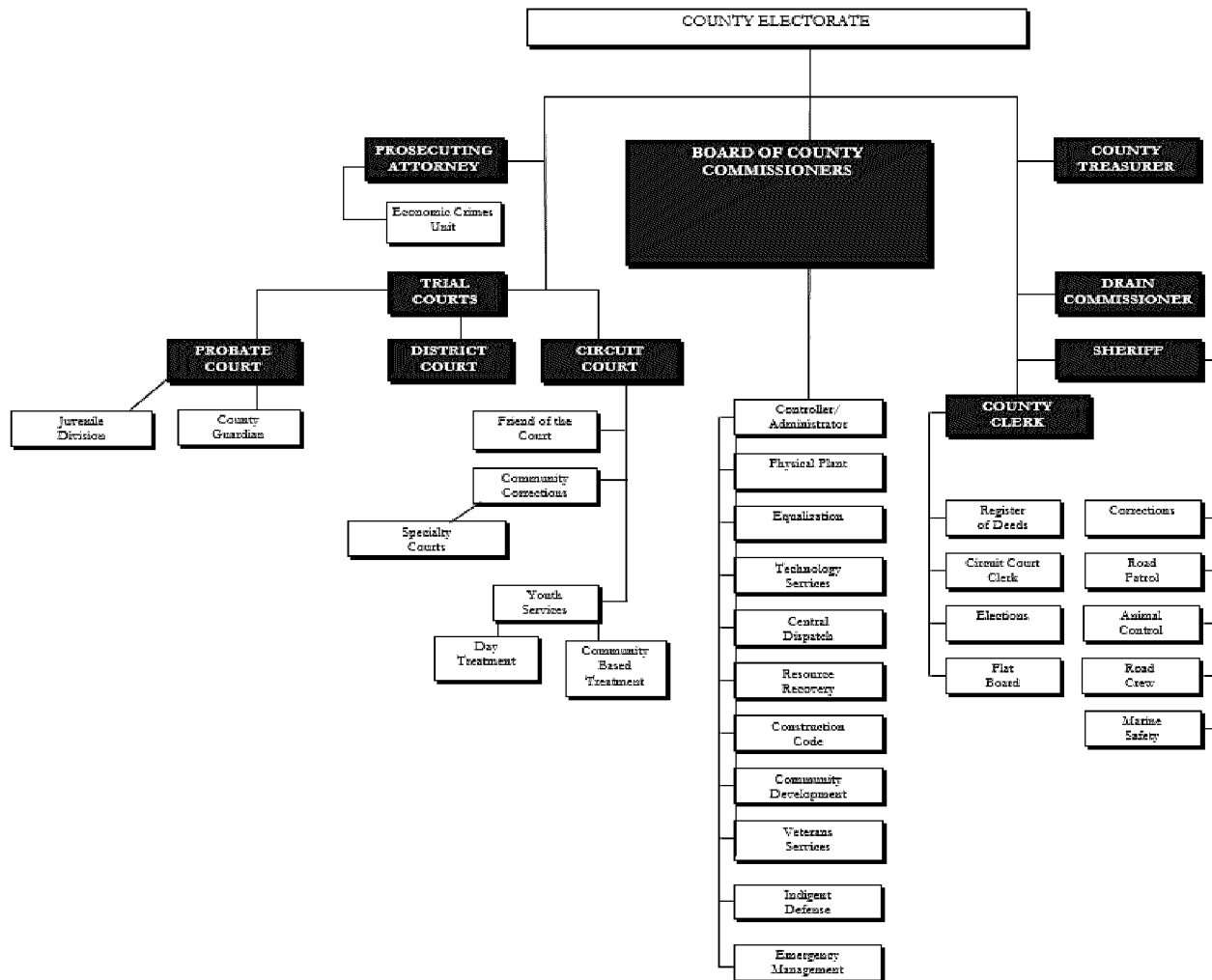
Respectfully submitted,



John Fuentes  
Controller/Administrator

## EATON COUNTY, MICHIGAN

## Organizational Chart



## EATON COUNTY, MICHIGAN

### PRINCIPAL OFFICIALS

For the Year Ended September 30, 2020

#### *Board of Commissioners*

|                                   |             |
|-----------------------------------|-------------|
| Rob Piercefield                   | District 1  |
| Blake Mulder                      | District 2  |
| Terrance Augustine - Chairman     | District 3  |
| Brandon Haskell                   | District 4  |
| Jeanne Pearl-Wright               | District 5  |
| Jane Whitacre                     | District 6  |
| Glenn Freeman III - Vice Chairman | District 7  |
| Joseph C. Brehler                 | District 8  |
| Brian Droscha                     | District 9  |
| Matthew S. Bowen                  | District 10 |
| Wayne Ridge                       | District 11 |
| Brian Lautzenheiser               | District 12 |
| Jim Mott                          | District 13 |
| Lisa Deavers                      | District 14 |
| Barbara A. Rogers                 | District 15 |

Tom Reich  
***County Sheriff***

Diana Bosworth  
***County Clerk/Register of Deeds***

Robert A. Robinson  
***County Treasurer***

Douglas R. Lloyd  
***Prosecuting Attorney***

Richard Wagner  
***Drain Commissioner***

John Fuentes, CPA  
***Controller/Administrator***

Connie Sobie  
***Deputy Controller/Administrator***

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Month //, 2021

To the Board of Commissioners  
Eaton County, Michigan  
Charlotte, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Eaton County, Michigan** (the "County"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### ***Independent Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Eaton County Health and Rehabilitation Services Facility Enterprise fund, which is a major fund and therefore a separate opinion unit that represents 56 percent, 36 percent, and 94 percent, respectively, of the assets and deferred outflows, net position, and revenues of the business-type activities. We also did not audit the financial statements of the Eaton County Road Commission, a component unit of the County that represents 51 percent, 60 percent and 61 percent, respectively, of the assets and deferred outflows, net position, and revenues of the total discretely presented component units. Those statements 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 Eaton County Health and Rehabilitation Services Facility and the Eaton County Road Commission, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Eaton County Health and Rehabilitation Services Facility and the Eaton County Road Commission were not audited in accordance with *Government Auditing Standards*.

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

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously 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 ***Eaton County, Michigan***, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

### ***Other Information***

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

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

The introductory section has 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 it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated Month //, 2021, on our consideration of ***Eaton County, Michigan's*** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## EATON COUNTY, MICHIGAN

### Management's Discussion and Analysis

As management of Eaton County, Michigan, we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the accompanying basic financial statements.

#### Financial Highlights

- The County's total net position decreased by \$261,309 during 2020, which consisted of an increase of \$394,520 for governmental activities and a decrease of \$655,829 for business-type activities.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general, special revenue, debt service and permanent funds) reported combined ending fund balances of \$16,284,867, an increase of \$2,550,041 in comparison with the prior year. Of the fund balance amount, \$7,514,626 is available for spending at the government's discretion (unassigned fund balance).
- The general fund had an increase in fund balance of \$1,491,625 for 2020. At the end of the year, unassigned fund balance for the general fund was \$7,514,626 or approximately 21.6 percent of total general fund expenditures. Total fund balance for the general fund was \$8,939,162.
- The County's total governmental activities long-term debt decreased by \$1,496,869 during the current fiscal year, primarily as a result of issuances of installment obligations of \$1,219,420, net of annual principal repayments of \$3,116,921.

#### Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole (government-wide financial statements) and present a longer-term view of the County's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds.

The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### Reporting the County as a Whole

**The Statement of Net Position and the Statement of Activities.** One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in them. One can think of the County's net position as one way to measure the County's financial health. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. During 2020, the net position of the County decreased by \$261,309 compared to an increase of \$3,578,191 in 2019. The primary source of the differences in changes in net position relate to changes in the net pension and other postemployment benefit liabilities and related deferred amounts.

**Governmental activities.** All of the County's basic services are considered to be governmental activities, including legislative, judicial, general government, public safety, public works, health and social services, parks, recreation and culture, and other activities. Property taxes, intergovernmental revenue and charges for services finance most of these activities.

## EATON COUNTY, MICHIGAN

### Management's Discussion and Analysis

**Business-type activities.** Other functions of the County that are intended to recover all or a significant portion of their costs through user fees and charges are considered to be business-type activities. These include the Eaton County Health and Rehabilitation Services Facility, the jail commissary, delinquent tax collections, home tax exemption audit and the foreclosing government unit.

**Component units.** The County includes five legally separate entities in its financial statements: the Eaton County Road Commission, Board of Public Works, the Eaton County Drainage Districts, the Barry/Eaton District Health Department, and the Eaton County Land Bank. Although legally separate, these "component units" are important because the County is financially accountable for them.

Financial statements for these component units are reported separately from the financial information presented for the primary government itself. The Eaton County Department of Human Services and the Eaton County Building Authority, although also legally separate, function for all practical purposes as departments of the County, and therefore have been included as an integral part of the primary government.

#### Reporting the County's Most Significant Funds

**Fund Financial Statements.** The fund financial statements provide detailed information about the most significant funds – not the County as a whole. Some funds are required to be established by State law or bond covenants. However, the County establishes many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The County's two primary kinds of funds – governmental and proprietary – use different accounting approaches.

**Governmental funds.** Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides.

Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

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

The County maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, child care, and central dispatch 911 surcharge funds, each of 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 and schedules as identified in the table of contents.

**Proprietary funds.** The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the county health and rehabilitation services, delinquent tax operations, the jail commissary, home tax exemption audit and the foreclosing governmental unit. 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 self-insurance and fringe benefit programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

## EATON COUNTY, MICHIGAN

### ■ Management's Discussion and Analysis

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the county health and rehabilitation services fund and the delinquent tax revolving fund, both of which are considered to be major funds of the County. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and internal service funds is provided in the form of combining statements elsewhere in this report.

#### Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for certain amounts on behalf of others. Fiduciary funds are used to account for the 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 County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

#### Additional Information

**Notes to Financial Statements.** The notes provide additional information that is essential for 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 and the schedules for the MERS pension and other postemployment benefits plans immediately following the notes to the financial statements. The combining and individual fund financial statements and schedules are presented immediately following the required supplementary information.

#### Financial Analysis of the County as a Whole

The government-wide financial analysis focuses on the net position and changes in net position of the County's governmental and business-type activities. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the net position of the County was in a deficit primarily a result of the net pension and other postemployment benefit liabilities of \$63,153,822 and \$39,569,158 respectively, at September 30, 2020.

## EATON COUNTY, MICHIGAN

### Management's Discussion and Analysis

|                                  | Net Position            |                        |                          |                      |                        |                        |
|----------------------------------|-------------------------|------------------------|--------------------------|----------------------|------------------------|------------------------|
|                                  | Governmental Activities |                        | Business-type Activities |                      | Total                  |                        |
|                                  | 2020                    | 2019                   | 2020                     | 2019                 | 2020                   | 2019                   |
| <b>Assets</b>                    |                         |                        |                          |                      |                        |                        |
| Current and other assets         | \$ 24,334,471           | \$ 21,652,951          | \$ 23,085,960            | \$ 19,235,463        | \$ 47,420,431          | \$ 40,888,414          |
| Capital assets, net              | 40,546,803              | 40,737,848             | 12,807,296               | 13,296,195           | 53,354,099             | 54,034,043             |
| <b>Total assets</b>              | <u>64,881,274</u>       | <u>62,390,799</u>      | <u>35,893,256</u>        | <u>32,531,658</u>    | <u>100,774,530</u>     | <u>94,922,457</u>      |
| <b>Deferred outflows</b>         | <u>11,287,186</u>       | <u>13,010,494</u>      | <u>593,870</u>           | <u>1,321,267</u>     | <u>11,881,056</u>      | <u>14,331,761</u>      |
| <b>Liabilities</b>               |                         |                        |                          |                      |                        |                        |
| Long-term debt outstanding       | 23,292,551              | 24,789,420             | 8,961,676                | 6,893,339            | 32,254,227             | 31,682,759             |
| Other liabilities                | 105,246,176             | 104,087,747            | 5,701,876                | 4,389,505            | 110,948,052            | 108,477,252            |
| <b>Total liabilities</b>         | <u>128,538,727</u>      | <u>128,877,167</u>     | <u>14,663,552</u>        | <u>11,282,844</u>    | <u>143,202,279</u>     | <u>140,160,011</u>     |
| <b>Deferred inflows</b>          | <u>8,049,279</u>        | <u>7,338,192</u>       | <u>568,860</u>           | <u>659,538</u>       | <u>8,618,139</u>       | <u>7,997,730</u>       |
| <b>Net position</b>              |                         |                        |                          |                      |                        |                        |
| Net investment in capital assets | 20,219,849              | 18,560,823             | 8,934,350                | 8,518,862            | 29,154,199             | 27,079,685             |
| Restricted                       | 6,111,817               | 5,328,608              | -                        | -                    | 6,111,817              | 5,328,608              |
| Unrestricted (deficit)           | (86,751,212)            | (84,703,497)           | 12,320,364               | 13,391,681           | (74,430,848)           | (71,311,816)           |
| <b>Total net position</b>        | <u>\$ (60,419,546)</u>  | <u>\$ (60,814,066)</u> | <u>\$ 21,254,714</u>     | <u>\$ 21,910,543</u> | <u>\$ (39,164,832)</u> | <u>\$ (38,903,523)</u> |

A portion of the County's net position, \$29,154,199, is its investment in capital assets (i.e., land, buildings, vehicles, equipment and infrastructure), net of any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$6,111,817, represents resources that are subject to external restrictions on how they may be used.

**Governmental activities.** Governmental activities increased the County's net position by \$394,520. The cost of all governmental activities this year was \$50,644,459 compared to \$45,375,827 from the prior year. Key elements of the overall decrease in net position, in addition to those matters discussed previously, are as follows:

- Operating grants increased by \$2,614,847 which was primarily due to Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- Property tax revenue increased by \$555,779. The increase in property taxes was a result of development and increased value of existing property.
- Collectively, judicial, general government, and public safety expenses increased by \$4,731,499, primarily due to changes in the net pension liability and related deferred amounts.

## EATON COUNTY, MICHIGAN

### Management's Discussion and Analysis

The following condensed financial information was derived from the government-wide statement of activities and reflects how the County's net position changed during the fiscal year:

|                                                                    | Governmental Activities |                        | Change in Net Position<br>Business-type Activities |                      | Total                  |                        |
|--------------------------------------------------------------------|-------------------------|------------------------|----------------------------------------------------|----------------------|------------------------|------------------------|
|                                                                    | 2020                    | 2019                   | 2020                                               | 2019                 | 2020                   | 2019                   |
| <b>Revenues</b>                                                    |                         |                        |                                                    |                      |                        |                        |
| Program revenues:                                                  |                         |                        |                                                    |                      |                        |                        |
| Charges for services                                               | \$ 6,471,189            | \$ 6,802,362           | \$ 19,711,419                                      | \$ 19,773,874        | \$ 26,182,608          | \$ 26,576,236          |
| Operating grants                                                   | 14,200,534              | 11,585,687             | 601,882                                            | 60,976               | 14,802,416             | 11,646,663             |
| General revenues:                                                  |                         |                        |                                                    |                      |                        |                        |
| Property taxes                                                     | 27,720,330              | 27,164,551             | 461,606                                            | 451,800              | 28,181,936             | 27,616,351             |
| Grants and contributions<br>not restricted to<br>specific programs | 2,142,998               | 2,886,875              | -                                                  | -                    | 2,142,998              | 2,886,875              |
| Unrestricted investment<br>earnings                                | 128,744                 | 300,908                | -                                                  | -                    | 128,744                | 300,908                |
| Gain on sale of capital<br>assets                                  | -                       | 34,593                 | -                                                  | -                    | -                      | 34,593                 |
| <b>Total revenues</b>                                              | <b>50,663,795</b>       | <b>48,774,976</b>      | <b>20,774,907</b>                                  | <b>20,286,650</b>    | <b>71,438,702</b>      | <b>69,061,626</b>      |
| <b>Expenses</b>                                                    |                         |                        |                                                    |                      |                        |                        |
| Legislative                                                        | 456,407                 | 378,434                | -                                                  | -                    | 456,407                | 378,434                |
| Judicial                                                           | 6,767,447               | 6,178,963              | -                                                  | -                    | 6,767,447              | 6,178,963              |
| General government                                                 | 9,837,033               | 8,863,535              | -                                                  | -                    | 9,837,033              | 8,863,535              |
| Public safety                                                      | 24,735,566              | 21,566,049             | -                                                  | -                    | 24,735,566             | 21,566,049             |
| Public works                                                       | 428,766                 | 431,009                | -                                                  | -                    | 428,766                | 431,009                |
| Health and social services                                         | 6,648,613               | 6,572,912              | -                                                  | -                    | 6,648,613              | 6,572,912              |
| Parks, recreation, and culture                                     | 716,118                 | 655,183                | -                                                  | -                    | 716,118                | 655,183                |
| Other                                                              | 395,658                 | 400,334                | -                                                  | -                    | 395,658                | 400,334                |
| Interest on long-term debt                                         | 658,851                 | 329,408                | -                                                  | -                    | 658,851                | 329,408                |
| Health and rehabilitation<br>services                              | -                       | -                      | 20,639,479                                         | 19,578,450           | 20,639,479             | 19,578,450             |
| Jail commissary                                                    | -                       | -                      | 156,458                                            | 143,669              | 156,458                | 143,669                |
| Delinquent tax collections                                         | -                       | -                      | 95,231                                             | 191,205              | 95,231                 | 191,205                |
| Foreclosing government unit                                        | -                       | -                      | 164,384                                            | 194,284              | 164,384                | 194,284                |
| <b>Total expenses</b>                                              | <b>50,644,459</b>       | <b>45,375,827</b>      | <b>21,055,552</b>                                  | <b>20,107,608</b>    | <b>71,700,011</b>      | <b>65,483,435</b>      |
| Change in net position,<br>before transfers                        | 19,336                  | 3,399,149              | (280,645)                                          | 179,042              | (261,309)              | 3,578,191              |
| <b>Transfers</b>                                                   | <b>375,184</b>          | <b>425,363</b>         | <b>(375,184)</b>                                   | <b>(425,363)</b>     | <b>-</b>               | <b>-</b>               |
| <b>Change in net position</b>                                      | <b>394,520</b>          | <b>3,824,512</b>       | <b>(655,829)</b>                                   | <b>(246,321)</b>     | <b>(261,309)</b>       | <b>3,578,191</b>       |
| Net position, beginning of year                                    | (60,814,066)            | (64,638,578)           | 21,910,543                                         | 22,156,864           | (38,903,523)           | (42,481,714)           |
| <b>Net position, end of year</b>                                   | <b>\$ (60,419,546)</b>  | <b>\$ (60,814,066)</b> | <b>\$ 21,254,714</b>                               | <b>\$ 21,910,543</b> | <b>\$ (39,164,832)</b> | <b>\$ (38,903,523)</b> |

## EATON COUNTY, MICHIGAN

### Management's Discussion and Analysis

**Business-type activities.** Business-type activities decreased the County's net position by \$655,829 for the current year. Key elements of the current year decrease are as follows:

- The County Health and Rehabilitation Services Facility reported a decrease in net position of \$863,637. Additional factors discussing this decrease in net position are available in the separately issued report for the Facility.
- The delinquent tax revolving fund reported an increase in net position of \$263,054 as a result of interest and administrative fees on taxes retained in the fund.

### Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$16,284,867, an increase of \$2,550,041 in comparison with the prior year. Of the fund balance amount, \$7,514,626 constitutes unassigned fund balance, which is available for spending at the government's discretion.

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 \$7,514,626, while total fund balance was \$8,939,162. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 21.6 percent of the total general fund expenditures.

The fund balance of the County's general fund increased by \$1,491,625 during the current fiscal year. An increase in federal/state intergovernmental revenue along with a decrease in judicial, general government, and public safety expenditures, which were offset by an increase in capital outlay expenditures, contributed to the current year increase in fund balance.

The child care fund experienced an increase in fund balance of \$80,972 for the year and reported total fund balance of \$710,431 at September 30, 2020. This was due primarily to an decrease in expenditures offset by transfers in from the general fund and the juvenile millage fund.

The central dispatch 911 surcharge fund experienced an increase in fund balance of \$21,124 for the year and reported total fund balance of \$2,112,150 at September 30, 2020. The 911 surcharges collected \$1,998,351 and incurred debt service expenditures of \$1,612,327 related to the expansion of the communications system.

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

The Eaton County Health and Rehabilitation Services net position decreased during fiscal years 2020, 2019 and 2018. The net position decreased by approximately \$864,000 in 2020, compared to the net position decrease of approximately \$671,000 in 2019. The increased loss in 2020 is largely attributable to reduced revenues and costs associated with the COVID-19 pandemic, such as decreased occupancy, increased regulations, personal protective equipment, staff shortages, and increased wages for essential workers. Other factors concerning the finances of the enterprise funds have already been addressed in the discussion of the County's business-type activities.

## EATON COUNTY, MICHIGAN

### Management's Discussion and Analysis

#### General Fund Budgetary Highlights

Revenues in the general fund increased by \$2,599,994 from the original budget to the final budget based on an increase in CARES Act funding.

Expenditures in the general fund increased by \$264,835 from the original to the final budget related to anticipated expenditures as a result of the County's continuing response to the COVID-19 pandemic.

Actual general fund revenues were under the final amended budget by \$2,350,459. The primary variance was in Federal/State intergovernmental revenues in the amount of \$1,428,816, as a result of lower than projected federal CARES Act revenues of approximately \$900,000 and lower than anticipated State inmate boarding program revenues of approximately \$320,000, as a result of the COVID-19 pandemic. In addition, charges for services were under budget by \$317,103, primarily as a result of temporary operational changes and service reductions.

Actual general fund expenditures were under the final amended budget by \$3,169,113. The primary variance was in public safety expenditures in the amount of \$1,418,743, as a result of higher than anticipated staff vacancies throughout the fiscal year. General government was under budget by \$755,745 and judicial was under budget by \$657,937, both primarily as a result of the County's participation in the State Workshare program to temporarily furlough portions of its employee population as a result of the COVID-19 pandemic and resulting temporary operational changes and reductions.

#### Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounted to \$53,354,099 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and vehicles and equipment. The net decrease in the County's investment in governmental activities capital assets for the current fiscal year was \$191,045. This was due to annual depreciation exceeding current year additions. The County's business-type activities' capital assets decreased by \$488,899. This was due to annual depreciation exceeding current year additions.

Major capital asset events during the current fiscal year included the following:

- The construction and implementation of an 800 MHz emergency communication radio system.
- The construction of improvements to the County's technology network infrastructure.

|                                  | Capital Assets (Net of Depreciation) |                      |                          |                      |                      |                      |
|----------------------------------|--------------------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                  | Governmental Activities              |                      | Business-type Activities |                      | Total                |                      |
|                                  | 2020                                 | 2019                 | 2020                     | 2019                 | 2020                 | 2019                 |
| Land                             | \$ 4,018,034                         | \$ 4,018,034         | \$ -                     | \$ -                 | \$ 4,018,034         | \$ 4,018,034         |
| Construction in progress         | 239,199                              | 12,686,668           | -                        | 13,545               | 239,199              | 12,700,213           |
| Buildings and improvements       | 18,619,467                           | 19,599,749           | 12,421,634               | 12,864,274           | 31,041,101           | 32,464,023           |
| Vehicles and equipment           | 17,670,103                           | 4,433,397            | 385,662                  | 418,376              | 18,055,765           | 4,851,773            |
| <b>Total capital assets, net</b> | <b>\$ 40,546,803</b>                 | <b>\$ 40,737,848</b> | <b>\$ 12,807,296</b>     | <b>\$ 13,296,195</b> | <b>\$ 53,354,099</b> | <b>\$ 54,034,043</b> |

## EATON COUNTY, MICHIGAN

### Management's Discussion and Analysis

**Long-term Debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$11,425,673. This entire amount comprises debt backed by the full faith and credit of the County.

|                                                    | Long-term Debt          |                      |                          |                     |                      |                      |
|----------------------------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                                    | Governmental Activities |                      | Business-type Activities |                     | Total                |                      |
|                                                    | 2020                    | 2019                 | 2020                     | 2019                | 2020                 | 2019                 |
| General obligation bonds                           | \$ 7,450,000            | \$ 8,415,000         | \$ 3,975,673             | \$ 4,899,067        | \$ 11,425,673        | \$ 13,314,067        |
| Notes from direct borrowings and direct placements | 13,205,014              | 14,137,515           | 2,486,167                | -                   | 15,691,181           | 14,137,515           |
| Delinquent tax notes                               | -                       | -                    | 2,278,802                | 1,743,302           | 2,278,802            | 1,743,302            |
| Compensated absences                               | 2,637,537               | 2,236,905            | 221,034                  | 250,970             | 2,858,571            | 2,487,875            |
| <b>Total long-term debt</b>                        | <b>\$ 23,292,551</b>    | <b>\$ 24,789,420</b> | <b>\$ 8,961,676</b>      | <b>\$ 6,893,339</b> | <b>\$ 32,254,227</b> | <b>\$ 31,682,759</b> |

The County's total general obligation debt decreased by \$1,888,394 (14.2 percent) during the current fiscal year.

The County has an "AA-" rating for general obligation bonds from Standard & Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current debt limitation for the County is \$474,533,106, which is significantly in excess of the County's outstanding general obligation debt.

#### Economic Factors and Next Year's Budget and Rates

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

- Increases in property tax revenue of approximately \$565,000.
- Decrease in intergovernmental revenue due to the expiration of the federal CARES Act and associated grant funding.
- Increase in transfer from self insurance risk management pool of \$500,000 for asset distribution.
- Decrease in interest revenue of \$250,000.
- Total required pension fund contributions decreased of approximately \$75,000 due to changes in employee benefit programs and increases related to contractual and general employee wage increases.
- Total contributions to fund the closed retiree health insurance program increased by approximately \$90,000.
- The COVID-19 pandemic has resulted in many unknowns when considering the long-term future economic outlook for the County. However, the County was awarded several grants for reimbursement of expenditures incurred during fiscal year 2020 and 2021 related to the pandemic.

#### Contacting the County's Controller/Administrator

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 information should be addressed to Eaton County Controller/Administrator, 1045 Independence Boulevard, Charlotte, Michigan 48813.

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## **BASIC FINANCIAL STATEMENTS**

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## EATON COUNTY, MICHIGAN

### Statement of Net Position September 30, 2020

|                                                                        | Primary Government         |                             |                        |                       |
|------------------------------------------------------------------------|----------------------------|-----------------------------|------------------------|-----------------------|
|                                                                        | Governmental<br>Activities | Business-type<br>Activities | Totals                 | Component<br>Units    |
| <b>Assets</b>                                                          |                            |                             |                        |                       |
| Cash and cash equivalents                                              | \$ 11,470,648              | \$ 17,038,924               | \$ 28,509,572          | \$ 22,466,608         |
| Receivables, net                                                       | 12,661,932                 | 5,937,844                   | 18,599,776             | 28,891,153            |
| Internal balances                                                      | 1,360                      | (1,360)                     | -                      | -                     |
| Other assets                                                           | 200,531                    | 110,552                     | 311,083                | 897,867               |
| Net other postemployment benefit asset                                 | -                          | -                           | -                      | 1,035,488             |
| Capital assets not being depreciated                                   | 4,257,233                  | -                           | 4,257,233              | 30,252,404            |
| Capital assets being depreciated, net                                  | 36,289,570                 | 12,807,296                  | 49,096,866             | 146,348,243           |
| <b>Total assets</b>                                                    | <b>64,881,274</b>          | <b>35,893,256</b>           | <b>100,774,530</b>     | <b>229,891,763</b>    |
| <b>Deferred outflows of resources</b>                                  |                            |                             |                        |                       |
| Deferred charge on refunding                                           | 328,060                    | 102,727                     | 430,787                | 197,865               |
| Deferred pension amounts                                               | 8,291,687                  | 491,143                     | 8,782,830              | 723,778               |
| Deferred other postemployment benefit amounts                          | 2,667,439                  | -                           | 2,667,439              | 836,113               |
| <b>Total deferred outflows of resources</b>                            | <b>11,287,186</b>          | <b>593,870</b>              | <b>11,881,056</b>      | <b>1,757,756</b>      |
| <b>Liabilities</b>                                                     |                            |                             |                        |                       |
| Accounts payable and accrued liabilities                               | 4,599,209                  | 2,499,219                   | 7,098,428              | 5,322,411             |
| Interest payable                                                       | 376,299                    | 28,402                      | 404,701                | 257,941               |
| Unearned revenue                                                       | 39                         | 721,904                     | 721,943                | 235,253               |
| Long-term debt:                                                        |                            |                             |                        |                       |
| Due within one year                                                    | 4,582,553                  | 4,411,732                   | 8,994,285              | 3,997,867             |
| Due in more than one year                                              | 18,709,998                 | 4,549,944                   | 23,259,942             | 25,192,204            |
| Net pension liability (due in more than one year)                      | 62,087,304                 | 1,066,518                   | 63,153,822             | 6,181,037             |
| Net other postemployment benefit liability (due in more than one year) | 38,183,325                 | 1,385,833                   | 39,569,158             | -                     |
| <b>Total liabilities</b>                                               | <b>128,538,727</b>         | <b>14,663,552</b>           | <b>143,202,279</b>     | <b>41,186,713</b>     |
| <b>Deferred inflows of resources</b>                                   |                            |                             |                        |                       |
| Deferred pension amounts                                               | 1,835,470                  | 568,860                     | 2,404,330              | 62,617                |
| Deferred other postemployment benefit amounts                          | 6,213,809                  | -                           | 6,213,809              | 491,745               |
| <b>Total deferred inflows of resources</b>                             | <b>8,049,279</b>           | <b>568,860</b>              | <b>8,618,139</b>       | <b>554,362</b>        |
| <b>Net position</b>                                                    |                            |                             |                        |                       |
| Net investment in capital assets                                       | 20,219,849                 | 8,934,350                   | 29,154,199             | 151,737,579           |
| Restricted for:                                                        |                            |                             |                        |                       |
| Judicial                                                               | 627,888                    | -                           | 627,888                | -                     |
| Public safety                                                          | 5,011,801                  | -                           | 5,011,801              | -                     |
| Health and social services                                             | 241,391                    | -                           | 241,391                | -                     |
| Endowments                                                             | 3,325                      | -                           | 3,325                  | -                     |
| Other state mandated                                                   | 227,412                    | -                           | 227,412                | -                     |
| Other postemployment benefits                                          | -                          | -                           | -                      | 1,379,856             |
| Drainage districts                                                     | -                          | -                           | -                      | 31,286,498            |
| Unrestricted (deficit)                                                 | (86,751,212)               | 12,320,364                  | (74,430,848)           | 5,504,511             |
| <b>Total net position</b>                                              | <b>\$ (60,419,546)</b>     | <b>\$ 21,254,714</b>        | <b>\$ (39,164,832)</b> | <b>\$ 189,908,444</b> |

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

## EATON COUNTY, MICHIGAN

### Statement of Activities

For the Year Ended September 30, 2020

| Functions/Programs                 | Expenses      | Program Revenues     |                                    |                                  |                        |
|------------------------------------|---------------|----------------------|------------------------------------|----------------------------------|------------------------|
|                                    |               | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expense) Revenues |
| Primary government                 |               |                      |                                    |                                  |                        |
| Governmental activities:           |               |                      |                                    |                                  |                        |
| Legislative                        | \$ 456,407    | \$ -                 | \$ -                               | \$ -                             | \$ (456,407)           |
| Judicial                           | 6,767,447     | 1,524,709            | 4,750,245                          | -                                | (492,493)              |
| General government                 | 9,837,033     | 1,463,649            | 1,561,025                          | -                                | (6,812,359)            |
| Public safety                      | 24,735,566    | 3,025,829            | 5,473,170                          | -                                | (16,236,567)           |
| Public works                       | 428,766       | -                    | -                                  | -                                | (428,766)              |
| Health and social services         | 6,648,613     | 358,251              | 2,416,094                          | -                                | (3,874,268)            |
| Parks, recreation and culture      | 716,118       | 98,751               | -                                  | -                                | (617,367)              |
| Other                              | 395,658       | -                    | -                                  | -                                | (395,658)              |
| Interest on long-term debt         | 658,851       | -                    | -                                  | -                                | (658,851)              |
| Total governmental activities      | 50,644,459    | 6,471,189            | 14,200,534                         | -                                | (29,972,736)           |
| Business-type activities:          |               |                      |                                    |                                  |                        |
| Health and rehabilitation services | 20,639,479    | 18,628,266           | 535,970                            | -                                | (1,475,243)            |
| Jail commissary                    | 156,458       | 91,805               | -                                  | -                                | (64,653)               |
| Delinquent tax collections         | 95,231        | 799,950              | 65,912                             | -                                | 770,631                |
| Home tax exemption audit           | -             | 3,130                | -                                  | -                                | 3,130                  |
| Foreclosing government unit        | 164,384       | 188,268              | -                                  | -                                | 23,884                 |
| Total business-type activities     | 21,055,552    | 19,711,419           | 601,882                            | -                                | (742,251)              |
| Total primary government           | \$ 71,700,011 | \$ 26,182,608        | \$ 14,802,416                      | \$ -                             | \$ (30,714,987)        |
| Component units                    |               |                      |                                    |                                  |                        |
| Road Commission                    | \$ 12,731,035 | \$ 95,365            | \$ 11,758,065                      | \$ 3,536,763                     | \$ 2,659,158           |
| Board of Public Works              | 85,325        | -                    | (44,042)                           | -                                | (129,367)              |
| Drainage Districts                 | 5,698,887     | 78,475               | 37,657                             | 6,303,002                        | 720,247                |
| District Health                    | 5,887,260     | 1,462,468            | 4,863,831                          | -                                | 439,039                |
| Land Bank                          | 6,240         | -                    | -                                  | -                                | (6,240)                |
| Total component units              | \$ 24,408,747 | \$ 1,636,308         | \$ 16,615,511                      | \$ 9,839,765                     | \$ 3,682,837           |

continued...

## EATON COUNTY, MICHIGAN

### Statement of Activities For the Year Ended September 30, 2020

|                                                                 | Primary Government            |                             |                               |                              |
|-----------------------------------------------------------------|-------------------------------|-----------------------------|-------------------------------|------------------------------|
|                                                                 | Governmental<br>Activities    | Business-type<br>Activities | Totals                        | Component<br>Units           |
| <b>Change in net position</b>                                   |                               |                             |                               |                              |
| Net (expense) revenues                                          | <u>\$ (29,972,736)</u>        | <u>\$ (742,251)</u>         | <u>\$ (30,714,987)</u>        | <u>\$ 3,682,837</u>          |
| General revenues:                                               |                               |                             |                               |                              |
| Property taxes                                                  | 27,720,330                    | 461,606                     | 28,181,936                    | 4,408,110                    |
| Grants and contributions not<br>restricted to specific programs | 2,142,998                     | -                           | 2,142,998                     | -                            |
| Unrestricted investment earnings                                | 128,744                       | -                           | 128,744                       | 130,604                      |
| Other                                                           | -                             | -                           | -                             | 103,288                      |
| Transfers - internal activities                                 | <u>375,184</u>                | <u>(375,184)</u>            | <u>-</u>                      | <u>-</u>                     |
| Total general revenues and transfers                            | <u>30,367,256</u>             | <u>86,422</u>               | <u>30,453,678</u>             | <u>4,642,002</u>             |
| <b>Change in net position</b>                                   | 394,520                       | (655,829)                   | (261,309)                     | 8,324,839                    |
| Net position, beginning of year                                 | <u>(60,814,066)</u>           | <u>21,910,543</u>           | <u>(38,903,523)</u>           | <u>181,583,605</u>           |
| <b>Net position, end of year</b>                                | <u><u>\$ (60,419,546)</u></u> | <u><u>\$ 21,254,714</u></u> | <u><u>\$ (39,164,832)</u></u> | <u><u>\$ 189,908,444</u></u> |

concluded

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

## **FUND FINANCIAL STATEMENTS**

## EATON COUNTY, MICHIGAN

### Balance Sheet Governmental Funds September 30, 2020

|                                            | General<br>Fund      | Child<br>Care<br>Fund | Central<br>Dispatch<br>911 Surcharge | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------|----------------------|-----------------------|--------------------------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>                              |                      |                       |                                      |                                   |                                |
| Cash and cash equivalents                  | \$ -                 | \$ 294,875            | \$ 1,812,222                         | \$ 4,924,559                      | \$ 7,031,656                   |
| Receivables:                               |                      |                       |                                      |                                   |                                |
| Property taxes, net                        | 9,641,477            | -                     | -                                    | 3,407                             | 9,644,884                      |
| Accounts                                   | 319,745              | 45,312                | 471,814                              | 6,000                             | 842,871                        |
| Due from other governments                 | 1,234,317            | 620,110               | -                                    | 259,350                           | 2,113,777                      |
| Prepays                                    | 33,245               | -                     | -                                    | 25,231                            | 58,476                         |
| Advances to component unit                 | 60,000               | -                     | -                                    | -                                 | 60,000                         |
| <b>Total assets</b>                        | <u>\$ 11,288,784</u> | <u>\$ 960,297</u>     | <u>\$ 2,284,036</u>                  | <u>\$ 5,218,547</u>               | <u>\$ 19,751,664</u>           |
| <b>Liabilities</b>                         |                      |                       |                                      |                                   |                                |
| Negative equity in pooled cash             | \$ 264,392           | \$ -                  | \$ -                                 | \$ 130,572                        | \$ 394,964                     |
| Accounts payable                           | 864,531              | 146,516               | 171,886                              | 351,104                           | 1,534,037                      |
| Accrued liabilities                        | 685,129              | 78,570                | -                                    | 166,825                           | 930,524                        |
| Due to other governments                   | 232,389              | -                     | -                                    | -                                 | 232,389                        |
| Due to other funds                         | 303,142              | 24,780                | -                                    | 46,922                            | 374,844                        |
| Unearned revenue                           | 39                   | -                     | -                                    | -                                 | 39                             |
| <b>Total liabilities</b>                   | <u>2,349,622</u>     | <u>249,866</u>        | <u>171,886</u>                       | <u>695,423</u>                    | <u>3,466,797</u>               |
| <b>Fund balances</b>                       |                      |                       |                                      |                                   |                                |
| Nonspendable                               | 93,245               | -                     | -                                    | 25,231                            | 118,476                        |
| Restricted                                 | -                    | -                     | 2,112,150                            | 4,149,837                         | 6,261,987                      |
| Committed                                  | -                    | 710,431               | -                                    | 348,056                           | 1,058,487                      |
| Assigned                                   | 1,331,291            | -                     | -                                    | -                                 | 1,331,291                      |
| Unassigned                                 | 7,514,626            | -                     | -                                    | -                                 | 7,514,626                      |
| <b>Total fund balances</b>                 | <u>8,939,162</u>     | <u>710,431</u>        | <u>2,112,150</u>                     | <u>4,523,124</u>                  | <u>16,284,867</u>              |
| <b>Total liabilities and fund balances</b> | <u>\$ 11,288,784</u> | <u>\$ 960,297</u>     | <u>\$ 2,284,036</u>                  | <u>\$ 5,218,547</u>               | <u>\$ 19,751,664</u>           |

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

## EATON COUNTY, MICHIGAN

### ■ Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
September 30, 2020

**Total fund balances for governmental funds** \$ 16,284,867

Amounts reported for *governmental activities* in the Statement of Net Position  
are different because:

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in the funds.

|                                       |            |
|---------------------------------------|------------|
| Capital assets not being depreciated  | 4,257,233  |
| Capital assets being depreciated, net | 36,289,570 |

Certain liabilities, such as bonds payable, are not due and payable in the current  
period, and therefore are not reported in the funds.

|                                                    |              |
|----------------------------------------------------|--------------|
| Bonds payable                                      | (7,450,000)  |
| Notes from direct borrowings and direct placements | (13,205,014) |
| Deferred charge on refunding                       | 328,060      |
| Interest payable                                   | (376,299)    |
| Compensated absences                               | (2,637,537)  |

Internal service funds are used by management to charge costs of  
certain activities, such as insurance, to individual funds. The assets  
and liabilities of the internal service funds are included in  
governmental activities in the Statement of Net Position.

3,450,356

Certain pension and OPEB-related amounts, such as the net pension liability, net other  
postemployment benefit liability and deferred amounts, are not due and payable  
in the current period or do not represent current financial resources, and  
therefore are not reported in the funds.

|                                                                             |              |
|-----------------------------------------------------------------------------|--------------|
| Net pension liability                                                       | (62,087,304) |
| Deferred outflows related to the net pension liability                      | 8,291,687    |
| Deferred inflows related to the net pension liability                       | (1,835,470)  |
| Net other postemployment benefit liability                                  | (38,183,325) |
| Deferred outflows related to the net other postemployment benefit liability | 2,667,439    |
| Deferred inflows related to the net other postemployment benefit liability  | (6,213,809)  |

**Net position of governmental activities** \$ (60,419,546)

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

## EATON COUNTY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2020

|                                             | General<br>Fund     | Child<br>Care<br>Fund | Central<br>Dispatch<br>911 Surcharge | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------------------|---------------------|-----------------------|--------------------------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>                             |                     |                       |                                      |                                   |                                |
| Property taxes                              | \$ 20,300,187       | \$ -                  | \$ -                                 | \$ 7,420,143                      | \$ 27,720,330                  |
| Licenses and permits                        | 242,815             | -                     | -                                    | 571,014                           | 813,829                        |
| Intergovernmental:                          |                     |                       |                                      |                                   |                                |
| Federal/State                               | 7,871,702           | 2,132,080             | -                                    | 2,528,495                         | 12,532,277                     |
| Local                                       | 3,401,960           | -                     | -                                    | -                                 | 3,401,960                      |
| Charges for services                        | 2,660,119           | -                     | 1,998,351                            | 543,793                           | 5,202,263                      |
| Fines and forfeitures                       | 184,965             | -                     | -                                    | -                                 | 184,965                        |
| Interest and rents                          | 339,559             | -                     | -                                    | 2,146                             | 341,705                        |
| Other                                       | 184,624             | 124,690               | -                                    | 109,751                           | 419,065                        |
| <b>Total revenues</b>                       | <b>35,185,931</b>   | <b>2,256,770</b>      | <b>1,998,351</b>                     | <b>11,175,342</b>                 | <b>50,616,394</b>              |
| <b>Expenditures</b>                         |                     |                       |                                      |                                   |                                |
| Current:                                    |                     |                       |                                      |                                   |                                |
| Legislative                                 | 423,364             | -                     | -                                    | -                                 | 423,364                        |
| Judicial                                    | 4,938,982           | -                     | -                                    | 1,471,011                         | 6,409,993                      |
| General government                          | 8,771,195           | -                     | -                                    | 89,351                            | 8,860,546                      |
| Public safety                               | 13,926,266          | -                     | 117,062                              | 6,063,085                         | 20,106,413                     |
| Public works                                | 428,766             | -                     | -                                    | -                                 | 428,766                        |
| Health and social services                  | 2,175,963           | 3,944,483             | -                                    | 390,881                           | 6,511,327                      |
| Parks, recreation and culture               | 669,779             | -                     | -                                    | -                                 | 669,779                        |
| Other                                       | 391,660             | -                     | -                                    | 3,998                             | 395,658                        |
| Capital outlay                              | 2,454,445           | -                     | 247,838                              | -                                 | 2,702,283                      |
| Debt service:                               |                     |                       |                                      |                                   |                                |
| Principal                                   | 500,452             | 10,798                | 1,612,327                            | 993,344                           | 3,116,921                      |
| Interest and fiscal charges                 | 71,434              | 2,308                 | -                                    | 208,035                           | 281,777                        |
| <b>Total expenditures</b>                   | <b>34,752,306</b>   | <b>3,957,589</b>      | <b>1,977,227</b>                     | <b>9,219,705</b>                  | <b>49,906,827</b>              |
| Revenues over (under) expenditures          | 433,625             | (1,700,819)           | 21,124                               | 1,955,637                         | 709,567                        |
| <b>Other financing sources (uses)</b>       |                     |                       |                                      |                                   |                                |
| Transfers in                                | 1,668,294           | 1,782,838             | -                                    | 1,812,072                         | 5,263,204                      |
| Transfers out                               | (1,845,882)         | (1,047)               | -                                    | (2,841,091)                       | (4,688,020)                    |
| Proceeds from sale of capital assets        | 45,870              | -                     | -                                    | -                                 | 45,870                         |
| Issuance of long-term debt                  | 1,189,718           | -                     | -                                    | 29,702                            | 1,219,420                      |
| <b>Total other financing sources (uses)</b> | <b>1,058,000</b>    | <b>1,781,791</b>      | <b>-</b>                             | <b>(999,317)</b>                  | <b>1,840,474</b>               |
| <b>Net change in fund balances</b>          | <b>1,491,625</b>    | <b>80,972</b>         | <b>21,124</b>                        | <b>956,320</b>                    | <b>2,550,041</b>               |
| Fund balances, beginning of year            | 7,447,537           | 629,459               | 2,091,026                            | 3,566,804                         | 13,734,826                     |
| <b>Fund balances, end of year</b>           | <b>\$ 8,939,162</b> | <b>\$ 710,431</b>     | <b>\$ 2,112,150</b>                  | <b>\$ 4,523,124</b>               | <b>\$ 16,284,867</b>           |

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

## EATON COUNTY, MICHIGAN

### ■ Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended September 30, 2020

**Net change in fund balance - total governmental funds** \$ 2,550,041

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense.

|                                      |             |
|--------------------------------------|-------------|
| Purchase of capital assets           | 2,291,761   |
| Depreciation expense                 | (2,390,346) |
| Proceeds from sale of capital assets | (45,870)    |
| Loss on sale of capital assets       | (46,590)    |

Bond proceeds provide current financial resources to the governmental funds in the period issued, but issuing bonds increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

|                                             |             |
|---------------------------------------------|-------------|
| Repayment of debt principal                 | 3,116,921   |
| Issuance of long-term installment contracts | (1,219,420) |

Some expenses reported in the Statement of Activities do not require the use current financial resources and therefore are not reported as fund expenditures.

|                                                                                       |             |
|---------------------------------------------------------------------------------------|-------------|
| Change in accrued compensated absences                                                | (400,632)   |
| Amortization of deferred charge on refunding                                          | (47,430)    |
| Change in the net pension liability and related deferred amounts                      | (4,531,054) |
| Change in the net other postemployment benefit liability and related deferred amounts | 1,307,052   |
| Change in accrued interest payable                                                    | (329,644)   |

Internal service funds are used by management to charge costs of certain activities, such as insurance, to individual funds. The change in net position of the internal service funds is reported with governmental activities in the Statement of Activities.

139,731

**Change in net position of governmental activities** \$ 394,520

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

## EATON COUNTY, MICHIGAN

### ■ Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - General Fund For the Year Ended September 30, 2020

|                                             | Original<br>Budget  | Final<br>Budget     | Actual              | Actual Over<br>(Under) Final<br>Budget |
|---------------------------------------------|---------------------|---------------------|---------------------|----------------------------------------|
| <b>Revenues</b>                             |                     |                     |                     |                                        |
| Property taxes                              | \$ 20,491,597       | \$ 20,491,597       | \$ 20,300,187       | \$ (191,410)                           |
| Licenses and permits                        | 184,250             | 194,250             | 242,815             | 48,565                                 |
| Intergovernmental:                          |                     |                     |                     |                                        |
| Federal/State                               | 6,383,584           | 9,300,518           | 7,871,702           | (1,428,816)                            |
| Local                                       | 3,690,134           | 3,340,072           | 3,401,960           | 61,888                                 |
| Charges for services                        | 2,977,100           | 2,977,222           | 2,660,119           | (317,103)                              |
| Fines and forfeitures                       | 251,500             | 251,500             | 184,965             | (66,535)                               |
| Interest and rents                          | 506,105             | 529,105             | 339,559             | (189,546)                              |
| Other                                       | 452,126             | 452,126             | 184,624             | (267,502)                              |
| <b>Total revenues</b>                       | <u>34,936,396</u>   | <u>37,536,390</u>   | <u>35,185,931</u>   | <u>(2,350,459)</u>                     |
| <b>Expenditures</b>                         |                     |                     |                     |                                        |
| Current:                                    |                     |                     |                     |                                        |
| Legislative                                 | 358,407             | 598,407             | 423,364             | (175,043)                              |
| Judicial                                    | 5,600,149           | 5,596,919           | 4,938,982           | (657,937)                              |
| General government                          | 9,469,302           | 9,526,940           | 8,771,195           | (755,745)                              |
| Public safety                               | 15,471,802          | 15,345,009          | 13,926,266          | (1,418,743)                            |
| Public works                                | 375,000             | 375,000             | 428,766             | 53,766                                 |
| Health and social services                  | 2,006,651           | 2,077,047           | 2,175,963           | 98,916                                 |
| Parks, recreation and culture               | 764,548             | 764,548             | 669,779             | (94,769)                               |
| Other                                       | 520,840             | 500,840             | 391,660             | (109,180)                              |
| Capital outlay                              | 2,420,857           | 2,467,681           | 2,454,445           | (13,236)                               |
| Debt service:                               |                     |                     |                     |                                        |
| Principal                                   | 575,442             | 576,122             | 500,452             | (75,670)                               |
| Interest and fiscal charges                 | 93,586              | 92,906              | 71,434              | (21,472)                               |
| <b>Total expenditures</b>                   | <u>37,656,584</u>   | <u>37,921,419</u>   | <u>34,752,306</u>   | <u>(3,169,113)</u>                     |
| Revenues over (under) expenditures          | <u>(2,720,188)</u>  | <u>(385,029)</u>    | <u>433,625</u>      | <u>818,654</u>                         |
| <b>Other financing sources (uses)</b>       |                     |                     |                     |                                        |
| Transfers in                                | 1,686,789           | 1,657,970           | 1,668,294           | 10,324                                 |
| Transfers out                               | (2,072,227)         | (2,121,369)         | (1,845,882)         | (275,487)                              |
| Proceeds from sale of capital assets        | 10,000              | 10,000              | 45,870              | 35,870                                 |
| Issuance of long-term debt                  | 611,000             | 611,000             | 1,189,718           | 578,718                                |
| <b>Total other financing sources (uses)</b> | <u>235,562</u>      | <u>157,601</u>      | <u>1,058,000</u>    | <u>900,399</u>                         |
| <b>Net change in fund balance</b>           | <u>(2,484,626)</u>  | <u>(227,428)</u>    | <u>1,491,625</u>    | <u>1,719,053</u>                       |
| Fund balance, beginning of year             | <u>7,447,537</u>    | <u>7,447,537</u>    | <u>7,447,537</u>    | <u>-</u>                               |
| <b>Fund balance, end of year</b>            | <u>\$ 4,962,911</u> | <u>\$ 7,220,109</u> | <u>\$ 8,939,162</u> | <u>\$ 1,719,053</u>                    |

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

## EATON COUNTY, MICHIGAN

### ■ Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Child Care Special Revenue Fund For the Year Ended September 30, 2020

|                                             | Original<br>Budget | Final<br>Budget    | Actual             | Actual Over<br>(Under) Final<br>Budget |
|---------------------------------------------|--------------------|--------------------|--------------------|----------------------------------------|
| <b>Revenues</b>                             |                    |                    |                    |                                        |
| Intergovernmental:                          |                    |                    |                    |                                        |
| Federal/State                               | \$ 2,190,877       | \$ 2,190,877       | \$ 2,132,080       | \$ (58,797)                            |
| Other                                       | 197,500            | 197,500            | 124,690            | (72,810)                               |
| <b>Total revenues</b>                       | <u>2,388,377</u>   | <u>2,388,377</u>   | <u>2,256,770</u>   | <u>(131,607)</u>                       |
| <b>Expenditures</b>                         |                    |                    |                    |                                        |
| Current:                                    |                    |                    |                    |                                        |
| Health and social services                  | 4,690,600          | 4,687,061          | 3,944,483          | (742,578)                              |
| Debt service:                               |                    |                    |                    |                                        |
| Principal                                   | 8,759              | 10,799             | 10,798             | (1)                                    |
| Interest and fiscal charges                 | 1,856              | 2,308              | 2,308              | -                                      |
| <b>Total expenditures</b>                   | <u>4,701,215</u>   | <u>4,700,168</u>   | <u>3,957,589</u>   | <u>(742,579)</u>                       |
| Revenues over (under) expenditures          | <u>(2,312,838)</u> | <u>(2,311,791)</u> | <u>(1,700,819)</u> | <u>610,972</u>                         |
| <b>Other financing sources (uses)</b>       |                    |                    |                    |                                        |
| Transfers in                                | 2,312,838          | 2,312,838          | 1,782,838          | (530,000)                              |
| Transfers out                               | -                  | (1,047)            | (1,047)            | -                                      |
| <b>Total other financing sources (uses)</b> | <u>2,312,838</u>   | <u>2,311,791</u>   | <u>1,781,791</u>   | <u>(530,000)</u>                       |
| <b>Net change in fund balance</b>           | -                  | -                  | 80,972             | 80,972                                 |
| Fund balance, beginning of year             | <u>629,459</u>     | <u>629,459</u>     | <u>629,459</u>     | <u>-</u>                               |
| <b>Fund balance, end of year</b>            | <u>\$ 629,459</u>  | <u>\$ 629,459</u>  | <u>\$ 710,431</u>  | <u>\$ 80,972</u>                       |

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

## EATON COUNTY, MICHIGAN

### ■ Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Central Dispatch 911 Surcharge Special Revenue Fund For the Year Ended September 30, 2020

|                                   | Original<br>Budget  | Final<br>Budget     | Actual              | Actual Over<br>(Under) Final<br>Budget |
|-----------------------------------|---------------------|---------------------|---------------------|----------------------------------------|
| <b>Revenues</b>                   |                     |                     |                     |                                        |
| Charges for services              | \$ 1,700,000        | \$ 1,700,000        | \$ 1,998,351        | \$ 298,351                             |
| <b>Expenditures</b>               |                     |                     |                     |                                        |
| Current:                          |                     |                     |                     |                                        |
| Public safety                     | 141,500             | 141,500             | 117,062             | (24,438)                               |
| Capital outlay                    | 16,000              | 480,000             | 247,838             | (232,162)                              |
| Debt service:                     |                     |                     |                     |                                        |
| Principal                         | 1,612,327           | 1,612,327           | 1,612,327           | -                                      |
| <b>Total expenditures</b>         | <u>1,769,827</u>    | <u>2,233,827</u>    | <u>1,977,227</u>    | <u>(256,600)</u>                       |
| <b>Net change in fund balance</b> | (69,827)            | (533,827)           | 21,124              | 554,951                                |
| Fund balance, beginning of year   | <u>2,091,026</u>    | <u>2,091,026</u>    | <u>2,091,026</u>    | <u>-</u>                               |
| <b>Fund balance, end of year</b>  | <u>\$ 2,021,199</u> | <u>\$ 1,557,199</u> | <u>\$ 2,112,150</u> | <u>\$ 554,951</u>                      |

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

## EATON COUNTY, MICHIGAN

### Statement of Net Position Proprietary Funds September 30, 2020

|                                              | Business-type Activities - Enterprise Funds |                          |                           |               | Governmental Activities |
|----------------------------------------------|---------------------------------------------|--------------------------|---------------------------|---------------|-------------------------|
|                                              | Health and Rehabilitation Services Facility | Delinquent Tax Revolving | Nonmajor Enterprise Funds | Total         | Internal Service Funds  |
| <b>Assets</b>                                |                                             |                          |                           |               |                         |
| Current assets:                              |                                             |                          |                           |               |                         |
| Cash and cash equivalents                    | \$ 5,226,150                                | \$ 10,056,346            | \$ 1,756,428              | \$ 17,038,924 | \$ 4,833,956            |
| Receivables:                                 |                                             |                          |                           |               |                         |
| Property taxes                               | -                                           | 3,505,822                | -                         | 3,505,822     | -                       |
| Accounts, net                                | 1,841,305                                   | 536,349                  | 10,485                    | 2,388,139     | 400                     |
| Due from other funds                         | -                                           | -                        | -                         | -             | 376,480                 |
| Prepaid items                                | 110,552                                     | -                        | -                         | 110,552       | 142,055                 |
| Total current assets                         | 7,178,007                                   | 14,098,517               | 1,766,913                 | 23,043,437    | 5,352,891               |
| Noncurrent assets:                           |                                             |                          |                           |               |                         |
| Advances to component unit                   | -                                           | -                        | 43,883                    | 43,883        | -                       |
| Buildings                                    | 18,907,761                                  | -                        | -                         | 18,907,761    | -                       |
| Equipment                                    | 2,574,802                                   | -                        | -                         | 2,574,802     | -                       |
| Accumulated depreciation                     | (8,675,267)                                 | -                        | -                         | (8,675,267)   | -                       |
| Total noncurrent assets                      | 12,807,296                                  | -                        | 43,883                    | 12,851,179    | -                       |
| <b>Total assets</b>                          | 19,985,303                                  | 14,098,517               | 1,810,796                 | 35,894,616    | 5,352,891               |
| <b>Deferred outflows of resources</b>        |                                             |                          |                           |               |                         |
| Deferred charge on refunding                 | 102,727                                     | -                        | -                         | 102,727       | -                       |
| Deferred pension amounts                     | 491,143                                     | -                        | -                         | 491,143       | -                       |
| <b>Total deferred outflows of resources</b>  | 593,870                                     | -                        | -                         | 593,870       | -                       |
| <b>Liabilities</b>                           |                                             |                          |                           |               |                         |
| Current liabilities:                         |                                             |                          |                           |               |                         |
| Accounts payable                             | 277,705                                     | -                        | 12,140                    | 289,845       | 409,146                 |
| Accrued liabilities                          | 2,201,915                                   | -                        | 7,459                     | 2,209,374     | 1,493,113               |
| Due to other funds                           | -                                           | -                        | 1,360                     | 1,360         | 276                     |
| Unearned revenue                             | 721,904                                     | -                        | -                         | 721,904       | -                       |
| Interest payable                             | 28,402                                      | -                        | -                         | 28,402        | -                       |
| Current portion of:                          |                                             |                          |                           |               |                         |
| Bonds and notes payable                      | 1,911,896                                   | 2,278,802                | -                         | 4,190,698     | -                       |
| Accrued compensated absences                 | 221,034                                     | -                        | -                         | 221,034       | -                       |
| Total current liabilities                    | 5,362,856                                   | 2,278,802                | 20,959                    | 7,662,617     | 1,902,535               |
| Noncurrent liabilities:                      |                                             |                          |                           |               |                         |
| Bonds and notes payable                      | 4,549,944                                   | -                        | -                         | 4,549,944     | -                       |
| Net pension liability                        | 1,066,518                                   | -                        | -                         | 1,066,518     | -                       |
| Total other postemployment benefit liability | 1,385,833                                   | -                        | -                         | 1,385,833     | -                       |
| Total noncurrent liabilities                 | 7,002,295                                   | -                        | -                         | 7,002,295     | -                       |
| <b>Total liabilities</b>                     | 12,365,151                                  | 2,278,802                | 20,959                    | 14,664,912    | 1,902,535               |
| <b>Deferred inflows of resources</b>         |                                             |                          |                           |               |                         |
| Deferred pension amounts                     | 568,860                                     | -                        | -                         | 568,860       | -                       |
| <b>Net position</b>                          |                                             |                          |                           |               |                         |
| Net investment in capital assets             | 8,934,350                                   | -                        | -                         | 8,934,350     | -                       |
| Unrestricted (deficit)                       | (1,289,188)                                 | 11,819,715               | 1,789,837                 | 12,320,364    | 3,450,356               |
| <b>Total net position</b>                    | \$ 7,645,162                                | \$ 11,819,715            | \$ 1,789,837              | \$ 21,254,714 | \$ 3,450,356            |

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

## EATON COUNTY, MICHIGAN

### ■ Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For the Year Ended September 30, 2020

|                                         | Business-type Activities - Enterprise Funds |                          |                           |                      | Governmental Activities |
|-----------------------------------------|---------------------------------------------|--------------------------|---------------------------|----------------------|-------------------------|
|                                         | Health and Rehabilitation Services Facility | Delinquent Tax Revolving | Nonmajor Enterprise Funds | Total                | Internal Service Funds  |
| <b>Operating revenues</b>               |                                             |                          |                           |                      |                         |
| Charges for services                    | \$ 18,628,266                               | \$ -                     | \$ -                      | \$ 18,628,266        | \$ 13,452,927           |
| Interest on taxes                       | -                                           | 514,477                  | 3,130                     | 517,607              | -                       |
| Sales                                   | -                                           | -                        | 124,979                   | 124,979              | -                       |
| Administrative fees/penalties           | -                                           | 285,473                  | 155,094                   | 440,567              | -                       |
| Other revenues                          | -                                           | -                        | -                         | -                    | 389,137                 |
| <b>Total operating revenues</b>         | <b>18,628,266</b>                           | <b>799,950</b>           | <b>283,203</b>            | <b>19,711,419</b>    | <b>13,842,064</b>       |
| <b>Operating expenses</b>               |                                             |                          |                           |                      |                         |
| Personal services and benefits          | 14,507,123                                  | -                        | 241,450                   | 14,748,573           | 4,423,830               |
| Operating supplies                      | 1,831,239                                   | 974                      | -                         | 1,832,213            | -                       |
| Contractual services                    | 1,379,486                                   | 28,792                   | 79,392                    | 1,487,670            | 50,605                  |
| Insurance and claims                    | -                                           | -                        | -                         | -                    | 9,075,299               |
| Tax tribunal refunds                    | -                                           | 41,599                   | -                         | 41,599               | -                       |
| Depreciation                            | 530,549                                     | -                        | -                         | 530,549              | -                       |
| Other expenses                          | 2,269,183                                   | 6,407                    | -                         | 2,275,590            | -                       |
| <b>Total operating expenses</b>         | <b>20,517,580</b>                           | <b>77,772</b>            | <b>320,842</b>            | <b>20,916,194</b>    | <b>13,549,734</b>       |
| Operating income (loss)                 | (1,889,314)                                 | 722,178                  | (37,639)                  | (1,204,775)          | 292,330                 |
| <b>Nonoperating revenues (expenses)</b> |                                             |                          |                           |                      |                         |
| Interest income                         | -                                           | 65,912                   | -                         | 65,912               | 47,401                  |
| Interest expense                        | (121,899)                                   | (17,459)                 | -                         | (139,358)            | -                       |
| Grant revenue                           | 535,970                                     | -                        | -                         | 535,970              | -                       |
| Property tax revenue                    | 461,606                                     | -                        | -                         | 461,606              | -                       |
| <b>Total nonoperating revenues</b>      | <b>875,677</b>                              | <b>48,453</b>            | <b>-</b>                  | <b>924,130</b>       | <b>47,401</b>           |
| Income (loss) before transfers          | (1,013,637)                                 | 770,631                  | (37,639)                  | (280,645)            | 339,731                 |
| <b>Transfers</b>                        |                                             |                          |                           |                      |                         |
| Transfers in                            | 150,000                                     | 677,400                  | -                         | 827,400              | -                       |
| Transfers out                           | -                                           | (1,184,977)              | (17,607)                  | (1,202,584)          | (200,000)               |
| <b>Transfers, net</b>                   | <b>150,000</b>                              | <b>(507,577)</b>         | <b>(17,607)</b>           | <b>(375,184)</b>     | <b>(200,000)</b>        |
| <b>Change in net position</b>           | <b>(863,637)</b>                            | <b>263,054</b>           | <b>(55,246)</b>           | <b>(655,829)</b>     | <b>139,731</b>          |
| Net position, beginning of year         | 8,508,799                                   | 11,556,661               | 1,845,083                 | 21,910,543           | 3,310,625               |
| <b>Net position, end of year</b>        | <b>\$ 7,645,162</b>                         | <b>\$ 11,819,715</b>     | <b>\$ 1,789,837</b>       | <b>\$ 21,254,714</b> | <b>\$ 3,450,356</b>     |

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

**EATON COUNTY, MICHIGAN**

**Statement of Cash Flows**  
Proprietary Funds  
For the Year Ended September 30, 2020

|                                                                       | Business-type Activities - Enterprise Funds |                          |                           |                      | Governmental Activities |
|-----------------------------------------------------------------------|---------------------------------------------|--------------------------|---------------------------|----------------------|-------------------------|
|                                                                       | Health and Rehabilitation Services Facility | Delinquent Tax Revolving | Nonmajor Enterprise Funds | Total                | Internal Service Funds  |
| <b>Cash flows from operating activities</b>                           |                                             |                          |                           |                      |                         |
| Cash received from customers                                          | \$ 17,202,120                               | \$ 5,861,677             | \$ 661,467                | \$ 23,725,264        | \$ -                    |
| Cash received from interfund services                                 | -                                           | -                        | -                         | -                    | 13,799,507              |
| Delinquent taxes purchased                                            | -                                           | (5,030,346)              | -                         | (5,030,346)          | -                       |
| Cash paid to/for employees                                            | (18,178,543)                                | -                        | (240,292)                 | (18,418,835)         | (6,828,666)             |
| Cash paid to suppliers                                                | -                                           | -                        | (106,934)                 | (106,934)            | (6,654,634)             |
| Other receipts                                                        | 1,051,655                                   | -                        | -                         | 1,051,655            | -                       |
| <b>Net cash provided by operating activities</b>                      | <u>75,232</u>                               | <u>831,331</u>           | <u>314,241</u>            | <u>1,220,804</u>     | <u>316,207</u>          |
| <b>Cash flows from noncapital financing activities</b>                |                                             |                          |                           |                      |                         |
| Transfers in                                                          | -                                           | 677,400                  | -                         | 677,400              | -                       |
| Transfers out                                                         | -                                           | (1,184,977)              | (17,607)                  | (1,202,584)          | (200,000)               |
| Tax notes issued                                                      | -                                           | 3,300,000                | -                         | 3,300,000            | -                       |
| Tax notes redeemed                                                    | -                                           | (2,764,500)              | -                         | (2,764,500)          | -                       |
| Property tax receipts                                                 | 461,606                                     | -                        | -                         | 461,606              | -                       |
| Grant receipts                                                        | 1,257,874                                   | -                        | -                         | 1,257,874            | -                       |
| Long-term debt proceeds                                               | 2,486,167                                   | -                        | -                         | 2,486,167            | -                       |
| Interest paid on tax notes / advances                                 | -                                           | (17,459)                 | -                         | (17,459)             | -                       |
| <b>Net cash provided by (used in) noncapital financing activities</b> | <u>4,205,647</u>                            | <u>10,464</u>            | <u>(17,607)</u>           | <u>4,198,504</u>     | <u>(200,000)</u>        |
| <b>Cash flows from capital and related financing activities</b>       |                                             |                          |                           |                      |                         |
| Transfers in                                                          | 150,000                                     | -                        | -                         | 150,000              | -                       |
| Interest paid on long-term debt                                       | (107,582)                                   | -                        | -                         | (107,582)            | -                       |
| Principal paid on long-term debt                                      | (923,394)                                   | -                        | -                         | (923,394)            | -                       |
| Purchases of capital assets                                           | (41,650)                                    | -                        | -                         | (41,650)             | -                       |
| <b>Net cash used in capital and related financing activities</b>      | <u>(922,626)</u>                            | <u>-</u>                 | <u>-</u>                  | <u>(922,626)</u>     | <u>-</u>                |
| <b>Cash flows from investing activities</b>                           |                                             |                          |                           |                      |                         |
| Interest received                                                     | -                                           | 65,912                   | -                         | 65,912               | 47,401                  |
| <b>Net change in cash and cash equivalents</b>                        | <u>3,358,253</u>                            | <u>907,707</u>           | <u>296,634</u>            | <u>4,562,594</u>     | <u>163,608</u>          |
| Cash and cash equivalents, beginning of year                          | <u>1,867,897</u>                            | <u>9,148,639</u>         | <u>1,459,794</u>          | <u>12,476,330</u>    | <u>4,670,348</u>        |
| <b>Cash and cash equivalents, end of year</b>                         | <u>\$ 5,226,150</u>                         | <u>\$ 10,056,346</u>     | <u>\$ 1,756,428</u>       | <u>\$ 17,038,924</u> | <u>\$ 4,833,956</u>     |

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**EATON COUNTY, MICHIGAN**

**Statement of Cash Flows**  
Proprietary Funds  
For the Year Ended September 30, 2020

|                                                                                                | Business-type Activities - Enterprise Funds       |                             |                                 |                     | Governmental<br>Activities |
|------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------|---------------------------------|---------------------|----------------------------|
|                                                                                                | Health and<br>Rehabilitation<br>Services Facility | Delinquent Tax<br>Revolving | Nonmajor<br>Enterprise<br>Funds | Total               | Internal<br>Service Funds  |
| <b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>  |                                                   |                             |                                 |                     |                            |
| Operating income (loss)                                                                        | \$ (1,889,314)                                    | \$ 722,178                  | \$ (37,639)                     | \$ (1,204,775)      | \$ 292,330                 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: |                                                   |                             |                                 |                     |                            |
| Depreciation                                                                                   | 530,549                                           | -                           | -                               | 530,549             | -                          |
| Provision for bad debt                                                                         | 249,997                                           | -                           | -                               | 249,997             | -                          |
| Change in operating assets and liabilities that provided (used) cash:                          |                                                   |                             |                                 |                     |                            |
| Taxes receivable                                                                               | -                                                 | 201,111                     | -                               | 201,111             | -                          |
| Accounts receivable                                                                            | (120,847)                                         | 60,156                      | 422,160                         | 361,469             | 79,742                     |
| Due from other funds                                                                           | -                                                 | -                           | -                               | -                   | (102,833)                  |
| Inventories                                                                                    | 61,835                                            | -                           | -                               | 61,835              | -                          |
| Prepaid items                                                                                  | 9,547                                             | -                           | -                               | 9,547               | 9,401                      |
| Advances to component unit                                                                     | -                                                 | -                           | (43,883)                        | (43,883)            | -                          |
| Accounts payable                                                                               | (107,481)                                         | (152,114)                   | (27,517)                        | (287,112)           | 41,585                     |
| Accrued liabilities                                                                            | 956,976                                           | -                           | 1,158                           | 958,134             | (4,294)                    |
| Due to other funds                                                                             | -                                                 | -                           | (38)                            | (38)                | 276                        |
| Net pension liability                                                                          | (579,639)                                         | -                           | -                               | (579,639)           | -                          |
| Deferred outflows of resources - pension                                                       | 708,390                                           | -                           | -                               | 708,390             | -                          |
| Deferred inflows of resources - pension                                                        | (90,678)                                          | -                           | -                               | (90,678)            | -                          |
| Total other postemployment benefit liability                                                   | 345,897                                           | -                           | -                               | 345,897             | -                          |
| <b>Net cash provided by operating activities</b>                                               | <b>\$ 75,232</b>                                  | <b>\$ 831,331</b>           | <b>\$ 314,241</b>               | <b>\$ 1,220,804</b> | <b>\$ 316,207</b>          |

concluded

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

## EATON COUNTY, MICHIGAN

### ■ Statement of Fiduciary Net Position Fiduciary Funds September 30, 2020

|                                    | Retiree<br>Healthcare<br>Plan | Agency<br>Funds            |
|------------------------------------|-------------------------------|----------------------------|
| <b>Assets</b>                      |                               |                            |
| Cash and cash equivalents          | \$ -                          | \$ 7,083,341               |
| Investments:                       |                               |                            |
| MERS total market portfolio        | 15,086,535                    | -                          |
| Due from other governments         | -                             | 54,097                     |
| Prepays                            | -                             | 22,065                     |
|                                    | <hr/>                         | <hr/>                      |
| <b>Total assets</b>                | 15,086,535                    | <u><u>\$ 7,159,503</u></u> |
| <b>Liabilities</b>                 |                               |                            |
| Undistributed receipts             | -                             | <u><u>\$ 7,159,503</u></u> |
| <b>Net position restricted for</b> |                               |                            |
| Other postemployment benefits      | <u><u>\$ 15,086,535</u></u>   |                            |

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

## EATON COUNTY, MICHIGAN

### ■ Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Year Ended September 30, 2020

|                                                                  | <b>Retiree<br/>Healthcare<br/>Plan</b> |
|------------------------------------------------------------------|----------------------------------------|
| <b>Additions</b>                                                 |                                        |
| Investment income:                                               |                                        |
| Net appreciation in fair value<br>of investments                 | \$ 1,025,356                           |
| Contributions:                                                   |                                        |
| Plan sponsor                                                     | <u>1,922,464</u>                       |
| <b>Total additions</b>                                           | <u>2,947,820</u>                       |
| <b>Deductions</b>                                                |                                        |
| Participant benefits                                             | 1,896,113                              |
| Administrative expense                                           | <u>25,884</u>                          |
| <b>Total deductions</b>                                          | <u>1,921,997</u>                       |
| <b>Change in net position</b>                                    | 1,025,823                              |
| <b>Net position restricted for other postemployment benefits</b> |                                        |
| Beginning of year                                                | <u>14,060,712</u>                      |
| End of year                                                      | <u><u>\$ 15,086,535</u></u>            |

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

## EATON COUNTY, MICHIGAN

### Combining Statement of Net Position Discretely Presented Component Units September 30, 2020

|                                                   | Road<br>Commission    | Board of<br>Public Works | Drainage<br>Districts | District<br>Health    | Land<br>Bank  | Total                 |
|---------------------------------------------------|-----------------------|--------------------------|-----------------------|-----------------------|---------------|-----------------------|
| <b>Assets</b>                                     |                       |                          |                       |                       |               |                       |
| Cash and cash equivalents                         | \$ 11,111,893         | \$ -                     | \$ 13,960,237         | \$ 2,425,807          | \$ 43,883     | \$ 27,541,820         |
| Receivables:                                      |                       |                          |                       |                       |               |                       |
| Accounts, net                                     | 12,456                | 125                      | -                     | 642,558               | -             | 655,139               |
| Special assessments                               | -                     | -                        | 23,375,271            | -                     | -             | 23,375,271            |
| Due from other governmental units:                |                       |                          |                       |                       |               |                       |
| Federal/State                                     | 1,155,787             | -                        | -                     | -                     | -             | 1,155,787             |
| Local                                             | 128,728               | -                        | -                     | -                     | -             | 128,728               |
| Leases receivable                                 | -                     | 3,576,228                | -                     | -                     | -             | 3,576,228             |
| Inventories                                       | 599,587               | -                        | 61,521                | -                     | -             | 661,108               |
| Prepaid items                                     | 192,136               | 28,203                   | -                     | 16,420                | -             | 236,759               |
| Net other postemployment benefit asset            | 1,035,488             | -                        | -                     | -                     | -             | 1,035,488             |
| Capital assets not being depreciated              | 24,416,649            | -                        | 5,835,755             | -                     | -             | 30,252,404            |
| Capital assets being depreciated, net             | 78,986,246            | -                        | 67,355,908            | 6,089                 | -             | 146,348,243           |
| <b>Total assets</b>                               | <b>117,638,970</b>    | <b>3,604,556</b>         | <b>110,588,692</b>    | <b>3,090,874</b>      | <b>43,883</b> | <b>234,966,975</b>    |
| <b>Deferred outflows of resources</b>             |                       |                          |                       |                       |               |                       |
| Deferred charge on refunding                      | -                     | 44,482                   | 153,383               | -                     | -             | 197,865               |
| Deferred pension amounts                          | -                     | -                        | -                     | 723,778               | -             | 723,778               |
| Deferred other postemployment benefit amounts     | 836,113               | -                        | -                     | -                     | -             | 836,113               |
| <b>Total deferred outflows of resources</b>       | <b>836,113</b>        | <b>44,482</b>            | <b>153,383</b>        | <b>723,778</b>        | <b>-</b>      | <b>1,757,756</b>      |
| <b>Liabilities</b>                                |                       |                          |                       |                       |               |                       |
| Negative equity in pooled cash                    | -                     | -                        | 5,075,212             | -                     | -             | 5,075,212             |
| Accounts payable                                  | 3,945,868             | -                        | 717,378               | 176,179               | -             | 4,839,425             |
| Accrued liabilities                               | 208,191               | -                        | -                     | 170,912               | -             | 379,103               |
| Interest payable                                  | -                     | -                        | 257,941               | -                     | -             | 257,941               |
| Unearned revenue                                  | -                     | 28,328                   | -                     | 206,925               | -             | 235,253               |
| Advances from primary government                  | -                     | -                        | 60,000                | -                     | 43,883        | 103,883               |
| Long-term debt:                                   |                       |                          |                       |                       |               |                       |
| Due within one year                               | 179,485               | 667,935                  | 3,114,954             | 35,493                | -             | 3,997,867             |
| Due in more than one year                         | 127,503               | 2,952,775                | 21,901,497            | 210,429               | -             | 25,192,204            |
| Net pension liability (due in more than one year) | -                     | -                        | -                     | 6,181,037             | -             | 6,181,037             |
| <b>Total liabilities</b>                          | <b>4,461,047</b>      | <b>3,649,038</b>         | <b>31,126,982</b>     | <b>6,980,975</b>      | <b>43,883</b> | <b>46,261,925</b>     |
| <b>Deferred inflows of resources</b>              |                       |                          |                       |                       |               |                       |
| Deferred pension amounts                          | -                     | -                        | -                     | 62,617                | -             | 62,617                |
| Deferred other postemployment benefit amounts     | 491,745               | -                        | -                     | -                     | -             | 491,745               |
| <b>Total deferred inflows of resources</b>        | <b>491,745</b>        | <b>-</b>                 | <b>-</b>              | <b>62,617</b>         | <b>-</b>      | <b>554,362</b>        |
| <b>Net position</b>                               |                       |                          |                       |                       |               |                       |
| Net investment in capital assets                  | 103,402,895           | -                        | 48,328,595            | 6,089                 | -             | 151,737,579           |
| Restricted for other postemployment benefits      | 1,379,856             | -                        | -                     | -                     | -             | 1,379,856             |
| Restricted for drainage districts                 | -                     | -                        | 31,286,498            | -                     | -             | 31,286,498            |
| Unrestricted (deficit)                            | 8,739,540             | -                        | -                     | (3,235,029)           | -             | 5,504,511             |
| <b>Total net position</b>                         | <b>\$ 113,522,291</b> | <b>\$ -</b>              | <b>\$ 79,615,093</b>  | <b>\$ (3,228,940)</b> | <b>\$ -</b>   | <b>\$ 189,908,444</b> |

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

## EATON COUNTY, MICHIGAN

### ■ Combining Statement of Activities Discretely Presented Component Units For the Year Ended September 30, 2020

|                                    | Road<br>Commission    | Board of<br>Public Works | Drainage<br>Districts | District<br>Health    | Land<br>Bank   | Total                 |
|------------------------------------|-----------------------|--------------------------|-----------------------|-----------------------|----------------|-----------------------|
| <b>Expenses</b>                    |                       |                          |                       |                       |                |                       |
| Public works                       | \$ -                  | \$ 85,325                | \$ 5,698,887          | \$ -                  | \$ -           | \$ 5,784,212          |
| Health and social services         | -                     | -                        | -                     | 5,887,260             | -              | 5,887,260             |
| Highways and streets               | 12,731,035            | -                        | -                     | -                     | -              | 12,731,035            |
| Land bank                          | -                     | -                        | -                     | -                     | 6,240          | 6,240                 |
| <b>Total expenses</b>              | <u>12,731,035</u>     | <u>85,325</u>            | <u>5,698,887</u>      | <u>5,887,260</u>      | <u>6,240</u>   | <u>24,408,747</u>     |
| <b>Program revenues</b>            |                       |                          |                       |                       |                |                       |
| Charges for services               | 95,365                | -                        | 78,475                | 1,462,468             | -              | 1,636,308             |
| Operating grants and contributions | 11,758,065            | (44,042)                 | 37,657                | 4,863,831             | -              | 16,615,511            |
| Capital grants and contributions   | 3,536,763             | -                        | 6,303,002             | -                     | -              | 9,839,765             |
| <b>Total program revenues</b>      | <u>15,390,193</u>     | <u>(44,042)</u>          | <u>6,419,134</u>      | <u>6,326,299</u>      | <u>-</u>       | <u>28,091,584</u>     |
| Net program revenues (expense)     | <u>2,659,158</u>      | <u>(129,367)</u>         | <u>720,247</u>        | <u>439,039</u>        | <u>(6,240)</u> | <u>3,682,837</u>      |
| <b>General revenues</b>            |                       |                          |                       |                       |                |                       |
| Property taxes                     | 4,408,110             | -                        | -                     | -                     | -              | 4,408,110             |
| Unrestricted investment earnings   | 71,584                | -                        | 58,897                | -                     | 123            | 130,604               |
| Other                              | 97,171                | -                        | -                     | -                     | 6,117          | 103,288               |
| <b>Total general revenues</b>      | <u>4,576,865</u>      | <u>-</u>                 | <u>58,897</u>         | <u>-</u>              | <u>6,240</u>   | <u>4,642,002</u>      |
| <b>Change in net position</b>      | <u>7,236,023</u>      | <u>(129,367)</u>         | <u>779,144</u>        | <u>439,039</u>        | <u>-</u>       | <u>8,324,839</u>      |
| Net position, beginning of year    | <u>106,286,268</u>    | <u>129,367</u>           | <u>78,835,949</u>     | <u>(3,667,979)</u>    | <u>-</u>       | <u>181,583,605</u>    |
| <b>Net position, end of year</b>   | <u>\$ 113,522,291</u> | <u>\$ -</u>              | <u>\$ 79,615,093</u>  | <u>\$ (3,228,940)</u> | <u>\$ -</u>    | <u>\$ 189,908,444</u> |

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

## **NOTES TO FINANCIAL STATEMENTS**

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Eaton County, Michigan (the “County” or “government”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing U.S. 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 government-wide financial statements to emphasize that they are legally separate from the government.

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

The **Eaton County Department of Human Services** is governed by a three-member board, which consists of two members appointed by the County Board of Commissioners and one State-appointed member. The Board is responsible for establishing policies and overseeing the local administration of the Department of Human Services and the State of Michigan Social Welfare program. State law requires local activities to be blended with the local primary government even though the employees of the Eaton County Department of Human Services are employees of the State of Michigan and substantially all of the programs are financed through the State. In accordance with State law, the Department of Human Services has been included as a special revenue fund.

The **Eaton County Building Authority** is governed by a three-member Board appointed by the County Board of Commissioners. Although it is legally separate from the County, the Eaton County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the County’s public buildings.

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

The **Eaton County Road Commission** is governed by a three-member Board of Road Commissioners that is appointed by the County Board of Commissioners. The Road Commission maintains local, state and federal trunklines in Eaton County with financing primarily from the distribution of gas and weight taxes, federal financial assistance, and contributions from other local governments. The County must authorize all long-term debt issuances of the Road Commission, excluding capital lease purchase agreements. Complete financial statements for the Road Commission may be obtained by contacting the Eaton County Road Commission at 1112 Reynolds Road, Charlotte, Michigan 48813.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

The **Eaton County Board of Public Works (BPW)** is governed by a seven-member Board that consists of six County Board of Commissioners appointees and the Eaton County Drain Commissioner. The BPW Board oversees the operations of the BPW, while establishing policy and administering various public works construction projects and debt service funds under Act 185 of the Public Acts of 1957. The BPW is financially accountable to the County because all general obligation debt issuances require County authorization and are backed by the full faith and credit of the County. The BPW does not issue separate financial statements.

The **Eaton County Drainage Districts** are governed by the Eaton County Drain Commissioner, who is responsible for planning, developing and maintaining surface water drainage systems, while maintaining a file for the financing, construction and maintenance of each County drain. The Drain Commissioner has authority to spend up to \$2,500 per mile on drain maintenance and borrow up to \$150,000 from any source to provide for drain maintenance without Board of Commissioners' approval and without going through the Michigan Municipal Finance Division. The Drain Commissioner has authority to levy special assessments on properties benefitting from maintenance. The Drainage Districts are financially accountable to the County because bond issuances greater than \$150,000 require County authorization and are backed by the full faith and credit of the County. Separate financial statements are not issued for the Drainage Districts.

The **Eaton County Land Bank Authority ("Land Bank")** – The Land Bank was incorporated pursuant to the Michigan Land Bank Fast Track Act (Public Act 258) and an intergovernmental agreement between the Land Bank and the County of Eaton. The Land Bank bylaws state that it is governed by a five-member board, the chair of which is the Eaton County Treasurer; the other four members are comprised of one member of the County Board, one member representing the County's largest city, one member representing the County's largest township, and one member at large, appointed by the County Board. Because the majority members of the Land Bank are appointed by the Eaton County Board of Commissioners, the County exercises effective control over its activities. The Land Bank was incorporated in July 2019.

#### **Joint Ventures**

A joint venture is a legal entity or other organization that results from a contractual arrangement, or interlocal agreement, which is owned, operated or governed by two or more participants. The entity is subject to joint control with financial interest and responsibility by its participants.

The **Barry/Eaton County District Health Department (DHD)** is a joint venture between Barry and Eaton counties. The DHD was established to provide public health services with a current funding formula of 65 and 35 percent from Eaton and Barry counties, respectively. Due to the treasury function resting with the Eaton County Treasurer, the DHD is presented as a discretely presented component unit of Eaton County. The DHD does not issue separate financial statements.

#### **Related Organization**

A related organization is a legal entity for which the government appoints a voting majority of the governing body, but for which it is not financially accountable.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

The **Eaton County Transportation Authority** is governed by a three-member board comprised of one Board of Commissioner member and two at-large appointees made by the Board. The Transportation Authority is a legally separate entity established to provide public transportation services to citizens within the County. The County levies and collects a millage for the Transportation Authority, but it does not hold title to the Authority's assets, nor does it have rights or obligations to surpluses or deficits of the Transportation Authority. Accordingly, it is not reported as a component unit of the County.

#### **Jointly Governed Organizations**

A jointly governed organization is a regional government or other multi-governmental arrangement that is governed by representatives that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

The **Tri-County Regional Planning Commission** is governed by the political jurisdictions it serves including the cities of Lansing and East Lansing; Delta and Meridian townships; the Michigan Department of Transportation; and the counties, road commissions and transit authorities of Ingham, Eaton and Clinton counties. The Planning Commission adopts a proposed budget during February and submits the budget, thereby requesting a contribution from each governmental unit. Eaton County contributed \$100,926 for the year ended September 30, 2020.

The **Tri-County Office on Aging** is governed by a 13 member board appointed by the Board of Commissioners from the three counties it services – Ingham, Eaton and Clinton. The Office on Aging provides services to older residents of the three counties and receives its operating revenues from fees for services and from federal, state and local sources, of which Eaton County appropriated \$70,052 for the year ended September 30, 2020.

The **Mid-State Health Network** is governed by 24 members from three counties, two from each of the 12 member community mental health service providers. The County's financial responsibility is to pass through to the Commission a portion of the convention and tourism revenues it receives and, if needed, such additional funds based on the ratio of board membership. The County contributed \$285,042 for the year ended September 30, 2020.

The **CEI-Community Mental Health** is governed by 12 members from the three counties it serves in - Ingham, Eaton and Clinton, of which Eaton County appoints 3 members. The Authority provides comprehensive mental health services to these three counties and receives its operating revenues from fees for services and from federal, state and local sources, of which Eaton County appropriated \$857,167 for the year ended September 30, 2020.

The **Capital Area Michigan Works!** is governed by a 11 member board, of which the County appoints two members. The County has no financial responsibility other than potential liability from appropriated use of funds as the organization's revenue is derived from federal and state grants.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

#### ***Government-wide and Fund Financial Statements***

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

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

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

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for expenditure-driven grants, which must be collected within one year, and property taxes. Property taxes for the County are levied and payable within the current fiscal year are fully recognized inasmuch as any uncollected taxes are settled with the Delinquent Tax Revolving Fund not later than March 1 of the following fiscal year. While this schedule exceeds the normal availability period for property taxes of sixty days, management believes that fully recognizing property taxes in the year they are intended to finance better reflects the matching concept of generally accepted accounting principles. 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 shared revenues, 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 the financial resources of the general government, except those accounted for and reported in another fund.

The *child care fund* accounts for the operations of the County's community-based programming and placement costs for youth and funding received from the State of Michigan for these services.

The *central dispatch 911 surcharge fund* accounts for technology and maintenance requirements (including emergency communication infrastructure, towers, radios, facility requirements, mobile computers, wireless redundancy) and funding received for these services.

The County reports the following major proprietary funds:

The *health and rehabilitation services facility fund* accounts for the operation of the County's long-term adult care facility.

The *delinquent tax revolving fund* accounts for the 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.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

Additionally, the County reports the following fund types:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are 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.

*Permanent funds* are used to account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's programs.

*Enterprise funds* account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

*Internal service funds* account for the insurance activity of the County provided to other departments and funds on a cost reimbursement basis.

*Retiree healthcare trust fund* accounts for the accumulated resources for retirement health benefit payments to qualified employees.

*Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

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 County's internal service fund 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.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

#### **Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Equity**

##### ***Deposits and Investments***

The County pools cash resources of various funds in order to facilitate the management of cash; however, cash applicable to a particular fund is readily identifiable. Sufficient cash is retained in the pooled cash accounts to meet current operating requirements and excess cash is invested in various interest bearing securities and disclosed as part of the County's investments. Cash equivalents consist of temporary investments in certificates of deposit, with maturities from date of purchase of 90 days or less, investment trust funds, and mutual funds. The investment trust funds have the general characteristics of demand deposit accounts.

Investments are stated at fair value, as described in more detail in Note 3.

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

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

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

Advances between funds are offset by nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Receivables consist of accounts receivable related to charges for services and amounts due from governmental units for various financial assistance programs and State shared revenues. The County has established allowances for doubtful accounts to estimate uncollectible accounts receivable in the general, child care, health and rehabilitation services facility funds and district health department component unit. The County utilizes the direct write-off method for all other funds as past experience indicates the write-off of accounts receivable for these funds are immaterial and do not warrant the use of allowance accounts.

##### ***Inventories***

The cost of inventory items in governmental funds is recorded as an expenditure at the time of purchase. Inventories of the health and rehabilitation services facility consist of medical supplies, which are stated at the lower of cost determined by the first-in, first-out (FIFO) method or market.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

The cost of inventory items in the Road Commission is recorded as an expenditure when they are used (i.e., consumption method). Inventories of the Road Commission consist of road materials and equipment parts, which are stated at the lower of average cost or market.

#### *Prepaids*

Certain payments to vendors (particularly for insurance coverage) reflect costs that are applicable to a future period and are recorded as prepaid items.

#### *Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, drains 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 initial, individual costs of \$5,000 or more (\$200,000 for infrastructure) 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 estimated acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the primary government and Drainage Districts component unit are depreciated using the straight-line method over the following estimated useful lives:

|                           | Years |
|---------------------------|-------|
| Building and improvements | 5-40  |
| Equipment                 | 3-10  |
| Vehicles                  | 2-5   |
| Infrastructure - drains   | 40    |

Capital assets of the Road Commission component unit are depreciated over the estimated useful lives of the assets, using the sum-of-years digits methods for road equipment and the straight-line method for all other capital assets and infrastructure as follows:

|                            | Years |
|----------------------------|-------|
| Buildings and improvements | 50    |
| Equipment                  | 4-10  |
| Infrastructure:            |       |
| Roads                      | 8-30  |
| Bridges                    | 25-50 |
| Traffic signals            | 15    |

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

#### ***Deferred Outflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources for the charge on advance bond refunding reported in the government-wide statement of net position, which results from the difference in the carrying value of refunded debt and its reacquisition price. The County also reports deferred outflows of resources related to the net pension and other postemployment benefit liabilities. A portion of these costs also represent contributions to the pension plan subsequent to the plan measurement date.

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

Eligible employees are permitted to accumulate earned but unused vacation benefits in varying amounts based on length of service and certain other established criteria. Amounts not expected to be liquidated with expendable available financial resources are accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if these amounts have matured, for example, as a result of employee resignations or retirements.

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

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

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

#### ***Pensions and Postemployment Benefits Other than Pensions (OPEB)***

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

#### *Deferred Inflows of Resources*

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 represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until that time. The Board of Public Works and Drainage Districts discretely presented component units report unavailable revenues, which arise only under a modified accrual basis of accounting, that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to the net pension and other postemployment benefit liabilities.

#### *Fund Equity*

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

When the government incurs expenditures for purposes for which various fund balances classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned and finally unassigned fund balance.

## 2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year-end. The legal level of budgetary control is at the activity level for the general fund and the functional level for the special revenue funds; for control purposes, all budgets are maintained at the activity and account level. Budgetary transfers between funds, amendments to total fund, department or activity budgets, or increases to salary or capital outlay accounts in excess of \$2,500 require Board approval. The Board made several supplemental budgetary appropriations throughout the year that were not considered material.

Prior to May 1 of each year, the County departments working in conjunction with the Controller's Office prepare and submit their proposed budgets, including expenditures and estimated revenues, for the fiscal year commencing the following October 1. Following a public hearing to obtain taxpayer comments, the budgets are legally enacted prior to September 30 through passage of a budget resolution.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

#### *Excess of Expenditures over Appropriations in Budgetary Funds*

During the year ended September 30, 2020, expenditures were incurred in excess of the amounts appropriated as follows:

|                                 | Amended<br>Budget | Actual     | Variance  |
|---------------------------------|-------------------|------------|-----------|
| <b>General fund</b>             |                   |            |           |
| Public works - drains at large  | \$ 375,000        | \$ 428,766 | \$ 53,766 |
| Health and social services:     |                   |            |           |
| Substance abuse                 | 235,000           | 285,042    | 50,042    |
| District health - appropriation | 603,644           | 748,690    | 145,046   |
| Capital outlay - computer       | 822,384           | 1,634,463  | 812,079   |
| <b>Juvenile Millage</b>         |                   |            |           |
| Public safety                   | 145,222           | 146,337    | 1,115     |

### 3. DEPOSITS AND INVESTMENTS

#### *Summary of Deposit and Investment Balances*

Following is a reconciliation of deposit and investment balances as of September 30, 2020:

|                                      | Primary<br>Government | Component<br>Units   | Totals               |
|--------------------------------------|-----------------------|----------------------|----------------------|
| <b>Financial statements</b>          |                       |                      |                      |
| Statement of net position:           |                       |                      |                      |
| Cash and cash equivalents            | \$ 28,509,572         | \$ 22,466,608        | \$ 50,976,180        |
| Statement of fiduciary net position: |                       |                      |                      |
| Cash and cash equivalents            | 7,083,341             | -                    | 7,083,341            |
| Investments                          | 15,086,535            | -                    | 15,086,535           |
| <b>Total</b>                         | <u>\$ 50,679,448</u>  | <u>\$ 22,466,608</u> | <u>\$ 73,146,056</u> |

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

#### Deposits and investments

|                                                               |               |
|---------------------------------------------------------------|---------------|
| Bank deposits (checking and savings accounts)                 | \$ 52,331,162 |
| Certificates of deposit (matures in less than 1 year)         | 4,222,408     |
| Investments in securities, mutual funds and similar vehicles: |               |
| Retiree healthcare trust fund                                 | 15,086,535    |
| Cash on deposit with third party                              | 1,500,346     |
| Cash on hand                                                  | <u>5,605</u>  |

|              |                             |
|--------------|-----------------------------|
| <b>Total</b> | <b><u>\$ 73,146,056</u></b> |
|--------------|-----------------------------|

#### *County's Cash*

*Custodial Credit Risk - Deposits.* For deposits, custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to the government. As of September 30, 2020, \$57,178,560 of the County's total bank balance of \$59,023,583 was exposed to custodial credit risk as it was uninsured and uncollateralized.

Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes 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.

#### *Retirees Healthcare Trust Fund Investments*

The retiree healthcare trust fund (the "Fund") investments are maintained separately from the County's cash and investment pool, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for the Fund's investments are presented separately.

The Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended, authorizes the fund to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The County Treasurer has the responsibility and authority to oversee the investment portfolio. A professional investment manager is contracted to assist in managing the Fund's assets.

The Fund's investments are held in an administered trust account. As of September 30, 2020, the Fund's investments of \$15,086,535 were invested in the Municipal Employees' Retirement System (MERS) total market portfolio.

*Credit Risk.* As of September 30, 2020, the Fund's investments were not rated.

The County's policy is to comply with Public Act 314 as referenced above; such statute does not provide specific guidelines regarding credit risk.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

*Custodial Credit Risk.* The County does not have a policy regarding custodial credit risk for the Fund's investments. However, while uninsured and unregistered, the Fund's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the County's name.

*Concentration of Credit Risk.* At September 30, 2020, the Fund investment portfolio holdings were not concentrated (i.e., no more than 5% of the portfolio in issues of any one entity other than the federal government). The County's policy is to comply with Public Act 314 as referenced above.

*Interest Rate Risk.* As of September 30, 2020, the Fund's investments were reported at fair value and had no maturity.

#### **Fair Value**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. These levels are determined by the County's investment manager and are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in the funds. The investment manager will request the information from the fund manager, if necessary.

The County's investment in the MERS total market portfolio had a recurring fair value measurement at level 1 as of September 30, 2020.

#### **4. RECEIVABLES**

Receivables as of September 30, 2020 are summarized as follows:

|                                       | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Component<br/>Units</b> | <b>Amount Not<br/>Expected To Be<br/>Collected<br/>Within One<br/>Year</b> |
|---------------------------------------|------------------------------------|-------------------------------------|----------------------------|----------------------------------------------------------------------------|
| Property taxes                        | \$ 10,129,438                      | \$ 3,505,822                        | \$ -                       | \$ -                                                                       |
| Accounts receivable                   | 843,271                            | 2,888,139                           | 655,316                    | -                                                                          |
| Special assessments                   | -                                  | -                                   | 23,375,271                 | 19,692,198                                                                 |
| Leases receivable                     | -                                  | -                                   | 3,576,228                  | 2,952,775                                                                  |
| Due from other governments            | 2,113,777                          | -                                   | 1,284,515                  | -                                                                          |
| Advances to component unit            | 60,000                             | 43,883                              | -                          | 103,833                                                                    |
| Less: allowance for doubtful accounts | (484,554)                          | (500,000)                           | (177)                      | -                                                                          |
|                                       | <u>\$ 12,661,932</u>               | <u>\$ 5,937,844</u>                 | <u>\$ 28,891,153</u>       | <u>\$ 22,748,806</u>                                                       |

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

Leases receivable in the Public Works component unit represents amounts receivable from other local governments for the water and sewer systems constructed for those governments using bonds issued by the County.

#### 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivables and payables at September 30, 2020 is as follows:

##### *Due to and from primary government funds*

|                             | Due from<br>Other Funds | Due to<br>Other Funds |
|-----------------------------|-------------------------|-----------------------|
| General fund                | \$ -                    | \$ 303,142            |
| Child care fund             | -                       | 24,780                |
| Nonmajor governmental funds | -                       | 46,922                |
| Nonmajor enterprise funds   | -                       | 1,360                 |
| Internal service funds      | 376,480                 | 276                   |
|                             | <u>\$ 376,480</u>       | <u>\$ 376,480</u>     |

The due from (to) other funds resulted 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.

##### *Advances to and from component units*

|                           | Advances to<br>Component<br>Units | Advances from<br>Primary<br>Government |
|---------------------------|-----------------------------------|----------------------------------------|
| General fund              | \$ 60,000                         | \$ -                                   |
| Nonmajor enterprise funds | 43,883                            | -                                      |
| Drainage districts        | -                                 | 60,000                                 |
| Land bank                 | -                                 | 43,883                                 |
|                           | <u>\$ 103,883</u>                 | <u>\$ 103,883</u>                      |

The advance to (from) component units resulted from the time lag between the dates that (1) drain maintenance expenditures occurred prior to a maintenance special assessment being levied, (2) land bank expenditures occurred prior to the receipt of revenue.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

For the year ended September 30, 2020, interfund transfers consisted of the following:

|                                            | Transfers In        | Transfers Out       |
|--------------------------------------------|---------------------|---------------------|
| General fund                               | \$ 1,668,294        | \$ 1,845,882        |
| Child care fund                            | 1,782,838           | 1,047               |
| Nonmajor governmental funds                | 1,812,072           | 2,841,091           |
| Health and rehabilitation<br>services fund | 150,000             | -                   |
| Delinquent tax revolving fund              | 677,400             | 1,184,977           |
| Nonmajor enterprise funds                  | -                   | 17,607              |
| Internal service funds                     | -                   | 200,000             |
|                                            | <u>\$ 6,090,604</u> | <u>\$ 6,090,604</u> |

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.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

#### 6. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2020 was as follows:

|                                                         | Beginning<br>Balance | Additions           | Disposals          | Transfers           | Ending<br>Balance    |
|---------------------------------------------------------|----------------------|---------------------|--------------------|---------------------|----------------------|
| <b>Governmental activities</b>                          |                      |                     |                    |                     |                      |
| Capital assets not being depreciated:                   |                      |                     |                    |                     |                      |
| Land                                                    | \$ 4,018,034         | \$ -                | \$ -               | \$ -                | \$ 4,018,034         |
| Construction in progress                                | 12,686,668           | 239,199             | -                  | (12,686,668)        | 239,199              |
|                                                         | <u>16,704,702</u>    | <u>239,199</u>      | <u>-</u>           | <u>(12,686,668)</u> | <u>4,257,233</u>     |
| Capital assets being depreciated:                       |                      |                     |                    |                     |                      |
| Buildings & improvements                                | 44,685,015           | 63,024              | -                  | -                   | 44,748,039           |
| Vehicles & equipment                                    | 14,652,824           | 1,989,538           | (528,303)          | 12,686,668          | 28,800,727           |
|                                                         | <u>59,337,839</u>    | <u>2,052,562</u>    | <u>(528,303)</u>   | <u>12,686,668</u>   | <u>73,548,766</u>    |
| Less accumulated depreciation for:                      |                      |                     |                    |                     |                      |
| Buildings & improvements                                | (25,085,266)         | (1,043,306)         | -                  | -                   | (26,128,572)         |
| Vehicles & equipment                                    | (10,219,427)         | (1,347,040)         | 435,843            | -                   | (11,130,624)         |
|                                                         | <u>(35,304,693)</u>  | <u>(2,390,346)</u>  | <u>435,843</u>     | <u>-</u>            | <u>(37,259,196)</u>  |
| Total capital assets<br>being depreciated, net          | <u>24,033,146</u>    | <u>(337,784)</u>    | <u>(92,460)</u>    | <u>12,686,668</u>   | <u>36,289,570</u>    |
| <b>Governmental activities<br/>capital assets, net</b>  | <u>\$ 40,737,848</u> | <u>\$ (98,585)</u>  | <u>\$ (92,460)</u> | <u>\$ -</u>         | <u>\$ 40,546,803</u> |
| <b>Business-type activities</b>                         |                      |                     |                    |                     |                      |
| Capital assets not being depreciated:                   |                      |                     |                    |                     |                      |
| Construction in progress                                | \$ 13,545            | \$ -                | \$ -               | \$ (13,545)         | \$ -                 |
| Capital assets being depreciated:                       |                      |                     |                    |                     |                      |
| Buildings & improvements                                | 18,889,097           | 19,101              | (13,982)           | 13,545              | 18,907,761           |
| Vehicles & equipment                                    | 2,580,309            | 22,549              | (28,056)           | -                   | 2,574,802            |
|                                                         | <u>21,469,406</u>    | <u>41,650</u>       | <u>(42,038)</u>    | <u>13,545</u>       | <u>21,482,563</u>    |
| Less accumulated depreciation for:                      |                      |                     |                    |                     |                      |
| Buildings & improvements                                | (6,024,823)          | (475,286)           | 13,982             | -                   | (6,486,127)          |
| Vehicles & equipment                                    | (2,161,933)          | (55,263)            | 28,056             | -                   | (2,189,140)          |
|                                                         | <u>(8,186,756)</u>   | <u>(530,549)</u>    | <u>42,038</u>      | <u>-</u>            | <u>(8,675,267)</u>   |
| Total capital assets<br>being depreciated, net          | <u>13,282,650</u>    | <u>(488,899)</u>    | <u>-</u>           | <u>13,545</u>       | <u>12,807,296</u>    |
| <b>Business-type activities<br/>capital assets, net</b> | <u>\$ 13,296,195</u> | <u>\$ (488,899)</u> | <u>\$ -</u>        | <u>\$ -</u>         | <u>\$ 12,807,296</u> |

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

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

#### Depreciation of governmental activities by function

|                               |            |
|-------------------------------|------------|
| General government            | \$ 595,458 |
| Public safety                 | 1,413,756  |
| Health and social services    | 263,724    |
| Parks, recreation and culture | 75,828     |
| Judicial                      | 41,580     |

|                                      |                            |
|--------------------------------------|----------------------------|
| <b>Total governmental activities</b> | <b><u>\$ 2,390,346</u></b> |
|--------------------------------------|----------------------------|

Depreciation expense in business-type activities is allocated entirely to the health and rehabilitation services facility.

|                                                | Beginning<br>Balance        | Additions                  | Disposals                | Transfers          | Ending<br>Balance            |
|------------------------------------------------|-----------------------------|----------------------------|--------------------------|--------------------|------------------------------|
| <b>Component unit - Road Commission</b>        |                             |                            |                          |                    |                              |
| Capital assets not being depreciated:          |                             |                            |                          |                    |                              |
| Land                                           | \$ 243,002                  | \$ -                       | \$ -                     | \$ -               | \$ 243,002                   |
| Land improvements                              | 788,636                     | -                          | -                        | -                  | 788,636                      |
| Right of ways                                  | 23,385,011                  | -                          | -                        | -                  | 23,385,011                   |
|                                                | <u>24,416,649</u>           | <u>-</u>                   | <u>-</u>                 | <u>-</u>           | <u>24,416,649</u>            |
| Capital assets being depreciated:              |                             |                            |                          |                    |                              |
| Buildings & improvements                       | 6,696,715                   | 9,895                      | -                        | -                  | 6,706,610                    |
| Equipment                                      | 9,136,144                   | 878,999                    | (222,999)                | -                  | 9,792,144                    |
| Infrastructure                                 | 127,149,234                 | 11,758,065                 | (5,534,052)              | -                  | 133,373,247                  |
| Depletable assets                              | 50,559                      | -                          | -                        | -                  | 50,559                       |
|                                                | <u>143,032,652</u>          | <u>12,646,959</u>          | <u>(5,757,051)</u>       | <u>-</u>           | <u>149,922,560</u>           |
| Less accumulated depreciation for:             |                             |                            |                          |                    |                              |
| Buildings & improvements                       | (2,662,699)                 | (125,779)                  | -                        | -                  | (2,788,478)                  |
| Equipment                                      | (7,375,881)                 | (634,835)                  | 215,174                  | -                  | (7,795,542)                  |
| Infrastructure                                 | (59,685,434)                | (6,150,353)                | 5,534,052                | -                  | (60,301,735)                 |
| Depletable assets                              | (50,559)                    | -                          | -                        | -                  | (50,559)                     |
|                                                | <u>(69,774,573)</u>         | <u>(6,910,967)</u>         | <u>5,749,226</u>         | <u>-</u>           | <u>(70,936,314)</u>          |
| Total capital assets<br>being depreciated, net | <u>73,258,079</u>           | <u>5,735,992</u>           | <u>(7,825)</u>           | <u>-</u>           | <u>78,986,246</u>            |
| <b>Road Commission<br/>capital assets, net</b> | <b><u>\$ 97,674,728</u></b> | <b><u>\$ 5,735,992</u></b> | <b><u>\$ (7,825)</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 103,402,895</u></b> |

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

|                                                  | Beginning<br>Balance | Additions           | Disposals   | Transfers    | Ending<br>Balance    |
|--------------------------------------------------|----------------------|---------------------|-------------|--------------|----------------------|
| <b>Component unit - Drainage District</b>        |                      |                     |             |              |                      |
| Capital assets not being depreciated:            |                      |                     |             |              |                      |
| Construction in progress                         | \$ 1,531,840         | \$ 4,543,288        | \$ -        | \$ (239,373) | \$ 5,835,755         |
| Capital assets being depreciated:                |                      |                     |             |              |                      |
| Infrastructure                                   | 110,732,743          | 26,708              | -           | 239,373      | 110,998,824          |
| Less accumulated depreciation for:               |                      |                     |             |              |                      |
| Infrastructure                                   | (40,883,004)         | (2,759,912)         | -           | -            | (43,642,916)         |
| Total capital assets<br>being depreciated, net   | 69,849,739           | (2,733,204)         | -           | 239,373      | 67,355,908           |
| <b>Drainage District<br/>capital assets, net</b> | <b>\$ 71,381,579</b> | <b>\$ 1,810,084</b> | <b>\$ -</b> | <b>\$ -</b>  | <b>\$ 73,191,663</b> |
| <b>Component unit - District Health</b>          |                      |                     |             |              |                      |
| Capital assets being depreciated:                |                      |                     |             |              |                      |
| Equipment                                        | \$ 369,180           | \$ -                | \$ -        | \$ -         | \$ 369,180           |
| Less accumulated depreciation for:               |                      |                     |             |              |                      |
| Equipment                                        | (351,145)            | (11,946)            | -           | -            | (363,091)            |
| <b>District Health<br/>capital assets, net</b>   | <b>\$ 18,035</b>     | <b>\$ (11,946)</b>  | <b>\$ -</b> | <b>\$ -</b>  | <b>\$ 6,089</b>      |

## 7. PAYABLES

Accounts payable and accrued liabilities as of September 30, 2020 are summarized as follows:

|                                  | Governmental<br>Activities | Business-type<br>Activities | Components<br>Units |
|----------------------------------|----------------------------|-----------------------------|---------------------|
| Accounts payable                 | \$ 1,943,183               | \$ 289,845                  | \$ 4,839,425        |
| Accrued liabilities              | 2,423,637                  | 2,209,374                   | 379,103             |
| Due to other governments         | 232,389                    | -                           | -                   |
| Advances from primary government | -                          | -                           | 103,883             |
|                                  | <u>\$ 4,599,209</u>        | <u>\$ 2,499,219</u>         | <u>\$ 5,322,411</u> |

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

#### 8. LONG-TERM DEBT

*General obligation bonds.* General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

| Purpose                                | Interest Rates | Maturity Date | Amount of<br>Original Issue | Amount<br>Outstanding |
|----------------------------------------|----------------|---------------|-----------------------------|-----------------------|
| <b>Governmental activities</b>         |                |               |                             |                       |
| 2008 Dental Clinic                     | 4.00%-4.50%    | 2028          | \$ 900,000                  | \$ 495,000            |
| 2016 Building Authority Refunding Bond | 2.282%         | 2027          | 8,975,000                   | 6,955,000             |
|                                        |                |               |                             | <u>\$ 7,450,000</u>   |
| <b>Component Unit - Public Works</b>   |                |               |                             |                       |
| Grand Ledge Water/Sewer Refunding      | 2.00%-2.375%   | 2025          | \$ 4,960,000                | \$ 2,625,000          |
| Brookfield Water                       | 1.625%         | 2026          | 2,860,000                   | 960,000               |
|                                        |                |               |                             | <u>\$ 3,585,000</u>   |

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

|           | Governmental Activities |                   | Component Units     |                   |
|-----------|-------------------------|-------------------|---------------------|-------------------|
|           | Principal               | Interest          | Principal           | Interest          |
| 2021      | \$ 985,000              | \$ 179,750        | \$ 660,000          | \$ 71,438         |
| 2022      | 1,010,000               | 156,538           | 670,000             | 58,820            |
| 2023      | 1,025,000               | 132,684           | 685,000             | 46,002            |
| 2024      | 1,050,000               | 108,210           | 695,000             | 32,378            |
| 2025      | 1,080,000               | 83,068            | 710,000             | 17,740            |
| 2026-2028 | 2,300,000               | 45,560            | 165,000             | 2,114             |
|           | <u>\$ 7,450,000</u>     | <u>\$ 705,810</u> | <u>\$ 3,585,000</u> | <u>\$ 228,492</u> |

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

By statute, the government's legal debt limit is restricted to 10% of the equalized value of property in the County. At September 30, 2020, the County's legal debt limit was \$474,533,106.

*Notes from direct borrowing and direct placements - governmental activities.* The government has entered into long-term installment payment agreements for the upgrade of its communication systems, information technology infrastructure, jail security system and vehicles. Installment obligations currently outstanding are as follows:

| Purpose                        | Interest Rates | Maturity Date | Amount of<br>Original Issue | Amount<br>Outstanding |
|--------------------------------|----------------|---------------|-----------------------------|-----------------------|
| <b>Governmental activities</b> |                |               |                             |                       |
| 2017 Vehicles                  | 4.95%          | 07/28/2022    | \$ 224,882                  | \$ 76,641             |
| Lease purchase - Motorola      | 3.28%          | 11/15/2027    | 12,797,861                  | 11,185,534            |
| 2018 Vehicles                  | 5.51%          | 08/01/2023    | 361,958                     | 167,560               |
| 2019 Vehicles                  | 5.06%          | 10/01/2024    | 389,954                     | 284,499               |
| 2019 Dell Access Interactive   | 5.40%          | 12/01/2022    | 788,821                     | 472,418               |
| 2020 IT infrastructure         | 2.76%          | 12/01/2023    | 893,534                     | 706,591               |
| 2020 Vehicles                  | 3.66%          | 12/01/2025    | 325,886                     | <u>311,771</u>        |
|                                |                |               |                             | <u>\$ 13,205,014</u>  |

*Notes from direct borrowing and direct placements - business-type activities.* The government issues general obligation limited tax notes to finance the purchase of delinquent real property taxes receivable from each taxing district in the County. These notes are reported in the delinquent tax revolving enterprise fund as they are expected to be repaid from fund revenues. Each series of delinquent tax notes are subject to variable interest rates which are determined on a weekly basis by the County's remarketing agent using established criteria and legal limitations. Principal and interest payments are predicated upon actual collections of delinquent property taxes, which are subject to collection over a period not to exceed two years. Delinquent tax notes totaling \$2,023,000 from the 2020 Series were outstanding at September 30, 2020, which is expected to be paid in the year ending September 30, 2021. Delinquent tax notes totaling \$255,802 from the 2019 Series were outstanding at September 30, 2020, which is expected to be paid in the year ending September 30, 2021. The 2020 and 2019 delinquent tax note carry an interest rate of 1.40 percent and 2.94 percent, respectively.

Eaton County Health and Rehabilitation Services has issued Eaton County Building Authority Refunding Bonds, Series 2011, with interest rates ranging from 2.00 percent to 3.00 percent. Interest is due and payable on a semiannual basis. These bonds are payable in annual installments ranging from \$500,000 to \$585,000, plus interest. These bonds are collateralized by net revenue of the Facility. In addition, Eaton County Health and Rehabilitation Services has issued Eaton County Building Authority Refunding Bonds, Series 2017, with a fixed interest rate of 2.188 percent. Interest is due and payable on a semiannual basis. These bonds are payable in annual installments ranging from \$360,000 to \$425,000, plus interest. These bonds are collateralized by net revenue of the facility. These bonds were utilized to refund the Series 2008 bonds.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

During the year ended September 30, 2020, the Eaton County Health and Rehabilitation Services received a Paycheck Protection Program (PPP) loan in the amount of \$2,486,167. The PPP Loan Program was created under the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met. The funds may be used on qualifying expenses over a covered period of up to 24 weeks. At the conclusion of the covered period, any balance that is not forgiven by the SBA will be repaid over a period 2 years with interest accruing at a rate of 1 percent. Based on the loan amount, irrespective of any potential forgiveness that may be granted in the future, payments of principal and interest totaling \$139,845 are due monthly, beginning in March of 2021. The loan matures in August 2022 at which point the remaining principal and interest are due.

Any request for forgiveness is subject to review and approval by the lender and the SBA, including review of qualifying expenditures and staffing and salary levels. In addition, because the loan exceeds \$2 million, the SBA will review the loan file, which will include review of the eligibility for the program and the good-faith certification of the necessity of the loan.

The Eaton County Health and Rehabilitation Services has not submitted a request for forgiveness as of the date of the financial statements were available to be issued, however the intent is to submit a request for forgiveness for the entire loan balance in 2021. There can be no assurance that any portion of the PPP Loan will be forgiven.

If the SBA determines the Eaton County Health and Rehabilitation Services was not initially eligible under the program or concludes that the entity did not have an adequate basis for making the good-faith certification of necessity at the time of application, the loan could become payable on demand. Although management considers it probable that the entity was initially eligible for the loan, the SBA has the ability to review the loan file for a period subsequent to the date the loan is forgiven or repaid in full and could request additional documentation to support the initial eligibility for the loan. In the event the SBA subsequently determines the entity did not meet the initial eligibility requirements for the PPP loan or did not qualify for loan forgiveness, the entity could be required to repay the PPP loan plus interest.

Notes from direct borrowings and direct placements currently outstanding are as follows:

| Purpose                                 | Interest Rates | Maturity Date | Amount of<br>Original Issue | Amount<br>Outstanding |
|-----------------------------------------|----------------|---------------|-----------------------------|-----------------------|
| <b>Business-type activities</b>         |                |               |                             |                       |
| 2011 Health and Rehabilitation Services | 2.00%-3.00%    | 2027          | \$ 5,545,000                | \$ 1,175,673          |
| 2017 Health and Rehabilitation Services | 2.19%          | 2027          | 3,555,000                   | 2,800,000             |
| Delinquent tax note                     | 1.40%          | 2021          | 2,900,000                   | 255,802               |
| Delinquent tax note                     | 1.40%          | 2021          | 3,300,000                   | 2,023,000             |
| PPP loan                                | 1.00%          | 2022          | 2,486,167                   | 2,486,167             |
|                                         |                |               |                             | <u>\$ 8,740,642</u>   |

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

Annual debt service requirements to maturity for notes from direct borrowing and direct placements are as follows:

| Year Ending<br>September 30, | Governmental Activities |                     | Business-Type Activities |                   |
|------------------------------|-------------------------|---------------------|--------------------------|-------------------|
|                              | Principal               | Interest            | Principal                | Interest          |
| 2021                         | \$ 1,819,233            | \$ 74,237           | \$ 4,190,698             | \$ 116,181        |
| 2022                         | 1,860,946               | 433,310             | 2,509,944                | 78,245            |
| 2023                         | 1,847,453               | 381,290             | 390,000                  | 44,635            |
| 2024                         | 1,665,998               | 316,008             | 400,000                  | 36,102            |
| 2025                         | 1,473,468               | 249,433             | 410,000                  | 27,350            |
| 2026-2028                    | 4,537,916               | 497,293             | 840,000                  | 27,678            |
|                              | <u>\$ 13,205,014</u>    | <u>\$ 1,951,571</u> | <u>\$ 8,740,642</u>      | <u>\$ 330,191</u> |

*Drain bonds.* The Drain Commissioner is authorized under state statutes to issue special assessment bonds for the construction or maintenance of drainage districts. Such bonds are repaid from special assessments levied upon the benefiting property owners. At September 30, 2020, drain bonds totaling \$24,230,000 were outstanding. Drain bonds and notes carry interest at rates ranging from 2.10 percent to 5.25 percent.

*Notes from direct borrowing and direct placements - drainage districts.* The Drain Commissioner is authorized under state statutes to issue special assessment notes for the construction or maintenance of drainage districts. Such notes are repaid from special assessments levied upon the benefiting property owners. At September 30, 2020, drain notes of \$516,000 were outstanding. The drain notes carry an interest rate of 2.98 percent and 1.41 percent.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

Annual debt service requirements to maturity for drain bonds and notes from direct borrowing and direct placements are as follows:

| Year Ending   | Drain Bonds          |                     | Drain Notes       |                  |
|---------------|----------------------|---------------------|-------------------|------------------|
| September 30, | Principal            | Interest            | Principal         | Interest         |
| 2021          | \$ 3,030,000         | \$ 785,459          | \$ 27,000         | \$ 7,387         |
| 2022          | 2,990,000            | 692,469             | 327,000           | 6,464            |
| 2023          | 2,930,000            | 588,050             | 27,000            | 5,540            |
| 2024          | 2,825,000            | 492,376             | 27,000            | 4,617            |
| 2025          | 2,845,000            | 400,186             | 27,000            | 3,694            |
| 2026-2030     | 5,210,000            | 1,132,078           | 81,000            | 5,540            |
| 2031-2035     | 3,060,000            | 450,056             | -                 | -                |
| 2036-2040     | 1,340,000            | 92,831              | -                 | -                |
|               | <u>\$ 24,230,000</u> | <u>\$ 4,633,505</u> | <u>\$ 516,000</u> | <u>\$ 33,242</u> |

*Changes in long-term debt.* Long-term debt activity for the year ended September 30, 2020 was as follows:

|                                                        | Beginning<br>Balance | Additions           | Deductions            | Ending<br>Balance    | Due Within<br>One Year |
|--------------------------------------------------------|----------------------|---------------------|-----------------------|----------------------|------------------------|
| <b>Primary Government</b>                              |                      |                     |                       |                      |                        |
| <b>Governmental activities</b>                         |                      |                     |                       |                      |                        |
| General obligation bonds                               | \$ 8,415,000         | \$ -                | \$ (965,000)          | \$ 7,450,000         | \$ 985,000             |
| Notes from direct borrowings<br>and direct placements: |                      |                     |                       |                      |                        |
| Installment contracts                                  | 14,137,515           | 1,219,420           | (2,151,921)           | 13,205,014           | 1,819,233              |
| Compensated absences                                   | 2,236,905            | 2,369,108           | (1,968,476)           | 2,637,537            | 1,778,320              |
|                                                        | <u>\$ 24,789,420</u> | <u>\$ 3,588,528</u> | <u>\$ (5,085,397)</u> | <u>\$ 23,292,551</u> | <u>\$ 4,582,553</u>    |
| <b>Business-type activities</b>                        |                      |                     |                       |                      |                        |
| Notes from direct borrowings<br>and direct placements: |                      |                     |                       |                      |                        |
| Series bonds                                           | \$ 4,899,067         | \$ -                | \$ (923,394)          | \$ 3,975,673         | \$ 953,395             |
| Delinquent tax notes                                   | 1,743,302            | 3,300,000           | (2,764,500)           | 2,278,802            | 2,278,802              |
| PPP loan                                               | -                    | 2,486,167           | -                     | 2,486,167            | 958,501                |
| Compensated absences                                   | 250,970              | (29,936)            | -                     | 221,034              | 221,034                |
|                                                        | <u>\$ 6,893,339</u>  | <u>\$ 5,756,231</u> | <u>\$ (3,687,894)</u> | <u>\$ 8,961,676</u>  | <u>\$ 4,411,732</u>    |
| <b>Component Units</b>                                 |                      |                     |                       |                      |                        |
| <b>Road Commission</b>                                 |                      |                     |                       |                      |                        |
| Compensated absences                                   | <u>\$ 306,066</u>    | <u>\$ 179,868</u>   | <u>\$ (178,946)</u>   | <u>\$ 306,988</u>    | <u>\$ 179,485</u>      |

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

|                                                        | Beginning<br>Balance | Additions           | Deductions            | Ending<br>Balance    | Due Within<br>One Year |
|--------------------------------------------------------|----------------------|---------------------|-----------------------|----------------------|------------------------|
| <b>Board of Public Works</b>                           |                      |                     |                       |                      |                        |
| General obligation bonds                               | \$ 4,230,000         | \$ -                | \$ (645,000)          | \$ 3,585,000         | \$ 660,000             |
| Deferred amounts for:                                  |                      |                     |                       |                      |                        |
| Issuance premiums                                      | 43,645               | -                   | (7,935)               | 35,710               | 7,935                  |
|                                                        | <u>\$ 4,273,645</u>  | <u>\$ -</u>         | <u>\$ (652,935)</u>   | <u>\$ 3,620,710</u>  | <u>\$ 667,935</u>      |
| <b>Drainage Districts</b>                              |                      |                     |                       |                      |                        |
| Drain bonds                                            | \$ 23,680,000        | \$ 3,530,000        | \$ (2,980,000)        | \$ 24,230,000        | \$ 3,030,000           |
| Notes from direct borrowings<br>and direct placements: |                      |                     |                       |                      |                        |
| Drain notes                                            | 243,000              | 300,000             | (27,000)              | 516,000              | 27,000                 |
| Deferred amounts for:                                  |                      |                     |                       |                      |                        |
| Issuance premiums                                      | 328,405              | -                   | (57,954)              | 270,451              | 57,954                 |
|                                                        | <u>\$ 24,251,405</u> | <u>\$ 3,830,000</u> | <u>\$ (3,064,954)</u> | <u>\$ 25,016,451</u> | <u>\$ 3,114,954</u>    |
|                                                        | Beginning<br>Balance | Additions           | Deductions            | Ending<br>Balance    | Due Within<br>One Year |
| <b>District Health</b>                                 |                      |                     |                       |                      |                        |
| Compensated absences                                   | <u>\$ 211,150</u>    | <u>\$ 216,429</u>   | <u>\$ (181,657)</u>   | <u>\$ 245,922</u>    | <u>\$ 35,493</u>       |

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

#### 9. RISK MANAGEMENT / SELF-INSURANCE PROGRAMS

The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools and commercial insurance and excess coverage policies. All funds and component units of the County participate in these programs except for the Road Commission (see below) and Health and Rehabilitation Services Facility (which carries commercial insurance for workers' compensation, general and automobile liability, motor vehicle physical damage and property damage). For risks that are commercially insured, settlements have not exceeded insurance coverage in any of the past three years. Following is a summary of the self-insurance programs and risk management pool participation.

*Workers' compensation.* The County maintains a self-insurance program for workers' compensation coverage, which is accounted for in the workers' compensation internal service fund. The program is administered by a third-party administrator who provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on payrolls and job classifications and are available to pay claims, claim reserves, excess coverage and administrative costs.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$275,000 subject to an annual aggregate limit of \$5 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay outs and other economic and social factors.

Changes in the balances of estimated liabilities during the past two years are as follows:

|                                                           | 2020             | 2019              |
|-----------------------------------------------------------|------------------|-------------------|
| <b>Workers compensation</b>                               |                  |                   |
| Estimated liability, October 1                            | \$ 125,306       | \$ 77,979         |
| Estimated claims incurred, including changes in estimates | (35,698)         | 87,526            |
| Claim payments                                            | (10,709)         | (40,199)          |
| <b>Estimated liability, September 30</b>                  | <u>\$ 78,899</u> | <u>\$ 125,306</u> |

*Health insurance.* The County maintains a self-insurance program for employee health insurance with Blue Cross Blue Shield (BCBS), which is accounted for in the Health Insurance internal service fund. The program is administered by BCBS. Premiums are paid into the internal service fund by all other funds based on a fixed rate established each year; monies are then advanced to BCBS by the internal service fund to pay claims and administrative costs.

Changes in the balances of estimated liabilities during the past two years are as follows:

|                                                           | 2020                | 2019              |
|-----------------------------------------------------------|---------------------|-------------------|
| <b>Health insurance</b>                                   |                     |                   |
| Estimated liability, October 1                            | \$ 996,753          | \$ 992,700        |
| Estimated claims incurred, including changes in estimates | 4,124,953           | 3,776,195         |
| Claim payments                                            | (4,116,330)         | (3,772,142)       |
| <b>Estimated liability, September 30</b>                  | <u>\$ 1,005,376</u> | <u>\$ 996,753</u> |

*Liability insurance.* The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter. Under most circumstances, the County's maximum loss retention per occurrence is \$75,000 for general and automobile liability, \$15,000 for motor vehicle physical damage, and \$10,000 for property coverage.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

The County makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (i.e., the liability insurance fund) using premiums paid into it by other funds of the County. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in 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 an asset for its portion of the unexpended member retention fund. At September 30, 2020, the balance of the County's member retention fund was \$1,475,896.

|                                                           | 2020                     | 2019                     |
|-----------------------------------------------------------|--------------------------|--------------------------|
| <b>General liability</b>                                  |                          |                          |
| Estimated liability, October 1                            | \$ 371,203               | \$ 338,917               |
| Estimated claims incurred, including changes in estimates | 42,932                   | 131,241                  |
| Claim payments                                            | <u>(31,017)</u>          | <u>(98,955)</u>          |
| <b>Estimated liability, September 30</b>                  | <u><u>\$ 383,118</u></u> | <u><u>\$ 371,203</u></u> |

*Unemployment.* The County is self-insured for unemployment benefits, as accounted for in the unemployment internal service fund. The reserve for unemployment benefits is determined by management based on prior experience. Benefits are expensed when paid, as follows:

|                                                           | 2020               | 2019               |
|-----------------------------------------------------------|--------------------|--------------------|
| <b>Unemployment compensation</b>                          |                    |                    |
| Estimated liability, October 1                            | \$ -               | \$ -               |
| Estimated claims incurred, including changes in estimates | 23,239             | 8,482              |
| Claim payments                                            | <u>(23,239)</u>    | <u>(8,482)</u>     |
| <b>Estimated liability, September 30</b>                  | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

*Life and disability insurance.* The County maintains a self-insurance program for life and disability coverage. The program is accounted for in the life and disability internal service fund and administered by a third-party administrator who provides claims review and processing services. Premiums for the self-insured program are paid into the internal service fund by all other funds based on actual or illustrated rates. These premiums are available to pay claims and administrative costs.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

Changes in the balances of estimated liabilities during the past two years are as follows:

|                                                           | 2020             | 2019             |
|-----------------------------------------------------------|------------------|------------------|
| <b>Life and disability</b>                                |                  |                  |
| Estimated liability, October 1                            | \$ 4,145         | \$ 1,060         |
| Estimated claims incurred, including changes in estimates | 156,511          | 117,090          |
| Claim payments                                            | <u>(149,608)</u> | <u>(114,005)</u> |
| <b>Estimated liability, September 30</b>                  | <u>\$ 11,048</u> | <u>\$ 4,145</u>  |

*Dental insurance.* The County has a self-insured program for dental coverage. The plan is accounted for in the dental insurance internal service fund. The program is administered by a third-party administrator who provides claims review and processing services. Premiums for the self-insured program are paid into the internal service fund by all other funds based on actual or illustrated rates. These premiums are available to pay claims and administrative costs.

Changes in the balances of claims liabilities during the past two years are as follows:

|                                                           | 2020             | 2019             |
|-----------------------------------------------------------|------------------|------------------|
| <b>Dental</b>                                             |                  |                  |
| Estimated liability, October 1                            | \$ 9,114         | \$ 11,454        |
| Estimated claims incurred, including changes in estimates | 153,215          | 190,964          |
| Claim payments                                            | <u>(162,329)</u> | <u>(193,304)</u> |
| <b>Estimated liability, September 30</b>                  | <u>\$ -</u>      | <u>\$ 9,114</u>  |

*Road Commission.* The Road Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The Road Commission has purchased commercial insurance for medical benefit claims and participates in the Michigan County Road Commission self-insurance pool for workers' compensation and property liability. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan County Road Commission self-insurance pool program operates as a common risk-sharing management program for local units' government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

#### 10. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

#### 11. PROPERTY TAXES

County property taxes are levied on July 1 of each year (the lien date) and are due in full by March 1 of the year following the levy, at which time uncollected taxes became delinquent.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under state statute at approximately 50% of the current estimated market value. The taxable value of real and personal property recognized in the general fund for the 2020 levy was \$3,825,800,333. The general operating tax rate for the 2020 levy was 5.2096 mills. The jail debt, central dispatch and juvenile services levies were based on a 2019 taxable value of \$3,747,979,692 with .7000, .9500 and .3500 mills, respectively, assessed for the year ended September 30, 2020.

Delinquent taxes receivable represent unpaid personal property taxes in the general and special revenue funds and unpaid real property taxes in the delinquent tax revolving funds. By agreement with the various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable. These receivables are pledged to a bank for the payment of the notes payable and subsequent collection on the receivable.

#### 12. POSTEMPLOYMENT HEALTHCARE BENEFITS

##### County

*Plan Description.* The County's Retiree Healthcare Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the Retiree Healthcare Board (the "Board"). The Plan was established and may be amended by the County Board of Commissioners, subject to applicable collective bargaining agreements. Eligible retirees are those individuals who meet the requirements to receive MERS retirement benefits. Stand-alone financial statements are not prepared for the plan.

*Benefits Provided.* The County provides certain healthcare benefits for employees retiring during or after 1990. Substantially all employees hired prior to January 1, 2006 are eligible for benefits if they reach the age of 55 with at least 25 years of credited service while working for the County, retire due to duty disability as determined by MERS, or meet other criteria as discussed in the personnel policy. The County pays the entire cost of health insurance premiums for the retiree and for his/her spouse as prescribed in the personnel policy. The activity of this program is accounted for in the retirees' health insurance internal service fund.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

Effective January 1, 2001, new employees' spouses are no longer eligible for coverage under the plan. Any employees hired after January 1, 2006, are not eligible for County paid retiree health insurance as previously described. Employees are required to contribute 1% of their salary into a Healthcare Savings Plan through Michigan Employees Retirement System. The County will contribute an amount equal to 2% of the employee's salary into their Healthcare Savings Plan. An employee may also contribute over and above the mandatory 1%, up to 10%, and the County will match the additional contribution by the employee over the 2% and up to 4%. Any money contributed by the employee will remain in the employee's account to use for allowable health related activities upon their retirement or termination of employment. The Healthcare Saving Plan has a vesting policy as described in the personnel policy. County contributions to the plan for the year ended September 30, 2020 were \$195,764.

*Contributions.* The contribution requirements of the Plan members and the County are established and may be amended by the County Board of Commissioners, in accordance with County policies, union contracts, and Plan provisions. Plan members are not required to contribute to the plan. Retirees and their beneficiaries are eligible for postemployment healthcare benefits if they qualify under the various contracts. The required contribution is based on projected pay-as-you-go financing requirements.

*Plan Membership.* At December 31, 2019, the date of the most recent actuarial valuation, plan membership consisted of the following:

|                                                                 |                   |
|-----------------------------------------------------------------|-------------------|
| Retirees and beneficiaries currently receiving benefits         | 158               |
| Terminated employees entitled to but not yet receiving benefits | -                 |
| Vested and non-vested active participants                       | <u>107</u>        |
| <b>Total membership</b>                                         | <u><u>265</u></u> |

*Net OPEB Liability of the County.* The components of the net OPEB liability of the County at September 30, 2020, were as follows:

|                                                                   |                             |
|-------------------------------------------------------------------|-----------------------------|
| Total OPEB liability                                              | \$ 53,269,860               |
| Plan fiduciary net position                                       | <u>15,086,535</u>           |
| <b>County's net OPEB liability</b>                                | <u><u>\$ 38,183,325</u></u> |
| Plan fiduciary net position as percentage of total OPEB liability | 28.32%                      |

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

*Actuarial Assumptions.* The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to September 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                                                                                                                                                                                           |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Price inflation           | 2.5%                                                                                                                                                                                      |
| Wage inflation            | 3.0%                                                                                                                                                                                      |
| Salary increases          | 3.0% to 9.7%, including inflation                                                                                                                                                         |
| Investment rate of return | 6.25%, net of OPEB plan investment expense                                                                                                                                                |
| Retirement age            | Age-based tables specific to type of eligibility condition                                                                                                                                |
| Mortality                 | The sex distinct Pub-2010 tables, as published by the Society of Actuaries, and include a margin for future mortality improvements projected using a fully generational improvement scale |
| Healthcare trend rate     | Initial trend of 8.25% gradually decreasing to an ultimate trend rate of 3.50% in year 10                                                                                                 |

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for MERS for the period from January 1, 2014 to December 31, 2018.

*Investment Policy.* The plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy as of September 30, 2020 is summarized in the table below.

*Long-term Expected Rate of Return.* The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These real rates of return 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. For each major asset class that is included in the OPEB plan's MERS target asset allocation as of September 30, 2020, these best estimates of arithmetic returns are summarized in the following table:

| Asset Class                      | Target Allocation | Long-term Expected Real Rate of Return | Money-Weighted Rate of Return |
|----------------------------------|-------------------|----------------------------------------|-------------------------------|
| Global Equity                    | 60.00%            | 5.25%                                  | 3.15%                         |
| Global Fixed Income              | 20.00%            | 1.25%                                  | 0.25%                         |
| Private Assets                   | 20.00%            | 7.25%                                  | 1.45%                         |
|                                  | <u>100.00%</u>    |                                        | <u>4.85%</u>                  |
| Inflation                        |                   |                                        | 2.50%                         |
| Risk adjustment                  |                   |                                        | <u>-1.10%</u>                 |
| <b>Investment rate of return</b> |                   |                                        | <u><u>6.25%</u></u>           |

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

*Discount Rate.* The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the County will continue their current contribution history for a period of years. Namely, it was assumed that the County is willing and able to contribute the project benefit payments as they come due, plus an additional contribution towards the recommended contribution at a level approximately equal to the 8-year average of excess contributions over actual benefit payments. In years where no unfunded actuarial accrued liability exists, it is assumed the County will make contributions equal to the projected service cost. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

*Rate of Return.* For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Method Used to Value Investments.* Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

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

|                                                       | Total OPEB<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(a) - (b) |
|-------------------------------------------------------|--------------------------------|---------------------------------------|------------------------------------|
| Balances at September 30, 2019                        | \$ 53,200,974                  | \$ 14,060,712                         | \$ 39,140,262                      |
| Changes for the year:                                 |                                |                                       |                                    |
| Service cost                                          | 433,428                        | -                                     | 433,428                            |
| Interest on total OPEB liability                      | 3,279,352                      | -                                     | 3,279,352                          |
| Differences between expected and<br>actual experience | (5,284,718)                    | -                                     | (5,284,718)                        |
| Changes in assumptions                                | 3,536,937                      | -                                     | 3,536,937                          |
| Employer contributions                                | -                              | 1,922,464                             | (1,922,464)                        |
| Net investment income                                 | -                              | 1,025,356                             | (1,025,356)                        |
| Benefit payments                                      | (1,896,113)                    | (1,896,113)                           | -                                  |
| Administrative expense                                | -                              | (25,884)                              | 25,884                             |
| Net changes                                           | 68,886                         | 1,025,823                             | (956,937)                          |
| <b>Balances at September 30, 2020</b>                 | <b>\$ 53,269,860</b>           | <b>\$ 15,086,535</b>                  | <b>\$ 38,183,325</b>               |

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

*Changes in assumptions.* The September 30, 2020 valuation incorporates assumption changes in accordance with the 2014-2018 experience study dated February 14, 2020. The adopted changes are summarized as follows: 3.0 percent to 9.7 percent wage inflation assumption, sex distinct Pub-2010 mortality tables, updated retirement rates; updated separation rates.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability of the County, calculated using the discount rate of 6.25%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.25%) or 1% higher (7.25%) than the current rate:

|                             | 1% Decrease<br>(5.25%) | Current<br>Discount Rate<br>(6.25%) | 1% Increase<br>(7.25%) |
|-----------------------------|------------------------|-------------------------------------|------------------------|
| County's net OPEB liability | \$ 45,569,220          | \$ 38,183,325                       | \$ 32,108,703          |

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption.* The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.25% decreasing to 2.50%) or 1% higher (9.25% decreasing to 4.50%) than the current healthcare cost trend rates:

|                             | 1% Decrease<br>(7.25%<br>Decreasing to<br>2.50%) | Healthcare Cost<br>Trend Rates<br>(8.25%<br>Decreasing to<br>3.50%) | 1% Increase<br>(9.25%<br>Decreasing to<br>4.50%) |
|-----------------------------|--------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------|
| County's net OPEB liability | \$ 31,567,855                                    | \$ 38,183,325                                                       | \$ 46,274,387                                    |

#### ***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the year ended September 30, 2020, the County recognized OPEB expense of \$615,413. The County reported deferred outflows/inflows of resources related to OPEB from the following sources:

|                                                                               | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|-------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------------|
| Difference between expected and actual experience                             | \$ -                                 | \$ 6,036,315                        | \$ (6,036,315)                                        |
| Changes in assumptions                                                        | 2,401,994                            | 177,494                             | 2,224,500                                             |
| Net difference between projected and actual earnings on OPEB plan investments | 265,445                              | -                                   | 265,445                                               |
| <b>Total</b>                                                                  | <b>\$ 2,667,439</b>                  | <b>\$ 6,213,809</b>                 | <b>\$ (3,546,370)</b>                                 |

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

Amounts reported as deferred outflows/inflows of resources related to the OPEB will be recognized in OPEB expense as follows:

| Year Ended<br>September 30, | Amount                       |
|-----------------------------|------------------------------|
| 2021                        | \$ (2,244,443)               |
| 2022                        | (1,291,957)                  |
| 2023                        | 19,341                       |
| 2024                        | <u>(29,311)</u>              |
| <b>Total</b>                | <b><u>\$ (3,546,370)</u></b> |

*OPEB Plan Fiduciary Net Position.* Detailed information about the OPEB plan's fiduciary net position is available in the financial statements for the other postemployment benefit trust fund.

For governmental activities, the net OPEB liability is generally liquidated by the general fund.

#### Health and Rehabilitation Services Facility

*Plan Description.* The Facility participates in a defined benefit postemployment plan (the "Plan") that provides retiree medical benefits to certain retirees and their spouses. Employees who retire as a director with at least 25 years of service may become eligible for benefits. Benefit provisions were established by facility management. As of October 1, 2016, the Plan was closed to new entrants. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*Benefits Provided.* The Plan provides vision and healthcare benefits for retirees and their spouses. Benefits are provided through a third-party insurer and the cost of the benefits is covered by the plan at a rate of 100 percent for the retiree and 50 percent of the spouse.

*Employees Covered by Benefit Terms.* As of the September 30, 2020 measurement date, there were five active plan members and three inactive plan members or beneficiaries currently receiving benefits covered by the benefit terms.

*Total OPEB Liability.* The Facility's total OPEB liability of \$1,385,833 was measured as of September 30, 2020 and was determined by an actuarial valuation as of that date.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

Changes in the total OPEB liability during the measurement year were as follows:

|                                                | <b>Total OPEB<br/>Liability</b> |
|------------------------------------------------|---------------------------------|
| Balances at September 30, 2019                 | <u>\$ 1,039,936</u>             |
| Changes for the year:                          |                                 |
| Service cost                                   | 18,728                          |
| Interest on total OPEB liability               | 41,632                          |
| Effect of economic/demographic gains or losses | 9,647                           |
| Changes in assumptions                         | 311,986                         |
| Benefit payments                               | <u>(36,096)</u>                 |
| Net changes                                    | <u>345,897</u>                  |
| <b>Balances at September 30, 2020</b>          | <u><u>\$ 1,385,833</u></u>      |

*Changes in assumptions.* The changes in assumptions include a decrease in the inflation assumption from 4.00 percent to 2.25 percent and a decrease in the assumed salary increase from 1.60 percent to 1.30 percent.

*Actuarial Assumptions.* The total OPEB liability in the September 30, 2020 actuarial valuation was determined using an inflation assumption of 2.25 percent, assumed salary increases (including inflation) of 1.30 percent, a healthcare cost trend rate of 4.60 percent for 2020, with an ultimate rate of 4.70 percent and using the RP-2000 mortality tables. These assumptions were applied to all periods included in the measurement.

*Discount rate.* The discount rate used to measure the total OPEB liability was 4.00 percent.

#### ***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the year ended September 30, 2020, the Facility recognized OPEB expense of \$345,897. At September 30, 2020, the Facility reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the Facility, calculated using the discount rate of 4.00%, as well as what the Facility's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.00%) or 1% higher (5.00%) than the current rate:

|                                 | 1% Decrease<br>(3.00%) | Current<br>Discount Rate<br>(4.00%) | 1% Increase<br>(5.00%) |
|---------------------------------|------------------------|-------------------------------------|------------------------|
| Facility's total OPEB liability | \$ 1,620,173           | \$ 1,385,833                        | \$ 1,194,547           |

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption.* The following presents the total OPEB liability of the Facility, as well as what the Facility's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.60% increasing to 3.70%) or 1% higher (5.60% increasing to 5.70%) than the current healthcare cost trend rates:

|                                 | 1% Decrease<br>(3.60%,<br>Ultimate Rate<br>of 3.70%) | Healthcare Cost<br>Trend Rates<br>(4.60%,<br>Ultimate Rate<br>of 4.70%) | 1% Increase<br>(5.60%,<br>Ultimate Rate<br>of 5.70%) |
|---------------------------------|------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------|
| Facility's total OPEB liability | \$ 1,162,730                                         | \$ 1,385,833                                                            | \$ 1,661,909                                         |

#### Road Commission

##### Plan Description

*Plan Administration.* The Road Commission administers the Eaton County Road Commission Retired Employees' Healthcare Plan (Plan), a single-employer defined benefit healthcare plan. The Plan provides health insurance benefits to certain retirees and their beneficiaries, which are advance-funded on a discretionary basis. In accordance with the Road Commission's policy, eligible retirees and their spouses receive healthcare benefits at the age of normal retirement of 59 ½ years.

Management of the Plan is vested in the Road Commission Board, which consists of five members appointed by the Eaton County Board of Commissioners.

*Plan Membership.* At September 30, 2019, the date of the most recent actuarial valuation, plan membership consisted of the following:

|                                                                                |    |
|--------------------------------------------------------------------------------|----|
| Inactive plan members or beneficiaries<br>currently receiving benefit payments | 33 |
| Inactive plan members entitled to but not yet<br>receiving benefit payments    | -  |
| Active plan members                                                            | 33 |
| Total                                                                          | 66 |

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

*Benefits Provided.* The Plan provides healthcare benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the cost of benefits is dependent upon the employee's retirement date. The benefit terms are established in the Collective Bargaining Agreement.

*Contributions.* The contribution requirements of Plan members and the Road Commission are established and may be amended by the Road Commission Board. Contribution rates are established based on an actuarially determined rate. For the year ended September 30, 2020, the Road Commission's average contribution rate was 29.17 percent of covered-employee payroll. Plan members are required to contribute the cost of healthcare premiums in excess of their individual benefit maximum to the Plan.

Retirees who retired before March 9, 2004 are subject to no maximum benefit limitations; retirees who retired between March 10, 2004 and September 30, 2015 receive a maximum employer contribution of \$500 per month for one person coverage and \$1,000 per month for two person coverage; and retirees who retire after September 30, 2015 receive a maximum employer contribution of \$550 per month for one person coverage and \$1,100 per month for two person coverage. Also, there may be an additional amount to prefund benefits as determined annually by the Road Commission Board. For the year ended September 30, 2020, the Road Commission contributed \$589,569 to the Plan.

#### Investments

*Investment Policy.* The Road Commission's investment policy in regard to the allocation of the Plan's invested assets is established and may be amended by the Road Commission Board. It is the policy of the Road Commission Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The following was the Plan's target asset allocation as of September 30, 2020:

| Asset Class             | Target Allocation |
|-------------------------|-------------------|
| Global equity           | 60.2%             |
| Global fixed income     | 33.1%             |
| Real assets             | 1.3%              |
| Diversifying strategies | 2.1%              |
| Cash                    | 3.3%              |
|                         | <hr/>             |
|                         | 100.0%            |
|                         | <hr/>             |

*Rate of Return.* For the year ended September 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 5.49 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

#### Net OPEB Liability (Asset)

The Road Commission's net OPEB liability (asset) was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of September 30, 2019.

*Actuarial Assumptions.* The total OPEB liability was determined by an actuarial valuation as of September 30, 2019, and the measurement date rolled forward to September 30, 2020. The total OPEB liability was calculated based on the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                             |                                                                                                                                                                                                        |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                   | Included in investment rate of return                                                                                                                                                                  |
| Salary increases            | 3.50%                                                                                                                                                                                                  |
| Investment rate of return   | 4.45% including inflation                                                                                                                                                                              |
| Healthcare cost trend rates | Pre-65 - 8.50% graded down to 4.50% by 0.25% per year; Medicare eligible - 7.00% graded down by 0.50% in the first year and then 0.25% per year to an ultimate rate of 4.50%; Dental and Vision: 4.00% |
| Mortality                   | Public general 2010 employee and healthy retiree, headcount weighted with improvement scale MP-2018.                                                                                                   |

*Long-term Expected Rate of Return.* The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each 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. Best estimates of arithmetic real rates of return for each major asset class included in the target allocation as of September 30, 2020 are summarized in the following table:

| Asset Class             | Long-term<br>Expected Real<br>Rate of Return |
|-------------------------|----------------------------------------------|
| Global equity           | 5.20%                                        |
| Global fixed income     | 3.49%                                        |
| Real assets             | 6.40%                                        |
| Diversifying strategies | 3.00%                                        |
| Cash                    | 0.50%                                        |

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

*Discount Rate.* The discount rate used to measure the total OPEB liability was 4.45 percent (a change from 6.71 percent in the prior year). The projection of cash flows used to determine the discount rate assumed that Road Commission advance funding contributions will be \$300,000 per year until fully funded. Based on those assumptions and the plan's current funded status, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability.

|                                                             | Total OPEB<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability (Asset)<br>(a) - (b) |
|-------------------------------------------------------------|--------------------------------|---------------------------------------|--------------------------------------------|
| Balances at September 30, 2019                              | \$ 4,021,626                   | \$ 5,347,783                          | \$ (1,326,157)                             |
| Changes for the year:                                       |                                |                                       |                                            |
| Service cost                                                | 26,799                         | -                                     | 26,799                                     |
| Interest                                                    | 261,934                        | -                                     | 261,934                                    |
| Differences between expected and<br>actual experience       | (34,364)                       | -                                     | (34,364)                                   |
| Changes in assumptions                                      | 884,060                        | -                                     | 884,060                                    |
| Contributions to OPEB Trust - employer                      | -                              | 300,000                               | (300,000)                                  |
| Contributions/benefits paid from<br>general operating funds | -                              | 289,569                               | (289,569)                                  |
| Net investment income                                       | -                              | 308,932                               | (308,932)                                  |
| Benefit payments, including refunds                         | (289,569)                      | (289,569)                             | -                                          |
| Administrative expense                                      | -                              | (50,741)                              | 50,741                                     |
| Net changes                                                 | 848,860                        | 558,191                               | 290,669                                    |
| <b>Balances at September 30, 2020</b>                       | <b>\$ 4,870,486</b>            | <b>\$ 5,905,974</b>                   | <b>\$ (1,035,488)</b>                      |

*Changes in assumptions.* The discount rate changed from 6.71% to 4.45%, post-65 medical trend rates were updated.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

*Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate.* The following presents the net OPEB liability (asset) of the Road Commission, as well as what the Road Commission's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (3.45 percent) and 1-percentage point higher (5.45 percent) than the current discount rate:

|                            | 1% Decrease<br>(3.45%) | Current<br>Discount Rate<br>(4.45%) | 1% Increase<br>(5.45%) |
|----------------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB liability (asset) | <u>\$ (521,217)</u>    | <u>\$ (1,035,488)</u>               | <u>\$ (1,469,782)</u>  |

*Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates.* The following presents the net OPEB liability (asset) of the Road Commission, as well as what the Road Commission's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (7.50 percent decreasing to 3.50 percent) and 1-percentage point higher (9.50 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

|                            | 1% Decrease<br>(7.50%,<br>Ultimate Rate<br>of 3.50%) | Healthcare Cost<br>Trend Rates<br>(8.50%,<br>Ultimate Rate<br>of 4.50%) | 1% Increase<br>(9.50%,<br>Ultimate Rate<br>of 5.50%) |
|----------------------------|------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------|
| Net OPEB liability (asset) | <u>\$ (1,086,797)</u>                                | <u>\$ (1,035,488)</u>                                                   | <u>\$ (980,462)</u>                                  |

#### OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the Road Commission recognized OPEB expense of \$33,496. As of September 30, 2020, the Road Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                               | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|-------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------------|
| Difference between expected and actual experience                             | \$ 159,584                           | \$ 26,743                           | \$ 132,841                                            |
| Changes in assumptions                                                        | 641,852                              | 465,002                             | 176,850                                               |
| Net difference between projected and actual earnings on OPEB plan investments | <u>34,677</u>                        | <u>-</u>                            | <u>34,677</u>                                         |
| <b>Total</b>                                                                  | <u>\$ 836,113</u>                    | <u>\$ 491,745</u>                   | <u>\$ 344,368</u>                                     |

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

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

| Year Ended<br>September 30, | Amount                   |
|-----------------------------|--------------------------|
| 2021                        | \$ 61,219                |
| 2022                        | 128,582                  |
| 2023                        | 112,524                  |
| 2024                        | 33,672                   |
| 2025                        | <u>8,371</u>             |
| <b>Total</b>                | <u><u>\$ 344,368</u></u> |

For required supplementary information (RSI) for the Road Commission's OPEB plan, refer to the separately issued Road Commission's report.

### 13. PENSION PLANS

#### County

#### *General Information About the Plan*

*Plan Description.* The County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The County participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 1.7% to 3.2%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service, age 55 with 15 years of service, or age 55 with 25 years of service, depending on division/bargaining unit.

*Employees Covered by Benefit Terms.* At the December 31, 2019 valuation date, the following employees were covered by the benefit terms:

|                                                                  |                   |
|------------------------------------------------------------------|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 319               |
| Inactive employees entitled to but not yet receiving benefits    | 218               |
| Active employees                                                 | <u>345</u>        |
| <b>Total membership</b>                                          | <u><u>882</u></u> |

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

*Contributions.* The County 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. In addition, the employer may establish contribution rates to be paid by its covered employees.

Employer and employee contribution rates, by division/bargaining unit, were as follows for the year ended September 30, 2020:

| Division/Bargaining Unit | Employer Contribution | Employee Contribution |
|--------------------------|-----------------------|-----------------------|
| 01 - NonUnion            | 12.24%                | 7.30%                 |
| 02 - Sheriff Superv.     | 78.16%                | 14.50%                |
| 10 - Admin Staff         | 36.76%                | 9.00%                 |
| 11 - General Maint       | 14.23%                | 5.94%                 |
| 12 - NonSupervisors      | 17.71%                | 10.46%                |
| 13 - Dispatch Superv.    | 43.22%                | 12.20%                |
| 15 - Gen Youth Services  | 4.39%                 | 1.00%                 |
| 16 - Animal Control      | 30.40%                | 7.30%                 |
| 20 - Sheriff Non-Superv  | 19.61%                | 10.70%                |

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

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 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 and administrative expense including inflation |

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

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the most recent actuarial experience study of 2009-2013.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

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

| Asset Class                          | Target Allocation | Long-term Expected Real Rate of Return | Expected Money-Weighted Rate of Return |
|--------------------------------------|-------------------|----------------------------------------|----------------------------------------|
| Global equity                        | 60.0%             | 5.25%                                  | 3.15%                                  |
| Global fixed income                  | 20.0%             | 1.25%                                  | 0.25%                                  |
| Private investments                  | 20.0%             | 7.25%                                  | 1.45%                                  |
|                                      | <u>100.0%</u>     |                                        |                                        |
| Inflation                            |                   |                                        | 2.50%                                  |
| Administrative expenses netted above |                   |                                        | <u>0.25%</u>                           |
| <b>Investment rate of return</b>     |                   |                                        | <u><u>7.60%</u></u>                    |

*Discount Rate.* The discount rate used to measure the total pension liability is 7.6% (down from 8.0% at December 31, 2018). 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.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

#### *Changes in Net Pension Liability*

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

|                                                                  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
|------------------------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2019                                    | \$ 150,099,666                    | \$ 89,806,336                         | \$ 60,293,330                         |
| Changes for the year:                                            |                                   |                                       |                                       |
| Service cost                                                     | 1,893,383                         | -                                     | 1,893,383                             |
| Interest                                                         | 11,693,659                        | -                                     | 11,693,659                            |
| Differences between expected and<br>actual experience            | 109,916                           | -                                     | 109,916                               |
| Changes in assumptions                                           | 6,200,157                         | -                                     | 6,200,157                             |
| Employer contributions                                           | -                                 | 4,607,824                             | (4,607,824)                           |
| Employee contributions                                           | -                                 | 1,662,685                             | (1,662,685)                           |
| Net investment income                                            | -                                 | 12,040,150                            | (12,040,150)                          |
| Benefit payments, including refunds of<br>employee contributions | (9,387,588)                       | (9,387,588)                           | -                                     |
| Administrative expense                                           | -                                 | (207,518)                             | 207,518                               |
| Net changes                                                      | 10,509,527                        | 8,715,553                             | 1,793,974                             |
| <b>Balances at December 31, 2020</b>                             | <b>\$ 160,609,193</b>             | <b>\$ 98,521,889</b>                  | <b>\$ 62,087,304</b>                  |

*Changes in assumptions.* In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

*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 7.6%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.6%) or 1% higher (8.6%) than the current rate:

|                                | 1% Decrease<br>(6.6%) | Current<br>Discount Rate<br>(7.6%) | 1% Increase<br>(8.6%) |
|--------------------------------|-----------------------|------------------------------------|-----------------------|
| County's net pension liability | \$ 80,259,043         | \$ 62,087,304                      | \$ 46,908,196         |

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

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

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

For the year ended September 30, 2020, the County recognized pension expense of \$8,752,354. The County reported deferred outflows/inflows of resources related to pensions from the following sources:

|                                                                                  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------------|
| Difference between expected and actual experience                                | \$ 82,437                            | \$ 1,509,148                        | \$ (1,426,711)                                        |
| Changes in assumptions                                                           | 4,650,118                            | 326,322                             | 4,323,796                                             |
| Net difference between projected and actual earnings on pension plan investments | 461,132                              | -                                   | 461,132                                               |
|                                                                                  | 5,193,687                            | 1,835,470                           | 3,358,217                                             |
| Contributions subsequent to the measurement date                                 | 3,098,000                            | -                                   | 3,098,000                                             |
| <b>Total</b>                                                                     | <u>\$ 8,291,687</u>                  | <u>\$ 1,835,470</u>                 | <u>\$ 6,456,217</u>                                   |

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 September 30, 2021. Other amounts reported as deferred outflows of resources related to the pension will be recognized in pension expense as follows:

| Year Ended<br>September 30, | Amount              |
|-----------------------------|---------------------|
| 2020                        | \$ 323,299          |
| 2021                        | 1,197,322           |
| 2022                        | 2,838,231           |
| 2023                        | <u>(1,000,635)</u>  |
| <b>Total</b>                | <u>\$ 3,358,217</u> |

*Payable to the Pension Plan.* At September 30, 2020, the County had \$422,559 payable for contributions to the pension plan.

For governmental activities, the net pension liability is generally liquidated by the general fund.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

#### *Section 457 Plan*

The County also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all full-time County employees, who may elect to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. The Plan has created a trust for the exclusive benefit of the Plan's participants under the rules provided in Internal Revenue Code Section 401(f). The County did not contribute to the plan during 2020. The County employees made contributions of \$395,527 to the plan for the year ended September 30, 2020.

#### **Health and Rehabilitation Services Facility**

##### *General Information About the Plan*

*Plan Description.* The Health and Rehabilitation Services Facility (Facility) defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Facility participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 1.7% to 2.5%. Participants are considered to be fully vested in the plan after 6 or 10 years, depending on division/bargaining unit. Normal retirement age is 60 with early retirement at age 55 with 15 years of service or age 50 with 25 years of service, depending on division/bargaining unit.

*Employees Covered by Benefit Terms.* At the December 31, 2019 valuation date, the following employees were covered by the benefit terms:

|                                                                  |                   |
|------------------------------------------------------------------|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 51                |
| Inactive employees entitled to but not yet receiving benefits    | 22                |
| Active employees                                                 | <u>188</u>        |
| <b>Total membership</b>                                          | <u><u>261</u></u> |

*Contributions.* The Facility 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. In addition, the employer may establish contribution rates to be paid by its covered employees.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

For the year ended September 30, 2020, the average active employee contribution rate was 3.0 percent of annual pay and the Facility's average contribution rate was approximately 4.5 percent of annual payroll.

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

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 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 and administrative expense including inflation |

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

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the most recent actuarial experience study of 2009-2013.

*Long-term Expected Rate of Return.* 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.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

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

| Asset Class                          | Target<br>Allocation | Long-term<br>Expected Real<br>Rate of Return | Expected<br>Money-<br>Weighted Rate<br>of Return |
|--------------------------------------|----------------------|----------------------------------------------|--------------------------------------------------|
| Global equity                        | 60.0%                | 5.25%                                        | 3.15%                                            |
| Global fixed income                  | 20.0%                | 1.25%                                        | 0.25%                                            |
| Private investments                  | 20.0%                | 7.25%                                        | 1.45%                                            |
|                                      | <u>100.0%</u>        |                                              |                                                  |
| Inflation                            |                      |                                              | 2.50%                                            |
| Administrative expenses netted above |                      |                                              | <u>0.25%</u>                                     |
| <b>Investment rate of return</b>     |                      |                                              | <u><u>7.60%</u></u>                              |

*Discount Rate.* The discount rate used to measure the total pension liability is 7.6% (down from 8.0% at December 31, 2018). 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.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

#### *Changes in Net Pension Liability*

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

|                                                                  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
|------------------------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2018                                    | \$ 12,432,565                     | \$ 10,786,408                         | \$ 1,646,157                          |
| Changes for the year:                                            |                                   |                                       |                                       |
| Service cost                                                     | 585,330                           | -                                     | 585,330                               |
| Interest                                                         | 994,930                           | -                                     | 994,930                               |
| Differences between expected and<br>actual experience            | (309,552)                         | -                                     | (309,552)                             |
| Changes in assumptions                                           | 281,938                           | -                                     | 281,938                               |
| Employer contributions                                           | -                                 | 417,214                               | (417,214)                             |
| Employee contributions                                           | -                                 | 262,933                               | (262,933)                             |
| Net investment income                                            | -                                 | 1,477,611                             | (1,477,611)                           |
| Benefit payments, including refunds of<br>employee contributions | (577,198)                         | (577,198)                             | -                                     |
| Administrative expense                                           | -                                 | (25,473)                              | 25,473                                |
| Net changes                                                      | 975,448                           | 1,555,087                             | (579,639)                             |
| <b>Balances at December 31, 2019</b>                             | <b>\$ 13,408,013</b>              | <b>\$ 12,341,495</b>                  | <b>\$ 1,066,518</b>                   |

*Changes in assumptions.* In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the Facility, calculated using the discount rate of 7.6%, as well as what the Facility's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.6%) or 1% higher (8.6%) than the current rate:

|                                                 | 1% Decrease<br>(6.6%) | Current<br>Discount Rate<br>(7.6%) | 1% Increase<br>(8.6%) |
|-------------------------------------------------|-----------------------|------------------------------------|-----------------------|
| <b>Facility's net pension liability (asset)</b> | <b>\$ 2,871,010</b>   | <b>\$ 1,066,518</b>                | <b>\$ (417,520)</b>   |

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

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

#### *Pension Expense and Deferred Outflows of Resources Related to Pensions*

For the year ended September 30, 2020, the Facility recognized pension expense of \$452,788. The Facility reported deferred outflows/inflows of resources related to pensions from the following sources:

|                                                                                  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------------|
| Difference between expected and actual experience                                | \$ -                                 | \$ 568,860                          | \$ (568,860)                                          |
| Changes in assumptions                                                           | 140,969                              | -                                   | 140,969                                               |
| Net difference between projected and actual earnings on pension plan investments | 50,330                               | -                                   | 50,330                                                |
|                                                                                  | 191,299                              | 568,860                             | (377,561)                                             |
| Contributions subsequent to the measurement date                                 | 299,844                              | -                                   | 299,844                                               |
| <b>Total</b>                                                                     | <u>\$ 491,143</u>                    | <u>\$ 568,860</u>                   | <u>\$ (77,717)</u>                                    |

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 September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

| Year Ended<br>September 30, | Amount              |
|-----------------------------|---------------------|
| 2021                        | \$ (262,579)        |
| 2022                        | (5,096)             |
| 2023                        | 98,070              |
| 2024                        | (170,159)           |
| 2025                        | (37,797)            |
| <b>Total</b>                | <u>\$ (377,561)</u> |

*Payable to the Pension Plan.* At September 30, 2020, the Facility reported a payable of \$51,522 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2020.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

#### District Health Department

##### *General Information About the Plan*

*Plan Description.* The District Health Department (Department) defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Department participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers at 2.5%. Participants are considered to be fully vested in the plan after 6 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service or age 55 with 15 years of service, depending on division/bargaining unit.

*Employees Covered by Benefit Terms.* At the December 31, 2019 valuation date, the following employees were covered by the benefit terms:

|                                                                  |                          |
|------------------------------------------------------------------|--------------------------|
| Inactive employees or beneficiaries currently receiving benefits | 98                       |
| Inactive employees entitled to but not yet receiving benefits    | 87                       |
| Active employees                                                 | <u>46</u>                |
| <b>Total membership</b>                                          | <b><u><u>231</u></u></b> |

*Contributions.* The Department 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. In addition, the employer may establish contribution rates to be paid by its covered employees.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended September 30, 2020:

| Division/Bargaining Unit | Employer Contribution | Employee Contribution |
|--------------------------|-----------------------|-----------------------|
| 01 - PERA Unit II        | 12.44%                | 12.41%                |
| 10 - Non Un Mgmt         | 38.71%                | 2.00%                 |

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

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

|                           |                                                                         |
|---------------------------|-------------------------------------------------------------------------|
| Inflation                 | 2.50%                                                                   |
| Salary increases          | 3.75% in the long-term                                                  |
| Investment rate of return | 7.35%, net of investment and administrative expense including inflation |

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

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

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of the most recent actuarial experience study of 2009-2013.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

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

| Asset Class                          | Target Allocation | Long-term Expected Real Rate of Return | Expected Money-Weighted Rate of Return |
|--------------------------------------|-------------------|----------------------------------------|----------------------------------------|
| Global equity                        | 60.0%             | 5.25%                                  | 3.15%                                  |
| Global fixed income                  | 20.0%             | 1.25%                                  | 0.25%                                  |
| Private investments                  | 20.0%             | 7.25%                                  | 1.45%                                  |
|                                      | <u>100.0%</u>     |                                        |                                        |
| Inflation                            |                   |                                        | 2.50%                                  |
| Administrative expenses netted above |                   |                                        | <u>0.25%</u>                           |
| <b>Investment rate of return</b>     |                   |                                        | <u><u>7.60%</u></u>                    |

*Discount Rate.* The discount rate used to measure the total pension liability as of December 31, 2019 was 7.6% (down from 8.0% at December 31, 2018). 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.

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

#### *Changes in Net Pension Liability*

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

|                                                               | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
|---------------------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2018                                 | \$ 20,768,169                     | \$ 14,383,381                         | \$ 6,384,788                          |
| Changes for the year:                                         |                                   |                                       |                                       |
| Service cost                                                  | 296,444                           | -                                     | 296,444                               |
| Interest                                                      | 1,617,283                         | -                                     | 1,617,283                             |
| Changes in benefits                                           | (84,853)                          | -                                     | (84,853)                              |
| Differences between expected and actual experience            | (125,235)                         | -                                     | (125,235)                             |
| Changes in assumptions                                        | 662,230                           | -                                     | 662,230                               |
| Employer contributions                                        | -                                 | 418,506                               | (418,506)                             |
| Employee contributions                                        | -                                 | 260,386                               | (260,386)                             |
| Net investment income                                         | -                                 | 1,923,852                             | (1,923,852)                           |
| Benefit payments, including refunds of employee contributions | (1,363,439)                       | (1,363,439)                           | -                                     |
| Administrative expense                                        | -                                 | (33,124)                              | 33,124                                |
| Net changes                                                   | 1,002,430                         | 1,206,181                             | (203,751)                             |
| <b>Balances at December 31, 2019</b>                          | <b>\$ 21,770,599</b>              | <b>\$ 15,589,562</b>                  | <b>\$ 6,181,037</b>                   |

*Changes in assumptions.* In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the Department, calculated using the discount rate of 7.6%, as well as what the Department's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.6%) or 1% higher (8.6%) than the current rate:

|                                           | 1% Decrease<br>(6.6%) | Current<br>Discount Rate<br>(7.6%) | 1% Increase<br>(8.6%) |
|-------------------------------------------|-----------------------|------------------------------------|-----------------------|
| <b>Department's net pension liability</b> | <b>\$ 8,454,014</b>   | <b>\$ 6,181,037</b>                | <b>\$ 4,255,963</b>   |

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

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

#### *Pension Expense and Deferred Outflows of Resources Related to Pensions*

For the year ended September 30, 2020, the Department recognized pension expense of \$625,615. The Department reported deferred outflows/inflows of resources related to pensions from the following sources:

|                                                                                  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------------|
| Difference between expected and actual experience                                | \$ -                                 | \$ 62,617                           | \$ (62,617)                                           |
| Changes in assumptions                                                           | 331,115                              | -                                   | 331,115                                               |
| Net difference between projected and actual earnings on pension plan investments | 61,899                               | -                                   | 61,899                                                |
|                                                                                  | 393,014                              | 62,617                              | 330,397                                               |
| Contributions subsequent to the measurement date                                 | 330,764                              | -                                   | 330,764                                               |
| <b>Total</b>                                                                     | <u>\$ 723,778</u>                    | <u>\$ 62,617</u>                    | <u>\$ 661,161</u>                                     |

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 September 30, 2021. Other amounts reported as deferred outflows of resources related to the pension will be recognized in pension expense as follows:

| Year Ended<br>September 30, | Amount            |
|-----------------------------|-------------------|
| 2021                        | \$ 233,263        |
| 2022                        | 53,401            |
| 2023                        | 204,410           |
| 2024                        | <u>(160,677)</u>  |
| <b>Total</b>                | <u>\$ 330,397</u> |

*Payable to the Pension Plan.* At September 30, 2020, the Department had \$72,818 payable for contributions to the pension plan.

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

#### 14. DEFINED CONTRIBUTION PENSION PLAN - ROAD COMMISSION

The Road Commission provides pension benefits for substantially all of its regular full-time employees through a defined contribution pension plan. The Road Commission is the plan administrator; however, the daily plan administration and operation is provided through the American Funds Group. The Road Commission contributes an amount equal to 12% of each employee's compensation during the plan year, after completion of one year of service. Members do not contribute any annual compensation to this plan. The Road Commission's contributions to the plan for the year ended September 30, 2020 were \$225,880.

#### 15. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of September 30, 2020, was as follows:

|                                                                                         | Governmental<br>Activities | Business-type<br>Activities | Component<br>Units    |
|-----------------------------------------------------------------------------------------|----------------------------|-----------------------------|-----------------------|
| Capital assets:                                                                         |                            |                             |                       |
| Capital assets not being depreciated                                                    | \$ 4,257,233               | \$ -                        | \$ 30,252,404         |
| Capital assets being depreciated, net                                                   | 36,289,570                 | 12,807,296                  | 146,348,243           |
|                                                                                         | <u>40,546,803</u>          | <u>12,807,296</u>           | <u>176,600,647</u>    |
| Related debt:                                                                           |                            |                             |                       |
| Capital related bonds and notes                                                         | (7,450,000)                | (3,975,673)                 | (28,331,000)          |
| Bonds payable related to capital lease receivables                                      | -                          | -                           | 3,585,000             |
| Installment contracts                                                                   | (13,205,014)               | -                           | -                     |
| Deferred charge on refunding                                                            | 328,060                    | 102,727                     | 197,865               |
| Deferred charge on refunding from bonds payable<br>related to capital lease receivables | -                          | -                           | (44,482)              |
| Unamortized premium on capital related bonds                                            | -                          | -                           | (270,451)             |
|                                                                                         | <u>(20,326,954)</u>        | <u>(3,872,946)</u>          | <u>(24,863,068)</u>   |
| Total net investment in capital assets                                                  | <u>\$ 20,219,849</u>       | <u>\$ 8,934,350</u>         | <u>\$ 151,737,579</u> |

## EATON COUNTY, MICHIGAN

### Notes to Financial Statements

#### 16. COMPONENTS OF FUND BALANCES

Detailed information on fund balances of governmental funds as of September 30, 2020 is as follows:

|                                | General<br>Fund | Child<br>Care<br>Fund | Central<br>Dispatch<br>911 Surcharge | Nonmajor<br>Governmental<br>Funds | Total         |
|--------------------------------|-----------------|-----------------------|--------------------------------------|-----------------------------------|---------------|
| Nonspendable:                  |                 |                       |                                      |                                   |               |
| Prepays                        | \$ 33,245       | \$ -                  | \$ -                                 | \$ 25,231                         | \$ 58,476     |
| Advances to<br>component units | 60,000          | -                     | -                                    | -                                 | 60,000        |
| Total nonspendable             | 93,245          | -                     | -                                    | 25,231                            | 118,476       |
| Restricted for:                |                 |                       |                                      |                                   |               |
| Central dispatch               | -               | -                     | 2,112,150                            | 1,008,669                         | 3,120,819     |
| Judicial                       | -               | -                     | -                                    | 15,072                            | 15,072        |
| Debt service                   | -               | -                     | -                                    | 174,901                           | 174,901       |
| Permanent trusts               | -               | -                     | -                                    | 3,325                             | 3,325         |
| CDBG housing                   | -               | -                     | -                                    | 241,391                           | 241,391       |
| ROD technology                 | -               | -                     | -                                    | 23,506                            | 23,506        |
| Public safety                  | -               | -                     | -                                    | 1,866,251                         | 1,866,251     |
| Officer training               | -               | -                     | -                                    | 175,966                           | 175,966       |
| Remonumentation                | -               | -                     | -                                    | 16,993                            | 16,993        |
| Animal control                 | -               | -                     | -                                    | 10,947                            | 10,947        |
| Indigent defense               | -               | -                     | -                                    | 612,816                           | 612,816       |
| Total restricted               | -               | -                     | 2,112,150                            | 4,149,837                         | 6,261,987     |
| Committed for:                 |                 |                       |                                      |                                   |               |
| Public safety                  | -               | -                     | -                                    | 5,621                             | 5,621         |
| Child care                     | -               | 710,431               | -                                    | -                                 | 710,431       |
| Solid waste                    | -               | -                     | -                                    | 106,382                           | 106,382       |
| Health and social services     | -               | -                     | -                                    | 129,710                           | 129,710       |
| Sheriff road crew              | -               | -                     | -                                    | 8,095                             | 8,095         |
| Concealed pistol licenses      | -               | -                     | -                                    | 98,248                            | 98,248        |
| Total committed                | -               | 710,431               | -                                    | 348,056                           | 1,058,487     |
| Assigned for:                  |                 |                       |                                      |                                   |               |
| Public improvement             | 1,036,825       | -                     | -                                    | -                                 | 1,036,825     |
| Technology                     | 294,466         | -                     | -                                    | -                                 | 294,466       |
| Total assigned                 | 1,331,291       | -                     | -                                    | -                                 | 1,331,291     |
| Unassigned                     | 7,514,626       | -                     | -                                    | -                                 | 7,514,626     |
| Total fund balances            | \$ 8,939,162    | \$ 710,431            | \$ 2,112,150                         | \$ 4,523,124                      | \$ 16,284,867 |

## EATON COUNTY, MICHIGAN

### ■ Notes to Financial Statements

#### 17. TAX ABATEMENTS

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, 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. Property taxes abated by the County in 2020 amounted to \$155,229.

#### 18. CORONAVIRUS (COVID-19)

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

#### 19. SUBSEQUENT EVENTS

In October 2020, the County issued Munson Drain District Drain Bond, Series 2020, in the amount of \$840,000. The bonds bear interest at 2.05%, and final payment is due June 1, 2035.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

## EATON COUNTY, MICHIGAN

### Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan - County  
Schedule of Changes in the County's Net Pension Liability and Related Ratios

|                                                                            | Year Ended September 30 |                      |                      |
|----------------------------------------------------------------------------|-------------------------|----------------------|----------------------|
|                                                                            | 2020                    | 2019                 | 2018                 |
| <b>Total pension liability</b>                                             |                         |                      |                      |
| Service cost                                                               | \$ 1,893,383            | \$ 2,405,615         | \$ 2,814,290         |
| Interest                                                                   | 11,693,659              | 11,961,071           | 11,993,167           |
| Changes in benefit terms                                                   | -                       | (5,789,913)          | (5,257,822)          |
| Differences between expected and actual experience                         | 109,916                 | (1,578,253)          | (942,832)            |
| Changes of assumptions                                                     | 6,200,157               | (652,644)            | -                    |
| Benefit payments, including refunds of employee contributions              | (9,387,588)             | (9,113,590)          | (8,493,723)          |
| <b>Net change in total pension liability</b>                               | <u>10,509,527</u>       | <u>(2,767,714)</u>   | <u>113,080</u>       |
| <br>Total pension liability, beginning of year                             | <u>150,099,666</u>      | <u>152,867,380</u>   | <u>152,754,300</u>   |
| <br><b>Total pension liability, end of year</b>                            | <u>160,609,193</u>      | <u>150,099,666</u>   | <u>152,867,380</u>   |
| <br><b>Plan fiduciary net position</b>                                     |                         |                      |                      |
| Employer contributions                                                     | 4,607,824               | 4,394,712            | 7,584,715            |
| Employee contributions                                                     | 1,662,685               | 1,821,211            | 1,943,867            |
| Net investment income (loss)                                               | 12,040,150              | (3,702,698)          | 11,264,941           |
| Benefit payments, including refunds of employee contributions              | (9,387,588)             | (9,113,590)          | (8,493,723)          |
| Administrative expense                                                     | (207,518)               | (185,099)            | (177,694)            |
| <b>Net change in plan fiduciary net position</b>                           | <u>8,715,553</u>        | <u>(6,785,464)</u>   | <u>12,122,106</u>    |
| <br>Plan fiduciary net position, beginning of year                         | <u>89,806,336</u>       | <u>96,591,800</u>    | <u>84,469,694</u>    |
| <br><b>Plan fiduciary net position, end of year</b>                        | <u>98,521,889</u>       | <u>89,806,336</u>    | <u>96,591,800</u>    |
| <br><b>County's net pension liability</b>                                  | <u>\$ 62,087,304</u>    | <u>\$ 60,293,330</u> | <u>\$ 56,275,580</u> |
| <br>Plan fiduciary net position as a percentage of total pension liability | 61.3%                   | 59.8%                | 63.2%                |
| <br>Covered payroll                                                        | <u>\$ 17,346,961</u>    | <u>\$ 16,624,887</u> | <u>\$ 17,610,631</u> |
| <br>County's net pension liability as a percentage of covered payroll      | 357.9%                  | 362.7%               | 319.6%               |

See notes to required supplementary information.

| Year Ended September 30 |               |               |
|-------------------------|---------------|---------------|
| 2017                    | 2016          | 2015          |
| \$ 2,952,935            | \$ 2,994,010  | \$ 2,744,783  |
| 11,628,359              | 10,779,046    | 10,297,354    |
| -                       | -             | -             |
| (1,714,439)             | 2,594,548     | -             |
| -                       | 6,193,688     | -             |
| (7,981,138)             | (7,701,609)   | (6,954,516)   |
| 4,885,717               | 14,859,683    | 6,087,621     |
| 147,868,583             | 133,008,900   | 126,921,279   |
| 152,754,300             | 147,868,583   | 133,008,900   |
| 2,840,110               | 4,232,444     | 2,295,134     |
| 1,969,542               | 2,009,187     | 1,900,799     |
| 8,839,904               | (1,200,470)   | 4,994,651     |
| (7,981,138)             | (7,701,609)   | (6,954,516)   |
| (174,598)               | (176,990)     | (183,040)     |
| 5,493,820               | (2,837,438)   | 2,053,028     |
| 78,975,874              | 81,813,312    | 79,760,284    |
| 84,469,694              | 78,975,874    | 81,813,312    |
| \$ 68,284,606           | \$ 68,892,709 | \$ 51,195,588 |
| 55.3%                   | 53.4%         | 61.5%         |
| \$ 18,444,571           | \$ 18,536,741 | \$ 16,927,042 |
| 370.2%                  | 371.7%        | 302.4%        |

## EATON COUNTY, MICHIGAN

### Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan - County  
Schedule of Contributions

| Fiscal Year<br>Ended<br>September 30, | Actuarially<br>Determined<br>Contribution | Contributions in<br>Relation to the<br>Actuarially<br>Determined<br>Contribution | Contribution<br>(Deficiency)<br>Excess | Covered<br>Payroll | Contributions as<br>Percentage of<br>Covered<br>Payroll |
|---------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|--------------------|---------------------------------------------------------|
| 2020                                  | \$ 4,167,495                              | \$ 4,221,300                                                                     | \$ 53,805                              | \$ 17,212,636      | 24.5%                                                   |
| 2019                                  | 4,502,720                                 | 4,825,245                                                                        | 322,525                                | 17,717,763         | 27.2%                                                   |
| 2018                                  | 4,229,217                                 | 4,229,217                                                                        | -                                      | 17,535,135         | 24.1%                                                   |
| 2017                                  | 2,969,160                                 | 7,219,160                                                                        | 4,250,000                              | 18,923,630         | 38.1%                                                   |
| 2016                                  | 4,252,006                                 | 4,252,006                                                                        | -                                      | 18,574,547         | 22.9%                                                   |
| 2015                                  | 2,649,596                                 | 2,649,596                                                                        | -                                      | 17,943,906         | 14.8%                                                   |

See notes to required supplementary information.

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## EATON COUNTY, MICHIGAN

### Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan -  
Health and Rehabilitation Services Facility  
Schedule of Changes in the Facility's Net Pension Liability and Related Ratios

|                                                                        | Year Ended September 30 |                     |                     |
|------------------------------------------------------------------------|-------------------------|---------------------|---------------------|
|                                                                        | 2020                    | 2019                | 2018                |
| <b>Total pension liability</b>                                         |                         |                     |                     |
| Service cost                                                           | \$ 585,330              | \$ 595,768          | \$ 612,378          |
| Interest                                                               | 994,930                 | 961,731             | 907,203             |
| Differences between expected and actual experience                     | (309,552)               | (554,795)           | (302,372)           |
| Changes of assumptions                                                 | 281,938                 | -                   | -                   |
| Benefit payments, including refunds of employee contributions          | (577,198)               | (587,793)           | (466,787)           |
| <b>Net change in total pension liability</b>                           | <u>975,448</u>          | <u>414,911</u>      | <u>750,422</u>      |
| Total pension liability, beginning of year                             | <u>12,432,565</u>       | <u>12,017,654</u>   | <u>11,267,232</u>   |
| <b>Total pension liability, end of year</b>                            | <u>13,408,013</u>       | <u>12,432,565</u>   | <u>12,017,654</u>   |
| <b>Plan fiduciary net position</b>                                     |                         |                     |                     |
| Employer contributions                                                 | 417,214                 | 456,002             | 451,825             |
| Employee contributions                                                 | 262,933                 | 271,528             | 268,181             |
| Net investment income (loss)                                           | 1,477,611               | (447,174)           | 1,292,379           |
| Benefit payments, including refunds of employee contributions          | (577,198)               | (587,793)           | (466,787)           |
| Administrative expense                                                 | (25,473)                | (21,803)            | (20,401)            |
| <b>Net change in plan fiduciary net position</b>                       | <u>1,555,087</u>        | <u>(329,240)</u>    | <u>1,525,197</u>    |
| Plan fiduciary net position, beginning of year                         | <u>10,786,408</u>       | <u>11,115,648</u>   | <u>9,590,451</u>    |
| <b>Plan fiduciary net position, end of year</b>                        | <u>12,341,495</u>       | <u>10,786,408</u>   | <u>11,115,648</u>   |
| <b>Facility's net pension liability</b>                                | <u>\$ 1,066,518</u>     | <u>\$ 1,646,157</u> | <u>\$ 902,006</u>   |
| Plan fiduciary net position as a percentage of total pension liability | 92.0%                   | 86.8%               | 92.5%               |
| Covered payroll                                                        | <u>\$ 8,401,022</u>     | <u>\$ 8,672,329</u> | <u>\$ 8,771,631</u> |
| Facility's net pension liability as a percentage of covered payroll    | 12.7%                   | 19.0%               | 10.3%               |

See notes to required supplementary information.

| Year Ended September 30 |                     |                     |
|-------------------------|---------------------|---------------------|
| 2017                    | 2016                | 2015                |
| \$ 642,065              | \$ 589,206          | \$ 555,375          |
| 834,018                 | 754,946             | 686,617             |
| (80,340)                | (63,415)            | -                   |
| -                       | 431,055             | -                   |
| <u>(465,386)</u>        | <u>(462,355)</u>    | <u>(398,998)</u>    |
| 930,357                 | 1,249,437           | 842,994             |
| <u>10,336,875</u>       | <u>9,087,438</u>    | <u>8,244,444</u>    |
| <u>11,267,232</u>       | <u>10,336,875</u>   | <u>9,087,438</u>    |
| 442,343                 | 396,548             | 356,907             |
| 278,730                 | 245,016             | 241,066             |
| 973,602                 | (129,789)           | 491,649             |
| (465,386)               | (462,355)           | (398,998)           |
| <u>(19,191)</u>         | <u>(18,619)</u>     | <u>(18,165)</u>     |
| 1,210,098               | 30,801              | 672,459             |
| <u>8,380,353</u>        | <u>8,349,552</u>    | <u>7,677,093</u>    |
| <u>9,590,451</u>        | <u>8,380,353</u>    | <u>8,349,552</u>    |
| <u>\$ 1,676,781</u>     | <u>\$ 1,956,522</u> | <u>\$ 737,886</u>   |
| 85.1%                   | 81.1%               | 91.9%               |
| <u>\$ 9,299,528</u>     | <u>\$ 8,198,547</u> | <u>\$ 7,719,600</u> |
| 18.0%                   | 23.9%               | 9.6%                |

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## EATON COUNTY, MICHIGAN

### Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan -  
Health and Rehabilitation Services Facility  
Schedule of Contributions

| Fiscal Year<br>Ended<br>September 30, | Actuarially<br>Determined<br>Contribution | Contributions in<br>Relation to the<br>Actuarially<br>Determined<br>Contribution | Contribution<br>(Deficiency)<br>Excess | Covered<br>Payroll | Contributions as<br>Percentage of<br>Covered<br>Payroll |
|---------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|--------------------|---------------------------------------------------------|
| 2020                                  | \$ 417,214                                | \$ 417,214                                                                       | \$ -                                   | \$ 8,707,102       | 4.8%                                                    |
| 2019                                  | 421,412                                   | 421,412                                                                          | -                                      | 8,772,568          | 4.8%                                                    |
| 2018                                  | 459,402                                   | 459,402                                                                          | -                                      | 8,672,329          | 5.3%                                                    |
| 2017                                  | 448,109                                   | 448,109                                                                          | -                                      | 8,771,631          | 5.1%                                                    |
| 2016                                  | 420,882                                   | 420,882                                                                          | -                                      | 9,299,528          | 4.5%                                                    |
| 2015                                  | 384,195                                   | 384,195                                                                          | -                                      | 8,198,547          | 4.7%                                                    |

See notes to required supplementary information.

## EATON COUNTY, MICHIGAN

### Required Supplementary Information

#### MERS Agent Multiple-Employer Defined Benefit Pension Plan - District Health Schedule of Changes in the District's Net Pension Liability and Related Ratios

|                                                                        | Year Ended September 30 |                     |                     |
|------------------------------------------------------------------------|-------------------------|---------------------|---------------------|
|                                                                        | 2020                    | 2019                | 2018                |
| <b>Total pension liability</b>                                         |                         |                     |                     |
| Service cost                                                           | \$ 296,444              | \$ 331,706          | \$ 347,436          |
| Interest                                                               | 1,617,283               | 1,615,788           | 1,600,100           |
| Changes in benefit terms                                               | (84,853)                | (16,866)            | 5,121               |
| Differences between expected and actual experience                     | (125,235)               | (463,927)           | (368,056)           |
| Changes of assumptions                                                 | 662,230                 | -                   | -                   |
| Benefit payments, including refunds of employee contributions          | (1,363,439)             | (1,460,059)         | (1,301,200)         |
| <b>Net change in total pension liability</b>                           | <u>1,002,430</u>        | <u>6,642</u>        | <u>283,401</u>      |
| Total pension liability, beginning of year                             | <u>20,768,169</u>       | <u>20,761,527</u>   | <u>20,478,126</u>   |
| <b>Total pension liability, end of year</b>                            | <u>21,770,599</u>       | <u>20,768,169</u>   | <u>20,761,527</u>   |
| <b>Plan fiduciary net position</b>                                     |                         |                     |                     |
| Employer contributions                                                 | 418,506                 | 453,389             | 510,469             |
| Employee contributions                                                 | 260,386                 | 282,890             | 288,604             |
| Net investment income (loss)                                           | 1,923,852               | (596,857)           | 1,884,313           |
| Benefit payments, including refunds of employee contributions          | (1,363,439)             | (1,460,059)         | (1,301,200)         |
| Administrative expense                                                 | (33,124)                | (30,048)            | (29,855)            |
| <b>Net change in plan fiduciary net position</b>                       | <u>1,206,181</u>        | <u>(1,350,685)</u>  | <u>1,352,331</u>    |
| Plan fiduciary net position, beginning of year                         | <u>14,383,381</u>       | <u>15,734,066</u>   | <u>14,381,735</u>   |
| <b>Plan fiduciary net position, end of year</b>                        | <u>15,589,562</u>       | <u>14,383,381</u>   | <u>15,734,066</u>   |
| <b>District's net pension liability</b>                                | <u>\$ 6,181,037</u>     | <u>\$ 6,384,788</u> | <u>\$ 5,027,461</u> |
| Plan fiduciary net position as a percentage of total pension liability | 71.6%                   | 69.3%               | 75.8%               |
| Covered payroll                                                        | <u>\$ 2,330,330</u>     | <u>\$ 2,530,932</u> | <u>\$ 2,603,480</u> |
| District's net pension liability as a percentage of covered payroll    | 265.2%                  | 252.3%              | 193.1%              |

See notes to required supplementary information.

| Year Ended September 30 |                     |                     |
|-------------------------|---------------------|---------------------|
| 2017                    | 2016                | 2015                |
| \$ 386,614              | \$ 345,262          | \$ 352,453          |
| 1,560,837               | 1,462,130           | 1,408,014           |
| 50,081                  | (69,189)            | -                   |
| (220,069)               | 284,641             | -                   |
| -                       | 945,293             | -                   |
| (1,232,976)             | (1,169,315)         | (1,032,516)         |
| 544,487                 | 1,798,822           | 727,951             |
| 19,933,639              | 18,134,817          | 17,406,866          |
| 20,478,126              | 19,933,639          | 18,134,817          |
| 784,021                 | 561,235             | 1,092,352           |
| 190,901                 | 187,030             | 175,161             |
| 1,486,296               | (206,101)           | 807,772             |
| (1,232,976)             | (1,169,315)         | (1,032,516)         |
| (29,416)                | (30,066)            | (29,793)            |
| 1,198,826               | (657,217)           | 1,012,976           |
| 13,182,909              | 13,840,126          | 12,827,150          |
| 14,381,735              | 13,182,909          | 13,840,126          |
| <u>\$ 6,096,391</u>     | <u>\$ 6,750,730</u> | <u>\$ 4,294,691</u> |
| 70.2%                   | 66.1%               | 76.3%               |
| <u>\$ 2,660,328</u>     | <u>\$ 2,700,051</u> | <u>\$ 2,769,717</u> |
| 229.2%                  | 250.0%              | 155.1%              |

## EATON COUNTY, MICHIGAN

### ■ Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan - District Health  
Schedule of Contributions

| Fiscal Year<br>Ended<br>September 30, | Actuarially<br>Determined<br>Contribution | Contributions in<br>Relation to the<br>Actuarially<br>Determined<br>Contribution | Contribution<br>(Deficiency)<br>Excess | Covered<br>Payroll | Contributions<br>as Percentage<br>of Covered<br>Payroll |
|---------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|--------------------|---------------------------------------------------------|
| 2020                                  | \$ 425,762                                | \$ 425,762                                                                       | \$ -                                   | \$ 2,436,823       | 17.5%                                                   |
| 2019                                  | 424,526                                   | 424,526                                                                          | -                                      | 2,522,943          | 16.8%                                                   |
| 2018                                  | 459,728                                   | 459,728                                                                          | -                                      | 2,710,798          | 17.0%                                                   |
| 2017                                  | 502,469                                   | 502,469                                                                          | -                                      | 2,830,927          | 17.7%                                                   |
| 2016                                  | 429,325                                   | 429,325                                                                          | -                                      | 2,891,203          | 14.8%                                                   |
| 2015                                  | 430,521                                   | 801,445                                                                          | 370,924                                | 2,882,202          | 27.8%                                                   |

See notes to required supplementary information.

## EATON COUNTY, MICHIGAN

### Required Supplementary Information

Retiree Healthcare Plan - County

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

|                                                                     | Year Ended September 30 |                      |                      |                      |
|---------------------------------------------------------------------|-------------------------|----------------------|----------------------|----------------------|
|                                                                     | 2020                    | 2019                 | 2018                 | 2017                 |
| <b>Total OPEB liability</b>                                         |                         |                      |                      |                      |
| Service cost                                                        | \$ 433,428              | \$ 558,732           | \$ 645,482           | \$ 650,485           |
| Interest                                                            | 3,279,352               | 3,390,464            | 3,262,917            | 3,130,680            |
| Differences between expected and actual experience                  | (5,284,718)             | (5,699,117)          | (107,134)            | (45,536)             |
| Changes of assumptions                                              | 3,536,937               | (419,558)            | -                    | -                    |
| Benefit payments, including refunds of employee contributions       | (1,896,113)             | (1,715,817)          | (1,548,406)          | (1,509,962)          |
| <b>Net change in total OPEB liability</b>                           | <u>68,886</u>           | <u>(3,885,296)</u>   | <u>2,252,859</u>     | <u>2,225,667</u>     |
| Total OPEB liability, beginning of year                             | <u>53,200,974</u>       | <u>57,086,270</u>    | <u>54,833,411</u>    | <u>52,607,744</u>    |
| <b>Total OPEB liability, end of year</b>                            | <u>53,269,860</u>       | <u>53,200,974</u>    | <u>57,086,270</u>    | <u>54,833,411</u>    |
| <b>Plan fiduciary net position</b>                                  |                         |                      |                      |                      |
| Employer contributions                                              | 1,922,464               | 2,832,132            | 1,622,831            | 1,545,700            |
| Net investment income                                               | 1,025,356               | 227,864              | 623,697              | 1,267,932            |
| Benefit payments, including refunds of employee contributions       | (1,896,113)             | (1,715,817)          | (1,548,406)          | (1,509,962)          |
| Administrative expense                                              | (25,884)                | (34,008)             | (18,884)             | (17,114)             |
| <b>Net change in plan fiduciary net position</b>                    | <u>1,025,823</u>        | <u>1,310,171</u>     | <u>679,238</u>       | <u>1,286,556</u>     |
| Plan fiduciary net position, beginning of year                      | <u>14,060,712</u>       | <u>12,750,541</u>    | <u>12,071,303</u>    | <u>10,784,747</u>    |
| <b>Plan fiduciary net position, end of year</b>                     | <u>15,086,535</u>       | <u>14,060,712</u>    | <u>12,750,541</u>    | <u>12,071,303</u>    |
| <b>County's net OPEB liability</b>                                  | <u>\$ 38,183,325</u>    | <u>\$ 39,140,262</u> | <u>\$ 44,335,729</u> | <u>\$ 42,762,108</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 28.3%                   | 26.4%                | 22.3%                | 22.0%                |
| Covered payroll                                                     | <u>\$ 6,901,522</u>     | <u>\$ 7,476,278</u>  | <u>\$ 8,200,982</u>  | <u>\$ 10,405,947</u> |
| County's net OPEB liability as a percentage of covered payroll      | 553.3%                  | 523.5%               | 540.6%               | 410.9%               |

See notes to required supplementary information.

## EATON COUNTY, MICHIGAN

### Required Supplementary Information

Retiree Healthcare Plan - County  
Schedule of Contributions

| Fiscal Year<br>Ended<br>September 30, | Actuarially<br>Determined<br>Contribution | Contributions in<br>Relation to the<br>Actuarially<br>Determined<br>Contribution | Contribution<br>(Deficiency)<br>Excess | Covered<br>Payroll | Contributions<br>as Percentage<br>of Covered<br>Payroll |
|---------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|--------------------|---------------------------------------------------------|
| 2020                                  | \$ 4,210,625                              | \$ 1,922,464                                                                     | \$ (2,288,161)                         | \$ 6,901,522       | 27.9%                                                   |
| 2019                                  | 4,312,583                                 | 2,832,132                                                                        | (1,480,451)                            | 7,476,278          | 37.9%                                                   |
| 2018                                  | 4,319,553                                 | 1,622,831                                                                        | (2,696,722)                            | 8,200,982          | 19.8%                                                   |
| 2017                                  | 5,041,943                                 | 1,545,700                                                                        | (3,496,243)                            | 10,405,947         | 14.9%                                                   |

See notes to required supplementary information.

## EATON COUNTY, MICHIGAN

### ■ Required Supplementary Information

Retiree Healthcare Plan - County  
Schedule of Investment Returns

| <b>Fiscal Year<br/>Ended<br/>September 30,</b> | <b>Annual<br/>Return <sup>(1)</sup></b> |
|------------------------------------------------|-----------------------------------------|
| 2020                                           | 7.29%                                   |
| 2019                                           | 1.72%                                   |
| 2018                                           | 9.63%                                   |
| 2017                                           | 5.06%                                   |

<sup>(1)</sup> Annual money-weighted rate of return, net of investment expenses

See notes to required supplementary information.

## EATON COUNTY, MICHIGAN

### Required Supplementary Information

Retiree Healthcare Plan - Health and Rehabilitation Services Facility

Schedule of Changes in the Facility's Total OPEB Liability and Related Ratios

|                                                                    | Year Ended September 30 |                     |                   |
|--------------------------------------------------------------------|-------------------------|---------------------|-------------------|
|                                                                    | 2020                    | 2019                | 2018              |
| <b>Total OPEB liability</b>                                        |                         |                     |                   |
| Service cost                                                       | \$ 18,728               | \$ 17,670           | \$ 131,414        |
| Interest                                                           | 41,632                  | 40,927              | 45,073            |
| Effect of economic/demographic gains or losses                     | 9,647                   | 16,729              | (118,070)         |
| Changes of assumptions                                             | 311,986                 | 31,546              | 3,987             |
| Benefit payments                                                   | (36,096)                | (37,833)            | (40,857)          |
| <b>Net change in total OPEB liability</b>                          | <u>345,897</u>          | <u>69,039</u>       | <u>21,547</u>     |
| Total OPEB liability, beginning of year                            | <u>1,039,936</u>        | <u>970,897</u>      | <u>949,350</u>    |
| <b>Total OPEB liability, end of year</b>                           | <u>\$ 1,385,833</u>     | <u>\$ 1,039,936</u> | <u>\$ 970,897</u> |
| Covered payroll                                                    | <u>\$ 551,671</u>       | <u>\$ 499,734</u>   | <u>\$ 502,484</u> |
| Facility's total OPEB liability as a percentage of covered payroll | 251.2%                  | 208.1%              | 193.2%            |

See notes to required supplementary information.

## EATON COUNTY, MICHIGAN

### ■ Notes to Required Supplementary Information

#### *MERS Agent Multiple-Employer Defined Benefit Pension Plans*

##### **Notes to the Schedule of Changes in the Net Pension Liability and Related Ratios**

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

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

*Assumption changes for 2016.* Based on the 2009-2013 Experience Study the following assumptions were changed starting with the December 31, 2015 valuation: (1) mortality table was adjusted to reflect longer lifetimes, (2) assumed annual rate of return of investment return, net of all expenses, was lowered from 8% to 7.75% (3) asset smoothing period was changed from 10 years to 5 years (4) the amortization period was moved to a fixed period amortization for the December 31, 2015 annual valuations.

*Changes in benefit terms for 2018.* Effective October 1, 2017 the defined benefit pension multiplier was decreased from 2.5% to 2.0% for future service credit for a portion of the employee population.

*Changes in benefit terms for 2019.* Effective February 1, 2019 the defined benefit multiplier was decreased from 3.2% to 2.0% for future service credit for a portion of the employee population.

*Assumption changes for 2019.* Revised wages were adjusted by a factor to reflect the changes in definition of compensation which are scheduled to occur during 2019.

*Assumption changes for 2020.* amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

## EATON COUNTY, MICHIGAN

### ■ Notes to Required Supplementary Information

#### *MERS Agent Multiple-Employer Defined Benefit Pension Plans*

##### Notes to Schedule of Contributions

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

*County.* The employer contributions for the fiscal year ended September 30, 2017 include \$4,250,000 contributed by MERS, under the terms of a Settlement Agreement entered into between the County, MERS, and three (3) of the bargaining units representing County employees in 1997.

|                |                                                                                                                                                                                 |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date | Actuarially determined contribution rates are calculated as of the December 31 that is 21 months prior to the beginning of the fiscal year in which contributions are reported. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Methods and assumptions used to determine contribution rates (2020, based on the 12/31/2017 actuarial valuation):

|                               |                                                                                                                                                                                             |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial cost method         | Entry-age normal                                                                                                                                                                            |
| Amortization method           | Level percent of payroll                                                                                                                                                                    |
| Remaining amortization period | County: 18-21 years, depending on division/bargaining unit<br>Facility: 21 years<br>District Health: 21 years                                                                               |
| Asset valuation method        | 5-year smooth market                                                                                                                                                                        |
| Inflation                     | 2.50%                                                                                                                                                                                       |
| Salary increases              | 3.75% in the long-term                                                                                                                                                                      |
| Investment rate of return     | 7.75%, net of investment and administrative expense including inflation                                                                                                                     |
| Normal retirement age         | Age 60                                                                                                                                                                                      |
| Mortality                     | 50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables |

# EATON COUNTY, MICHIGAN

## Notes to Required Supplementary Information

## Retiree Healthcare Plans

### Notes to the Schedule of Changes in the Net OPEB Liability and Related Ratios

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

GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

*Assumption changes for 2019 - County.* Increase in the discount rate from 6.0% to 6.25%.

**Assumption changes for 2020 - County.** Based on the 2014-2018 experience study the following assumptions were changed starting with the September 30, 2020 valuation. The adopted changes are summarized as follows: 3.0 percent to 9.7 percent wage inflation assumption, sex distinct Pub-2010 mortality tables, updated retirement rates, updated separation rates.

*Assumption changes for 2020 - Facility.* The changes in assumptions include a decrease in the inflation assumption from 4.00 percent to 2.25 percent and a decrease in the assumed salary increase from 1.60 percent to 1.30 percent.

### Notes to Schedule of Contributions - County

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

Valuation Date December 31, 2018 funding valuation

### Methods and assumptions used to determine contribution rates:

|                               |                                                                                         |
|-------------------------------|-----------------------------------------------------------------------------------------|
| Actuarial cost method         | Entry-age normal                                                                        |
| Amortization method           | Level dollar, closed                                                                    |
| Remaining amortization period | 19 years, closed                                                                        |
| Asset valuation method        | Market value of assets                                                                  |
| Price inflation               | 2.5%                                                                                    |
| wage inflation                | 3.0%                                                                                    |
| Salary increases              | 3.0% to 14.0%, including inflation                                                      |
| Investment rate of return     | 6.25%, net of OPEB plan investment expense                                              |
| Retirement age                | Experience-based table of rates that are specific to the type of eligibility condition. |

## EATON COUNTY, MICHIGAN

### ■ Notes to Required Supplementary Information

#### *Retiree Healthcare Plans*

#### **Notes to Schedule of Contributions - County (continued)**

|                         |                                                                                                                                                                                                                                                                               |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mortality               | The mortality table used to project the mortality experience of non-disabled plan members is a 50% Male - 50% Female blend of the following tables:<br>The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%<br>The RP-2014 Employee Mortality Tables |
| Health care trend rates | Initial trend of 8.25% gradually decreasing to an ultimate trend rate of 3.75% in year 10.                                                                                                                                                                                    |
| Excise tax              | No load was applied in connection with the "Cadillac" tax                                                                                                                                                                                                                     |
| Aging factors           | Based on the 2013 SOA Study "Healthcare Costs - From Birth to Death"                                                                                                                                                                                                          |
| Notes                   | New assumptions were reflected in the December 31, 2019 funding valuation, which developed the contribution amount for fiscal year ending September 30, 2021. The new assumptions were also reflected in the development of the total OPEB liability as of September 30, 2020 |

#### **Notes to Schedule of Investment Returns - County**

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

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND  
SCHEDULES**

## EATON COUNTY, MICHIGAN

### ■ Detailed Schedule of Revenues and Other Financing Sources

Budget and Actual - General Fund  
For the Year Ended September 30, 2020

|                                                 | Original<br>Budget | Final<br>Budget | Actual        | Actual Over<br>(Under) Final<br>Budget |
|-------------------------------------------------|--------------------|-----------------|---------------|----------------------------------------|
| <b>Revenues</b>                                 |                    |                 |               |                                        |
| Taxes:                                          |                    |                 |               |                                        |
| Real and personal property taxes                | \$ 19,893,209      | \$ 19,893,209   | \$ 19,654,863 | \$ (238,346)                           |
| Industrial facilities tax                       | 102,388            | 102,388         | 103,490       | 1,102                                  |
| Payments in lieu                                | 6,000              | 6,000           | 31,209        | 25,209                                 |
| Delinquent taxes                                | 15,000             | 15,000          | 11,270        | (3,730)                                |
| Trailer park taxes                              | 10,000             | 10,000          | 10,449        | 449                                    |
| Real estate transfer tax                        | 415,000            | 415,000         | 436,560       | 21,560                                 |
| Interest and penalties                          | 50,000             | 50,000          | 52,346        | 2,346                                  |
| Total taxes                                     | 20,491,597         | 20,491,597      | 20,300,187    | (191,410)                              |
| Licenses and permits:                           |                    |                 |               |                                        |
| Dog licenses                                    | 80,000             | 90,000          | 163,529       | 73,529                                 |
| Pistol permits                                  | 650                | 650             | 320           | (330)                                  |
| Marriage licenses                               | 16,100             | 16,100          | 12,110        | (3,990)                                |
| Soil erosion                                    | 87,500             | 87,500          | 66,856        | (20,644)                               |
| Total licenses and permits                      | 184,250            | 194,250         | 242,815       | 48,565                                 |
| Intergovernmental - federal/state:              |                    |                 |               |                                        |
| ADC incentive                                   | 160,000            | 160,000         | 148,945       | (11,055)                               |
| Cooperative reimbursement - Friend of the Court | 966,162            | 966,162         | 704,770       | (261,392)                              |
| Personal property tax reimbursement             | 75,000             | 75,000          | -             | (75,000)                               |
| Probate judge's salary                          | 151,438            | 151,438         | 162,059       | 10,621                                 |
| Judicial salary standardization                 | 182,896            | 182,896         | 182,896       | -                                      |
| Sheriff road patrol program                     | 85,000             | 85,000          | 114,450       | 29,450                                 |
| Marine safety program                           | 5,000              | 5,000           | 4,400         | (600)                                  |
| Drug case incentive                             | 300                | 300             | 675           | 375                                    |
| Victims Rights Act                              | 148,043            | 148,043         | 147,275       | (768)                                  |
| Veterans services                               | -                  | 50,000          | 9,682         | (40,318)                               |
| Parole violation grant                          | 255,500            | 255,500         | 265,886       | 10,386                                 |
| Diverted felon program                          | 275,000            | 275,000         | 150,638       | (124,362)                              |
| Assistant juvenile officer grant                | 60,000             | 60,000          | 52,776        | (7,224)                                |
| Convention and tourism                          | 470,000            | 470,000         | 467,432       | (2,568)                                |
| Liquor license fees                             | 35,000             | 35,000          | 33,981        | (1,019)                                |
| State income tax                                | 2,333,145          | 1,978,165       | 1,774,900     | (203,265)                              |
| State aid-case flow assistance                  | 20,900             | 20,900          | 14,681        | (6,219)                                |
| State court equity funding                      | 450,000            | 450,000         | 375,519       | (74,481)                               |
| Title IV-E                                      | 32,000             | 32,000          | 24,720        | (7,280)                                |
| WRAP housing                                    | 657,000            | 657,000         | 448,894       | (208,106)                              |
| CARES Act                                       | -                  | 3,221,914       | 2,772,879     | (449,035)                              |
| Miscellaneous                                   | 21,200             | 21,200          | 14,244        | (6,956)                                |
| Total intergovernmental - federal/state         | 6,383,584          | 9,300,518       | 7,871,702     | (1,428,816)                            |

continued...

## EATON COUNTY, MICHIGAN

### ■ Detailed Schedule of Revenues and Other Financing Sources

Budget and Actual - General Fund  
For the Year Ended September 30, 2020

|                                   | Original<br>Budget | Final<br>Budget  | Actual           | Actual Over<br>(Under) Final<br>Budget |
|-----------------------------------|--------------------|------------------|------------------|----------------------------------------|
| <b>Revenues (continued)</b>       |                    |                  |                  |                                        |
| Intergovernmental - local:        |                    |                  |                  |                                        |
| Township - planning               | \$ 172,555         | \$ 172,555       | \$ 159,555       | \$ (13,000)                            |
| Township - Sheriff                | 3,475,579          | 3,125,517        | 3,219,334        | 93,817                                 |
| Prosecuting attorney services     | 42,000             | 42,000           | 23,071           | (18,929)                               |
| Total intergovernmental - local   | <u>3,690,134</u>   | <u>3,340,072</u> | <u>3,401,960</u> | <u>61,888</u>                          |
| Charges for services:             |                    |                  |                  |                                        |
| Court:                            |                    |                  |                  |                                        |
| District Court costs              | 684,000            | 684,000          | 521,653          | (162,347)                              |
| Circuit Court probation           | 102,400            | 102,400          | 104,662          | 2,262                                  |
| Court filing fees                 | 35,000             | 35,000           | 34,197           | (803)                                  |
| Bond costs                        | -                  | -                | 150              | 150                                    |
| Jury demand                       | 4,000              | 4,000            | 520              | (3,480)                                |
| Writ of garnishment               | 82,500             | 82,500           | 100,850          | 18,350                                 |
| Attorney fee reimbursement        | 46,200             | 46,200           | 56,556           | 10,356                                 |
| SOS reinstatement fee             | 28,000             | 28,000           | 22,579           | (5,421)                                |
| Probation oversight               | 160,000            | 160,000          | 125,346          | (34,654)                               |
| Alcohol assessment                | 24,000             | 24,000           | 18,234           | (5,766)                                |
| Friend of the Court service fees  | 151,050            | 151,050          | 173,946          | 22,896                                 |
| Probate court services            | 45,000             | 45,000           | 43,795           | (1,205)                                |
| Juvenile court services           | 9,000              | 9,000            | 269              | (8,731)                                |
| Prosecuting attorney services     | 24,200             | 24,200           | 92,422           | 68,222                                 |
| Juvenile court attorney fees      | 65,000             | 65,000           | 47,098           | (17,902)                               |
| Crime victim assessment           | 300                | 300              | 192              | (108)                                  |
| Inmate medical                    | 7,500              | 7,500            | -                | (7,500)                                |
| General government:               |                    |                  |                  |                                        |
| County clerk services             | 201,450            | 201,450          | 216,028          | 14,578                                 |
| County treasurer services         | 11,000             | 11,000           | 13,210           | 2,210                                  |
| Register of deed services         | 350,000            | 350,000          | 498,330          | 148,330                                |
| Drain commission services         | 75,000             | 75,000           | 59,734           | (15,266)                               |
| Child care collection fees        | 85,000             | 85,000           | 30,102           | (54,898)                               |
| Property description services     | 23,000             | 23,000           | 26,937           | 3,937                                  |
| Food stamp fraud                  | 500                | 500              | 788              | 288                                    |
| Sheriff Department:               |                    |                  |                  |                                        |
| Sheriff services                  | 80,000             | 80,000           | 41,296           | (38,704)                               |
| Economic crimes unit              | 438,000            | 438,000          | 237,470          | (200,530)                              |
| OUIL/Impaired                     | 30,000             | 30,000           | 16,260           | (13,740)                               |
| False alarms                      | 5,000              | 5,000            | 4,814            | (186)                                  |
| Abandoned vehicles                | 3,000              | 3,000            | 3,039            | 39                                     |
| Tether program                    | 10,000             | 10,000           | 6,359            | (3,641)                                |
| Inmate medical                    | 1,500              | 1,500            | 908              | (592)                                  |
| Sentenced inmate boarding         | 35,000             | 35,000           | 38,527           | 3,527                                  |
| Boarding of dogs and cats         | 5,000              | 5,000            | 4,560            | (440)                                  |
| Medical Examiner - cremation fees | 14,000             | 14,000           | 15,365           | 1,365                                  |
| Parks and recreation              | 102,500            | 102,500          | 78,280           | (24,220)                               |

continued...

## EATON COUNTY, MICHIGAN

### ■ Detailed Schedule of Revenues and Other Financing Sources

Budget and Actual - General Fund  
For the Year Ended September 30, 2020

|                                                       | Original<br>Budget   | Final<br>Budget      | Actual               | Actual Over<br>(Under) Final<br>Budget |
|-------------------------------------------------------|----------------------|----------------------|----------------------|----------------------------------------|
| <b>Revenues (concluded)</b>                           |                      |                      |                      |                                        |
| Charges for services - concluded:                     |                      |                      |                      |                                        |
| Planning aerial photos                                | \$ -                 | \$ 122               | \$ 121               | \$ (1)                                 |
| Computer                                              | 5,500                | 5,500                | 2,367                | (3,133)                                |
| Miscellaneous                                         | 33,500               | 33,500               | 23,155               | (10,345)                               |
| Total charges for services                            | <u>2,977,100</u>     | <u>2,977,222</u>     | <u>2,660,119</u>     | <u>(317,103)</u>                       |
| <br>Fines and forfeitures:                            |                      |                      |                      |                                        |
| Ordinance fines and costs                             | 220,200              | 220,200              | 152,440              | (67,760)                               |
| Handicap parking                                      | 50                   | 50                   | 28                   | (22)                                   |
| Bond forfeitures                                      | 22,000               | 22,000               | 23,300               | 1,300                                  |
| Dog fines                                             | 2,500                | 2,500                | 2,697                | 197                                    |
| Law library                                           | 6,500                | 6,500                | 6,500                | -                                      |
| Miscellaneous                                         | 250                  | 250                  | -                    | (250)                                  |
| Total fines and forfeitures                           | <u>251,500</u>       | <u>251,500</u>       | <u>184,965</u>       | <u>(66,535)</u>                        |
| <br>Interest and rents:                               |                      |                      |                      |                                        |
| Interest on investments                               | 250,000              | 273,000              | 79,197               | (193,803)                              |
| Rental fees                                           | 256,105              | 256,105              | 260,362              | 4,257                                  |
| Total interest and rents                              | <u>506,105</u>       | <u>529,105</u>       | <u>339,559</u>       | <u>(189,546)</u>                       |
| <br>Other:                                            |                      |                      |                      |                                        |
| Reimbursements and refunds                            | 364,736              | 364,736              | 102,456              | (262,280)                              |
| Restitution                                           | 10,000               | 10,000               | 9,195                | (805)                                  |
| Parks and recreation                                  | 6,000                | 6,000                | 450                  | (5,550)                                |
| Miscellaneous                                         | 71,390               | 71,390               | 72,523               | 1,133                                  |
| Total other                                           | <u>452,126</u>       | <u>452,126</u>       | <u>184,624</u>       | <u>(267,502)</u>                       |
| <br><b>Total revenues</b>                             | <u>34,936,396</u>    | <u>37,536,390</u>    | <u>35,185,931</u>    | <u>(2,350,459)</u>                     |
| <br><b>Other financing sources</b>                    |                      |                      |                      |                                        |
| Transfers in                                          | 1,686,789            | 1,657,970            | 1,668,294            | 10,324                                 |
| Proceeds from sale of capital assets                  | 10,000               | 10,000               | 45,870               | 35,870                                 |
| Issuance of long-term debt                            | 611,000              | 611,000              | 1,189,718            | 578,718                                |
| <br><b>Total other financing sources</b>              | <u>2,307,789</u>     | <u>2,278,970</u>     | <u>2,903,882</u>     | <u>624,912</u>                         |
| <br><b>Total revenues and other financing sources</b> | <u>\$ 37,244,185</u> | <u>\$ 39,815,360</u> | <u>\$ 38,089,813</u> | <u>\$ (1,725,547)</u>                  |

concluded

## EATON COUNTY, MICHIGAN

### ■ Detailed Schedule of Expenditures and Other Financing Uses

Budget and Actual - General Fund  
For the Year Ended September 30, 2020

|                          | Original<br>Budget | Final<br>Budget | Actual     | Actual Over<br>(Under) Final<br>Budget |
|--------------------------|--------------------|-----------------|------------|----------------------------------------|
| <b>Expenditures</b>      |                    |                 |            |                                        |
| Legislative:             |                    |                 |            |                                        |
| Board of Commissioners   | \$ 358,407         | \$ 598,407      | \$ 423,364 | \$ (175,043)                           |
| Judicial:                |                    |                 |            |                                        |
| Circuit Court            | 1,076,654          | 1,084,154       | 968,485    | (115,669)                              |
| District Court           | 1,595,894          | 1,585,394       | 1,404,619  | (180,775)                              |
| Friend of the Court      | 1,419,328          | 1,419,098       | 1,238,465  | (180,633)                              |
| County Guardian          | 61,000             | 61,000          | 60,000     | (1,000)                                |
| Probate Court            | 610,505            | 610,505         | 546,282    | (64,223)                               |
| Juvenile Division        | 829,126            | 829,126         | 717,307    | (111,819)                              |
| Probation                | 7,642              | 7,642           | 3,824      | (3,818)                                |
| Total judicial           | 5,600,149          | 5,596,919       | 4,938,982  | (657,937)                              |
| General government:      |                    |                 |            |                                        |
| Elections                | 89,650             | 89,650          | 38,610     | (51,040)                               |
| County Clerk             | 665,709            | 665,709         | 598,643    | (67,066)                               |
| Plat Board               | 323                | 323             | -          | (323)                                  |
| Controller               | 1,006,445          | 1,006,445       | 973,462    | (32,983)                               |
| Child Support            | 121,898            | 123,123         | 115,316    | (7,807)                                |
| Information Systems      | 1,116,329          | 1,116,329       | 1,083,725  | (32,604)                               |
| Equalization             | 702,394            | 729,532         | 679,451    | (50,081)                               |
| Prosecuting Attorney     | 1,676,294          | 1,667,869       | 1,572,413  | (95,456)                               |
| Building Authority       | 105                | 105             | -          | (105)                                  |
| Economic Crimes Unit     | 427,511            | 427,211         | 375,387    | (51,824)                               |
| Register of Deeds        | 274,399            | 274,399         | 253,519    | (20,880)                               |
| Treasurer                | 525,395            | 558,395         | 527,442    | (30,953)                               |
| Crime victims            | 171,003            | 176,003         | 171,940    | (4,063)                                |
| Cooperative Extension    | 172,636            | 172,636         | 132,998    | (39,638)                               |
| Building and Grounds     | 1,906,029          | 1,906,029       | 1,680,596  | (225,433)                              |
| Drain Commissioner       | 613,182            | 613,182         | 567,693    | (45,489)                               |
| Total general government | 9,469,302          | 9,526,940       | 8,771,195  | (755,745)                              |
| Public safety:           |                    |                 |            |                                        |
| Sheriff Department       | 5,653,470          | 5,505,540       | 5,051,425  | (454,115)                              |
| Sheriff - Corrections    | 4,571,275          | 4,553,862       | 3,951,375  | (602,487)                              |
| Sheriff - Delta office   | 4,248,445          | 4,279,012       | 3,986,042  | (292,970)                              |
| Tri-County Metro         | 151,566            | 159,125         | 146,078    | (13,047)                               |
| Sheriff Road Patrol      | 193,707            | 193,707         | 187,600    | (6,107)                                |
| Marine Safety            | 4,891              | 5,315           | 5,003      | (312)                                  |
| Community Development    | 229,666            | 229,666         | 216,256    | (13,410)                               |
| Tri-County Planning      | 105,972            | 105,972         | 100,926    | (5,046)                                |
| Animal Control           | 312,810            | 312,810         | 281,561    | (31,249)                               |
| Total public safety      | 15,471,802         | 15,345,009      | 13,926,266 | (1,418,743)                            |

continued...

## EATON COUNTY, MICHIGAN

### ■ Detailed Schedule of Expenditures and Other Financing Uses

Budget and Actual - General Fund  
For the Year Ended September 30, 2020

|                                                    | Original<br>Budget | Final<br>Budget | Actual        | Actual Over<br>(Under) Final<br>Budget |
|----------------------------------------------------|--------------------|-----------------|---------------|----------------------------------------|
| <b>Expenditures (concluded)</b>                    |                    |                 |               |                                        |
| Public works:                                      |                    |                 |               |                                        |
| Drains at large                                    | \$ 375,000         | \$ 375,000      | \$ 428,766    | \$ 53,766                              |
| Health and social services:                        |                    |                 |               |                                        |
| Substance abuse                                    | 235,000            | 235,000         | 285,042       | 50,042                                 |
| Medical examiner                                   | 296,500            | 296,500         | 275,080       | (21,420)                               |
| Community Mental Health                            | 482,135            | 482,135         | 482,135       | -                                      |
| Tri-County Aging                                   | 70,052             | 70,052          | 70,052        | -                                      |
| Veterans                                           | 109,274            | 159,274         | 98,493        | (60,781)                               |
| Landfill                                           | 35,000             | 35,025          | 35,025        | -                                      |
| Soldiers and Sailors                               | 30,000             | 30,000          | 16,029        | (13,971)                               |
| District health - appropriation                    | 748,690            | 603,644         | 748,690       | 145,046                                |
| CDBG - CARES Act                                   | -                  | 165,417         | 165,417       | -                                      |
| Total health and social services                   | 2,006,651          | 2,077,047       | 2,175,963     | 98,916                                 |
| Parks, recreation and culture:                     |                    |                 |               |                                        |
| Courthouse Square Association                      | 15,000             | 15,000          | 15,000        | -                                      |
| Parks and recreation                               | 747,048            | 747,048         | 653,834       | (93,214)                               |
| Parks special projects                             | 2,500              | 2,500           | 945           | (1,555)                                |
| Total parks, recreation and culture                | 764,548            | 764,548         | 669,779       | (94,769)                               |
| Other:                                             |                    |                 |               |                                        |
| Computer                                           | 392,840            | 392,840         | 375,671       | (17,169)                               |
| Insurance, bonds & contingency                     | 128,000            | 108,000         | 15,989        | (92,011)                               |
| Total other                                        | 520,840            | 500,840         | 391,660       | (109,180)                              |
| Capital outlay:                                    |                    |                 |               |                                        |
| General                                            | 1,634,679          | 1,645,297       | 819,982       | (825,315)                              |
| Computer                                           | 786,178            | 822,384         | 1,634,463     | 812,079                                |
| Total capital outlay                               | 2,420,857          | 2,467,681       | 2,454,445     | (13,236)                               |
| Debt service:                                      |                    |                 |               |                                        |
| Principal                                          | 575,442            | 576,122         | 500,452       | (75,670)                               |
| Interest                                           | 93,586             | 92,906          | 71,434        | (21,472)                               |
| Total debt service                                 | 669,028            | 669,028         | 571,886       | (97,142)                               |
| <b>Total expenditures</b>                          | 37,656,584         | 37,921,419      | 34,752,306    | (3,169,113)                            |
| <b>Other financing uses</b>                        |                    |                 |               |                                        |
| Transfers out                                      | 2,072,227          | 2,121,369       | 1,845,882     | (275,487)                              |
| <b>Total expenditures and other financing uses</b> | \$ 39,728,811      | \$ 40,042,788   | \$ 36,598,188 | \$ (3,444,600)                         |

concluded

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## EATON COUNTY, MICHIGAN

### Combining Balance Sheet Nonmajor Governmental Funds September 30, 2020

|                                            | Special Revenue Funds   |                             |                             |                                |                          |                                     |
|--------------------------------------------|-------------------------|-----------------------------|-----------------------------|--------------------------------|--------------------------|-------------------------------------|
|                                            | Sheriff<br>Road<br>Crew | Solid<br>Waste<br>Ordinance | Central<br>Dispatch<br>Fund | Swift<br>and Sure<br>Sanctions | CDBG<br>Housing<br>Grant | Construction<br>Code<br>Enforcement |
| <b>Assets</b>                              |                         |                             |                             |                                |                          |                                     |
| Cash and cash equivalents                  | \$ 4,882                | \$ 132,514                  | \$ 1,081,555                | \$ -                           | \$ 241,391               | \$ 593,504                          |
| Receivables:                               |                         |                             |                             |                                |                          |                                     |
| Property taxes, net                        | -                       | -                           | 1,619                       | -                              | -                        | -                                   |
| Accounts                                   | 6,000                   | -                           | -                           | -                              | -                        | -                                   |
| Due from other governments                 | -                       | -                           | 67,391                      | 20,128                         | -                        | -                                   |
| Prepays                                    | -                       | 500                         | 24,731                      | -                              | -                        | -                                   |
| <b>Total assets</b>                        | <u>\$ 10,882</u>        | <u>\$ 133,014</u>           | <u>\$ 1,175,296</u>         | <u>\$ 20,128</u>               | <u>\$ 241,391</u>        | <u>\$ 593,504</u>                   |
| <b>Liabilities</b>                         |                         |                             |                             |                                |                          |                                     |
| Negative equity in pooled cash             | \$ -                    | \$ -                        | \$ -                        | \$ 12,998                      | \$ -                     | \$ -                                |
| Accounts payable                           | -                       | 20,983                      | 32,040                      | 2,698                          | -                        | -                                   |
| Accrued liabilities                        | 2,417                   | 4,060                       | 84,619                      | 1,600                          | -                        | 17,432                              |
| Due to other funds                         | 370                     | 1,089                       | 25,237                      | 203                            | -                        | 4,142                               |
| <b>Total liabilities</b>                   | <u>2,787</u>            | <u>26,132</u>               | <u>141,896</u>              | <u>17,499</u>                  | <u>-</u>                 | <u>21,574</u>                       |
| <b>Fund balances</b>                       |                         |                             |                             |                                |                          |                                     |
| Nonspendable                               | -                       | 500                         | 24,731                      | -                              | -                        | -                                   |
| Restricted                                 | -                       | -                           | 1,008,669                   | 2,629                          | 241,391                  | 571,930                             |
| Committed                                  | 8,095                   | 106,382                     | -                           | -                              | -                        | -                                   |
| <b>Total fund balances</b>                 | <u>8,095</u>            | <u>106,882</u>              | <u>1,033,400</u>            | <u>2,629</u>                   | <u>241,391</u>           | <u>571,930</u>                      |
| <b>Total liabilities and fund balances</b> | <u>\$ 10,882</u>        | <u>\$ 133,014</u>           | <u>\$ 1,175,296</u>         | <u>\$ 20,128</u>               | <u>\$ 241,391</u>        | <u>\$ 593,504</u>                   |

**Combining Balance Sheet**  
Nonmajor Governmental Funds  
September 30, 2020

**Special Revenue Funds**

| Remonu-<br>mentation<br>Grant | Register<br>of Deeds<br>Technology | Drug Law<br>Enforcement -<br>Sheriff | Medical<br>Marijuana | S.T.O.P.<br>Grant | Priority<br>Court |
|-------------------------------|------------------------------------|--------------------------------------|----------------------|-------------------|-------------------|
| \$ 26,459                     | \$ 23,506                          | \$ 21,523                            | \$ -                 | \$ 15,258         | \$ -              |
| -                             | -                                  | -                                    | -                    | -                 | -                 |
| -                             | -                                  | -                                    | -                    | -                 | -                 |
| -                             | -                                  | -                                    | 5,324                | -                 | 24,110            |
| -                             | -                                  | -                                    | -                    | -                 | -                 |
| <u>\$ 26,459</u>              | <u>\$ 23,506</u>                   | <u>\$ 21,523</u>                     | <u>\$ 5,324</u>      | <u>\$ 15,258</u>  | <u>\$ 24,110</u>  |
| \$ -                          | \$ -                               | \$ -                                 | \$ 5,324             | \$ -              | \$ 19,244         |
| 9,466                         | -                                  | -                                    | -                    | -                 | 2,230             |
| -                             | -                                  | -                                    | -                    | 3,727             | 2,339             |
| -                             | -                                  | -                                    | -                    | 1,131             | 297               |
| <u>9,466</u>                  | <u>-</u>                           | <u>-</u>                             | <u>5,324</u>         | <u>4,858</u>      | <u>24,110</u>     |
| -                             | -                                  | -                                    | -                    | -                 | -                 |
| 16,993                        | 23,506                             | 21,523                               | -                    | 10,400            | -                 |
| -                             | -                                  | -                                    | -                    | -                 | -                 |
| <u>16,993</u>                 | <u>23,506</u>                      | <u>21,523</u>                        | <u>-</u>             | <u>10,400</u>     | <u>-</u>          |
| <u>\$ 26,459</u>              | <u>\$ 23,506</u>                   | <u>\$ 21,523</u>                     | <u>\$ 5,324</u>      | <u>\$ 15,258</u>  | <u>\$ 24,110</u>  |

continued...

# **EATON COUNTY, MICHIGAN**

## **Combining Balance Sheet** Nonmajor Governmental Funds September 30, 2020

|                                            | Special Revenue Funds    |                      |                                         |                   |                               |                                 |
|--------------------------------------------|--------------------------|----------------------|-----------------------------------------|-------------------|-------------------------------|---------------------------------|
|                                            | Community<br>Corrections | Homeland<br>Security | Drug Law<br>Enforcement -<br>Prosecutor | Tru-Narc<br>Grant | District<br>Court<br>Sobriety | Michigan<br>Justice<br>Training |
| <b>Assets</b>                              |                          |                      |                                         |                   |                               |                                 |
| Cash and cash equivalents                  | \$ -                     | \$ 31,494            | \$ 22,167                               | \$ -              | \$ -                          | \$ 5,500                        |
| Receivables:                               |                          |                      |                                         |                   |                               |                                 |
| Property taxes, net                        | -                        | -                    | -                                       | -                 | -                             | -                               |
| Accounts                                   | -                        | -                    | -                                       | -                 | -                             | -                               |
| Due from other governments                 | 8,472                    | 19,513               | -                                       | -                 | 19,638                        | -                               |
| Prepays                                    | -                        | -                    | -                                       | -                 | -                             | -                               |
| <b>Total assets</b>                        | <u>\$ 8,472</u>          | <u>\$ 51,007</u>     | <u>\$ 22,167</u>                        | <u>\$ -</u>       | <u>\$ 19,638</u>              | <u>\$ 5,500</u>                 |
| <b>Liabilities</b>                         |                          |                      |                                         |                   |                               |                                 |
| Negative equity in pooled cash             | \$ 767                   | \$ -                 | \$ -                                    | \$ -              | \$ 14,448                     | \$ -                            |
| Accounts payable                           | 3,234                    | 765                  | -                                       | -                 | 5,190                         | -                               |
| Accrued liabilities                        | -                        | -                    | -                                       | -                 | -                             | -                               |
| Due to other funds                         | -                        | -                    | -                                       | -                 | -                             | -                               |
| <b>Total liabilities</b>                   | <u>4,001</u>             | <u>765</u>           | <u>-</u>                                | <u>-</u>          | <u>19,638</u>                 | <u>-</u>                        |
| <b>Fund balances</b>                       |                          |                      |                                         |                   |                               |                                 |
| Nonspendable                               | -                        | -                    | -                                       | -                 | -                             | -                               |
| Restricted                                 | 4,471                    | 50,242               | 22,167                                  | -                 | -                             | 5,500                           |
| Committed                                  | -                        | -                    | -                                       | -                 | -                             | -                               |
| <b>Total fund balances</b>                 | <u>4,471</u>             | <u>50,242</u>        | <u>22,167</u>                           | <u>-</u>          | <u>-</u>                      | <u>5,500</u>                    |
| <b>Total liabilities and fund balances</b> | <u>\$ 8,472</u>          | <u>\$ 51,007</u>     | <u>\$ 22,167</u>                        | <u>\$ -</u>       | <u>\$ 19,638</u>              | <u>\$ 5,500</u>                 |

**Combining Balance Sheet**  
Nonmajor Governmental Funds  
September 30, 2020

| Special Revenue Funds           |                   |                                    |                                             |                     |                    |                              |
|---------------------------------|-------------------|------------------------------------|---------------------------------------------|---------------------|--------------------|------------------------------|
| Concealed<br>Pistol<br>Licenses | Sobriety<br>Court | Department<br>of Human<br>Services | Local<br>Corrections<br>Officer<br>Training | Juvenile<br>Millage | Jail<br>Millage II | Building<br>Bridges<br>Grant |
| \$ 98,248                       | \$ -              | \$ 129,920                         | \$ 172,659                                  | \$ 748,180          | \$ 499,794         | \$ -                         |
| -                               | -                 | -                                  | -                                           | 596                 | 1,192              | -                            |
| -                               | -                 | -                                  | -                                           | -                   | -                  | -                            |
| -                               | 22,174            | -                                  | -                                           | -                   | -                  | 8,947                        |
| -                               | -                 | -                                  | -                                           | -                   | -                  | -                            |
| <u>\$ 98,248</u>                | <u>\$ 22,174</u>  | <u>\$ 129,920</u>                  | <u>\$ 172,659</u>                           | <u>\$ 748,776</u>   | <u>\$ 500,986</u>  | <u>\$ 8,947</u>              |
| \$ -                            | \$ 12,907         | \$ -                               | \$ -                                        | \$ -                | \$ -               | \$ 5,917                     |
| -                               | 1,615             | 210                                | -                                           | 32,306              | -                  | 3,030                        |
| -                               | 1,802             | -                                  | 1,590                                       | -                   | 38,508             | -                            |
| -                               | 229               | -                                  | 603                                         | -                   | 9,282              | -                            |
| -                               | <u>16,553</u>     | <u>210</u>                         | <u>2,193</u>                                | <u>32,306</u>       | <u>47,790</u>      | <u>8,947</u>                 |
| -                               | -                 | -                                  | -                                           | -                   | -                  | -                            |
| -                               | -                 | -                                  | 170,466                                     | 716,470             | 453,196            | -                            |
| <u>98,248</u>                   | <u>5,621</u>      | <u>129,710</u>                     | <u>-</u>                                    | <u>-</u>            | <u>-</u>           | <u>-</u>                     |
| <u>98,248</u>                   | <u>5,621</u>      | <u>129,710</u>                     | <u>170,466</u>                              | <u>716,470</u>      | <u>453,196</u>     | <u>-</u>                     |
| <u>\$ 98,248</u>                | <u>\$ 22,174</u>  | <u>\$ 129,920</u>                  | <u>\$ 172,659</u>                           | <u>\$ 748,776</u>   | <u>\$ 500,986</u>  | <u>\$ 8,947</u>              |

continued...

## EATON COUNTY, MICHIGAN

### Combining Balance Sheet Nonmajor Governmental Funds September 30, 2020

|                                            | Special Revenue Funds       |                                |                                |                      |                                |                                   |
|--------------------------------------------|-----------------------------|--------------------------------|--------------------------------|----------------------|--------------------------------|-----------------------------------|
|                                            | Veterans'<br>Court<br>Grant | Juvenile<br>Court<br>Donations | Youth<br>Facility<br>Donations | Sheriff<br>Donations | Animal<br>Control<br>Donations | Residential<br>Substance<br>Abuse |
| <b>Assets</b>                              |                             |                                |                                |                      |                                |                                   |
| Cash and cash equivalents                  | \$ -                        | \$ 15,072                      | \$ 1,254                       | \$ 11,965            | \$ 10,947                      | \$ -                              |
| Receivables:                               |                             |                                |                                |                      |                                |                                   |
| Property taxes, net                        | -                           | -                              | -                              | -                    | -                              | -                                 |
| Accounts                                   | -                           | -                              | -                              | -                    | -                              | -                                 |
| Due from other governments                 | 10,437                      | -                              | -                              | -                    | -                              | 16,711                            |
| Prepays                                    | -                           | -                              | -                              | -                    | -                              | -                                 |
| <b>Total assets</b>                        | <u>\$ 10,437</u>            | <u>\$ 15,072</u>               | <u>\$ 1,254</u>                | <u>\$ 11,965</u>     | <u>\$ 10,947</u>               | <u>\$ 16,711</u>                  |
| <b>Liabilities</b>                         |                             |                                |                                |                      |                                |                                   |
| Negative equity in pooled cash             | \$ 8,712                    | \$ -                           | \$ -                           | \$ -                 | \$ -                           | \$ 13,750                         |
| Accounts payable                           | 1,180                       | -                              | 11                             | -                    | -                              | 2,961                             |
| Accrued liabilities                        | 470                         | -                              | -                              | -                    | -                              | -                                 |
| Due to other funds                         | 60                          | -                              | -                              | -                    | -                              | -                                 |
| <b>Total liabilities</b>                   | <u>10,422</u>               | <u>-</u>                       | <u>11</u>                      | <u>-</u>             | <u>-</u>                       | <u>16,711</u>                     |
| <b>Fund balances</b>                       |                             |                                |                                |                      |                                |                                   |
| Nonspendable                               | -                           | -                              | -                              | -                    | -                              | -                                 |
| Restricted                                 | 15                          | 15,072                         | 1,243                          | 11,965               | 10,947                         | -                                 |
| Committed                                  | -                           | -                              | -                              | -                    | -                              | -                                 |
| <b>Total fund balances</b>                 | <u>15</u>                   | <u>15,072</u>                  | <u>1,243</u>                   | <u>11,965</u>        | <u>10,947</u>                  | <u>-</u>                          |
| <b>Total liabilities and fund balances</b> | <u>\$ 10,437</u>            | <u>\$ 15,072</u>               | <u>\$ 1,254</u>                | <u>\$ 11,965</u>     | <u>\$ 10,947</u>               | <u>\$ 16,711</u>                  |

**Combining Balance Sheet**  
Nonmajor Governmental Funds  
September 30, 2020

| Special Revenue Funds |                                  | Debt Service Funds      |                  | Permanent Fund      |                     |
|-----------------------|----------------------------------|-------------------------|------------------|---------------------|---------------------|
| Indigent Defense      | Corona Virus Emergency BJA Grant | Building Authority Jail | Dental Clinic    | Lincoln Brick Trust | Total               |
| \$ 858,541            | \$ -                             | \$ 127,401              | \$ 47,500        | \$ 3,325            | \$ 4,924,559        |
| -                     | -                                | -                       | -                | -                   | 3,407               |
| -                     | -                                | -                       | -                | -                   | 6,000               |
| -                     | 36,505                           | -                       | -                | -                   | 259,350             |
| -                     | -                                | -                       | -                | -                   | 25,231              |
| <u>\$ 858,541</u>     | <u>\$ 36,505</u>                 | <u>\$ 127,401</u>       | <u>\$ 47,500</u> | <u>\$ 3,325</u>     | <u>\$ 5,218,547</u> |
| \$ -                  | \$ 36,505                        | \$ -                    | \$ -             | \$ -                | \$ 130,572          |
| 233,185               | -                                | -                       | -                | -                   | 351,104             |
| 8,261                 | -                                | -                       | -                | -                   | 166,825             |
| 4,279                 | -                                | -                       | -                | -                   | 46,922              |
| <u>245,725</u>        | <u>36,505</u>                    | <u>-</u>                | <u>-</u>         | <u>-</u>            | <u>695,423</u>      |
| -                     | -                                | -                       | -                | -                   | 25,231              |
| 612,816               | -                                | 127,401                 | 47,500           | 3,325               | 4,149,837           |
| -                     | -                                | -                       | -                | -                   | 348,056             |
| <u>612,816</u>        | <u>-</u>                         | <u>127,401</u>          | <u>47,500</u>    | <u>3,325</u>        | <u>4,523,124</u>    |
| <u>\$ 858,541</u>     | <u>\$ 36,505</u>                 | <u>\$ 127,401</u>       | <u>\$ 47,500</u> | <u>\$ 3,325</u>     | <u>\$ 5,218,547</u> |

concluded

## EATON COUNTY, MICHIGAN

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended September 30, 2020

|                                             | Special Revenue Funds   |                             |                             |                                |                          |                                     |
|---------------------------------------------|-------------------------|-----------------------------|-----------------------------|--------------------------------|--------------------------|-------------------------------------|
|                                             | Sheriff<br>Road<br>Crew | Solid<br>Waste<br>Ordinance | Central<br>Dispatch<br>Fund | Swift<br>and Sure<br>Sanctions | CDBG<br>Housing<br>Grant | Construction<br>Code<br>Enforcement |
| <b>Revenues</b>                             |                         |                             |                             |                                |                          |                                     |
| Property taxes                              | \$ -                    | \$ -                        | \$ 3,524,607                | \$ -                           | \$ -                     | \$ -                                |
| Licenses and permits                        | -                       | -                           | -                           | -                              | -                        | 489,294                             |
| Intergovernmental - federal/state           | -                       | -                           | 328,385                     | 68,540                         | 47,096                   | -                                   |
| Charges for services                        | 50,700                  | 340,045                     | -                           | 544                            | 2,841                    | 19,028                              |
| Interest and rents                          | -                       | -                           | -                           | -                              | -                        | -                                   |
| Other                                       | -                       | -                           | 846                         | -                              | -                        | -                                   |
| <b>Total revenues</b>                       | <u>50,700</u>           | <u>340,045</u>              | <u>3,853,838</u>            | <u>69,084</u>                  | <u>49,937</u>            | <u>508,322</u>                      |
| <b>Expenditures</b>                         |                         |                             |                             |                                |                          |                                     |
| Current:                                    |                         |                             |                             |                                |                          |                                     |
| Judicial                                    | -                       | -                           | -                           | -                              | -                        | -                                   |
| General government                          | -                       | -                           | -                           | -                              | -                        | -                                   |
| Public safety                               | 61,452                  | -                           | 3,273,479                   | 69,516                         | -                        | 466,220                             |
| Health and social services                  | -                       | 314,416                     | -                           | -                              | 72,173                   | -                                   |
| Other                                       | -                       | -                           | -                           | -                              | -                        | -                                   |
| Debt service:                               |                         |                             |                             |                                |                          |                                     |
| Principal                                   | -                       | 7,011                       | 9,955                       | -                              | -                        | -                                   |
| Interest and fiscal charges                 | -                       | 1,283                       | 2,400                       | -                              | -                        | -                                   |
| <b>Total expenditures</b>                   | <u>61,452</u>           | <u>322,710</u>              | <u>3,285,834</u>            | <u>69,516</u>                  | <u>72,173</u>            | <u>466,220</u>                      |
| Revenues over (under) expenditures          | <u>(10,752)</u>         | <u>17,335</u>               | <u>568,004</u>              | <u>(432)</u>                   | <u>(22,236)</u>          | <u>42,102</u>                       |
| <b>Other financing sources (uses)</b>       |                         |                             |                             |                                |                          |                                     |
| Transfers in                                | 18,540                  | -                           | -                           | -                              | -                        | -                                   |
| Transfers out                               | -                       | (848)                       | (499,754)                   | -                              | -                        | (51,169)                            |
| Issuance of long-term debt                  | -                       | -                           | 29,702                      | -                              | -                        | -                                   |
| <b>Total other financing sources (uses)</b> | <u>18,540</u>           | <u>(848)</u>                | <u>(470,052)</u>            | <u>-</u>                       | <u>-</u>                 | <u>(51,169)</u>                     |
| <b>Net change in fund balances</b>          | <u>7,788</u>            | <u>16,487</u>               | <u>97,952</u>               | <u>(432)</u>                   | <u>(22,236)</u>          | <u>(9,067)</u>                      |
| Fund balances, beginning of year            | <u>307</u>              | <u>90,395</u>               | <u>935,448</u>              | <u>3,061</u>                   | <u>263,627</u>           | <u>580,997</u>                      |
| <b>Fund balances, end of year</b>           | <u>\$ 8,095</u>         | <u>\$ 106,882</u>           | <u>\$ 1,033,400</u>         | <u>\$ 2,629</u>                | <u>\$ 241,391</u>        | <u>\$ 571,930</u>                   |

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Governmental Funds  
For the Year Ended September 30, 2020

**Special Revenue Funds**

| <b>Remonu-<br/>mentation<br/>Grant</b> | <b>Register<br/>of Deeds<br/>Technology</b> | <b>Drug Law<br/>Enforcement -<br/>Sheriff</b> | <b>Medical<br/>Marijuana</b> | <b>S.T.O.P.<br/>Grant</b> | <b>Priority<br/>Court</b> |
|----------------------------------------|---------------------------------------------|-----------------------------------------------|------------------------------|---------------------------|---------------------------|
| \$ -                                   | \$ -                                        | \$ -                                          | \$ -                         | \$ -                      | \$ -                      |
| -                                      | -                                           | -                                             | -                            | -                         | -                         |
| 55,603                                 | -                                           | -                                             | 38,558                       | 12,676                    | 84,200                    |
| 18,159                                 | 90,805                                      | -                                             | -                            | -                         | 4,148                     |
| -                                      | 393                                         | -                                             | -                            | -                         | -                         |
| -                                      | -                                           | -                                             | -                            | -                         | -                         |
| <u>73,762</u>                          | <u>91,198</u>                               | <u>-</u>                                      | <u>38,558</u>                | <u>12,676</u>             | <u>88,348</u>             |
| -                                      | -                                           | -                                             | -                            | -                         | -                         |
| 58,305                                 | 31,046                                      | -                                             | -                            | -                         | -                         |
| -                                      | -                                           | -                                             | 38,558                       | 100,490                   | 88,348                    |
| -                                      | -                                           | -                                             | -                            | -                         | -                         |
| -                                      | -                                           | -                                             | -                            | -                         | -                         |
| -                                      | -                                           | -                                             | -                            | -                         | -                         |
| <u>58,305</u>                          | <u>31,046</u>                               | <u>-</u>                                      | <u>38,558</u>                | <u>100,490</u>            | <u>88,348</u>             |
| <u>15,457</u>                          | <u>60,152</u>                               | <u>-</u>                                      | <u>-</u>                     | <u>(87,814)</u>           | <u>-</u>                  |
| -                                      | -                                           | -                                             | -                            | 95,858                    | -                         |
| -                                      | (46,380)                                    | -                                             | -                            | -                         | -                         |
| -                                      | -                                           | -                                             | -                            | -                         | -                         |
| <u>-</u>                               | <u>(46,380)</u>                             | <u>-</u>                                      | <u>-</u>                     | <u>95,858</u>             | <u>-</u>                  |
| 15,457                                 | 13,772                                      | -                                             | -                            | 8,044                     | -                         |
| 1,536                                  | 9,734                                       | 21,523                                        | -                            | 2,356                     | -                         |
| <u>\$ 16,993</u>                       | <u>\$ 23,506</u>                            | <u>\$ 21,523</u>                              | <u>\$ -</u>                  | <u>\$ 10,400</u>          | <u>\$ -</u>               |

continued...

## EATON COUNTY, MICHIGAN

### ■ Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended September 30, 2020

|                                             | Special Revenue Funds    |                      |                                         |                   |                               |                                 |
|---------------------------------------------|--------------------------|----------------------|-----------------------------------------|-------------------|-------------------------------|---------------------------------|
|                                             | Community<br>Corrections | Homeland<br>Security | Drug Law<br>Enforcement -<br>Prosecutor | Tru-Narc<br>Grant | District<br>Court<br>Sobriety | Michigan<br>Justice<br>Training |
| <b>Revenues</b>                             |                          |                      |                                         |                   |                               |                                 |
| Property taxes                              | \$ -                     | \$ -                 | \$ -                                    | \$ -              | \$ -                          | \$ -                            |
| Licenses and permits                        | -                        | -                    | -                                       | -                 | -                             | -                               |
| Intergovernmental - federal/state           | 87,740                   | 91,993               | -                                       | 53,628            | 27,670                        | 4,453                           |
| Charges for services                        | -                        | -                    | -                                       | -                 | -                             | -                               |
| Interest and rents                          | -                        | -                    | -                                       | -                 | -                             | -                               |
| Other                                       | -                        | -                    | -                                       | -                 | -                             | -                               |
| <b>Total revenues</b>                       | <u>87,740</u>            | <u>91,993</u>        | <u>-</u>                                | <u>53,628</u>     | <u>27,670</u>                 | <u>4,453</u>                    |
| <b>Expenditures</b>                         |                          |                      |                                         |                   |                               |                                 |
| Current:                                    |                          |                      |                                         |                   |                               |                                 |
| Judicial                                    | -                        | -                    | -                                       | -                 | -                             | -                               |
| General government                          | -                        | -                    | -                                       | -                 | -                             | -                               |
| Public safety                               | 87,740                   | 94,432               | 994                                     | 53,628            | 27,670                        | 560                             |
| Health and social services                  | -                        | -                    | -                                       | -                 | -                             | -                               |
| Other                                       | -                        | -                    | -                                       | -                 | -                             | -                               |
| Debt service:                               |                          |                      |                                         |                   |                               |                                 |
| Principal                                   | -                        | -                    | -                                       | -                 | -                             | -                               |
| Interest and fiscal charges                 | -                        | -                    | -                                       | -                 | -                             | -                               |
| <b>Total expenditures</b>                   | <u>87,740</u>            | <u>94,432</u>        | <u>994</u>                              | <u>53,628</u>     | <u>27,670</u>                 | <u>560</u>                      |
| Revenues over (under) expenditures          | <u>-</u>                 | <u>(2,439)</u>       | <u>(994)</u>                            | <u>-</u>          | <u>-</u>                      | <u>3,893</u>                    |
| <b>Other financing sources (uses)</b>       |                          |                      |                                         |                   |                               |                                 |
| Transfers in                                | -                        | -                    | -                                       | -                 | -                             | -                               |
| Transfers out                               | -                        | -                    | -                                       | -                 | -                             | -                               |
| Issuance of long-term debt                  | -                        | -                    | -                                       | -                 | -                             | -                               |
| <b>Total other financing sources (uses)</b> | <u>-</u>                 | <u>-</u>             | <u>-</u>                                | <u>-</u>          | <u>-</u>                      | <u>-</u>                        |
| <b>Net change in fund balances</b>          | <u>-</u>                 | <u>(2,439)</u>       | <u>(994)</u>                            | <u>-</u>          | <u>-</u>                      | <u>3,893</u>                    |
| Fund balances, beginning of year            | <u>4,471</u>             | <u>52,681</u>        | <u>23,161</u>                           | <u>-</u>          | <u>-</u>                      | <u>1,607</u>                    |
| <b>Fund balances, end of year</b>           | <u>\$ 4,471</u>          | <u>\$ 50,242</u>     | <u>\$ 22,167</u>                        | <u>\$ -</u>       | <u>\$ -</u>                   | <u>\$ 5,500</u>                 |

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Governmental Funds  
For the Year Ended September 30, 2020

| Special Revenue Funds           |                   |                                    |                                             |                     |                    |                              |
|---------------------------------|-------------------|------------------------------------|---------------------------------------------|---------------------|--------------------|------------------------------|
| Concealed<br>Pistol<br>Licenses | Sobriety<br>Court | Department<br>of Human<br>Services | Local<br>Corrections<br>Officer<br>Training | Juvenile<br>Millage | Jail<br>Millage II | Building<br>Bridges<br>Grant |
| \$ -                            | \$ -              | \$ -                               | \$ -                                        | \$ 1,298,461        | \$ 2,597,075       | \$ -                         |
| 81,720                          | -                 | -                                  | -                                           | -                   | -                  | -                            |
| -                               | 74,497            | -                                  | -                                           | -                   | 3,604              | 8,947                        |
| -                               | 5,190             | -                                  | 12,333                                      | -                   | -                  | -                            |
| -                               | -                 | -                                  | -                                           | -                   | -                  | -                            |
| -                               | -                 | -                                  | -                                           | -                   | -                  | -                            |
| 81,720                          | 79,687            | -                                  | 12,333                                      | 1,298,461           | 2,600,679          | 8,947                        |
| -                               | -                 | -                                  | -                                           | -                   | -                  | 8,947                        |
| -                               | -                 | -                                  | -                                           | -                   | -                  | -                            |
| 4,780                           | 79,323            | -                                  | 38,161                                      | 146,337             | 1,216,311          | -                            |
| -                               | -                 | 4,292                              | -                                           | -                   | -                  | -                            |
| -                               | -                 | -                                  | -                                           | -                   | -                  | -                            |
| -                               | -                 | -                                  | -                                           | -                   | 11,378             | -                            |
| -                               | -                 | -                                  | -                                           | -                   | 1,403              | -                            |
| 4,780                           | 79,323            | 4,292                              | 38,161                                      | 146,337             | 1,229,092          | 8,947                        |
| 76,940                          | 364               | (4,292)                            | (25,828)                                    | 1,152,124           | 1,371,587          | -                            |
| -                               | -                 | 14,000                             | -                                           | -                   | -                  | -                            |
| (45,298)                        | -                 | -                                  | -                                           | (943,568)           | (1,206,663)        | -                            |
| -                               | -                 | -                                  | -                                           | -                   | -                  | -                            |
| (45,298)                        | -                 | 14,000                             | -                                           | (943,568)           | (1,206,663)        | -                            |
| 31,642                          | 364               | 9,708                              | (25,828)                                    | 208,556             | 164,924            | -                            |
| 66,606                          | 5,257             | 120,002                            | 196,294                                     | 507,914             | 288,272            | -                            |
| \$ 98,248                       | \$ 5,621          | \$ 129,710                         | \$ 170,466                                  | \$ 716,470          | \$ 453,196         | \$ -                         |

continued...

## EATON COUNTY, MICHIGAN

### ■ Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended September 30, 2020

|                                             | Special Revenue Funds       |                                |                                |                      |                                |                                   |
|---------------------------------------------|-----------------------------|--------------------------------|--------------------------------|----------------------|--------------------------------|-----------------------------------|
|                                             | Veterans'<br>Court<br>Grant | Juvenile<br>Court<br>Donations | Youth<br>Facility<br>Donations | Sheriff<br>Donations | Animal<br>Control<br>Donations | Residential<br>Substance<br>Abuse |
| <b>Revenues</b>                             |                             |                                |                                |                      |                                |                                   |
| Property taxes                              | \$ -                        | \$ -                           | \$ -                           | \$ -                 | \$ -                           | \$ -                              |
| Licenses and permits                        | -                           | -                              | -                              | -                    | -                              | -                                 |
| Intergovernmental - federal/state           | 48,658                      | -                              | -                              | -                    | -                              | 95,051                            |
| Charges for services                        | -                           | -                              | -                              | -                    | -                              | -                                 |
| Interest and rents                          | -                           | 160                            | -                              | -                    | -                              | -                                 |
| Other                                       | -                           | 2,379                          | 4,198                          | 7,433                | 1,887                          | -                                 |
| <b>Total revenues</b>                       | <u>48,658</u>               | <u>2,539</u>                   | <u>4,198</u>                   | <u>7,433</u>         | <u>1,887</u>                   | <u>95,051</u>                     |
| <b>Expenditures</b>                         |                             |                                |                                |                      |                                |                                   |
| Current:                                    |                             |                                |                                |                      |                                |                                   |
| Judicial                                    | -                           | -                              | -                              | -                    | -                              | -                                 |
| General government                          | -                           | -                              | -                              | -                    | -                              | -                                 |
| Public safety                               | 48,658                      | -                              | -                              | 2,793                | 397                            | 126,733                           |
| Health and social services                  | -                           | -                              | -                              | -                    | -                              | -                                 |
| Other                                       | -                           | 317                            | 3,662                          | -                    | -                              | -                                 |
| Debt service:                               |                             |                                |                                |                      |                                |                                   |
| Principal                                   | -                           | -                              | -                              | -                    | -                              | -                                 |
| Interest and fiscal charges                 | -                           | -                              | -                              | -                    | -                              | -                                 |
| <b>Total expenditures</b>                   | <u>48,658</u>               | <u>317</u>                     | <u>3,662</u>                   | <u>2,793</u>         | <u>397</u>                     | <u>126,733</u>                    |
| Revenues over (under) expenditures          | <u>-</u>                    | <u>2,222</u>                   | <u>536</u>                     | <u>4,640</u>         | <u>1,490</u>                   | <u>(31,682)</u>                   |
| <b>Other financing sources (uses)</b>       |                             |                                |                                |                      |                                |                                   |
| Transfers in                                | -                           | -                              | -                              | -                    | -                              | 31,682                            |
| Transfers out                               | -                           | -                              | -                              | -                    | -                              | -                                 |
| Issuance of long-term debt                  | -                           | -                              | -                              | -                    | -                              | -                                 |
| <b>Total other financing sources (uses)</b> | <u>-</u>                    | <u>-</u>                       | <u>-</u>                       | <u>-</u>             | <u>-</u>                       | <u>31,682</u>                     |
| <b>Net change in fund balances</b>          | <u>-</u>                    | <u>2,222</u>                   | <u>536</u>                     | <u>4,640</u>         | <u>1,490</u>                   | <u>-</u>                          |
| Fund balances, beginning of year            | <u>15</u>                   | <u>12,850</u>                  | <u>707</u>                     | <u>7,325</u>         | <u>9,457</u>                   | <u>-</u>                          |
| <b>Fund balances, end of year</b>           | <u>\$ 15</u>                | <u>\$ 15,072</u>               | <u>\$ 1,243</u>                | <u>\$ 11,965</u>     | <u>\$ 10,947</u>               | <u>\$ -</u>                       |

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Governmental Funds  
For the Year Ended September 30, 2020

| Special Revenue Funds |                                  | Debt Service Funds      |                  | Permanent Fund      |                     |
|-----------------------|----------------------------------|-------------------------|------------------|---------------------|---------------------|
| Indigent Defense      | Corona Virus Emergency BJA Grant | Building Authority Jail | Dental Clinic    | Lincoln Brick Trust | Total               |
| \$ -                  | \$ -                             | \$ -                    | \$ -             | \$ -                | \$ 7,420,143        |
| -                     | -                                | -                       | -                | -                   | 571,014             |
| 1,360,691             | 36,505                           | -                       | -                | -                   | 2,528,495           |
| -                     | -                                | -                       | -                | -                   | 543,793             |
| -                     | -                                | -                       | -                | 1,593               | 2,146               |
| 100                   | -                                | -                       | 70,320           | 22,588              | 109,751             |
| <u>1,360,791</u>      | <u>36,505</u>                    | <u>-</u>                | <u>70,320</u>    | <u>24,181</u>       | <u>11,175,342</u>   |
| 1,462,064             | -                                | -                       | -                | -                   | 1,471,011           |
| -                     | -                                | -                       | -                | -                   | 89,351              |
| -                     | 36,505                           | -                       | -                | -                   | 6,063,085           |
| -                     | -                                | -                       | -                | -                   | 390,881             |
| -                     | -                                | -                       | -                | 19                  | 3,998               |
| -                     | -                                | 915,000                 | 50,000           | -                   | 993,344             |
| -                     | -                                | 179,536                 | 23,413           | -                   | 208,035             |
| <u>1,462,064</u>      | <u>36,505</u>                    | <u>1,094,536</u>        | <u>73,413</u>    | <u>19</u>           | <u>9,219,705</u>    |
| <u>(101,273)</u>      | <u>-</u>                         | <u>(1,094,536)</u>      | <u>(3,093)</u>   | <u>24,162</u>       | <u>1,955,637</u>    |
| 445,329               | -                                | 1,206,663               | -                | -                   | 1,812,072           |
| (376)                 | -                                | -                       | -                | (47,035)            | (2,841,091)         |
| -                     | -                                | -                       | -                | -                   | 29,702              |
| <u>444,953</u>        | <u>-</u>                         | <u>1,206,663</u>        | <u>-</u>         | <u>(47,035)</u>     | <u>(999,317)</u>    |
| 343,680               | -                                | 112,127                 | (3,093)          | (22,873)            | 956,320             |
| <u>269,136</u>        | <u>-</u>                         | <u>15,274</u>           | <u>50,593</u>    | <u>26,198</u>       | <u>3,566,804</u>    |
| <u>\$ 612,816</u>     | <u>\$ -</u>                      | <u>\$ 127,401</u>       | <u>\$ 47,500</u> | <u>\$ 3,325</u>     | <u>\$ 4,523,124</u> |

concluded

## EATON COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

|                                             | Sheriff Road Crew |                 |                                        | Solid Waste Ordinance |                   |                                        |
|---------------------------------------------|-------------------|-----------------|----------------------------------------|-----------------------|-------------------|----------------------------------------|
|                                             | Final<br>Budget   | Actual          | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget       | Actual            | Actual Over<br>(Under) Final<br>Budget |
| <b>Revenues</b>                             |                   |                 |                                        |                       |                   |                                        |
| Property taxes                              | \$ -              | \$ -            | \$ -                                   | \$ -                  | \$ -              | \$ -                                   |
| Licenses and permits                        | -                 | -               | -                                      | -                     | -                 | -                                      |
| Intergovernmental - Federal/state           | -                 | -               | -                                      | -                     | -                 | -                                      |
| Charges for services                        | 55,000            | 50,700          | (4,300)                                | 326,800               | 340,045           | 13,245                                 |
| Interest and rent                           | -                 | -               | -                                      | -                     | -                 | -                                      |
| Other                                       | -                 | -               | -                                      | 36,000                | -                 | (36,000)                               |
| <b>Total revenues</b>                       | <u>55,000</u>     | <u>50,700</u>   | <u>(4,300)</u>                         | <u>362,800</u>        | <u>340,045</u>    | <u>(22,755)</u>                        |
| <b>Expenditures</b>                         |                   |                 |                                        |                       |                   |                                        |
| Current:                                    |                   |                 |                                        |                       |                   |                                        |
| Judicial                                    | -                 | -               | -                                      | -                     | -                 | -                                      |
| General government                          | -                 | -               | -                                      | -                     | -                 | -                                      |
| Public safety                               | 73,540            | 61,452          | (12,088)                               | -                     | -                 | -                                      |
| Health and social services                  | -                 | -               | -                                      | 363,447               | 314,416           | (49,031)                               |
| Debt service:                               |                   |                 |                                        |                       |                   |                                        |
| Principal                                   | -                 | -               | -                                      | 7,012                 | 7,011             | (1)                                    |
| Interest and fiscal charges                 | -                 | -               | -                                      | 1,283                 | 1,283             | -                                      |
| <b>Total expenditures</b>                   | <u>73,540</u>     | <u>61,452</u>   | <u>(12,088)</u>                        | <u>371,742</u>        | <u>322,710</u>    | <u>(49,032)</u>                        |
| Revenues over (under) expenditures          | <u>(18,540)</u>   | <u>(10,752)</u> | <u>7,788</u>                           | <u>(8,942)</u>        | <u>17,335</u>     | <u>26,277</u>                          |
| <b>Other financing sources (uses)</b>       |                   |                 |                                        |                       |                   |                                        |
| Transfers in                                | 18,540            | 18,540          | -                                      | 3,295                 | -                 | (3,295)                                |
| Transfers out                               | -                 | -               | -                                      | (848)                 | (848)             | -                                      |
| Issuance of long-term debt                  | -                 | -               | -                                      | -                     | -                 | -                                      |
| <b>Total other financing sources (uses)</b> | <u>18,540</u>     | <u>18,540</u>   | <u>-</u>                               | <u>2,447</u>          | <u>(848)</u>      | <u>(3,295)</u>                         |
| <b>Net change in fund balances</b>          | <u>-</u>          | <u>7,788</u>    | <u>7,788</u>                           | <u>(6,495)</u>        | <u>16,487</u>     | <u>22,982</u>                          |
| Fund balances, beginning of year            | <u>307</u>        | <u>307</u>      | <u>-</u>                               | <u>90,395</u>         | <u>90,395</u>     | <u>-</u>                               |
| <b>Fund balances, end of year</b>           | <u>\$ 307</u>     | <u>\$ 8,095</u> | <u>\$ 7,788</u>                        | <u>\$ 83,900</u>      | <u>\$ 106,882</u> | <u>\$ 22,982</u>                       |

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

| Central Dispatch Fund |                     |                                        | Swift and Sure Sanctions |                 |                                        | CDBG Housing Grant |                   |                                        |
|-----------------------|---------------------|----------------------------------------|--------------------------|-----------------|----------------------------------------|--------------------|-------------------|----------------------------------------|
| Final<br>Budget       | Actual              | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget          | Actual          | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget    | Actual            | Actual Over<br>(Under) Final<br>Budget |
| \$ 3,555,233          | \$ 3,524,607        | \$ (30,626)                            | \$ -                     | \$ -            | \$ -                                   | \$ -               | \$ -              | \$ -                                   |
| -                     | -                   | -                                      | -                        | -               | -                                      | -                  | -                 | -                                      |
| 343,000               | 328,385             | (14,615)                               | 68,752                   | 68,540          | (212)                                  | 100,000            | 47,096            | (52,904)                               |
| -                     | -                   | -                                      | 2,000                    | 544             | (1,456)                                | 400                | 2,841             | 2,441                                  |
| -                     | -                   | -                                      | -                        | -               | -                                      | -                  | -                 | -                                      |
| -                     | 846                 | 846                                    | -                        | -               | -                                      | -                  | -                 | -                                      |
| <u>3,898,233</u>      | <u>3,853,838</u>    | <u>(44,395)</u>                        | <u>70,752</u>            | <u>69,084</u>   | <u>(1,668)</u>                         | <u>100,400</u>     | <u>49,937</u>     | <u>(50,463)</u>                        |
| -                     | -                   | -                                      | -                        | -               | -                                      | -                  | -                 | -                                      |
| -                     | -                   | -                                      | -                        | -               | -                                      | -                  | -                 | -                                      |
| 3,477,539             | 3,273,479           | (204,060)                              | 70,752                   | 69,516          | (1,236)                                | -                  | -                 | -                                      |
| -                     | -                   | -                                      | -                        | -               | -                                      | 99,907             | 72,173            | (27,734)                               |
| -                     | -                   | -                                      | -                        | -               | -                                      | -                  | -                 | -                                      |
| 11,938                | 9,955               | (1,983)                                | -                        | -               | -                                      | -                  | -                 | -                                      |
| 3,064                 | 2,400               | (664)                                  | -                        | -               | -                                      | -                  | -                 | -                                      |
| <u>3,492,541</u>      | <u>3,285,834</u>    | <u>(206,707)</u>                       | <u>70,752</u>            | <u>69,516</u>   | <u>(1,236)</u>                         | <u>99,907</u>      | <u>72,173</u>     | <u>(27,734)</u>                        |
| <u>405,692</u>        | <u>568,004</u>      | <u>162,312</u>                         | <u>-</u>                 | <u>(432)</u>    | <u>(432)</u>                           | <u>493</u>         | <u>(22,236)</u>   | <u>(22,729)</u>                        |
| -                     | -                   | -                                      | -                        | -               | -                                      | -                  | -                 | -                                      |
| (499,754)             | (499,754)           | -                                      | -                        | -               | -                                      | -                  | -                 | -                                      |
| 45,000                | 29,702              | (15,298)                               | -                        | -               | -                                      | -                  | -                 | -                                      |
| <u>(454,754)</u>      | <u>(470,052)</u>    | <u>(15,298)</u>                        | <u>-</u>                 | <u>-</u>        | <u>-</u>                               | <u>-</u>           | <u>-</u>          | <u>-</u>                               |
| (49,062)              | 97,952              | 147,014                                | -                        | (432)           | (432)                                  | 493                | (22,236)          | (22,729)                               |
| <u>935,448</u>        | <u>935,448</u>      | <u>-</u>                               | <u>3,061</u>             | <u>3,061</u>    | <u>-</u>                               | <u>263,627</u>     | <u>263,627</u>    | <u>-</u>                               |
| <u>\$ 886,386</u>     | <u>\$ 1,033,400</u> | <u>\$ 147,014</u>                      | <u>\$ 3,061</u>          | <u>\$ 2,629</u> | <u>\$ (432)</u>                        | <u>\$ 264,120</u>  | <u>\$ 241,391</u> | <u>\$ (22,729)</u>                     |

continued...

## EATON COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

|                                             | Construction Code Enforcement |                   |                                        | Remonumentation Grant |                  |                                        |
|---------------------------------------------|-------------------------------|-------------------|----------------------------------------|-----------------------|------------------|----------------------------------------|
|                                             | Final<br>Budget               | Actual            | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget       | Actual           | Actual Over<br>(Under) Final<br>Budget |
| <b>Revenues</b>                             |                               |                   |                                        |                       |                  |                                        |
| Property taxes                              | \$ -                          | \$ -              | \$ -                                   | \$ -                  | \$ -             | \$ -                                   |
| Licenses and permits                        | 565,000                       | 489,294           | (75,706)                               | -                     | -                | -                                      |
| Intergovernmental - Federal/state           | -                             | -                 | -                                      | 64,300                | 55,603           | (8,697)                                |
| Charges for services                        | 5,500                         | 19,028            | 13,528                                 | 17,000                | 18,159           | 1,159                                  |
| Interest and rent                           | -                             | -                 | -                                      | -                     | -                | -                                      |
| Other                                       | -                             | -                 | -                                      | -                     | -                | -                                      |
| <b>Total revenues</b>                       | <b>570,500</b>                | <b>508,322</b>    | <b>(62,178)</b>                        | <b>81,300</b>         | <b>73,762</b>    | <b>(7,538)</b>                         |
| <b>Expenditures</b>                         |                               |                   |                                        |                       |                  |                                        |
| Current:                                    |                               |                   |                                        |                       |                  |                                        |
| Judicial                                    | -                             | -                 | -                                      | -                     | -                | -                                      |
| General government                          | -                             | -                 | -                                      | 81,300                | 58,305           | (22,995)                               |
| Public safety                               | 554,103                       | 466,220           | (87,883)                               | -                     | -                | -                                      |
| Health and social services                  | -                             | -                 | -                                      | -                     | -                | -                                      |
| Debt service:                               |                               |                   |                                        |                       |                  |                                        |
| Principal                                   | -                             | -                 | -                                      | -                     | -                | -                                      |
| Interest and fiscal charges                 | -                             | -                 | -                                      | -                     | -                | -                                      |
| <b>Total expenditures</b>                   | <b>554,103</b>                | <b>466,220</b>    | <b>(87,883)</b>                        | <b>81,300</b>         | <b>58,305</b>    | <b>(22,995)</b>                        |
| Revenues over (under) expenditures          | 16,397                        | 42,102            | 25,705                                 | -                     | 15,457           | 15,457                                 |
| <b>Other financing sources (uses)</b>       |                               |                   |                                        |                       |                  |                                        |
| Transfers in                                | -                             | -                 | -                                      | -                     | -                | -                                      |
| Transfers out                               | (51,170)                      | (51,169)          | (1)                                    | -                     | -                | -                                      |
| Issuance of long-term debt                  | -                             | -                 | -                                      | -                     | -                | -                                      |
| <b>Total other financing sources (uses)</b> | <b>(51,170)</b>               | <b>(51,169)</b>   | <b>(1)</b>                             | <b>-</b>              | <b>-</b>         | <b>-</b>                               |
| <b>Net change in fund balances</b>          | <b>(34,773)</b>               | <b>(9,067)</b>    | <b>25,706</b>                          | <b>-</b>              | <b>15,457</b>    | <b>15,457</b>                          |
| Fund balances, beginning of year            | 580,997                       | 580,997           | -                                      | 1,536                 | 1,536            | -                                      |
| <b>Fund balances, end of year</b>           | <b>\$ 546,224</b>             | <b>\$ 571,930</b> | <b>\$ 25,706</b>                       | <b>\$ 1,536</b>       | <b>\$ 16,993</b> | <b>\$ 15,457</b>                       |

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

| Register of Deeds Technology |                  |                                        | Drug Law Enforcement - Sheriff |                  |                                        | Medical Marijuana |               |                                        |
|------------------------------|------------------|----------------------------------------|--------------------------------|------------------|----------------------------------------|-------------------|---------------|----------------------------------------|
| Final<br>Budget              | Actual           | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget                | Actual           | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget   | Actual        | Actual Over<br>(Under) Final<br>Budget |
| \$ -                         | \$ -             | \$ -                                   | \$ -                           | \$ -             | \$ -                                   | \$ -              | \$ -          | \$ -                                   |
| -                            | -                | -                                      | -                              | -                | -                                      | -                 | -             | -                                      |
| -                            | -                | -                                      | -                              | -                | -                                      | 40,852            | 38,558        | (2,294)                                |
| 83,000                       | 90,805           | 7,805                                  | -                              | -                | -                                      | -                 | -             | -                                      |
| 720                          | 393              | (327)                                  | -                              | -                | -                                      | -                 | -             | -                                      |
| -                            | -                | -                                      | -                              | -                | -                                      | -                 | -             | -                                      |
| <u>83,720</u>                | <u>91,198</u>    | <u>7,478</u>                           | <u>6,500</u>                   | <u>-</u>         | <u>(6,500)</u>                         | <u>40,852</u>     | <u>38,558</u> | <u>(2,294)</u>                         |
| -                            | -                | -                                      | -                              | -                | -                                      | -                 | -             | -                                      |
| 38,700                       | 31,046           | (7,654)                                | -                              | -                | -                                      | -                 | -             | -                                      |
| -                            | -                | -                                      | 10,500                         | -                | (10,500)                               | 40,852            | 38,558        | (2,294)                                |
| -                            | -                | -                                      | -                              | -                | -                                      | -                 | -             | -                                      |
| -                            | -                | -                                      | -                              | -                | -                                      | -                 | -             | -                                      |
| <u>-</u>                     | <u>-</u>         | <u>-</u>                               | <u>-</u>                       | <u>-</u>         | <u>-</u>                               | <u>-</u>          | <u>-</u>      | <u>-</u>                               |
| <u>38,700</u>                | <u>31,046</u>    | <u>(7,654)</u>                         | <u>10,500</u>                  | <u>-</u>         | <u>(10,500)</u>                        | <u>40,852</u>     | <u>38,558</u> | <u>(2,294)</u>                         |
| <u>45,020</u>                | <u>60,152</u>    | <u>15,132</u>                          | <u>(4,000)</u>                 | <u>-</u>         | <u>4,000</u>                           | <u>-</u>          | <u>-</u>      | <u>-</u>                               |
| -                            | -                | -                                      | -                              | -                | -                                      | -                 | -             | -                                      |
| (46,380)                     | (46,380)         | -                                      | -                              | -                | -                                      | -                 | -             | -                                      |
| -                            | -                | -                                      | -                              | -                | -                                      | -                 | -             | -                                      |
| <u>(46,380)</u>              | <u>(46,380)</u>  | <u>-</u>                               | <u>-</u>                       | <u>-</u>         | <u>-</u>                               | <u>-</u>          | <u>-</u>      | <u>-</u>                               |
| (1,360)                      | 13,772           | 15,132                                 | (4,000)                        | -                | 4,000                                  | -                 | -             | -                                      |
| 9,734                        | 9,734            | -                                      | 21,523                         | 21,523           | -                                      | -                 | -             | -                                      |
| <u>\$ 8,374</u>              | <u>\$ 23,506</u> | <u>\$ 15,132</u>                       | <u>\$ 17,523</u>               | <u>\$ 21,523</u> | <u>\$ 4,000</u>                        | <u>\$ -</u>       | <u>\$ -</u>   | <u>\$ -</u>                            |

continued...

## EATON COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

|                                             | S.T.O.P. Grant  |                  |                                        | Priority Court  |               |                                        |
|---------------------------------------------|-----------------|------------------|----------------------------------------|-----------------|---------------|----------------------------------------|
|                                             | Final<br>Budget | Actual           | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget | Actual        | Actual Over<br>(Under) Final<br>Budget |
| <b>Revenues</b>                             |                 |                  |                                        |                 |               |                                        |
| Property taxes                              | \$ -            | \$ -             | \$ -                                   | \$ -            | \$ -          | \$ -                                   |
| Licenses and permits                        | -               | -                | -                                      | -               | -             | -                                      |
| Intergovernmental - Federal/state           | 12,676          | 12,676           | -                                      | 102,206         | 84,200        | (18,006)                               |
| Charges for services                        | -               | -                | -                                      | 10,350          | 4,148         | (6,202)                                |
| Interest and rent                           | -               | -                | -                                      | -               | -             | -                                      |
| Other                                       | -               | -                | -                                      | -               | -             | -                                      |
| <b>Total revenues</b>                       | <u>12,676</u>   | <u>12,676</u>    | <u>-</u>                               | <u>112,556</u>  | <u>88,348</u> | <u>(24,208)</u>                        |
| <b>Expenditures</b>                         |                 |                  |                                        |                 |               |                                        |
| Current:                                    |                 |                  |                                        |                 |               |                                        |
| Judicial                                    | -               | -                | -                                      | -               | -             | -                                      |
| General government                          | -               | -                | -                                      | -               | -             | -                                      |
| Public safety                               | 108,535         | 100,490          | (8,045)                                | 112,556         | 88,348        | (24,208)                               |
| Health and social services                  | -               | -                | -                                      | -               | -             | -                                      |
| Debt service:                               |                 |                  |                                        |                 |               |                                        |
| Principal                                   | -               | -                | -                                      | -               | -             | -                                      |
| Interest and fiscal charges                 | -               | -                | -                                      | -               | -             | -                                      |
| <b>Total expenditures</b>                   | <u>108,535</u>  | <u>100,490</u>   | <u>(8,045)</u>                         | <u>112,556</u>  | <u>88,348</u> | <u>(24,208)</u>                        |
| Revenues over (under) expenditures          | <u>(95,859)</u> | <u>(87,814)</u>  | <u>8,045</u>                           | <u>-</u>        | <u>-</u>      | <u>-</u>                               |
| <b>Other financing sources (uses)</b>       |                 |                  |                                        |                 |               |                                        |
| Transfers in                                | 95,859          | 95,858           | (1)                                    | -               | -             | -                                      |
| Transfers out                               | -               | -                | -                                      | -               | -             | -                                      |
| Issuance of long-term debt                  | -               | -                | -                                      | -               | -             | -                                      |
| <b>Total other financing sources (uses)</b> | <u>95,859</u>   | <u>95,858</u>    | <u>(1)</u>                             | <u>-</u>        | <u>-</u>      | <u>-</u>                               |
| <b>Net change in fund balances</b>          | <u>-</u>        | <u>8,044</u>     | <u>8,044</u>                           | <u>-</u>        | <u>-</u>      | <u>-</u>                               |
| Fund balances, beginning of year            | <u>2,356</u>    | <u>2,356</u>     | <u>-</u>                               | <u>-</u>        | <u>-</u>      | <u>-</u>                               |
| <b>Fund balances, end of year</b>           | <u>\$ 2,356</u> | <u>\$ 10,400</u> | <u>\$ 8,044</u>                        | <u>\$ -</u>     | <u>\$ -</u>   | <u>\$ -</u>                            |

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

| Community Corrections |                 |                                        | Homeland Security |                  |                                        | Drug Law Enforcement - Prosecutor |                  |                                        |
|-----------------------|-----------------|----------------------------------------|-------------------|------------------|----------------------------------------|-----------------------------------|------------------|----------------------------------------|
| Final<br>Budget       | Actual          | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget   | Actual           | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget                   | Actual           | Actual Over<br>(Under) Final<br>Budget |
| \$ -                  | \$ -            | \$ -                                   | \$ -              | \$ -             | \$ -                                   | \$ -                              | \$ -             | \$ -                                   |
| -                     | -               | -                                      | -                 | -                | -                                      | -                                 | -                | -                                      |
| 135,001               | 87,740          | (47,261)                               | 127,500           | 91,993           | (35,507)                               | -                                 | -                | -                                      |
| -                     | -               | -                                      | -                 | -                | -                                      | -                                 | -                | -                                      |
| -                     | -               | -                                      | -                 | -                | -                                      | -                                 | -                | -                                      |
| <u>-</u>              | <u>-</u>        | <u>-</u>                               | <u>-</u>          | <u>-</u>         | <u>-</u>                               | <u>-</u>                          | <u>-</u>         | <u>-</u>                               |
| 135,001               | 87,740          | (47,261)                               | 127,500           | 91,993           | (35,507)                               | 2,300                             | -                | (2,300)                                |
| -                     | -               | -                                      | -                 | -                | -                                      | -                                 | -                | -                                      |
| -                     | -               | -                                      | -                 | -                | -                                      | -                                 | -                | -                                      |
| 135,001               | 87,740          | (47,261)                               | 127,500           | 94,432           | (33,068)                               | 6,500                             | 994              | (5,506)                                |
| -                     | -               | -                                      | -                 | -                | -                                      | -                                 | -                | -                                      |
| -                     | -               | -                                      | -                 | -                | -                                      | -                                 | -                | -                                      |
| <u>-</u>              | <u>-</u>        | <u>-</u>                               | <u>-</u>          | <u>-</u>         | <u>-</u>                               | <u>-</u>                          | <u>-</u>         | <u>-</u>                               |
| 135,001               | 87,740          | (47,261)                               | 127,500           | 94,432           | (33,068)                               | 6,500                             | 994              | (5,506)                                |
| -                     | -               | -                                      | -                 | (2,439)          | (2,439)                                | (4,200)                           | (994)            | 3,206                                  |
| -                     | -               | -                                      | -                 | -                | -                                      | -                                 | -                | -                                      |
| -                     | -               | -                                      | -                 | -                | -                                      | (1,000)                           | -                | (1,000)                                |
| <u>-</u>              | <u>-</u>        | <u>-</u>                               | <u>-</u>          | <u>-</u>         | <u>-</u>                               | <u>-</u>                          | <u>-</u>         | <u>-</u>                               |
| -                     | -               | -                                      | -                 | -                | -                                      | (1,000)                           | -                | (1,000)                                |
| -                     | -               | -                                      | -                 | (2,439)          | (2,439)                                | (5,200)                           | (994)            | 4,206                                  |
| 4,471                 | 4,471           | -                                      | 52,681            | 52,681           | -                                      | 23,161                            | 23,161           | -                                      |
| <u>\$ 4,471</u>       | <u>\$ 4,471</u> | <u>\$ -</u>                            | <u>\$ 52,681</u>  | <u>\$ 50,242</u> | <u>\$ (2,439)</u>                      | <u>\$ 17,961</u>                  | <u>\$ 22,167</u> | <u>\$ 4,206</u>                        |

continued...

# **EATON COUNTY, MICHIGAN**

## **Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

|                                             | Tru-Narc Grant  |               |                                        | District Court Sobriety |               |                                        |
|---------------------------------------------|-----------------|---------------|----------------------------------------|-------------------------|---------------|----------------------------------------|
|                                             | Final<br>Budget | Actual        | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget         | Actual        | Actual Over<br>(Under) Final<br>Budget |
| <b>Revenues</b>                             |                 |               |                                        |                         |               |                                        |
| Property taxes                              | \$ -            | \$ -          | \$ -                                   | \$ -                    | \$ -          | \$ -                                   |
| Licenses and permits                        | -               | -             | -                                      | -                       | -             | -                                      |
| Intergovernmental - Federal/state           | 53,628          | 53,628        | -                                      | 36,000                  | 27,670        | (8,330)                                |
| Charges for services                        | -               | -             | -                                      | -                       | -             | -                                      |
| Interest and rent                           | -               | -             | -                                      | -                       | -             | -                                      |
| Other                                       | -               | -             | -                                      | -                       | -             | -                                      |
| <b>Total revenues</b>                       | <b>53,628</b>   | <b>53,628</b> | <b>-</b>                               | <b>36,000</b>           | <b>27,670</b> | <b>(8,330)</b>                         |
| <b>Expenditures</b>                         |                 |               |                                        |                         |               |                                        |
| Current:                                    |                 |               |                                        |                         |               |                                        |
| Judicial                                    | -               | -             | -                                      | -                       | -             | -                                      |
| General government                          | -               | -             | -                                      | -                       | -             | -                                      |
| Public safety                               | 53,628          | 53,628        | -                                      | 36,000                  | 27,670        | (8,330)                                |
| Health and social services                  | -               | -             | -                                      | -                       | -             | -                                      |
| Debt service:                               |                 |               |                                        |                         |               |                                        |
| Principal                                   | -               | -             | -                                      | -                       | -             | -                                      |
| Interest and fiscal charges                 | -               | -             | -                                      | -                       | -             | -                                      |
| <b>Total expenditures</b>                   | <b>53,628</b>   | <b>53,628</b> | <b>-</b>                               | <b>36,000</b>           | <b>27,670</b> | <b>(8,330)</b>                         |
| Revenues over (under) expenditures          | -               | -             | -                                      | -                       | -             | -                                      |
| <b>Other financing sources (uses)</b>       |                 |               |                                        |                         |               |                                        |
| Transfers in                                | -               | -             | -                                      | -                       | -             | -                                      |
| Transfers out                               | -               | -             | -                                      | -                       | -             | -                                      |
| Issuance of long-term debt                  | -               | -             | -                                      | -                       | -             | -                                      |
| <b>Total other financing sources (uses)</b> | <b>-</b>        | <b>-</b>      | <b>-</b>                               | <b>-</b>                | <b>-</b>      | <b>-</b>                               |
| <b>Net change in fund balances</b>          | <b>-</b>        | <b>-</b>      | <b>-</b>                               | <b>-</b>                | <b>-</b>      | <b>-</b>                               |
| Fund balances, beginning of year            | -               | -             | -                                      | -                       | -             | -                                      |
| <b>Fund balances, end of year</b>           | <b>\$ -</b>     | <b>\$ -</b>   | <b>\$ -</b>                            | <b>\$ -</b>             | <b>\$ -</b>   | <b>\$ -</b>                            |

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2020

| Michigan Justice Training |          |                                        | Concealed Pistol Licenses |           |                                        | Sobriety Court  |          |                                        |
|---------------------------|----------|----------------------------------------|---------------------------|-----------|----------------------------------------|-----------------|----------|----------------------------------------|
| Final<br>Budget           | Actual   | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget           | Actual    | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget | Actual   | Actual Over<br>(Under) Final<br>Budget |
| \$ -                      | \$ -     | \$ -                                   | \$ -                      | \$ -      | \$ -                                   | \$ -            | \$ -     | \$ -                                   |
| -                         | -        | -                                      | 57,500                    | 81,720    | 24,220                                 | -               | -        | -                                      |
| 15,000                    | 4,453    | (10,547)                               | -                         | -         | -                                      | 100,922         | 74,497   | (26,425)                               |
| -                         | -        | -                                      | -                         | -         | -                                      | 11,650          | 5,190    | (6,460)                                |
| -                         | -        | -                                      | -                         | -         | -                                      | -               | -        | -                                      |
| -                         | -        | -                                      | -                         | -         | -                                      | -               | -        | -                                      |
| 15,000                    | 4,453    | (10,547)                               | 57,500                    | 81,720    | 24,220                                 | 112,572         | 79,687   | (32,885)                               |
| -                         | -        | -                                      | -                         | -         | -                                      | -               | -        | -                                      |
| -                         | -        | -                                      | -                         | -         | -                                      | -               | -        | -                                      |
| 20,000                    | 560      | (19,440)                               | 7,200                     | 4,780     | (2,420)                                | 112,572         | 79,323   | (33,249)                               |
| -                         | -        | -                                      | -                         | -         | -                                      | -               | -        | -                                      |
| -                         | -        | -                                      | -                         | -         | -                                      | -               | -        | -                                      |
| -                         | -        | -                                      | -                         | -         | -                                      | -               | -        | -                                      |
| 20,000                    | 560      | (19,440)                               | 7,200                     | 4,780     | (2,420)                                | 112,572         | 79,323   | (33,249)                               |
| (5,000)                   | 3,893    | 8,893                                  | 50,300                    | 76,940    | 26,640                                 | -               | 364      | 364                                    |
| -                         | -        | -                                      | -                         | -         | -                                      | -               | -        | -                                      |
| -                         | -        | -                                      | (45,298)                  | (45,298)  | -                                      | -               | -        | -                                      |
| -                         | -        | -                                      | -                         | -         | -                                      | -               | -        | -                                      |
| -                         | -        | -                                      | (45,298)                  | (45,298)  | -                                      | -               | -        | -                                      |
| (5,000)                   | 3,893    | 8,893                                  | 5,002                     | 31,642    | 26,640                                 | -               | 364      | 364                                    |
| 1,607                     | 1,607    | -                                      | 66,606                    | 66,606    | -                                      | 5,257           | 5,257    | -                                      |
| \$ (3,393)                | \$ 5,500 | \$ 8,893                               | \$ 71,608                 | \$ 98,248 | \$ 26,640                              | \$ 5,257        | \$ 5,621 | \$ 364                                 |

continued...

## EATON COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

|                                             | Department of Human Services |            |                                        | Local Corrections Officer Training |            |                                        |
|---------------------------------------------|------------------------------|------------|----------------------------------------|------------------------------------|------------|----------------------------------------|
|                                             | Final<br>Budget              | Actual     | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget                    | Actual     | Actual Over<br>(Under) Final<br>Budget |
| <b>Revenues</b>                             | \$ -                         | \$ -       | \$ -                                   | \$ -                               | \$ -       | \$ -                                   |
| Property taxes                              | -                            | -          | -                                      | -                                  | -          | -                                      |
| Intergovernmental:                          | -                            | -          | -                                      | -                                  | -          | -                                      |
| Local                                       | -                            | -          | -                                      | 18,000                             | 12,333     | (5,667)                                |
| Fines and forfeitures                       | -                            | -          | -                                      | -                                  | -          | -                                      |
| Interest and rent                           | -                            | -          | -                                      | -                                  | -          | -                                      |
| Other                                       | -                            | -          | -                                      | -                                  | -          | -                                      |
|                                             | -                            | -          | -                                      | 18,000                             | 12,333     | (5,667)                                |
| <b>Total revenues</b>                       |                              |            |                                        |                                    |            |                                        |
| <b>Expenditures</b>                         |                              |            |                                        |                                    |            |                                        |
| Current:                                    | -                            | -          | -                                      | -                                  | -          | -                                      |
| Judicial                                    | -                            | -          | -                                      | -                                  | -          | -                                      |
| General government                          | -                            | -          | -                                      | 52,000                             | 38,161     | (13,839)                               |
| Public safety                               | 20,000                       | 4,292      | (15,708)                               | -                                  | -          | -                                      |
| Health and social services                  | -                            | -          | -                                      | -                                  | -          | -                                      |
| Debt service:                               | -                            | -          | -                                      | -                                  | -          | -                                      |
| Principal                                   | -                            | -          | -                                      | -                                  | -          | -                                      |
| Interest and fiscal charges                 | -                            | -          | -                                      | -                                  | -          | -                                      |
|                                             | 20,000                       | 4,292      | (15,708)                               | 52,000                             | 38,161     | (13,839)                               |
| <b>Total expenditures</b>                   |                              |            |                                        |                                    |            |                                        |
|                                             | (20,000)                     | (4,292)    | 15,708                                 | (34,000)                           | (25,828)   | 8,172                                  |
| Revenues over (under) expenditures          |                              |            |                                        |                                    |            |                                        |
|                                             | 14,000                       | 14,000     | -                                      | -                                  | -          | -                                      |
| <b>Other financing sources (uses)</b>       |                              |            |                                        |                                    |            |                                        |
| Transfers in                                | -                            | -          | -                                      | -                                  | -          | -                                      |
| Transfers out                               | -                            | -          | -                                      | -                                  | -          | -                                      |
| Issuance of long-term debt                  | -                            | -          | -                                      | -                                  | -          | -                                      |
|                                             | 14,000                       | 14,000     | -                                      | -                                  | -          | -                                      |
| <b>Total other financing sources (uses)</b> |                              |            |                                        |                                    |            |                                        |
|                                             | (6,000)                      | 9,708      | 15,708                                 | (34,000)                           | (25,828)   | 8,172                                  |
| <b>Net change in fund balances</b>          |                              |            |                                        |                                    |            |                                        |
|                                             | 120,002                      | 120,002    | -                                      | 196,294                            | 196,294    | -                                      |
| Fund balances, beginning of year            |                              |            |                                        |                                    |            |                                        |
|                                             | \$ 114,002                   | \$ 129,710 | \$ 15,708                              | \$ 162,294                         | \$ 170,466 | \$ 8,172                               |
| <b>Fund balances, end of year</b>           |                              |            |                                        |                                    |            |                                        |

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

| Juvenile Millage   |                   |                                        | Jail Millage II    |                    |                                        | Building Bridges Grant |              |                                        |
|--------------------|-------------------|----------------------------------------|--------------------|--------------------|----------------------------------------|------------------------|--------------|----------------------------------------|
| Final<br>Budget    | Actual            | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget    | Actual             | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget        | Actual       | Actual Over<br>(Under) Final<br>Budget |
| \$ 1,310,348       | \$ 1,298,461      | \$ (11,887)                            | \$ 2,619,198       | \$ 2,597,075       | \$ (22,123)                            | \$ -                   | \$ -         | \$ -                                   |
| -                  | -                 | -                                      | -                  | -                  | -                                      | -                      | -            | -                                      |
| -                  | -                 | -                                      | 14,300             | 3,604              | (10,696)                               | 9,000                  | 8,947        | (53)                                   |
| -                  | -                 | -                                      | -                  | -                  | -                                      | -                      | -            | -                                      |
| -                  | -                 | -                                      | -                  | -                  | -                                      | -                      | -            | -                                      |
| -                  | -                 | -                                      | -                  | -                  | -                                      | -                      | -            | -                                      |
| <u>1,310,348</u>   | <u>1,298,461</u>  | <u>(11,887)</u>                        | <u>2,633,498</u>   | <u>2,600,679</u>   | <u>(32,819)</u>                        | <u>9,000</u>           | <u>8,947</u> | <u>(53)</u>                            |
| -                  | -                 | -                                      | -                  | -                  | -                                      | 9,000                  | 8,947        | (53)                                   |
| -                  | -                 | -                                      | -                  | -                  | -                                      | -                      | -            | -                                      |
| 145,222            | 146,337           | 1,115                                  | 1,434,306          | 1,216,311          | (217,995)                              | -                      | -            | -                                      |
| -                  | -                 | -                                      | -                  | -                  | -                                      | -                      | -            | -                                      |
| -                  | -                 | -                                      | 65,904             | 11,378             | (54,526)                               | -                      | -            | -                                      |
| -                  | -                 | -                                      | 4,799              | 1,403              | (3,396)                                | -                      | -            | -                                      |
| <u>145,222</u>     | <u>146,337</u>    | <u>1,115</u>                           | <u>1,505,009</u>   | <u>1,229,092</u>   | <u>(275,917)</u>                       | <u>9,000</u>           | <u>8,947</u> | <u>(53)</u>                            |
| <u>1,165,126</u>   | <u>1,152,124</u>  | <u>(13,002)</u>                        | <u>1,128,489</u>   | <u>1,371,587</u>   | <u>243,098</u>                         | <u>-</u>               | <u>-</u>     | <u>-</u>                               |
| -                  | -                 | -                                      | -                  | -                  | -                                      | -                      | -            | -                                      |
| (1,208,568)        | (943,568)         | (265,000)                              | (1,206,663)        | (1,206,663)        | -                                      | -                      | -            | -                                      |
| -                  | -                 | -                                      | -                  | -                  | -                                      | -                      | -            | -                                      |
| <u>(1,208,568)</u> | <u>(943,568)</u>  | <u>(265,000)</u>                       | <u>(1,206,663)</u> | <u>(1,206,663)</u> | <u>-</u>                               | <u>-</u>               | <u>-</u>     | <u>-</u>                               |
| (43,442)           | 208,556           | 251,998                                | (78,174)           | 164,924            | 243,098                                | -                      | -            | -                                      |
| 507,914            | 507,914           | -                                      | 288,272            | 288,272            | -                                      | -                      | -            | -                                      |
| <u>\$ 464,472</u>  | <u>\$ 716,470</u> | <u>\$ 251,998</u>                      | <u>\$ 210,098</u>  | <u>\$ 453,196</u>  | <u>\$ 243,098</u>                      | <u>\$ -</u>            | <u>\$ -</u>  | <u>\$ -</u>                            |

continued...

## EATON COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

|                                             | Veterans' Court Grant |               |                                        | Juvenile Court Donations |                  |                                        |
|---------------------------------------------|-----------------------|---------------|----------------------------------------|--------------------------|------------------|----------------------------------------|
|                                             | Final<br>Budget       | Actual        | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget          | Actual           | Actual Over<br>(Under) Final<br>Budget |
| <b>Revenues</b>                             |                       |               |                                        |                          |                  |                                        |
| Property taxes                              | \$ -                  | \$ -          | \$ -                                   | \$ -                     | \$ -             | \$ -                                   |
| Licenses and permits                        | -                     | -             | -                                      | -                        | -                | -                                      |
| Intergovernmental - Federal/state           | 69,666                | 48,658        | (21,008)                               | -                        | -                | -                                      |
| Charges for services                        | 50                    | -             | (50)                                   | -                        | -                | -                                      |
| Interest and rent                           | -                     | -             | -                                      | 200                      | 160              | (40)                                   |
| Other                                       | -                     | -             | -                                      | 2,200                    | 2,379            | 179                                    |
| <b>Total revenues</b>                       | <b>69,716</b>         | <b>48,658</b> | <b>(21,058)</b>                        | <b>2,400</b>             | <b>2,539</b>     | <b>139</b>                             |
| <b>Expenditures</b>                         |                       |               |                                        |                          |                  |                                        |
| Current:                                    |                       |               |                                        |                          |                  |                                        |
| Judicial                                    | -                     | -             | -                                      | -                        | -                | -                                      |
| General government                          | -                     | -             | -                                      | -                        | -                | -                                      |
| Public safety                               | 69,716                | 48,658        | (21,058)                               | -                        | -                | -                                      |
| Health and social services                  | -                     | -             | -                                      | -                        | -                | -                                      |
| Debt service:                               |                       |               |                                        |                          |                  |                                        |
| Principal                                   | -                     | -             | -                                      | -                        | -                | -                                      |
| Interest and fiscal charges                 | -                     | -             | -                                      | -                        | -                | -                                      |
| <b>Total expenditures</b>                   | <b>69,716</b>         | <b>48,658</b> | <b>(21,058)</b>                        | <b>-</b>                 | <b>-</b>         | <b>-</b>                               |
| Revenues over (under) expenditures          | -                     | -             | -                                      | 2,400                    | 2,539            | 139                                    |
| <b>Other financing sources (uses)</b>       |                       |               |                                        |                          |                  |                                        |
| Transfers in                                | -                     | -             | -                                      | -                        | -                | -                                      |
| Transfers out                               | -                     | -             | -                                      | -                        | -                | -                                      |
| Issuance of long-term debt                  | -                     | -             | -                                      | -                        | -                | -                                      |
| <b>Total other financing sources (uses)</b> | <b>-</b>              | <b>-</b>      | <b>-</b>                               | <b>-</b>                 | <b>-</b>         | <b>-</b>                               |
| <b>Net change in fund balances</b>          | <b>-</b>              | <b>-</b>      | <b>-</b>                               | <b>2,400</b>             | <b>2,539</b>     | <b>139</b>                             |
| Fund balances, beginning of year            | 15                    | 15            | -                                      | 12,850                   | 12,850           | -                                      |
| <b>Fund balances, end of year</b>           | <b>\$ 15</b>          | <b>\$ 15</b>  | <b>\$ -</b>                            | <b>\$ 15,250</b>         | <b>\$ 15,389</b> | <b>\$ 139</b>                          |

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

| Youth Facility Donations |          |                                        | Sheriff Donations |           |                                        | Animal Control Donations |           |                                        |
|--------------------------|----------|----------------------------------------|-------------------|-----------|----------------------------------------|--------------------------|-----------|----------------------------------------|
| Final<br>Budget          | Actual   | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget   | Actual    | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget          | Actual    | Actual Over<br>(Under) Final<br>Budget |
| \$ -                     | \$ -     | \$ -                                   | \$ -              | \$ -      | \$ -                                   | \$ -                     | \$ -      | \$ -                                   |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| 5,000                    | 4,198    | (802)                                  | 3,000             | 7,433     | 4,433                                  | 2,000                    | 1,887     | (113)                                  |
| 5,000                    | 4,198    | (802)                                  | 3,000             | 7,433     | 4,433                                  | 2,000                    | 1,887     | (113)                                  |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| -                        | -        | -                                      | 3,000             | 2,793     | (207)                                  | 2,000                    | 397       | (1,603)                                |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| -                        | -        | -                                      | 3,000             | 2,793     | (207)                                  | 2,000                    | 397       | (1,603)                                |
| 5,000                    | 4,198    | (802)                                  | -                 | 4,640     | 4,640                                  | -                        | 1,490     | 1,490                                  |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| -                        | -        | -                                      | -                 | -         | -                                      | -                        | -         | -                                      |
| 5,000                    | 4,198    | (802)                                  | -                 | 4,640     | 4,640                                  | -                        | 1,490     | 1,490                                  |
| 707                      | 707      | -                                      | 7,325             | 7,325     | -                                      | 9,457                    | 9,457     | -                                      |
| \$ 5,707                 | \$ 4,905 | \$ (802)                               | \$ 7,325          | \$ 11,965 | \$ 4,640                               | \$ 9,457                 | \$ 10,947 | \$ 1,490                               |

continued...

## EATON COUNTY, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended September 30, 2020

|                                             | Residential Substance Abuse |                 |                                        | Indigent Defense  |                   |                                        |
|---------------------------------------------|-----------------------------|-----------------|----------------------------------------|-------------------|-------------------|----------------------------------------|
|                                             | Final<br>Budget             | Actual          | Actual Over<br>(Under) Final<br>Budget | Final<br>Budget   | Actual            | Actual Over<br>(Under) Final<br>Budget |
| <b>Revenues</b>                             |                             |                 |                                        |                   |                   |                                        |
| Property taxes                              | \$ -                        | \$ -            | \$ -                                   | \$ -              | \$ -              | \$ -                                   |
| Licenses and permits                        | -                           | -               | -                                      | -                 | -                 | -                                      |
| Intergovernmental - Federal/state           | 126,500                     | 95,051          | (31,449)                               | 1,659,695         | 1,360,691         | (299,004)                              |
| Charges for services                        | -                           | -               | -                                      | -                 | -                 | -                                      |
| Interest and rent                           | -                           | -               | -                                      | -                 | -                 | -                                      |
| Other                                       | -                           | -               | -                                      | -                 | 100               | 100                                    |
| <b>Total revenues</b>                       | <u>126,500</u>              | <u>95,051</u>   | <u>(31,449)</u>                        | <u>1,659,695</u>  | <u>1,360,791</u>  | <u>(298,904)</u>                       |
| <b>Expenditures</b>                         |                             |                 |                                        |                   |                   |                                        |
| Current:                                    |                             |                 |                                        |                   |                   |                                        |
| Judicial                                    | -                           | -               | -                                      | 2,101,394         | 1,462,064         | (639,330)                              |
| General government                          | -                           | -               | -                                      | -                 | -                 | -                                      |
| Public safety                               | 168,665                     | 126,733         | (41,932)                               | -                 | -                 | -                                      |
| Health and social services                  | -                           | -               | -                                      | -                 | -                 | -                                      |
| Debt service:                               |                             |                 |                                        |                   |                   |                                        |
| Principal                                   | -                           | -               | -                                      | -                 | -                 | -                                      |
| Interest and fiscal charges                 | -                           | -               | -                                      | -                 | -                 | -                                      |
| <b>Total expenditures</b>                   | <u>168,665</u>              | <u>126,733</u>  | <u>(41,932)</u>                        | <u>2,101,394</u>  | <u>1,462,064</u>  | <u>(639,330)</u>                       |
| Revenues over (under) expenditures          | <u>(42,165)</u>             | <u>(31,682)</u> | <u>10,483</u>                          | <u>(441,699)</u>  | <u>(101,273)</u>  | <u>340,426</u>                         |
| <b>Other financing sources (uses)</b>       |                             |                 |                                        |                   |                   |                                        |
| Transfers in                                | 42,165                      | 31,682          | (10,483)                               | 445,329           | 445,329           | -                                      |
| Transfers out                               | -                           | -               | -                                      | (3,630)           | (376)             | (3,254)                                |
| Issuance of long-term debt                  | -                           | -               | -                                      | -                 | -                 | -                                      |
| <b>Total other financing sources (uses)</b> | <u>42,165</u>               | <u>31,682</u>   | <u>(10,483)</u>                        | <u>441,699</u>    | <u>444,953</u>    | <u>(3,254)</u>                         |
| <b>Net change in fund balances</b>          | -                           | -               | -                                      | -                 | 343,680           | 343,680                                |
| Fund balances, beginning of year            | -                           | -               | -                                      | 269,136           | 269,136           | -                                      |
| <b>Fund balances, end of year</b>           | <u>\$ -</u>                 | <u>\$ -</u>     | <u>\$ -</u>                            | <u>\$ 269,136</u> | <u>\$ 612,816</u> | <u>\$ 343,680</u>                      |

Corona Virus Emergency BJA Grant

| Final<br>Budget | Actual        | Actual Over<br>(Under) Final<br>Budget |
|-----------------|---------------|----------------------------------------|
| \$ -            | \$ -          | \$ -                                   |
| -               | -             | -                                      |
| 36,509          | 36,505        | (4)                                    |
| -               | -             | -                                      |
| -               | -             | -                                      |
| -               | -             | -                                      |
| <u>36,509</u>   | <u>36,505</u> | <u>(4)</u>                             |
| -               | -             | -                                      |
| -               | -             | -                                      |
| 36,509          | 36,505        | (4)                                    |
| -               | -             | -                                      |
| -               | -             | -                                      |
| <u>-</u>        | <u>-</u>      | <u>-</u>                               |
| <u>36,509</u>   | <u>36,505</u> | <u>(4)</u>                             |
| <u>-</u>        | <u>-</u>      | <u>-</u>                               |
| -               | -             | -                                      |
| -               | -             | -                                      |
| <u>-</u>        | <u>-</u>      | <u>-</u>                               |
| -               | -             | -                                      |
| -               | -             | -                                      |
| <u>-</u>        | <u>-</u>      | <u>-</u>                               |
| <u>\$ -</u>     | <u>\$ -</u>   | <u>\$ -</u>                            |

concluded

## EATON COUNTY, MICHIGAN

### ■ Combining Statement of Net Position

Nonmajor Enterprise Funds

September 30, 2020

|                            | Business-type Activities - Enterprise Funds |                                |                                   |              |
|----------------------------|---------------------------------------------|--------------------------------|-----------------------------------|--------------|
|                            | Jail<br>Commissary                          | Home Tax<br>Exemption<br>Audit | Foreclosing<br>Government<br>Unit | Total        |
| <b>Assets</b>              |                                             |                                |                                   |              |
| Current assets:            |                                             |                                |                                   |              |
| Cash and cash equivalents  | \$ 111,508                                  | \$ 33,825                      | \$ 1,611,095                      | \$ 1,756,428 |
| Accounts receivable        | 10,485                                      | -                              | -                                 | 10,485       |
| Total current assets       | 121,993                                     | 33,825                         | 1,611,095                         | 1,766,913    |
| Noncurrent assets:         |                                             |                                |                                   |              |
| Advances to component unit | -                                           | -                              | 43,883                            | 43,883       |
| <b>Total assets</b>        | 121,993                                     | 33,825                         | 1,654,978                         | 1,810,796    |
| <b>Liabilities</b>         |                                             |                                |                                   |              |
| Current liabilities:       |                                             |                                |                                   |              |
| Accounts payable           | -                                           | 3,495                          | 8,645                             | 12,140       |
| Accrued liabilities        | 5,316                                       | -                              | 2,143                             | 7,459        |
| Due to other funds         | 630                                         | -                              | 730                               | 1,360        |
| <b>Total liabilities</b>   | 5,946                                       | 3,495                          | 11,518                            | 20,959       |
| <b>Net position</b>        |                                             |                                |                                   |              |
| Unrestricted               | \$ 116,047                                  | \$ 30,330                      | \$ 1,643,460                      | \$ 1,789,837 |

## EATON COUNTY, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2020

|                                  | Business-type Activities - Enterprise Funds |                                |                                   |                     |
|----------------------------------|---------------------------------------------|--------------------------------|-----------------------------------|---------------------|
|                                  | Jail<br>Commissary                          | Home Tax<br>Exemption<br>Audit | Foreclosing<br>Government<br>Unit | Total               |
| <b>Operating revenues</b>        |                                             |                                |                                   |                     |
| Interest on taxes                | \$ -                                        | \$ 3,130                       | \$ -                              | \$ 3,130            |
| Sales                            | 91,805                                      | -                              | 33,174                            | 124,979             |
| Administrative fees/penalties    | -                                           | -                              | 155,094                           | 155,094             |
| <b>Total operating revenues</b>  | <u>91,805</u>                               | <u>3,130</u>                   | <u>188,268</u>                    | <u>283,203</u>      |
| <b>Operating expenses</b>        |                                             |                                |                                   |                     |
| Personal services and benefits   | 155,523                                     | -                              | 85,927                            | 241,450             |
| Contractual services             | 935                                         | -                              | 78,457                            | 79,392              |
| <b>Total operating expenses</b>  | <u>156,458</u>                              | <u>-</u>                       | <u>164,384</u>                    | <u>320,842</u>      |
| Income (loss) before transfers   | (64,653)                                    | 3,130                          | 23,884                            | (37,639)            |
| <b>Transfers out</b>             | <u>(570)</u>                                | <u>(17,037)</u>                | <u>-</u>                          | <u>(17,607)</u>     |
| <b>Change in net position</b>    | <u>(65,223)</u>                             | <u>(13,907)</u>                | <u>23,884</u>                     | <u>(55,246)</u>     |
| Net position, beginning of year  | <u>181,270</u>                              | <u>44,237</u>                  | <u>1,619,576</u>                  | <u>1,845,083</u>    |
| <b>Net position, end of year</b> | <u>\$ 116,047</u>                           | <u>\$ 30,330</u>               | <u>\$ 1,643,460</u>               | <u>\$ 1,789,837</u> |

## EATON COUNTY, MICHIGAN

### Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2020

|                                                                                                             | Business-type Activities - Enterprise Funds |                                |                                   |                     |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------|-----------------------------------|---------------------|
|                                                                                                             | Jail<br>Commissary                          | Home Tax<br>Exemption<br>Audit | Foreclosing<br>Government<br>Unit | Total               |
| <b>Cash flows from operating activities</b>                                                                 |                                             |                                |                                   |                     |
| Cash received from customers                                                                                | \$ 87,978                                   | \$ 3,130                       | \$ 570,359                        | \$ 661,467          |
| Cash paid to/for employees                                                                                  | (154,507)                                   | -                              | (85,785)                          | (240,292)           |
| Cash paid to suppliers                                                                                      | (935)                                       | (16,291)                       | (89,708)                          | (106,934)           |
| <b>Net cash provided by (used in)<br/>operating activities</b>                                              | (67,464)                                    | (13,161)                       | 394,866                           | 314,241             |
| <b>Cash flows from noncapital<br/>financing activities</b>                                                  |                                             |                                |                                   |                     |
| Transfers out                                                                                               | (570)                                       | (17,037)                       | -                                 | (17,607)            |
| <b>Net change in cash and cash equivalents</b>                                                              | (68,034)                                    | (30,198)                       | 394,866                           | 296,634             |
| Cash and cash equivalents, beginning of year                                                                | 179,542                                     | 64,023                         | 1,216,229                         | 1,459,794           |
| <b>Cash and cash equivalents, end of year</b>                                                               | <u>\$ 111,508</u>                           | <u>\$ 33,825</u>               | <u>\$ 1,611,095</u>               | <u>\$ 1,756,428</u> |
| <b>Reconciliation of operating income (loss) to net<br/>cash provided by (used in) operating activities</b> |                                             |                                |                                   |                     |
| Operating income (loss)                                                                                     | \$ (64,653)                                 | \$ 3,130                       | \$ 23,884                         | \$ (37,639)         |
| Adjustments to reconcile operating income (loss) to<br>net cash provided by (used in) operating activities: |                                             |                                |                                   |                     |
| Change in operating assets and liabilities<br>that provided (used) cash:                                    |                                             |                                |                                   |                     |
| Accounts receivable                                                                                         | (3,814)                                     | -                              | 425,974                           | 422,160             |
| Advances to component unit                                                                                  | -                                           | -                              | (43,883)                          | (43,883)            |
| Accounts payable                                                                                            | -                                           | (16,291)                       | (11,226)                          | (27,517)            |
| Accrued liabilities                                                                                         | 1,016                                       | -                              | 142                               | 1,158               |
| Due to other funds                                                                                          | (13)                                        | -                              | (25)                              | (38)                |
| <b>Net cash provided by (used in)<br/>operating activities</b>                                              | <u>\$ (67,464)</u>                          | <u>\$ (13,161)</u>             | <u>\$ 394,866</u>                 | <u>\$ 314,241</u>   |

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## EATON COUNTY, MICHIGAN

### ■ Combining Statement of Net Position

Internal Service Funds  
September 30, 2020

|                           | Retirees<br>Health<br>Insurance | Workers'<br>Compensation | Health<br>Insurance | Liability<br>Insurance |
|---------------------------|---------------------------------|--------------------------|---------------------|------------------------|
| <b>Assets</b>             |                                 |                          |                     |                        |
| Current assets:           |                                 |                          |                     |                        |
| Cash and cash equivalents | \$ 213,270                      | \$ 257,290               | \$ 2,074,873        | \$ 1,590,595           |
| Accounts receivable       | -                               | 400                      | -                   | -                      |
| Due from other funds      | 114,758                         | 1,598                    | -                   | -                      |
| Prepaid items             | -                               | 20,810                   | 121,245             | -                      |
| <b>Total assets</b>       | <u>328,028</u>                  | <u>280,098</u>           | <u>2,196,118</u>    | <u>1,590,595</u>       |
| <b>Liabilities</b>        |                                 |                          |                     |                        |
| Current liabilities:      |                                 |                          |                     |                        |
| Accounts payable          | 11,897                          | 13,680                   | 160                 | -                      |
| Accrued liabilities       | -                               | 78,899                   | 1,005,376           | 383,118                |
| Due to other funds        | -                               | -                        | -                   | -                      |
| <b>Total liabilities</b>  | <u>11,897</u>                   | <u>92,579</u>            | <u>1,005,536</u>    | <u>383,118</u>         |
| <b>Net position</b>       |                                 |                          |                     |                        |
| Unrestricted              | <u>\$ 316,131</u>               | <u>\$ 187,519</u>        | <u>\$ 1,190,582</u> | <u>\$ 1,207,477</u>    |

# **Combining Statement of Net Position**

Internal Service Funds  
September 30, 2020

| Unemployment      | Life and<br>Disability | Retirement<br>Stabilization | Dental<br>Insurance | Total               |
|-------------------|------------------------|-----------------------------|---------------------|---------------------|
| \$ 184,551        | \$ 38,100              | \$ 333,839                  | \$ 141,438          | \$ 4,833,956        |
| -                 | -                      | -                           | -                   | 400                 |
| 125               | 10,225                 | 249,774                     | -                   | 376,480             |
| -                 | -                      | -                           | -                   | 142,055             |
| <u>184,676</u>    | <u>48,325</u>          | <u>583,613</u>              | <u>141,438</u>      | <u>5,352,891</u>    |
| 17,845            | 4,410                  | 361,154                     | -                   | 409,146             |
| -                 | 11,048                 | -                           | 14,672              | 1,493,113           |
| -                 | 276                    | -                           | -                   | 276                 |
| <u>17,845</u>     | <u>15,734</u>          | <u>361,154</u>              | <u>14,672</u>       | <u>1,902,535</u>    |
| <u>\$ 166,831</u> | <u>\$ 32,591</u>       | <u>\$ 222,459</u>           | <u>\$ 126,766</u>   | <u>\$ 3,450,356</u> |

## EATON COUNTY, MICHIGAN

### ■ Combining Statement of Revenues, Expenses and

Changes in Fund Net Position

Internal Service Funds

For the Year Ended September 30, 2020

|                                  | Retirees<br>Health<br>Insurance | Workers'<br>Compensation | Health<br>Insurance | Liability<br>Insurance |
|----------------------------------|---------------------------------|--------------------------|---------------------|------------------------|
| <b>Operating revenues</b>        |                                 |                          |                     |                        |
| Charges for services             | \$ 2,002,309                    | \$ 55,280                | \$ 6,734,721        | \$ -                   |
| Other revenues                   | 77,688                          | -                        | -                   | 311,449                |
| <b>Total operating revenues</b>  | <u>2,079,997</u>                | <u>55,280</u>            | <u>6,734,721</u>    | <u>311,449</u>         |
| <b>Operating expenses</b>        |                                 |                          |                     |                        |
| Personal services and benefits   | 458                             | -                        | -                   | -                      |
| Contractual services             | 24,750                          | 14,500                   | 2,431               | 7,405                  |
| Insurance and claims             | 2,166,952                       | 78,445                   | 6,534,592           | 115,560                |
| <b>Total operating expenses</b>  | <u>2,192,160</u>                | <u>92,945</u>            | <u>6,537,023</u>    | <u>122,965</u>         |
| Operating income (loss)          | (112,163)                       | (37,665)                 | 197,698             | 188,484                |
| <b>Nonoperating revenues</b>     |                                 |                          |                     |                        |
| Interest income                  | 791                             | 4,539                    | -                   | 42,071                 |
| Income (loss) before transfers   | (111,372)                       | (33,126)                 | 197,698             | 230,555                |
| <b>Transfers</b>                 |                                 |                          |                     |                        |
| Transfers out                    | -                               | -                        | -                   | (200,000)              |
| <b>Change in net position</b>    | (111,372)                       | (33,126)                 | 197,698             | 30,555                 |
| Net position, beginning of year  | 427,503                         | 220,645                  | 992,884             | 1,176,922              |
| <b>Net position, end of year</b> | <u>\$ 316,131</u>               | <u>\$ 187,519</u>        | <u>\$ 1,190,582</u> | <u>\$ 1,207,477</u>    |

**Combining Statement of Revenues, Expenses and**  
Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended September 30, 2020

| Unemployment      | Life and<br>Disability | Retirement<br>Stabilization | Dental<br>Insurance | Total               |
|-------------------|------------------------|-----------------------------|---------------------|---------------------|
| \$ 1,923          | \$ 163,424             | \$ 4,247,057                | \$ 248,213          | \$ 13,452,927       |
| -                 | -                      | -                           | -                   | 389,137             |
| <u>1,923</u>      | <u>163,424</u>         | <u>4,247,057</u>            | <u>248,213</u>      | <u>13,842,064</u>   |
| -                 | 48,761                 | 4,221,397                   | 153,214             | 4,423,830           |
| -                 | 1,519                  | -                           | -                   | 50,605              |
| <u>23,239</u>     | <u>156,511</u>         | <u>-</u>                    | <u>-</u>            | <u>9,075,299</u>    |
| <u>23,239</u>     | <u>206,791</u>         | <u>4,221,397</u>            | <u>153,214</u>      | <u>13,549,734</u>   |
| (21,316)          | (43,367)               | 25,660                      | 94,999              | 292,330             |
| -                 | -                      | -                           | -                   | 47,401              |
| (21,316)          | (43,367)               | 25,660                      | 94,999              | 339,731             |
| -                 | -                      | -                           | -                   | (200,000)           |
| (21,316)          | (43,367)               | 25,660                      | 94,999              | 139,731             |
| <u>188,147</u>    | <u>75,958</u>          | <u>196,799</u>              | <u>31,767</u>       | <u>3,310,625</u>    |
| <u>\$ 166,831</u> | <u>\$ 32,591</u>       | <u>\$ 222,459</u>           | <u>\$ 126,766</u>   | <u>\$ 3,450,356</u> |

## EATON COUNTY, MICHIGAN

### ■ Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2020

|                                                                                                                | Retirees<br>Health<br>Insurance | Workers'<br>Compensation | Health<br>Insurance | Liability<br>Insurance |
|----------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------|---------------------|------------------------|
| <b>Cash flows from operating activities</b>                                                                    |                                 |                          |                     |                        |
| Cash received from interfund services                                                                          | \$ 2,045,251                    | \$ 54,703                | \$ 6,794,721        | \$ 311,449             |
| Cash paid to/for employees                                                                                     | (2,147,270)                     | (121,978)                | -                   | -                      |
| Cash paid to suppliers                                                                                         | (12,853)                        | (16,392)                 | (6,514,339)         | (111,050)              |
| <b>Net cash provided by (used in)<br/>operating activities</b>                                                 | (114,872)                       | (83,667)                 | 280,382             | 200,399                |
| <b>Cash flows from noncapital financing activities</b>                                                         |                                 |                          |                     |                        |
| Transfers out                                                                                                  | -                               | -                        | -                   | (200,000)              |
| <b>Cash flows from investing activities</b>                                                                    |                                 |                          |                     |                        |
| Interest received                                                                                              | 791                             | 4,539                    | -                   | 42,071                 |
| <b>Net change in cash and cash equivalents</b>                                                                 | (114,081)                       | (79,128)                 | 280,382             | 42,470                 |
| Cash and cash equivalents, beginning of year                                                                   | 327,351                         | 336,418                  | 1,794,491           | 1,548,125              |
| <b>Cash and cash equivalents, end of year</b>                                                                  | <u>\$ 213,270</u>               | <u>\$ 257,290</u>        | <u>\$ 2,074,873</u> | <u>\$ 1,590,595</u>    |
| <b>Reconciliation of operating income (loss) to net<br/>cash provided by (used in) operating activities</b>    |                                 |                          |                     |                        |
| Operating income (loss)                                                                                        | \$ (112,163)                    | \$ (37,665)              | \$ 197,698          | \$ 188,484             |
| Adjustments to reconcile operating income<br>(loss) to net cash provided by (used in)<br>operating activities: |                                 |                          |                     |                        |
| Change in operating assets and liabilities<br>that provided (used) cash:                                       |                                 |                          |                     |                        |
| Accounts receivable                                                                                            | 20,140                          | (398)                    | 60,000              | -                      |
| Due from other funds                                                                                           | (34,746)                        | (577)                    | -                   | -                      |
| Prepaid items                                                                                                  | -                               | (4,500)                  | 13,901              | -                      |
| Accounts payable                                                                                               | 11,897                          | 5,880                    | 160                 | -                      |
| Accrued liabilities                                                                                            | -                               | (46,407)                 | 8,623               | 11,915                 |
| Due to other funds                                                                                             | -                               | -                        | -                   | -                      |
| <b>Net cash provided by (used in)<br/>operating activities</b>                                                 | <u>\$ (114,872)</u>             | <u>\$ (83,667)</u>       | <u>\$ 280,382</u>   | <u>\$ 200,399</u>      |

# **Combining Statement of Cash Flows**

Internal Service Funds  
For the Year Ended September 30, 2020

| Unemployment             | Life and<br>Disability       | Retirement<br>Stabilization      | Dental<br>Insurance          | Total                                       |
|--------------------------|------------------------------|----------------------------------|------------------------------|---------------------------------------------|
| \$ 1,876<br>(6,903)<br>- | \$ 159,791<br>(195,656)<br>- | \$ 4,183,503<br>(4,209,203)<br>- | \$ 248,213<br>(147,656)<br>- | \$ 13,799,507<br>(6,828,666)<br>(6,654,634) |
| (5,027)                  | (35,865)                     | (25,700)                         | 100,557                      | 316,207                                     |
| -                        | -                            | -                                | -                            | (200,000)                                   |
| -                        | -                            | -                                | -                            | 47,401                                      |
| (5,027)                  | (35,865)                     | (25,700)                         | 100,557                      | 163,608                                     |
| 189,578                  | 73,965                       | 359,539                          | 40,881                       | 4,670,348                                   |
| <u>\$ 184,551</u>        | <u>\$ 38,100</u>             | <u>\$ 333,839</u>                | <u>\$ 141,438</u>            | <u>\$ 4,833,956</u>                         |
| \$ (21,316)              | \$ (43,367)                  | \$ 25,660                        | \$ 94,999                    | \$ 292,330                                  |
| -                        | -                            | -                                | -                            | 79,742                                      |
| (47)                     | (3,909)                      | (63,554)                         | -                            | (102,833)                                   |
| -                        | -                            | -                                | -                            | 9,401                                       |
| 16,336                   | 4,232                        | 12,194                           | (9,114)                      | 41,585                                      |
| -                        | 6,903                        | -                                | 14,672                       | (4,294)                                     |
| -                        | 276                          | -                                | -                            | 276                                         |
| <u>\$ (5,027)</u>        | <u>\$ (35,865)</u>           | <u>\$ (25,700)</u>               | <u>\$ 100,557</u>            | <u>\$ 316,207</u>                           |

## EATON COUNTY, MICHIGAN

### ■ Combining Statement of Fiduciary Assets and Liabilities

Agency Funds  
September 30, 2020

|                            | Trust and<br>Agency        | Library                 | District<br>Court Bond   |
|----------------------------|----------------------------|-------------------------|--------------------------|
| <b>Assets</b>              |                            |                         |                          |
| Cash and cash equivalents  | \$ 6,757,192               | \$ 70,014               | \$ 107,848               |
| Due from other governments | 54,097                     | -                       | -                        |
| Prepays                    | -                          | -                       | -                        |
|                            | <hr/>                      | <hr/>                   | <hr/>                    |
| <b>Total assets</b>        | <u><u>\$ 6,811,289</u></u> | <u><u>\$ 70,014</u></u> | <u><u>\$ 107,848</u></u> |
| <b>Liabilities</b>         |                            |                         |                          |
| Undistributed receipts     | <u><u>\$ 6,811,289</u></u> | <u><u>\$ 70,014</u></u> | <u><u>\$ 107,848</u></u> |

# **Combining Statement of Fiduciary Assets and Liabilities**

Agency Funds  
September 30, 2020

| <b>Inmate<br/>Trust<br/>Account</b> | <b>Payroll</b>    | <b>Friend<br/>of the<br/>Court</b> | <b>Property<br/>Forfeiture<br/>Trust</b> | <b>Total</b>        |
|-------------------------------------|-------------------|------------------------------------|------------------------------------------|---------------------|
| \$ 36,965                           | \$ 99,940         | \$ 5,174                           | \$ 6,208                                 | \$ 7,083,341        |
| -                                   | -                 | -                                  | -                                        | 54,097              |
| -                                   | 22,065            | -                                  | -                                        | 22,065              |
| <u>\$ 36,965</u>                    | <u>\$ 122,005</u> | <u>\$ 5,174</u>                    | <u>\$ 6,208</u>                          | <u>\$ 7,159,503</u> |
| <u>\$ 36,965</u>                    | <u>\$ 122,005</u> | <u>\$ 5,174</u>                    | <u>\$ 6,208</u>                          | <u>\$ 7,159,503</u> |

## EATON COUNTY, MICHIGAN

### Statement of Net Position and Governmental Funds Balance Sheet

Board of Public Works Component Unit

September 30, 2020

|                                                                               | Debt Service Funds             |                                      |                     |
|-------------------------------------------------------------------------------|--------------------------------|--------------------------------------|---------------------|
|                                                                               | Grand<br>Ledge Water<br>System | Brookfield<br>Water/Sewer<br>Systems | Total               |
| <b>Assets</b>                                                                 |                                |                                      |                     |
| Accounts receivable                                                           | \$ 125                         | \$ -                                 | \$ 125              |
| Leases receivable                                                             | 2,616,228                      | 960,000                              | 3,576,228           |
| Prepaid items                                                                 | 28,203                         | -                                    | 28,203              |
| <b>Total assets</b>                                                           | 2,644,556                      | 960,000                              | 3,604,556           |
| <b>Deferred outflows of resources</b>                                         |                                |                                      |                     |
| Deferred charge on refunding                                                  | -                              | -                                    | -                   |
| <b>Total assets and deferred outflows<br/>of resources</b>                    | <u>\$ 2,644,556</u>            | <u>\$ 960,000</u>                    | <u>\$ 3,604,556</u> |
| <b>Liabilities</b>                                                            |                                |                                      |                     |
| Unearned revenue                                                              | \$ 28,328                      | \$ -                                 | \$ 28,328           |
| Long-term debt:                                                               |                                |                                      |                     |
| Due within one year                                                           | -                              | -                                    | -                   |
| Due in more than one year                                                     | -                              | -                                    | -                   |
| <b>Total liabilities</b>                                                      | 28,328                         | -                                    | 28,328              |
| <b>Deferred inflows of resources</b>                                          |                                |                                      |                     |
| Unavailable revenue - leases receivable                                       | 2,616,228                      | 960,000                              | 3,576,228           |
| <b>Fund balances</b>                                                          |                                |                                      |                     |
| Unassigned                                                                    | -                              | -                                    | -                   |
| <b>Total liabilities, deferred inflows of resources<br/>and fund balances</b> | <u>\$ 2,644,556</u>            | <u>\$ 960,000</u>                    | <u>\$ 3,604,556</u> |
| <b>Net position - unrestricted</b>                                            |                                |                                      |                     |

# Statement of Net Position and Governmental Funds Balance Sheet

Board of Public Works Component Unit

September 30, 2020

| Adjustments | Statement of<br>Net Position |
|-------------|------------------------------|
| \$ -        | \$ 125                       |
| -           | 3,576,228                    |
| -           | 28,203                       |
| -           | 3,604,556                    |
| 44,482      | 44,482                       |
| 44,482      | 3,649,038                    |
| -           | 28,328                       |
| 667,935     | 667,935                      |
| 2,952,775   | 2,952,775                    |
| 3,620,710   | 3,649,038                    |
| (3,576,228) | -                            |
| -           | -                            |
| \$ -        | \$ -                         |

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## EATON COUNTY, MICHIGAN

### ■ Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
Board of Public Works Component Unit  
September 30, 2020

|                                                   |    |   |
|---------------------------------------------------|----|---|
| <b>Total fund balances for governmental funds</b> | \$ | - |
|---------------------------------------------------|----|---|

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

|                            |           |
|----------------------------|-----------|
| Deferred leases receivable | 3,576,228 |
|----------------------------|-----------|

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

|                                          |             |
|------------------------------------------|-------------|
| Bonds payable                            | (3,585,000) |
| Unamortized bond premium                 | (35,710)    |
| Unamortized deferred charge on refunding | 44,482      |
|                                          | <hr/>       |

|                                                |    |               |
|------------------------------------------------|----|---------------|
| <b>Net position of governmental activities</b> | \$ | <hr/> <hr/> - |
|------------------------------------------------|----|---------------|

## EATON COUNTY, MICHIGAN

**Statement of Activities and Governmental Fund Revenues,**  
Expenditures and Changes in Fund Balance  
Board of Public Works Component Unit  
For the Year Ended September 30, 2020

|                                                            | Debt Service Funds             |                                      |            |
|------------------------------------------------------------|--------------------------------|--------------------------------------|------------|
|                                                            | Grand<br>Ledge Water<br>System | Brookfield<br>Water/Sewer<br>Systems | Total      |
| <b>Revenues</b>                                            |                                |                                      |            |
| Intergovernmental - local                                  | \$ 561,556                     | \$ 166,819                           | \$ 728,375 |
| <b>Expenditures / expenses</b>                             |                                |                                      |            |
| Debt service:                                              |                                |                                      |            |
| Principal                                                  | 495,000                        | 150,000                              | 645,000    |
| Interest and fiscal charges                                | 66,556                         | 16,819                               | 83,375     |
| <b>Total expenditures/expenses</b>                         | 561,556                        | 166,819                              | 728,375    |
| <b>Net change in fund balance / change in net position</b> | -                              | -                                    | -          |
| Fund balances / net position,<br>beginning of year         | -                              | -                                    | -          |
| <b>Fund balances / net position,<br/>end of year</b>       | \$ -                           | \$ -                                 | \$ -       |

**Statement of Activities and Governmental Fund Revenues,**  
Expenditures and Changes in Fund Balance  
Board of Public Works Component Unit  
For the Year Ended September 30, 2020

| <b>Adjustments</b>  | <b>Statement of<br/>Activities</b> |
|---------------------|------------------------------------|
| <u>\$ (772,417)</u> | <u>\$ (44,042)</u>                 |
| (645,000)           | -                                  |
| <u>1,950</u>        | <u>85,325</u>                      |
| <u>(643,050)</u>    | <u>85,325</u>                      |
| (129,367)           | (129,367)                          |
| <u>129,367</u>      | <u>129,367</u>                     |
| <u><u>\$ -</u></u>  | <u><u>\$ -</u></u>                 |

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## EATON COUNTY, MICHIGAN

### ■ Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
Board of Public Works Component Unit  
For the Year Ended September 30, 2020

**Net change in fund balance - total governmental funds** \$ -

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

Amounts received from local governments for the payment of bond  
principal is recorded in the funds as revenue, but eliminated for the  
Statement of Activities.

Collections attributable to bond principal and accrued interest (772,417)

Bond proceeds provide current financial resources to governmental funds  
in the period issued, but issuing bonds increases long-term liabilities in the  
Statement of Net Position. Repayment of bond principal is an expenditure in  
governmental funds, but the repayment reduces long-term liabilities.  
in the Statement of Net Position.

Repayment of debt principal 645,000

Certain expenses reported in the Statement of Activities do not  
require the use of current financial resources and therefore are  
not reported as expenditures in the funds.

Amortization of bond premium 7,935

Amortization of deferred charge on refunding (9,885)

**Change in net position of governmental activities** \$ (129,367)

## EATON COUNTY, MICHIGAN

### Statement of Net Position and Governmental Funds Balance Sheet

Drainage Districts Component Unit  
September 30, 2020

|                                                                               | Debt<br>Service Fund |                     | Capital Projects Funds |                      |                     |
|-------------------------------------------------------------------------------|----------------------|---------------------|------------------------|----------------------|---------------------|
|                                                                               | Regular<br>Drain     | Regular<br>Drain    | Drain<br>Revolving     | Narrow Lake<br>Level | Lacey Lake<br>Level |
| <b>Assets</b>                                                                 |                      |                     |                        |                      |                     |
| Cash and cash equivalents                                                     | \$ 5,561,839         | \$ 8,387,048        | \$ -                   | \$ 10,999            | \$ 351              |
| Special assessments receivable                                                | 23,187,138           | 188,133             | -                      | -                    | -                   |
| Due from other funds                                                          | 6,139                | 34,000              | 53,752                 | -                    | -                   |
| Inventories                                                                   | -                    | -                   | 61,521                 | -                    | -                   |
| Capital assets not being depreciated                                          | -                    | -                   | -                      | -                    | -                   |
| Capital assets being depreciated, net                                         | -                    | -                   | -                      | -                    | -                   |
| <b>Total assets</b>                                                           | <b>28,755,116</b>    | <b>8,609,181</b>    | <b>115,273</b>         | <b>10,999</b>        | <b>351</b>          |
| <b>Deferred outflows of resources</b>                                         |                      |                     |                        |                      |                     |
| Deferred charge on refunding                                                  | -                    | -                   | -                      | -                    | -                   |
| <b>Total assets and deferred outflows<br/>of resources</b>                    | <b>\$ 28,755,116</b> | <b>\$ 8,609,181</b> | <b>\$ 115,273</b>      | <b>\$ 10,999</b>     | <b>\$ 351</b>       |
| <b>Liabilities</b>                                                            |                      |                     |                        |                      |                     |
| Negative equity in pooled cash                                                | \$ 5,019,939         | \$ -                | \$ 55,273              | \$ -                 | \$ -                |
| Accounts payable                                                              | -                    | 717,378             | -                      | -                    | -                   |
| Interest payable                                                              | -                    | -                   | -                      | -                    | -                   |
| Due to other funds                                                            | 37,115               | 56,776              | -                      | -                    | -                   |
| Advances from primary government                                              | -                    | -                   | 60,000                 | -                    | -                   |
| Long-term debt:                                                               |                      |                     |                        |                      |                     |
| Due within one year                                                           | -                    | -                   | -                      | -                    | -                   |
| Due in more than one year                                                     | -                    | -                   | -                      | -                    | -                   |
| <b>Total liabilities</b>                                                      | <b>5,057,054</b>     | <b>774,154</b>      | <b>115,273</b>         | <b>-</b>             | <b>-</b>            |
| <b>Deferred inflows of resources</b>                                          |                      |                     |                        |                      |                     |
| Unavailable revenue -<br>special assessments                                  | 23,187,138           | 188,133             | -                      | -                    | -                   |
| <b>Fund balances</b>                                                          |                      |                     |                        |                      |                     |
| Restricted                                                                    | 510,924              | 7,646,894           | -                      | 10,999               | 351                 |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 28,755,116</b> | <b>\$ 8,609,181</b> | <b>\$ 115,273</b>      | <b>\$ 10,999</b>     | <b>\$ 351</b>       |
| <b>Net position</b>                                                           |                      |                     |                        |                      |                     |
| Net investment in capital assets                                              |                      |                     |                        |                      |                     |
| Restricted                                                                    |                      |                     |                        |                      |                     |
| <b>Total net position</b>                                                     |                      |                     |                        |                      |                     |

**Statement of Net Position and Governmental Funds Balance Sheet**

Drainage Districts Component Unit  
September 30, 2020

| <b>Total</b>  | <b>Adjustments</b> | <b>Statement<br/>of Net Position</b> |
|---------------|--------------------|--------------------------------------|
| \$ 13,960,237 | \$ -               | \$ 13,960,237                        |
| 23,375,271    | -                  | 23,375,271                           |
| 93,891        | (93,891)           | -                                    |
| 61,521        | -                  | 61,521                               |
| -             | 5,835,755          | 5,835,755                            |
| -             | 67,355,908         | 67,355,908                           |
| <hr/>         | <hr/>              | <hr/>                                |
| 37,490,920    | 73,097,772         | 110,588,692                          |
| <br>          | <br>               | <br>                                 |
| <hr/>         | <hr/>              | <hr/>                                |
| -             | 153,383            | 153,383                              |
| <br>          | <br>               | <br>                                 |
| <hr/>         | <hr/>              | <hr/>                                |
| \$ 37,490,920 | 73,251,155         | 110,742,075                          |
| <br>          | <br>               | <br>                                 |
| \$ 5,075,212  | -                  | 5,075,212                            |
| 717,378       | -                  | 717,378                              |
| -             | 257,941            | 257,941                              |
| 93,891        | (93,891)           | -                                    |
| 60,000        | -                  | 60,000                               |
| <br>          | <br>               | <br>                                 |
| -             | 3,114,954          | 3,114,954                            |
| -             | 21,901,497         | 21,901,497                           |
| <hr/>         | <hr/>              | <hr/>                                |
| 5,946,481     | 25,180,501         | 31,126,982                           |
| <br>          | <br>               | <br>                                 |
| 23,375,271    | (23,375,271)       | -                                    |
| <br>          | <br>               | <br>                                 |
| <hr/>         | <hr/>              | <hr/>                                |
| 8,169,168     | (8,169,168)        | -                                    |
| <br>          | <br>               | <br>                                 |
| <hr/>         | <hr/>              | <hr/>                                |
| \$ 37,490,920 |                    |                                      |
| <br>          | <br>               | <br>                                 |
|               | 48,328,595         | 48,328,595                           |
|               | 31,286,498         | 31,286,498                           |
|               | <hr/>              | <hr/>                                |
|               | \$ 79,615,093      | \$ 79,615,093                        |
|               | <hr/>              | <hr/>                                |

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## EATON COUNTY, MICHIGAN

### ■ Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
Drainage Districts Component Unit  
September 30, 2020

|                                                   |                     |
|---------------------------------------------------|---------------------|
| <b>Total fund balances for governmental funds</b> | <b>\$ 8,169,168</b> |
|---------------------------------------------------|---------------------|

Amounts reported for *governmental activities* in the Statement of Net Position  
are different because:

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in the funds.

|                                       |            |
|---------------------------------------|------------|
| Capital assets not being depreciated  | 5,835,755  |
| Capital assets being depreciated, net | 67,355,908 |

Because the focus of governmental funds is on short-term financing, some  
assets will not be available to pay for current expenditures. Those assets  
(i.e. receivables) are offset by deferred inflows of resources in the governmental  
funds and, therefore, not included in fund balance.

|                              |            |
|------------------------------|------------|
| Deferred special assessments | 23,375,271 |
|------------------------------|------------|

Certain liabilities, such as bonds payable, are not due and payable in the current period,  
and therefore are not reported in the funds.

|                                          |                  |
|------------------------------------------|------------------|
| Long-term debt                           | (24,746,000)     |
| Unamortized premiums                     | (270,451)        |
| Unamortized deferred charge on refunding | 153,383          |
| Interest payable                         | <u>(257,941)</u> |

|                                                |                             |
|------------------------------------------------|-----------------------------|
| <b>Net position of governmental activities</b> | <b><u>\$ 79,615,093</u></b> |
|------------------------------------------------|-----------------------------|

## EATON COUNTY, MICHIGAN

**Statement of Activities and Governmental Fund Revenues,**  
Expenditures and Changes in Fund Balance  
Drainage Districts Component Unit  
For the Year Ended September 30, 2020

|                                                                 | Debt<br>Service Fund |                     | Capital Projects Funds |                      |                     |
|-----------------------------------------------------------------|----------------------|---------------------|------------------------|----------------------|---------------------|
|                                                                 | Regular<br>Drain     | Regular<br>Drain    | Drain<br>Revolving     | Narrow Lake<br>Level | Lacey Lake<br>Level |
| <b>Revenues</b>                                                 |                      |                     |                        |                      |                     |
| Charges for services                                            | \$ -                 | \$ 78,475           | \$ -                   | \$ -                 | \$ -                |
| Special assessments                                             | 3,443,529            | 2,578,253           | -                      | -                    | -                   |
| Interest revenue                                                | 58,897               | -                   | -                      | -                    | -                   |
| Miscellaneous                                                   | -                    | 37,657              | -                      | -                    | -                   |
| <b>Total revenues</b>                                           | <u>3,502,426</u>     | <u>2,694,385</u>    | <u>-</u>               | <u>-</u>             | <u>-</u>            |
| <b>Expenditures / expenses</b>                                  |                      |                     |                        |                      |                     |
| Public works                                                    | -                    | -                   | -                      | -                    | -                   |
| Capital outlay - construction<br>and maintenance                | -                    | 6,784,559           | -                      | -                    | -                   |
| Debt service:                                                   |                      |                     |                        |                      |                     |
| Principal                                                       | 3,007,000            | -                   | -                      | -                    | -                   |
| Interest and fiscal charges                                     | 755,302              | -                   | -                      | -                    | -                   |
| <b>Total expenditures / expenses</b>                            | <u>3,762,302</u>     | <u>6,784,559</u>    | <u>-</u>               | <u>-</u>             | <u>-</u>            |
| Revenues over (under)<br>expenditures/expenses                  | (259,876)            | (4,090,174)         | -                      | -                    | -                   |
| <b>Other financing sources</b>                                  |                      |                     |                        |                      |                     |
| Issuance of long-term debt                                      | -                    | 3,830,000           | -                      | -                    | -                   |
| <b>Net changes in fund balances/<br/>change in net position</b> | (259,876)            | (260,174)           | -                      | -                    | -                   |
| Fund balances / net position,<br>beginning of year              | <u>770,800</u>       | <u>7,907,068</u>    | <u>-</u>               | <u>10,999</u>        | <u>351</u>          |
| <b>Fund balances / net position,<br/>end of year</b>            | <u>\$ 510,924</u>    | <u>\$ 7,646,894</u> | <u>\$ -</u>            | <u>\$ 10,999</u>     | <u>\$ 351</u>       |

**Statement of Activities and Governmental Fund Revenues,**  
Expenditures and Changes in Fund Balance  
Drainage Districts Component Unit  
For the Year Ended September 30, 2020

| <b>Total</b>        | <b>Adjustments</b>   | <b>Statement of<br/>Activities</b> |
|---------------------|----------------------|------------------------------------|
| \$ 78,475           | \$ -                 | \$ 78,475                          |
| 6,021,782           | 281,220              | 6,303,002                          |
| 58,897              | -                    | 58,897                             |
| 37,657              | -                    | 37,657                             |
| <u>6,196,811</u>    | <u>281,220</u>       | <u>6,478,031</u>                   |
| -                   | 2,759,912            | 2,759,912                          |
| 6,784,559           | (4,569,996)          | 2,214,563                          |
| 3,007,000           | (3,007,000)          | -                                  |
| 755,302             | (30,890)             | 724,412                            |
| <u>10,546,861</u>   | <u>(4,847,974)</u>   | <u>5,698,887</u>                   |
| (4,350,050)         | 5,129,194            | 779,144                            |
| <u>3,830,000</u>    | <u>(3,830,000)</u>   | <u>-</u>                           |
| (520,050)           | 1,299,194            | 779,144                            |
| <u>8,689,218</u>    | <u>70,146,731</u>    | <u>78,835,949</u>                  |
| <u>\$ 8,169,168</u> | <u>\$ 71,445,925</u> | <u>\$ 79,615,093</u>               |

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## EATON COUNTY, MICHIGAN

### ■ Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
Drainage Districts Component Unit  
For the Year Ended September 30, 2020

**Net change in fund balance - total governmental funds** \$ (520,050)

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

Revenues in the Statement of Activities that do not provide current resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.

Change in deferred special assessments 281,220

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense.

Purchases of capital assets 4,569,996  
Depreciation expense (2,759,912)

Bond proceeds provide current financial resources to the governmental funds in the period issued, but issuing bonds increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Issuance of long-term debt (3,830,000)  
Principal payments on long-term debt 3,007,000

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Change in accrual for interest payable on long-term debt 5,803  
Amortization of bond premium 57,954  
Amortization of deferred charge on refunding (32,867)

**Change in net position of governmental activities** \$ 779,144

## EATON COUNTY, MICHIGAN

### ■ Statement of Net Position and Governmental Funds Balance Sheet

District Health Department Component Unit  
September 30, 2020

|                                                                              | General<br>Fund     | Adjustments           | Statement<br>of Activities |
|------------------------------------------------------------------------------|---------------------|-----------------------|----------------------------|
| <b>Assets</b>                                                                |                     |                       |                            |
| Cash and cash equivalents                                                    | \$ 2,425,807        | \$ -                  | \$ 2,425,807               |
| Accounts receivable, net                                                     | 642,558             | -                     | 642,558                    |
| Prepaid items                                                                | 16,420              | -                     | 16,420                     |
| Capital assets being depreciated, net                                        | -                   | 6,089                 | 6,089                      |
| <b>Total assets</b>                                                          | <b>3,084,785</b>    | <b>6,089</b>          | <b>3,090,874</b>           |
| <b>Deferred outflows of resources</b>                                        |                     |                       |                            |
| Deferred pension amounts                                                     | -                   | 723,778               | 723,778                    |
| <b>Total assets and deferred outflows of resources</b>                       | <b>\$ 3,084,785</b> | <b>729,867</b>        | <b>3,814,652</b>           |
| <b>Liabilities</b>                                                           |                     |                       |                            |
| Accounts payable                                                             | \$ 176,179          | -                     | 176,179                    |
| Accrued liabilities                                                          | 170,912             | -                     | 170,912                    |
| Unearned revenue                                                             | 206,925             | -                     | 206,925                    |
| Long-term debt:                                                              |                     |                       |                            |
| Due within one year                                                          | -                   | 35,493                | 35,493                     |
| Due in more than one year                                                    | -                   | 210,429               | 210,429                    |
| Net pension liability (due in more than one year)                            | -                   | 6,181,037             | 6,181,037                  |
| <b>Total liabilities</b>                                                     | <b>554,016</b>      | <b>6,426,959</b>      | <b>6,980,975</b>           |
| <b>Deferred inflows of resources</b>                                         |                     |                       |                            |
| Deferred pension amounts                                                     | -                   | 62,617                | 62,617                     |
| <b>Fund balance</b>                                                          |                     |                       |                            |
| Nonspendable for prepaids                                                    | 16,420              | (16,420)              | -                          |
| Unassigned                                                                   | 2,514,349           | (2,514,349)           | -                          |
| <b>Total fund balance</b>                                                    | <b>2,530,769</b>    | <b>(2,530,769)</b>    | <b>-</b>                   |
| <b>Total liabilities, deferred inflows of resources<br/>and fund balance</b> | <b>\$ 3,084,785</b> |                       |                            |
| <b>Net position</b>                                                          |                     |                       |                            |
| Investment in capital assets                                                 |                     | 6,089                 | 6,089                      |
| Unrestricted (deficit)                                                       |                     | (3,235,029)           | (3,235,029)                |
| <b>Total net position</b>                                                    |                     | <b>\$ (3,228,940)</b> | <b>\$ (3,228,940)</b>      |

## EATON COUNTY, MICHIGAN

### ■ Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
District Health Department Component Unit  
September 30, 2020

|                                                   |                     |
|---------------------------------------------------|---------------------|
| <b>Total fund balances for governmental funds</b> | <b>\$ 2,530,769</b> |
|---------------------------------------------------|---------------------|

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

|                                       |       |
|---------------------------------------|-------|
| Capital assets being depreciated, net | 6,089 |
|---------------------------------------|-------|

Accrued vacation and sick time earned by eligible employees is not payable in the current period and therefore is not reported in the funds. However, these amounts are included in the Statement of Net Position.

|  |           |
|--|-----------|
|  | (245,922) |
|--|-----------|

Certain pension-related amounts, such as the net pension liability and deferred amounts, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds.

|                                                        |                 |
|--------------------------------------------------------|-----------------|
| Net pension liability                                  | (6,181,037)     |
| Deferred outflows related to the net pension liability | 723,778         |
| Deferred inflows related to the net pension liability  | <u>(62,617)</u> |

|                                                |                              |
|------------------------------------------------|------------------------------|
| <b>Net position of governmental activities</b> | <b><u>\$ (3,228,940)</u></b> |
|------------------------------------------------|------------------------------|

## EATON COUNTY, MICHIGAN

### ■ Statement of Activities and Governmental Fund Revenues,

Expenditures and Changes in Fund Balance  
District Health Department Component Unit  
For the Year Ended September 30, 2020

|                                                            | General<br>Fund     | Adjustments           | Statement of<br>Activities |
|------------------------------------------------------------|---------------------|-----------------------|----------------------------|
| <b>Revenues</b>                                            |                     |                       |                            |
| Licenses and permits                                       | \$ 187,803          | \$ -                  | \$ 187,803                 |
| Intergovernmental:                                         |                     |                       |                            |
| Federal/State                                              | 3,513,200           | -                     | 3,513,200                  |
| Local                                                      | 1,350,631           | -                     | 1,350,631                  |
| Charges for services                                       | 925,699             | -                     | 925,699                    |
| Miscellaneous                                              | 348,966             | -                     | 348,966                    |
| <b>Total revenues</b>                                      | 6,326,299           | -                     | 6,326,299                  |
| <b>Expenditures / expenses</b>                             |                     |                       |                            |
| Health and social services                                 | 5,640,690           | 246,570               | 5,887,260                  |
| <b>Net change in fund balance / change in net position</b> | 685,609             | (246,570)             | 439,039                    |
| Fund balance / net position, beginning of year             | 1,845,160           | (5,513,139)           | (3,667,979)                |
| <b>Fund balance / net position, end of year</b>            | <u>\$ 2,530,769</u> | <u>\$ (5,759,709)</u> | <u>\$ (3,228,940)</u>      |

## EATON COUNTY, MICHIGAN

### ■ Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
District Health Department Component Unit  
For the Year Ended September 30, 2020

|                                                              |            |
|--------------------------------------------------------------|------------|
| <b>Net change in fund balance - total governmental funds</b> | \$ 685,609 |
|--------------------------------------------------------------|------------|

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

Governmental funds report capital outlay as expenditures. However, in the  
Statement of Activities, the costs of those assets is allocated over their  
estimated useful lives as depreciation expense.

|                      |          |
|----------------------|----------|
| Depreciation expense | (11,946) |
|----------------------|----------|

Certain expenses reported in the Statement of Activities do not require  
the use of current financial resources and therefore are not reported  
as expenditures in the funds.

|                                                                  |                  |
|------------------------------------------------------------------|------------------|
| Change in accrual for accrued compensated absences               | (34,772)         |
| Change in the net pension liability and related deferred amounts | <u>(199,852)</u> |

|                                                          |                   |
|----------------------------------------------------------|-------------------|
| <b>Change in net position of governmental activities</b> | <u>\$ 439,039</u> |
|----------------------------------------------------------|-------------------|

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## **SINGLE AUDIT ACT COMPLIANCE**

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

Month //, 2021

To the Board of Commissioners  
Eaton County, Michigan  
Charlotte, 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 ***Eaton County, Michigan*** (the "County") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated Month //, 2021, which contained unmodified opinions on those financial statements. 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.

## EATON COUNTY, MICHIGAN

### Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2020

| Federal Agency / Cluster / Program Title                  | Assistance<br>Listing<br>Number | Passed<br>Through | Pass-through /<br>Grantor Number | Federal<br>Expenditures |
|-----------------------------------------------------------|---------------------------------|-------------------|----------------------------------|-------------------------|
| <b>U.S. Department of Agriculture</b>                     |                                 |                   |                                  |                         |
| Child Nutrition Cluster:                                  |                                 |                   |                                  |                         |
| School Breakfast Program                                  | 10.553                          | MDE               | 230008001                        | \$ 12,589               |
| National School Lunch Program                             | 10.555                          | MDE               | 230008001                        | 21,740                  |
| Special Snack Program                                     | 10.555                          | MDE               | 230008001                        | 4,215                   |
| Commodities (non-cash assistance)                         | 10.555                          | MDE               | 230008001                        | 3,123                   |
|                                                           |                                 |                   |                                  | <u>29,078</u>           |
| Total Child Nutrition Cluster                             |                                 |                   |                                  | <u>41,667</u>           |
| Women, Infants and Children                               | 10.557                          | MDHHS             | 20200052-00                      | 473,077                 |
| Women, Infants and Children Breastfeeding                 | 10.557                          | MDHHS             | 20200052-00                      | 11,505                  |
| Women, Infants and Children Breastfeeding                 | 10.557                          | MDHHS             | 20200052-00                      | 9,209                   |
| Women, Infants and Children Breastfeeding                 | 10.557                          | MDHHS             | 20200052-00                      | 6,905                   |
|                                                           |                                 |                   |                                  | <u>500,696</u>          |
| <b>Total U.S. Department of Agriculture</b>               |                                 |                   |                                  | <u>542,363</u>          |
| <b>U.S. Department of Housing and Urban Development</b>   |                                 |                   |                                  |                         |
| COVID-19 - CV1 CARES Act County Reimbursement             | 14.228                          | MSF               | MSC 220022-CV1                   | <u>165,417</u>          |
| <b>U.S. Department of Justice</b>                         |                                 |                   |                                  |                         |
| COVID-19 - Emergency Supplemental Funding                 | 16.034                          | Direct            | 2020-VD-BX-1806                  | <u>36,505</u>           |
| Residential Substance Abuse Treatment for State Prisoners | 16.593                          | MSP               | MSP#90007-3-20                   | <u>95,051</u>           |
| State Criminal Alien Assistance Program                   | 16.606                          | Direct            | 2020-AP-BX-0730                  | <u>3,604</u>            |
| Drug Court - Priority                                     | 16.738                          | SCAO              | 72157-SCAO-2020-17480            | 84,200                  |
| Technology Enhancements - TruNarc Instruments             | 16.738                          | MSP               | JAG-73027                        | 53,628                  |
|                                                           |                                 |                   |                                  | <u>137,828</u>          |
| Comprehensive Opioid Abuse Site Based Program             | 16.838                          | IIR               | 2027-AR-BX-K003                  | <u>8,947</u>            |
| <b>Total U.S. Department of Justice</b>                   |                                 |                   |                                  | <u>281,935</u>          |
| <b>U.S. Department of Transportation</b>                  |                                 |                   |                                  |                         |
| Hazardous Materials Emergency Preparedness                | 20.703                          | MSP               | n/a                              | <u>1,500</u>            |
| <b>U.S. Department of Treasury</b>                        |                                 |                   |                                  |                         |
| COVID-19 - Coronavirus Relief Fund:                       |                                 |                   |                                  |                         |
| Coronavirus Relief Local Government Grant                 | 21.019                          | MDT               | n/a                              | 843,082                 |
| First Responder Hazard Pay Premiums Program               | 21.019                          | MDT               | n/a                              | 113,000                 |
| Public Safety/Public Health Payroll Reimbursement         | 21.019                          | MDT               | n/a                              | 1,520,516               |
| Public Safety/Public Health Payroll Reimbursement         | 21.019                          | MDT               | n/a                              | 109,785                 |
| CRF LHD Contract Tracing                                  | 21.019                          | MDHHS             | 20202200-00                      | 79,800                  |
| <b>Total U.S. Department of Treasury</b>                  |                                 |                   |                                  | <u>2,666,183</u>        |

continued...

## EATON COUNTY, MICHIGAN

### Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2020

| Federal Agency / Cluster / Program Title            | Assistance<br>Listing<br>Number | Passed<br>Through | Pass-through /<br>Grantor Number | Federal<br>Expenditures |
|-----------------------------------------------------|---------------------------------|-------------------|----------------------------------|-------------------------|
| <b>U.S. Environmental Protection Agency</b>         |                                 |                   |                                  |                         |
| Clean Water State Revolving Fund Cluster / State    |                                 |                   |                                  |                         |
| Drinking Water Revolving Loan Fund Program:         |                                 |                   |                                  |                         |
| Operator Certification                              | 66.468                          | MDEGLE            | FS975487-18                      | \$ 1,094                |
| Revised Total Coliform Rule                         | 66.468                          | MDEGLE            | FS975487-18                      | 5,444                   |
|                                                     |                                 |                   |                                  | <u>6,538</u>            |
| <b>U.S. Department of Health and Human Services</b> |                                 |                   |                                  |                         |
| Public Health Emergency Preparedness                |                                 |                   |                                  |                         |
| 10/1/19-6/30/20                                     | 93.069                          | MDHHS             | 20200052-00                      | 88,850                  |
| Public Health Emergency Preparedness                |                                 |                   |                                  |                         |
| 7/1/20-9/30/20                                      | 93.069                          | MDHHS             | 20200052-00                      | 32,987                  |
|                                                     |                                 |                   |                                  | <u>121,837</u>          |
| Tuberculosis Control Program                        | 93.116                          | MDHHS             | 20190002-00                      | <u>799</u>              |
| Immunization and Vaccine Program                    | 93.268                          | MDHHS             | 20200052-00                      | 75,208                  |
| Immunization and Vaccine Program Fixed Fees         | 93.268                          | MDHHS             | 20200052-00                      | 4,050                   |
| Vaccines (non-cash assistance)                      | 93.268                          | MDHHS             | n/a                              | 224,990                 |
|                                                     |                                 |                   |                                  | <u>304,248</u>          |
| Epidemiology and Laboratory Capacity Grant:         |                                 |                   |                                  |                         |
| COVID-19 - Contract Tracing Testing                 | 93.323                          | MDHHS             | 20200052-00                      | 132,586                 |
| COVID-19 - Infection Prevention                     | 93.323                          | MDHHS             | 20200052-00                      | 20,000                  |
|                                                     |                                 |                   |                                  | <u>152,586</u>          |
| Public Health Emergency Preparedness:               |                                 |                   |                                  |                         |
| COVID-19 - PHEP COVID-19 Response                   | 93.354                          | MDHHS             | 20200052-00                      | <u>222,000</u>          |
| Child Support Enforcement:                          |                                 |                   |                                  |                         |
| Incentive Payments                                  | 93.563                          | MDHHS             | n/a                              | 148,945                 |
| Friend of the Court                                 | 93.563                          | MDHHS             | CSFOC17-23001                    | 504,233                 |
| Prosecuting Attorney                                | 93.563                          | MDHHS             | CSPA17-23002                     | 102,233                 |
|                                                     |                                 |                   |                                  | <u>755,411</u>          |
| Medicaid Cluster / Medical Assistance Program:      |                                 |                   |                                  |                         |
| CSHC Medicaid Outreach                              | 93.778                          | MDHHS             | 20200052-00                      | 16,210                  |
| CSHC Outreach and Advocacy                          | 93.778                          | MDHHS             | 20200052-00                      | 41,320                  |
| Medicaid Outreach                                   | 93.778                          | MDHHS             | 20200052-00                      | 22,140                  |
| CSHCS Care Coordination Title V/XIX (PCA 88080)     | 93.778                          | MDHHS             | 20200052-00                      | 1,725                   |
| CSHCS Care Coordination Title V/XIX (PCA 88050)     | 93.778                          | MDHHS             | 20200052-00                      | 1,020                   |
| CSHCS Care Management Services                      |                                 |                   |                                  |                         |
| Title V/XIX (PCA 89650)                             | 93.778                          | MDHHS             | 20200052-00                      | 907                     |
|                                                     |                                 |                   |                                  | <u>83,322</u>           |
| Cancer Prevention and Control Program:              |                                 |                   |                                  |                         |
| CCC Community Implementation Project                | 93.898                          | MDHHS             | 20200052-00                      | <u>9,136</u>            |

continued...

## EATON COUNTY, MICHIGAN

### **Schedule of Expenditures of Federal Awards** For the Year Ended September 30, 2020

| Federal Agency / Cluster / Program Title                                     | Assistance<br>Listing<br>Number | Passed<br>Through | Pass-through /<br>Grantor Number | Federal<br>Expenditures |
|------------------------------------------------------------------------------|---------------------------------|-------------------|----------------------------------|-------------------------|
| <b>U.S. Department of Health and Human Services (concluded)</b>              |                                 |                   |                                  |                         |
| Substance Abuse Prevention and Treatment<br>Block Grant - Treatment Programs | 93.959                          | MSHN              | n/a                              | \$ 19,810               |
| Preventative Health and Health Services Block Grant<br>LHD Sharing Support   | 93.991                          | MDHHS             | 20200052-00                      | 55,135                  |
| Maternal and Child Health Services Block Grant:                              |                                 |                   |                                  |                         |
| Enabling Services Women - MCH                                                | 93.994                          | MDHHS             | 20200052-00                      | 9,640                   |
| Public Health Functions and Infrastructure                                   | 93.994                          | MDHHS             | 20200052-00                      | 58,184                  |
| CSHCS Care Coordination Title V (PCA 88070)                                  | 93.994                          | MDHHS             | 20200052-00                      | 3,700                   |
| CSHCS Care Coordination Title V (PCA 88040)                                  | 93.994                          | MDHHS             | 20200052-00                      | 3,030                   |
| CSHCS Care Management Services<br>Title V (PCA 88010)                        | 93.994                          | MDHHS             | 20200052-00                      | 202                     |
|                                                                              |                                 |                   |                                  | 74,756                  |
| <b>Total U.S. Department of Health and Human Services</b>                    |                                 |                   |                                  | 1,799,040               |
| <b>U.S. Department of Homeland Security</b>                                  |                                 |                   |                                  |                         |
| Boating Safety Financial Assistance                                          | 97.012                          | MDNR              | n/a                              | 4,400                   |
| Public Assistance                                                            | 97.036                          | Direct            | 045-99045-00                     | 130,864                 |
| Emergency Management Preparedness Grant                                      | 97.042                          | MSP               | EMC-2020-EP-00005                | 31,453                  |
| Homeland Security Grant Program                                              | 97.067                          | IC                | n/a                              | 90,493                  |
| <b>Total U.S. Department of Homeland Security</b>                            |                                 |                   |                                  | 257,210                 |
| <b>Total Expenditures of Federal Awards</b>                                  |                                 |                   |                                  | \$ 5,720,186            |
|                                                                              |                                 |                   |                                  | concluded               |

See accompanying notes to the schedule of expenditures of federal awards.

## EATON COUNTY, MICHIGAN

### Notes to Schedule of Expenditures of Federal Awards

#### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of **Eaton County, Michigan** (the "County") under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County's reporting entity is defined in Note 1 of the financial statements. The County's financial statement includes the operations of the Eaton County Road Commission discretely-presented component unit and the Eaton County Health and Rehabilitation Services Facility enterprise fund, which received federal awards that are not included in the Schedule for the year ended September 30, 2020 as this entity was separately audited.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

#### 2. DE MINIMIS COST RATE

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.

#### 3. PASS-THROUGH AGENCIES

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

| Pass-through<br>Agency<br>Abbreviation | Pass-through Agency Name                                    |
|----------------------------------------|-------------------------------------------------------------|
| IC                                     | Ingham County                                               |
| IIR                                    | Institute for Intergovernmental Research                    |
| MDE                                    | Michigan Department of Education                            |
| MDEGLE                                 | Michigan Department of Environment, Great Lakes, and Energy |
| MDNR                                   | Michigan Department of Natural Resources                    |
| MDHHS                                  | Michigan Department of Health and Human Services            |
| MDT                                    | Michigan Department of Treasury                             |
| MSF                                    | Michigan Strategic Fund                                     |
| MSP                                    | Michigan State Police                                       |
| MSHN                                   | Mid-State Health Network                                    |
| SCAO                                   | State Court Administrative Office                           |



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**INDEPENDENT AUDITORS' 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**

Month //, 2021

To the Board of Commissioners  
Eaton County, Michigan  
Charlotte, 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 **Eaton County, Michigan** (the "County"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated Month //, 2021. Our report includes a reference to other auditors who audited the financial statements of the Eaton County Health and Rehabilitation Services Facility enterprise fund and the Eaton County Road Commission discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Eaton County Health and Rehabilitation Services and the Eaton County Road Commission were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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.

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

Month //, 2021

To the Board of Commissioners  
Eaton County, Michigan  
Charlotte, Michigan

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

We have audited the compliance of ***Eaton County, Michigan*** (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2020. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Eaton County Road Commission and the Eaton County Health and Rehabilitation Services Facility enterprise fund, which received federal awards which are not included in the schedule of expenditures of federal awards. Our audit, described below, did not include the operations of the Eaton County Road Commission because that entity engaged other auditors to perform their financial statement audit and did not meet the threshold for a single audit in accordance with the Uniform Guidance.

***Management's Responsibility***

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

### ***Independent Auditors' Responsibility***

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

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

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

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

### ***Report on Internal Control Over Compliance***

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

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

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

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

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

## EATON COUNTY, MICHIGAN

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2020

#### SECTION I - SUMMARY OF AUDITORS' RESULTS

##### Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes       X       no

Significant deficiency(ies) identified?            yes       X       none reported

Noncompliance material to financial statements noted?            yes       X       no

##### Federal Awards

Internal control over major programs:

Material weakness(es) identified?            yes       X       no

Significant deficiency(ies) identified?            yes       X       none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?            yes       X       no

Identification of major programs:

##### CFDA Number

##### Name of Federal Program or Cluster

21.019

COVID-19 - Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$          750,000          

Auditee qualified as low-risk auditee?       X       yes                    no

## EATON COUNTY, MICHIGAN

### **Schedule of Findings and Questioned Costs** For the Year Ended September 30, 2020

#### SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

## EATON COUNTY, MICHIGAN

### **Schedule of Findings and Questioned Costs** For the Year Ended September 30, 2020

#### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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## EATON COUNTY, MICHIGAN

### **Summary Schedule of Prior Audit Findings** For the Year Ended September 30, 2020

None reported.

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## All Funds

2021-20222020-2021

| Acct #  | Description                   | Total        |            | Total Special |            | Grand |              | Total      |            | Total Special |                | Grand            |           | Increase/ (Decrease) |  | % Change |
|---------|-------------------------------|--------------|------------|---------------|------------|-------|--------------|------------|------------|---------------|----------------|------------------|-----------|----------------------|--|----------|
|         |                               | General Fund | Rev Funds  | Rev Funds     | Total      | Total | General Fund | Rev Funds  | Total      | General Fund  | Rev Funds      | All Funds        |           |                      |  |          |
| 701.000 | SALARIES - SUPERVISORY        | 1,731,218    | 424,996    |               | 2,156,214  |       |              |            | 1,700,750  | 430,549       |                | 2,131,299        | 24,915    | 1.2%                 |  |          |
| 702.000 | SALARIES - REGULAR            | 12,786,837   | 5,556,650  |               | 18,343,487 |       |              |            | 12,434,200 | 5,441,010     |                | 17,875,210       | 468,277   | 2.6%                 |  |          |
| 702.001 | SALARIES - LONGEVITY          | 124,590      | 45,450     |               | 170,040    |       |              |            | 125,898    | 44,495        |                | 170,393          | (353)     | -0.2%                |  |          |
| 703.000 | SALARIES - TEMPORARY          | 219,330      | 388,620    |               | 607,950    |       |              |            | 219,330    | 388,620       |                | 607,950          | -         | 0.0%                 |  |          |
| 704.000 | SALARIES - OVERTIME           | 552,850      | 325,740    |               | 878,590    |       |              |            | 556,250    | 325,740       |                | 881,990          | (3,400)   | -0.4%                |  |          |
| 704.001 | OVERTIME - SPECIAL OVERTIME   | 45,000       | -          |               | 45,000     |       |              |            | 45,000     | -             |                | 45,000           | -         | 0.0%                 |  |          |
| 704.002 | OVERTIME - DETECTIVE OVERTIME | 75,000       | -          |               | 75,000     |       |              |            | 75,000     | -             |                | 75,000           | -         | 0.0%                 |  |          |
| 705.000 | HOLIDAY PAY                   | 131,000      | 72,700     |               | 203,700    |       |              |            | 131,000    | 72,700        |                | 203,700          | -         | 0.0%                 |  |          |
| 706.000 | SICK PAY                      | 151,480      | 39,630     |               | 191,110    |       |              |            | 111,030    | 38,640        |                | 149,670          | 41,440    | 27.7%                |  |          |
| 710.000 | SOCIAL SECURITY               | 1,213,039    | 525,139    |               | 1,738,178  |       |              |            | 1,181,639  | 516,770       |                | 1,698,409        | 39,769    | 2.3%                 |  |          |
| 711.000 | WORKERS COMPENSATION INS      | 21,943       | 8,537      |               | 30,480     |       |              |            | 21,446     | 8,415         |                | 29,861           | 619       | 2.1%                 |  |          |
| 712.000 | UNEMPLOYMENT INSURANCE        | 1,585        | 705        |               | 2,290      |       |              |            | 1,545      | 695           |                | 2,240            | 50        | 2.2%                 |  |          |
| 713.000 | RETIREMENT                    | 4,379,441    | 1,188,570  |               | 5,568,011  |       |              |            | 3,451,628  | 986,900       |                | 4,438,528        | 1,129,483 | 25.4%                |  |          |
| 714.000 | LIFE & DISABILITY INSURANCE   | 135,795      | 54,035     |               | 189,830    |       |              |            | 132,098    | 53,150        |                | 185,248          | 4,582     | 2.5%                 |  |          |
| 715.000 | HEALTH INSURANCE              | 3,380,750    | 1,583,480  |               | 4,964,230  |       |              |            | 3,180,400  | 1,456,680     |                | 4,637,080        | 327,150   | 7.1%                 |  |          |
| 715.001 | HEALTH INSURANCE - WAIVER     | 39,600       | 10,800     |               | 50,400     |       |              |            | 48,000     | 13,400        |                | 61,400           | (11,000)  | -17.9%               |  |          |
| 716.000 | RETIRES HEALTH                | 1,569,180    | 488,450    |               | 2,057,630  |       |              |            | 1,560,620  | 477,090       |                | 2,037,710        | 19,920    | 1.0%                 |  |          |
| 716.001 | RETIRES HEALTH - HCSP         | 264,619      | 120,396    |               | 385,015    |       |              |            | 251,069    | 111,673       |                | 362,742          | 22,273    | 6.1%                 |  |          |
| 717.000 | DENTAL                        | 212,212      | 90,594     |               | 302,806    |       |              |            | 206,380    | 89,105        |                | 295,485          | 7,321     | 2.5%                 |  |          |
|         |                               | 27,035,469   | 10,924,492 |               | 37,959,961 |       |              |            | 25,433,283 | 10,455,632    |                | 35,888,915       | 2,071,046 | 5.8%                 |  |          |
|         |                               | GF           | SRF        | Total         |            |       | PY GF        | PY SRF     | PY Total   | GF Difference | SRF Difference | Total Difference | % Inc     |                      |  |          |
| 59%     | Salaries                      | 15,817,305   | 6,853,786  | 22,671,091    |            |       | 15,398,458   | 6,741,754  | 22,140,212 | 418,847       | 112,032        | 530,879          | 2.40%     |                      |  |          |
| 13%     | Health Insurance              | 3,420,350    | 1,594,280  | 5,014,630     |            |       | 3,228,400    | 1,470,080  | 4,698,480  | 191,950       | 124,200        | 316,150          | 6.73%     |                      |  |          |
| 16%     | Retirement                    | 4,379,441    | 1,188,570  | 5,568,011     |            |       | 3,451,628    | 986,900    | 4,438,528  | 927,813       | 201,670        | 1,129,483        | 25.45%    |                      |  |          |
| 7%      | Retiree's Health              | 1,833,799    | 608,846    | 2,442,645     |            |       | 1,811,689    | 588,763    | 2,400,452  | 22,110        | 20,083         | 42,193           | 1.76%     |                      |  |          |
| 6%      | Other Fringes                 | 1,584,574    | 679,010    | 2,263,584     |            |       | 1,543,108    | 668,135    | 2,211,243  | 41,466        | 10,875         | 52,341           | 2.37%     |                      |  |          |
| 100%    | Total Wages/Benefits          | 27,035,469   | 10,924,492 | 37,959,961    |            |       | 25,433,283   | 10,455,632 | 35,888,915 | 1,602,186     | 468,860        | 2,071,046        | 38.70%    |                      |  |          |