

Lenawee County,  
Michigan



Year Ended  
December 31,  
2019

Financial  
Statements

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# LENAWEE COUNTY, MICHIGAN

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# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

At year end, the net asset value of the County's investment in Michigan CLASS was \$14,798,125. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

### County's Pension Trust Fund

The County's Pension Trust Fund (the "Plan") 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 Plan's investments are presented separately.

The Plan's investments are held in an administered trust account. Following is a summary of the Plan's investments as of December 31, 2019:

Money markets	\$ 2,751,756
Equity mutual funds	43,782,143
Bond mutual funds	21,312,077
Commodities	3,631,866
Real estate	1,373,277
General investment account	<u>982,484</u>
<b>Total</b>	<b><u><u>\$ 73,833,603</u></u></b>

*Credit Risk.* As of December 31, 2019, the County's pension investments in debt securities (i.e. fixed income mutual funds) were rated by Standard & Poor's as follows:

AAA	\$ 6,885,785
AA	739,965
A	2,076,110
BBB	2,920,916
BB	992,033
B	725,152
Below B	354,954
Not rated	<u>6,617,162</u>
	<b><u><u>\$ 21,312,077</u></u></b>

*Interest Rate Risk.* As of December 31, 2019, the effective average maturity of the County's investments in pension bond mutual funds was 8.26 years.

*Foreign Currency Risk.* Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of December 31, 2019, the County's pension plan had \$15,888,815 of international equity mutual funds which were exposed to foreign currency risk.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

*Fair Value Measurements.* The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The Plan had the following recurring fair value measurements as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
<b>Investments at fair value</b>				
Money markets	\$ 2,751,756	\$ -	\$ -	\$ 2,751,756
Equity mutual funds	43,782,143	-	-	43,782,143
Bond mutual funds	21,312,077	-	-	21,312,077
Commodities	-	3,631,866	-	3,631,866
Real estate	-	-	1,373,277	1,373,277
General investment account	-	-	982,484	982,484
<b>Total investments at fair value</b>	<b>\$ 67,845,976</b>	<b>\$ 3,631,866</b>	<b>\$ 2,355,761</b>	<b>\$ 73,833,603</b>

The investments classified as Level 2 inputs, as noted in the table above, are valued using significant other observable inputs of the underlying securities and bonds as they are traded only in secondary markets. The investments classified as Level 3 inputs, as noted in the table above, are valued using significant unobservable inputs. The fair value of the real estate investments is determined based on independent appraisals, and the fair value of the general investment account is determined based on the liquidation value from an actuarial formula.

### *Medical Care Facility (the "Facility") Pension and OPEB Trust Funds*

The Medical Care Facility's Pension and OPEB Trust Funds' 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 Facility's investments are presented separately.

Following is a summary of the Facility's pension and OPEB investments as of December 31, 2019:

Money markets	\$ 367,743
Equity mutual funds	5,843,703
Bond mutual funds	2,845,143
Commodities	484,935
Real estate	183,371
General investment account	331,656
MERS total market portfolio	157,087
<b>Total</b>	<b>\$ 10,213,638</b>

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

*Credit Risk.* As of December 31, 2019, the Facility's pension and OPEB investments in debt securities (i.e. fixed income mutual funds) were rated by Standard & Poor's as follows:

AAA	\$	925,557
AA		98,789
A		277,156
BBB		389,946
BB		132,436
B		96,817
Below B		47,391
Not rated		877,051
		<u>877,051</u>
	\$	<u>2,845,143</u>

*Interest Rate Risk.* As of December 31, 2019, the effective average maturity of the Facility's investments in pension bond mutual funds was 8.26 years.

*Foreign Currency Risk.* Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of December 31, 2019, the Facility's pension and OPEB plans had \$1,704,192 of international equity mutual funds which were exposed to foreign currency risk.

*Fair Value Measurements.* The Facility categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The Facility had the following recurring fair value measurements as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
<b>Investments at fair value</b>				
Money markets	\$ 367,743	\$ -	\$ -	\$ 367,743
Equity mutual funds	5,843,703	-	-	5,843,703
Bond mutual funds	2,845,143	-	-	2,845,143
Commodities	-	484,935	-	484,935
Real estate	-	-	183,371	183,371
General investment account	-	-	331,656	331,656
MERS total market portfolio	157,087	-	-	157,087
	<u>9,213,676</u>	<u>484,935</u>	<u>515,027</u>	<u>10,213,638</u>
<b>Total investments at fair value</b>	<b>\$ 9,213,676</b>	<b>\$ 484,935</b>	<b>\$ 515,027</b>	<b>\$ 10,213,638</b>

Th investments classified as Level 2 inputs, as noted in the table above, are valued using significant other observable inputs of the underlying securities and bonds as they are traded only in secondary markets. The investments classified as Level 3 inputs, as noted in the table above, are valued using significant unobservable inputs. The fair value of the real estate investments is determined based on independent appraisals, and the fair value of the general investment account is determined based on the liquidation value from an actuarial formula.

The MERS total market portfolio is valued using quoted prices in active markets for identical assets (Level 1 inputs).

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### 6. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Taxes (current)	\$ 1,077,459	\$ 602,548
Taxes (delinquent)	-	3,441,224
Accounts, net	699,795	1,555,887
Due from other governments	1,153,191	612,102
	<u>\$ 2,930,445</u>	<u>\$ 6,211,761</u>
Amount not expected to be collected within one year	<u>\$ -</u>	<u>\$ 1,032,367</u>

Of the amounts reported for receivables above, the delinquent taxes receivable is due and payable at year-end, and therefore classified as a current asset; however, the County has estimated that \$1,032,367 is not expected to be collected within one year.

The accounts receivable in the governmental activities include amounts billed to inmates and juveniles for cost related to time spent in the jail and juvenile detention facility. While these billings are considered to be highly uncollectible, the County maintains allowances of \$16,279,375 and \$1,892,079, respectively, as an estimate of uncollectible receivables.

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts and contracts payable	\$ 999,191	\$ 655,315
Accrued wages and benefits	1,514,579	497,563
Accrued liabilities	185,266	10,638
Other liabilities	21,100	-
Accrued interest on long-term debt	108,855	14,627
	<u>\$ 2,828,991</u>	<u>\$ 1,178,143</u>

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### 8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

As of December 31, 2019, nonmajor governmental funds with negative balances in the County's pooled cash accounts reported interfund payables of \$171,828, which are equal to the interfund receivable of \$171,828 reported in the general fund.

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

	Transfers Out			Totals
	General	Nonmajor Governmental Funds	Building Authority	
<b>Transfers In</b>				
General	\$ -	\$ 320,000	\$ -	\$ 320,000
General capital projects	565,750	-	-	565,750
Nonmajor governmental funds	3,953,874	-	-	3,953,874
Delinquent tax revolving	-	-	45,519	45,519
Airport	43,000	-	-	43,000
	<u>\$ 4,562,624</u>	<u>\$ 320,000</u>	<u>\$ 45,519</u>	<u>\$ 4,928,143</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; and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Timing differences, if any, are a result of certain funds having a fiscal year-end that is different from the County's year-end.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### 9. CAPITAL ASSETS

#### Primary government

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

	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 2,541,780	\$ -	\$ -	\$ -	\$ 2,541,780
Construction in progress	9,228,622	504,856	-	(2,531,002)	7,202,476
	<u>11,770,402</u>	<u>504,856</u>	<u>-</u>	<u>(2,531,002)</u>	<u>9,744,256</u>
Capital assets, being depreciated:					
Buildings and improvements	26,664,886	5,488,768	-	2,531,002	34,684,656
Equipment and furniture	6,557,930	411,717	-	-	6,969,647
Vehicles	1,876,855	135,434	(24,838)	-	1,987,451
	<u>35,099,671</u>	<u>6,035,919</u>	<u>(24,838)</u>	<u>2,531,002</u>	<u>43,641,754</u>
Less accumulated depreciation for:					
Buildings and improvements	(11,935,833)	(532,749)	-	-	(12,468,582)
Equipment and furniture	(5,593,203)	(396,559)	-	-	(5,989,762)
Vehicles	(1,556,135)	(159,295)	24,838	-	(1,690,592)
	<u>(19,085,171)</u>	<u>(1,088,603)</u>	<u>24,838</u>	<u>-</u>	<u>(20,148,936)</u>
Total capital assets being depreciated, net	<u>16,014,500</u>	<u>4,947,316</u>	<u>-</u>	<u>2,531,002</u>	<u>23,492,818</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 27,784,902</u>	<u>\$ 5,452,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,237,074</u>

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
<b>Business-type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 5,627,873	\$ -	\$ -	\$ -	\$ 5,627,873
Avigation easements	4,663,206	-	-	-	4,663,206
Construction in progress	-	64,400	-	-	64,400
	<u>10,291,079</u>	<u>64,400</u>	<u>-</u>	<u>-</u>	<u>10,355,479</u>
Capital assets, being depreciated:					
Land improvements	6,724,793	5,865	-	-	6,730,658
Buildings and improvements	28,546,446	697,783	(5,089)	-	29,239,140
Equipment and furniture	1,606,941	60,939	(21,643)	-	1,646,237
Vehicles	334,739	-	-	-	334,739
	<u>37,212,919</u>	<u>764,587</u>	<u>(26,732)</u>	<u>-</u>	<u>37,950,774</u>
Less accumulated depreciation for:					
Land improvements	(3,192,906)	(224,475)	-	-	(3,417,381)
Buildings and improvements	(15,083,546)	(885,705)	5,089	-	(15,964,162)
Equipment and furniture	(1,358,033)	(91,857)	21,643	-	(1,428,247)
Vehicles	(277,955)	(6,141)	-	-	(284,096)
	<u>(19,912,440)</u>	<u>(1,208,178)</u>	<u>26,732</u>	<u>-</u>	<u>(21,093,886)</u>
Total capital assets being depreciated, net	<u>17,300,479</u>	<u>(443,591)</u>	<u>-</u>	<u>-</u>	<u>16,856,888</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 27,591,558</u>	<u>\$ (379,191)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,212,367</u>

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

### Depreciation of governmental activities by function

General government	\$ 540,329
Judicial	91,808
Public safety	339,799
Health and welfare	97,883
Community enrichment and development	18,784
	<u>\$ 1,088,603</u>

### Depreciation of business-type activities by function

Building Authority	\$ 284,516
Medical Care Facility	652,563
Airport	271,099
	<u>\$ 1,208,178</u>

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### 10. LONG-TERM DEBT

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
G.O. Bonds of \$2,000,000 due in varying annual installments of \$100,000 to \$275,000 at interest rates of 1.6% to 3.0% through 2023	\$ 1,250,000	\$ -	\$ (200,000)	\$ 1,050,000	\$ 250,000
G.O. Bonds of \$8,810,000 due in varying annual installments of \$300,000 to \$635,000 at interest rates of 3.0% to 5.0% through 2038	8,810,000	-	-	8,810,000	300,000
Lease purchase agreement of \$282,880 due in annual installments of \$47,147 at an interest rate of 0% through 2020	94,302	-	(47,157)	47,145	47,145
Lease purchase agreement of \$3,415,369 due in varying annual installments of \$143,849 to \$391,110 at an interest rate of 3.54% through 2019	200,758	-	(200,758)	-	-
Lease purchase agreement of \$6,575,713 due in varying annual installments of \$558,179 to \$819,038 at an interest rate of 3.34% through 2027	6,010,637	6,897	(576,822)	5,440,712	596,088
<b>Total installment debt</b>	<b>16,365,697</b>	<b>6,897</b>	<b>(1,024,737)</b>	<b>15,347,857</b>	<b>1,193,233</b>
Bond premium	519,220	-	(35,353)	483,867	35,353
Compensated absences	974,157	1,648,071	(1,670,426)	951,802	951,802
<b>Total governmental activities</b>	<b>\$ 17,859,074</b>	<b>\$ 1,654,968</b>	<b>\$ (2,730,516)</b>	<b>\$ 16,783,526</b>	<b>\$ 2,180,388</b>

For governmental activities, compensated absences and net pension liability are generally liquidated by the general fund.



# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Business-type Activities</b>					
G.O. Refunding Bonds of \$3,160,000, due in varying installments of \$205,000 to \$325,000 plus an interest rate of 3.00%, through 2030	\$ 3,160,000	\$ -	\$ (205,000)	\$ 2,955,000	\$ 215,000
Bond premium	56,968	-	(4,747)	52,221	4,747
Compensated absences	447,705	327,926	(293,741)	481,890	481,890
<b>Total business-type activities</b>	<b>\$ 3,664,673</b>	<b>\$ 327,926</b>	<b>\$ (503,488)</b>	<b>\$ 3,489,111</b>	<b>\$ 701,637</b>

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

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 550,000	\$ 376,982	\$ 215,000	\$ 85,425
2021	565,000	354,107	220,000	78,900
2022	605,000	330,107	235,000	72,075
2023	620,000	304,982	240,000	64,950
2024	365,000	283,107	255,000	57,525
2025-2029	2,130,000	1,114,160	1,465,000	162,675
2030-2034	2,605,000	638,326	325,000	4,875
2035-2038	2,420,000	172,543	-	-
	<b>\$ 9,860,000</b>	<b>\$ 3,574,314</b>	<b>\$ 2,955,000</b>	<b>\$ 526,425</b>

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

**Lease Purchase Agreements.** The County has entered into two lease agreements for financing the purchase of a phone system upgrade for \$282,880 and Motorola radio equipment for \$6,575,713. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. Total accumulated depreciation on these leased assets at year end was \$154,910.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, are as follows:

Year Ended December 31,	Amount
2020	\$ 822,424
2021	775,279
2022	775,278
2023	775,279
2024	775,278
2025-2027	2,401,550
	<u>6,325,088</u>
Less amount representing interest	<u>(837,231)</u>
	<u>\$ 5,487,857</u>

**Contingent Obligations.** The County of Lenawee is contingently liable for long-term bonds of various municipal sewage and drainage districts at December 31, 2019, in the amount of \$2,173,561. The primary obligation for the bond principal and interest payments lies with the local unit. However, the County (as an agent) is obligated to pay the debt if there are not sufficient funds on hand from the fixed debt retirement payments of the municipality.

## 11. RISK MANAGEMENT

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. On risks which 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.

*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.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from the governmental activities using premiums paid into it by other funds of the government. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self insured retention limits along with certain other member specific costs. Accordingly, the County records an asset for its portion of the unexpended member retention fund. At December 31, 2019, the balance of the County's member retention fund was \$230,626.

	2019	2018
<b>General liability</b>		
Estimated liability, beginning of year	\$ 211,626	\$ 233,337
Estimated claims incurred, including changes in estimates	2,858	83,027
Claim payments	<u>(29,218)</u>	<u>(104,738)</u>
<b>Estimated liability, end of year</b>	<u><u>\$ 185,266</u></u>	<u><u>\$ 211,626</u></u>

## 12. CONTINGENCIES

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County and its Corporate Counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grantor agencies are subject to audit and 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.

## 13. PROPERTY TAXES

County General Fund property taxes are levied on July 1 of each year (the lien date) and are due in full by September 14, though they do not become delinquent until March 1 of the following year. For levies other than the General Fund, the lien date is December 1.

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 percent of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold.

The taxable value of real and personal property for 2019, for which revenue was recognized in the General Fund, was \$3,512,510,612. The general operating tax rate for this levy was 5.4000 mills. The taxable value of real and personal property for 2018, for which revenue was recognized in all other funds, was \$3,314,626,922. The tax rates for these levies were 0.7320 mills for the Department on Aging operations and 0.1896 for the medical care facility.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### 14. TAX ABATEMENTS

The County received reduced property tax revenues during 2019 as a result of brownfield redevelopment agreements and Industrial Facilities Tax exemptions (IFT's) entered into by cities, villages, townships, and authorities within the County.

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Under this act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The abatements amounted to \$4,230 in reduced County tax revenues for 2019.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements amounted to \$87,365 in reduced County tax revenues for 2019.

### 15. BENEFIT PLANS

#### *Lenawee County Employees' Retirement Income Plan*

*Plan Description.* The County contributes to the Lenawee County Board of Commissioners Employees' Retirement Income Plan ("Plan"), a single-employer defined benefit plan provided through a private insurance company that acts as an investment and administrative agent for the County. The financial statements are included in the financial statements of Lenawee County as a pension trust fund. Employer and employee contributions and benefit provisions are authorized and may be amended by County Board resolution and benefits may vary pursuant to collective bargaining agreements.

*Benefits Provided.* The County provides this Plan for all employees who regularly work at least 1,000 hours in a calendar year. The Plan is a defined benefit plan which pays upon retirement a benefit range (depending on Group) calculated at 1.0 to 2.5% of average monthly earnings times years of service, times final average compensation. For most employee groups, full retirement benefits are available when an employee reaches the "rule of 85" (age plus years of service) or age 62 with eight (8) years continuous service. Reduced retirement benefits are also available as early as age 55 with ten (10) years continuous service. Retirement plan benefits may vary pursuant to employee group provisions and/or collective bargaining agreements.

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

Inactive employees or beneficiaries currently receiving benefits	345
Inactive employees entitled to but not yet receiving benefits	55
Active employees	<u>150</u>
Total membership	<u><u>550</u></u>

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

*Funding Policy.* The contribution requirements of Plan members are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and Plan provisions. After meeting eligibility requirements, active Plan members are required to contribute to the Plan based on their bargaining unit or management group contribution rate. Member rates are 10.0% of total annual compensation. The County is required to contribute at actuarially determined rates expressed as a percentage of covered payroll. The County's contribution rate for the year ended December 31, 2019 was 26.5% of covered payroll.

*Contributions.* The annual required contribution for the current year was determined as part of a December 31, 2018 actuarial valuation using the entry age normal contribution method. The actuarial assumptions included 7.00% investment rate of return on investments, compounded annually, and projected salary increases of 3% per year compounded annually, including inflation at 2% per year. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two-year period. The unfunded, actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over a 20 year period, as of December 31, 2019.

*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 December 31, 2018 and rolled forward to December 31, 2019.

*Actuarial Assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0%
Salary increases	3.0%
Investment rate of return	7.00%, net of investment expense and including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.0% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 fully generational projected with scale MP-2019.

*Changes in Assumptions.* Assumption changes for the current year includes a change in the mortality tables.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

*Long-term Expected Rate of Return.* The long-term expected rate of return assumption was determined by the Plan Sponsor based on a "building block method" analysis. Under the building block method expected future inflation and risk-free rates are determined. Then for each major asset class (equity and fixed) an expected future risk premium is determined. These rates are combined to determine an expected nominal rate of return for each asset class. Based on the target asset allocation percentage of each class as determined by the portfolio mix and investment policy statement the rates are weighted to determine a total rate of return.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Large cap equity	25.00%	6.79%	1.70%
Mid cap equity	10.20%	7.13%	0.73%
Small cap equity	3.40%	7.17%	0.24%
Real estate investment trusts	1.30%	6.20%	0.08%
International equity	17.00%	7.63%	1.30%
Emerging market equity	3.30%	8.85%	0.29%
Commodities	4.80%	5.16%	0.25%
Domestic bonds	26.20%	3.24%	0.85%
High yield bonds	1.80%	5.19%	0.09%
Treasury inflation-protected securities	1.70%	3.24%	0.06%
Cash equivalent	5.30%	2.75%	0.15%
	<u>100.00%</u>		5.74%
Inflation			2.00%
Risk adjustments			<u>-0.74%</u>
<b>Investment rate of return</b>			<u><u>7.00%</u></u>

*Discount Rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive participants. 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.

# LENAWEE 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 Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2018	\$ 89,832,934	\$ 64,055,686	\$ 25,777,248
Changes for the year:			
Service cost	340,918	-	340,918
Interest	6,125,900	-	6,125,900
Differences between expected and actual experience	39,959	-	39,959
Changes in assumptions	46,395	-	46,395
Employer contributions	-	1,604,006	(1,604,006)
Employee contributions	-	610,660	(610,660)
Net investment income	-	12,929,230	(12,929,230)
Benefit payments, including refunds of employee contributions	(5,321,979)	(5,321,979)	-
Administrative expense	-	(44,000)	44,000
Net changes	1,231,193	9,777,917	(8,546,724)
Balances at December 31, 2019	\$ 91,064,127	\$ 73,833,603	\$ 17,230,524

The net pension liability was allocated at December 31, 2019, as follows:

	Governmental Activities	Building Authority	Airport	Nonmajor Enterprise Funds	Total
Net pension liability	\$ 16,950,809	\$ 204,066	\$ 62,758	\$ 12,891	\$ 17,230,524

*Rate of Return.* For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 20.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*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 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	\$ 26,453,644	\$ 17,230,524	\$ 9,409,415

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

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

For the year ended December 31, 2019, the County recognized pension expense of \$2,930,666. The County reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 291,854	\$ -	\$ 291,854
Changes in assumptions	1,182,991	-	1,182,991
Net difference between projected and actual earnings on pension plan investments	-	2,180,178	(2,180,178)
<b>Total</b>	<b>\$ 1,474,845</b>	<b>\$ 2,180,178</b>	<b>\$ (705,333)</b>

The deferred outflows of resources related to pensions was allocated at December 31, 2019, as follows:

	Governmental Activities	Building Authority	Airport	Nonmajor Enterprise Funds	Total
Deferred outflows of resources	\$ 1,450,902	\$ 17,468	\$ 5,372	\$ 1,103	\$ 1,474,845

Amounts reported as pension-related deferred outflows/inflows of resources will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2020	\$ 139,010
2021	84,486
2022	765,025
2023	(1,693,854)
<b>Total</b>	<b>\$ (705,333)</b>

*Payable to the Pension Plan.* At year end, the County reported a payable of \$589,458 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.



# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### *Lenawee County Medical Care Facility - Defined Benefit - Salaried*

*Plan Description.* The Facility established a defined benefit pension plan (the "Plan") for salaried employees who were active participants in the County Board of Commissioners Retirement Income Plan immediately prior to January 1, 2008. During the establishment of the Plan, the Facility froze the Plan for new participants as of January 1, 2008. The Plan is a sole employer defined benefit pension plan administered through Mass Mutual Financial Group, which acts as an investment agent for the Facility. The County issues a publicly available financial report that includes financial statements and required supplemental information for the Plan. That report may be obtained by writing to the plan sponsor at the Lenawee County Board of Commissioners, 301 N. Main Street, Adrian, Michigan 49221.

*Method Used to Value Investments.* Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of applicable boards, with the assistance of a valuation service.

*Investment Policy.* The Plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's 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.

*Benefits Provided.* Salaried employees are required to contribute 4.5% of covered payroll to the Plan. The Facility is required to contribute to the Plan at an actuarially determined rate which is equal to normal cost plus a 20-year amortization of the unfunded actuarial accrued liability less the expected amount of employee contribution. The asset valuation method was an assigned value for general investment account assets by the insurance company issuing the assets and 50% recognition method on capital gains/losses. Normal retirement is age 65 with eight years of service. Early retirement is age 55 with 10 years of credited service.

Benefit allowances are computed based on the applicable criteria as detailed within the Plan. For salaried employees, normal retirement benefits are 2.5% of average monthly earnings times all years of benefit service and death and disability benefits are also provided if the employee meets the applicable criteria. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Further plan information and requirements are detailed in the plan documents and actuarial reports maintained at the Facility's administrative offices, Lenawee County Medical Care Facility, 200 Sand Creek Highway, Adrian, Michigan 49221.

*Contributions.* The contribution requirements of plan members and the Facility are established and may be amended by the County Board of Commissioners. Plan members are required to contribute 4.5% to the Plan, depending on their bargaining unit and hire date, with the Facility contributing additional amounts, as necessary, to provide assets sufficient to pay for member benefits. The Facility's required contribution for 2019 was \$60,373.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

*Employees Covered by Benefit Terms.* As of January 1, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	16
Active employees	<u>8</u>
<b>Total membership</b>	<b><u><u>46</u></u></b>

*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 annual actuarial valuation as of January 1, 2019.

*Actuarial Assumptions.* The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0%
Salary increases	4.0%, including inflation
Investment rate of return	6.5%, net of investment expense and including inflation

Mortality rates were based on the Pub-2010 Mortality Table (General) with Scale MP-2019.

*Changes in Assumptions.* Assumption changes for the current year include a change in the mortality tables.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

*Long-term Expected Rate of Return.* The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These real 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. For each asset class that is included in the pension plan's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Large cap value	12.50%	6.81%	0.85%
Large cap growth	12.50%	6.76%	0.85%
Mid cap core	10.20%	7.13%	0.73%
Small cap value	1.70%	7.19%	0.12%
Small cap growth	1.70%	7.15%	0.12%
Real estate investment trusts	1.30%	6.20%	0.08%
International equities	17.00%	7.63%	1.30%
Emerging market equity	3.30%	8.85%	0.29%
Commodities	4.80%	5.16%	0.25%
Domestic bonds	26.20%	3.24%	0.85%
High-yield bonds	1.80%	5.19%	0.09%
Treasury inflation-protected securities	1.70%	3.24%	0.06%
Cash equivalents	5.30%	2.75%	0.15%
	<u>100.00%</u>		5.73%
Inflation			2.00%
Risk adjustments			<u>-1.23%</u>
<b>Investment rate of return</b>			<u><u>6.50%</u></u>

*Discount Rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Facility contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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 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.

# LENAWEE 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 Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2018	\$ 7,887,210	\$ 6,441,193	\$ 1,446,017
Changes for the year:			
Service cost	49,264	-	49,264
Interest	503,460	-	503,460
Differences between expected and actual experience	(34,614)	-	(34,614)
Changes in assumptions	255,138	-	255,138
Employer contributions	-	60,373	(60,373)
Employee contributions	-	23,487	(23,487)
Net investment income	-	1,247,364	(1,247,364)
Benefit payments, including refunds of employee contributions	(370,799)	(370,799)	-
Net changes	<u>402,449</u>	<u>960,425</u>	<u>(557,976)</u>
Balances at December 31, 2019	<u>\$ 8,289,659</u>	<u>\$ 7,401,618</u>	<u>\$ 888,041</u>

*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 6.50%, as well as what the Facility's net pension liability would be if it were calculated using a discount rate that is 1% lower (5.50%) or 1% higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Facility's net pension liability (asset)	\$ 1,982,347	\$ 888,041	\$ (22,810)

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

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

For the year ended December 31, 2019, the Facility recognized pension expense of \$247,284. The Facility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 8,391	\$ (8,391)
Changes in assumptions	61,852	-	61,852
Net difference between projected and actual earnings on pension plan investments	-	305,298	(305,298)
<b>Total</b>	<u>\$ 61,852</u>	<u>\$ 313,689</u>	<u>\$ (251,837)</u>

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

Year Ended December 31,	Amount
2020	\$ (43,034)
2021	(54,820)
2022	13,621
2023	(167,604)
<b>Total</b>	<u>\$ (251,837)</u>

*Payable to the Pension Plan.* At December 31, 2019, the Facility did not have any outstanding contributions payable to the pension plan for the year then ended.

### *Lenawee County Medical Care Facility - Defined Benefit - Union*

*Plan Description.* The Facility established a defined benefit pension plan (the "Plan") for union employees who are active participants in the County Board of Commissioners Retirement Income Plan. The Plan is a sole employer defined benefit pension plan administered through Mass Mutual Financial Group, which acts as an investment agent for the Facility. The County issues a publicly available financial report that includes financial statements and required supplemental information for the Plan. That report may be obtained by writing to the plan sponsor at the Lenawee County Board of Commissioners, 301 N. Main Street, Adrian, Michigan 49221.

Management of the Plan is vested in the pension board, which consists of seven members - three elected by plan members, three appointed by the Facility, and the Facility treasurer, who serves as an ex-officio member.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

*Method Used to Value Investments.* Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of applicable boards, with the assistance of a valuation service.

*Investment Policy.* The Plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's 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.

*Benefits Provided.* Union employees are not required to make a contribution. The Facility is required to contribute to the Plan at an actuarially determined rate which is equal to normal cost plus a 20-year amortization of the unfunded actuarial accrued liability less the expected amount of employee contribution. The asset valuation method was an assigned value for general investment account assets by the insurance company issuing the assets and 50% recognition method on capital gains/losses. Normal retirement is age 65 with eight years of service. Early retirement is age 55 with 10 years of credited service.

Benefit allowances are computed based on the applicable criteria as detailed within the Plan. For union employees, normal retirement benefits are 1.0% of average monthly earnings times all years of benefit service, and death and disability benefits are also provided if the employee meets the applicable criteria. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Further plan information and requirements are detailed in the plan documents and actuarial reports maintained at the Facility's administrative offices, Lenawee County Medical Care Facility, 200 Sand Creek Highway, Adrian, Michigan 49221.

*Contributions.* The contribution requirements of plan members and the Facility are established and may be amended by the County Board of Commissioners. Plan members are not required to contribute to the Plan. The Facility's required contribution for 2019 was \$60,854.

*Employees Covered by Benefit Terms.* As of January 1, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	23
Inactive employees entitled to but not yet receiving benefits	47
Active employees	<u>115</u>
<b>Total membership</b>	<u><u>185</u></u>

*Net Pension Asset.* The Facility's net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an annual actuarial valuation as of January 1, 2019.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

*Actuarial Assumptions.* The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0%
Salary increases	4.0%, including inflation
Investment rate of return	6.5%, net of investment expense and including inflation

Mortality rates were based on the Pub-2010 Mortality Table (General) with Scale MP-2019.

*Changes in assumptions.* Assumption changes for the current year include a change in the mortality tables.

*Long-term Expected Rate of Return.* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These real 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. For each asset class that is included in the pension plan's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Large cap value	12.50%	6.81%	0.85%
Large cap growth	12.50%	6.76%	0.85%
Mid cap core	10.20%	7.13%	0.73%
Small cap value	1.70%	7.19%	0.12%
Small cap growth	1.70%	7.15%	0.12%
Real estate investment trusts	1.30%	6.20%	0.08%
International equities	17.00%	7.63%	1.30%
Emerging market equity	3.30%	8.85%	0.29%
Commodities	4.80%	5.16%	0.25%
Domestic bonds	26.20%	3.24%	0.85%
High-yield bonds	1.80%	5.19%	0.09%
Treasury inflation-protected securities	1.70%	3.24%	0.06%
Cash equivalents	5.30%	2.75%	0.15%
	100.00%		5.73%
Inflation			2.00%
Risk adjustments			-1.23%
Investment rate of return			6.50%

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

*Discount Rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Facility contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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 active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### *Changes in Net Pension Liability (Asset)*

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at December 31, 2018	\$ 2,435,276	\$ 2,225,706	\$ 209,570
Changes for the year:			
Service cost	91,758	-	91,758
Interest	161,822	-	161,822
Differences between expected and actual experience	(97,728)	-	(97,728)
Changes in assumptions	76,866	-	76,866
Employer contributions	-	60,854	(60,854)
Net investment income	-	443,300	(443,300)
Benefit payments, including refunds of employee contributions	(74,927)	(74,927)	-
Net changes	157,791	429,227	(271,436)
Balances at December 31, 2019	\$ 2,593,067	\$ 2,654,933	\$ (61,866)

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Facility's net pension liability (asset)	\$ 401,704	\$ (61,866)	\$ (424,479)



# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

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

For the year ended December 31, 2019, the Facility recognized pension expense of \$140,287. At December 31, 2019, the Facility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 89,415	\$ 209,045	\$ (119,630)
Changes in assumptions	255,987	3,806	252,181
Net difference between projected and actual earnings on pension plan investments	-	96,485	(96,485)
<b>Total</b>	<b>\$ 345,402</b>	<b>\$ 309,336</b>	<b>\$ 36,066</b>

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

Year Ended December 31,	Amount
2020	\$ (1,435)
2021	3,694
2022	28,266
2023	(37,420)
2024	20,642
Thereafter	22,319
<b>Total</b>	<b>\$ 36,066</b>

*Payable to the Pension Plan.* At December 31, 2019, the Facility did not have any outstanding contributions payable to the pension plan for the year then ended.

### *Road Commission Component Unit*

The Lenawee County Road Commission operates its own defined benefit pension trust fund and defined contribution plan. Detailed information on these plans, including all required footnote disclosures, is available in the separately issued Road Commission financial statements.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### 16. DEFINED CONTRIBUTION PLAN

#### *Lenawee County - Defined Contribution Plan*

Effective April 1, 2001, the County began to provide and administer pension benefits for certain new full-time employees through a defined contribution plan, called the Lenawee County Board of Commissioners Defined Contribution Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate on the date of employment. The plan requires the County to contribute, on behalf of each covered employee, 5.0% of the employees' compensation. Plan provisions and contribution requirements are established and may be amended by the Board of County Commissioners.

Participants are required to contribute 5.0% of compensation to this plan.

The County made the required contribution to the plan, amounting to \$633,358 and employee contributions were \$633,358 for the year ended December 31, 2019.

### 17. OTHER POSTEMPLOYMENT BENEFITS

#### *Lenawee County Medical Care Facility*

*Plan Description.* The Facility will provide certain retiree healthcare benefits as other postemployment benefits (OPEB) to certain employees upon retirement in accordance with the applicable contracts. In accordance with the contracts, upon retirement, certain employees will be eligible for health insurance benefits, including dental, vision, and prescription drug coverage with 100% of the premium paid by the Facility. The Facility's policy is to accrue these benefits until they become due. In 2019, the Facility adopted the MERS Retiree Health Funding Vehicle (RHFV) as the trust fund for the plan. All assets placed in the MERS RHFV will be administered by MERS, which acts as an investment fiduciary. Stand-alone financial statements are not issued for the OPEB plan.

*Benefits Provided.* The Facility provides postemployment health, dental, vision and prescription benefits, as per the requirements of the administrator contract.

*Plan Membership.* Membership of the plan consisted of the following at December 31, 2019:

Inactive plan members receiving or entitled to future benefits	1
Active plan members	<u>1</u>
<b>Total</b>	<b><u><u>2</u></u></b>

*Contributions.* The plan currently keeps an investment balance of 40% of net position in a trust. Administrative costs of the plan are paid for by the Facility. Plan participants are not required to contribute to the plan. For the year ended December 31, 2019, the Facility made \$168,131 in contributions. The contribution requirements of Plan members and the Facility are established and may be amended by the County Board.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### *Investments*

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

*Concentrations.* At December 31, 2019, the OPEB Plan's investments were fully invested in the MERS Retiree Health Funding Vehicle. Within this account, the OPEB Plan's account balance at December 31, 2019 was comprised of 100% total market portfolio funds.

*Rate of Return.* For the year ended December 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 13.51%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Actuarial Assumptions.* The net OPEB liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

*Inflation* – 3.00% – Implicit in expected payroll increases

*Salary increases* – 3.00%

*Investment rate of return* – 7.75%

*Healthcare cost trend rates* – 8.50% and gradually decreasing to an ultimate trend rate of 4.50%.

*Retirement age for active employees* – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 65.

*Mortality* – Life expectancies were based on mortality tables from the National Vital Statistics Report. The 2015 United States Life Tables for Males and for Females were used.

*Health insurance premiums* – 2019 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

*Probability of accepting benefits* – Based on the historical participation rate, a probability rate of accepting benefits of 100% was utilized.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

*Long-term Expected Rate of Return.* The long-term expected rate of return on the OPEB 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 Plan investments are being held in the MERS Retiree Health Funding Vehicle (the "Fund"), and the Facility does not have direct control over the asset allocation of that Fund. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	55.50%	8.65%	4.80%
Global fixed income	18.50%	3.76%	0.70%
Private assets	26.00%	8.65%	2.25%
	<u>100.00%</u>		
<b>Investment rate of return</b>			<u><u>7.75%</u></u>

*Discount Rate.* The discount rate used to measure the total OPEB liability was 4.6%. The long-term expected rate of return for the OPEB trust was 7.75%. Projected benefits were discounted at a discount rate reflecting a 20-year 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.

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2018	\$ 365,250	\$ -	\$ 365,250
Changes for the year:			
Service cost	11,873	-	11,873
Interest	19,095	-	19,095
Differences between expected and actual experience	60,422	-	60,422
Employer contributions	-	168,131	(168,131)
Net investment income	-	11,178	(11,178)
Benefit payments	(22,031)	(22,031)	-
Administrative expense	-	(191)	191
Net changes	<u>69,359</u>	<u>157,087</u>	<u>(87,728)</u>
Balances at December 31, 2019	<u>\$ 434,609</u>	<u>\$ 157,087</u>	<u>\$ 277,522</u>

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability of the Facility, calculated using the discount rate of 4.60%, as well as what the Facility's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.60%) or 1% higher (5.60%) than the current rate:

1% Decrease (3.60%)	Current Discount Rate (4.60%)	1% Increase (5.60%)
\$ 336,152	\$ 277,522	\$ 227,922

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption.* The following presents the net OPEB liability of the Facility, as well as what the Facility's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.50% decreasing to 3.50%) or 1% higher (9.50% decreasing to 5.50%) than the current healthcare cost trend rates:

1% Decrease (7.50% decreasing to 3.50%)	Healthcare Cost Trend Rates (8.50% Decreasing to 4.50%)	1% Increase (9.50% decreasing to 5.50%)
\$ 228,300	\$ 277,522	\$ 334,493

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* For the year ended December 31, 2019, the Facility recognized OPEB expense of \$40,953. The Facility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of
Difference between expected and actual experience	\$ 45,316	\$ -	\$ 45,316
Net difference between projected and actual earnings on OPEB plan investments	-	5,866	(5,866)
<b>Total</b>	<b>\$ 45,316</b>	<b>\$ 5,866</b>	<b>\$ 39,450</b>

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

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

Year Ended December 31,	Amount
2020	\$ 13,150
2021	13,150
2022	<u>13,150</u>
Total	<u>\$ 39,450</u>

*Payable to the OPEB Plan.* At December 31, 2019, the Facility had no amounts payable for contributions to the OPEB plan.

### *Road Commission*

The Road Commission contributes to the Postemployment Healthcare Plan for Employees of the Board of County Road Commissioners ("Plan"). Disclosures for the Plan are included in the separately issued report of the Road Commission.

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### 18. COMBINING FINANCIAL INFORMATION - PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS

#### Statements of Fiduciary Net Position

	County Employees' Retirement Income Plan	Medical Care Facility Salaried Employees' Retirement System	Medical Care Facility Union Employees' Retirement System	Medical Care Facility Retirement Health Savings Plan	Total
<b>Assets</b>					
Investments:					
Money markets	\$ 2,751,756	\$ 268,235	\$ 99,508	\$ -	\$ 3,119,499
Equity mutual funds	43,782,143	4,262,739	1,580,964	-	49,625,846
Bond mutual funds	21,312,077	2,075,066	770,077	-	24,157,220
Commodities	3,631,866	353,743	131,192	-	4,116,801
Real estate	1,373,277	133,722	49,649	-	1,556,648
General investment account	982,484	308,113	23,543	-	1,314,140
MERS total market portfolio	-	-	-	157,087	157,087
<b>Total assets</b>	<b>73,833,603</b>	<b>7,401,618</b>	<b>2,654,933</b>	<b>157,087</b>	<b>84,047,241</b>
<b>Net position</b>					
Restricted for:					
Pension benefits	73,833,603	7,401,618	2,654,933	-	83,890,154
Other postemployment benefits	-	-	-	157,087	157,087
<b>Total net position</b>	<b>\$ 73,833,603</b>	<b>\$ 7,401,618</b>	<b>\$ 2,654,933</b>	<b>\$ 157,087</b>	<b>\$ 84,047,241</b>

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### Statements of Changes in Fiduciary Net Position

	County Employees' Retirement Income Plan	Medical Care Facility Salaried Employees' Retirement System	Medical Care Facility Union Employees' Retirement System	Medical Care Facility Retirement Health Savings Plan	Total
<b>Additions</b>					
Net investment income	\$ 12,929,230	\$ 1,247,364	\$ 443,300	\$ 11,178	\$ 14,631,072
Contributions:					
Employer	1,604,006	60,373	60,854	168,131	1,893,364
Plan members	610,660	23,487	-	-	634,147
Total contributions	2,214,666	83,860	60,854	168,131	2,527,511
<b>Total additions</b>	<b>15,143,896</b>	<b>1,331,224</b>	<b>504,154</b>	<b>179,309</b>	<b>17,158,583</b>
<b>Deductions</b>					
Participant benefits	5,321,979	370,799	74,927	22,031	5,789,736
Administrative expenses	44,000	-	-	191	44,191
<b>Total deductions</b>	<b>5,365,979</b>	<b>370,799</b>	<b>74,927</b>	<b>22,222</b>	<b>5,833,927</b>
<b>Change in net position</b>	<b>9,777,917</b>	<b>960,425</b>	<b>429,227</b>	<b>157,087</b>	<b>11,324,656</b>
Net position, beginning of year	64,055,686	6,441,193	2,225,706	-	72,722,585
<b>Net position, end of year</b>	<b>\$ 73,833,603</b>	<b>\$ 7,401,618</b>	<b>\$ 2,654,933</b>	<b>\$ 157,087</b>	<b>\$ 84,047,241</b>



# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### 19. LEASES

The Building Authority enterprise fund leases space in the Human Services Building to various departments of the County and other governmental agencies. The cost of leased assets was \$12,465,237 and related accumulated depreciation at December 31, 2019 was \$5,699,609. Future lease revenues on this space are as follows:

Year Ended December 31,	Amount
2020	\$ 603,393
2021	603,393
2022	311,301
2023	278,143
2024	278,143
2025-2029	711,378
2030-2031	<u>129,741</u>
<b>Total</b>	<b><u>\$ 2,915,492</u></b>

### 20. NET INVESTMENT IN CAPITAL ASSETS

As of December 31, 2019, net investment in capital assets, was comprised of the following:

	Governmental activities	Business-type activities
Invested in capital assets:		
Capital assets not being depreciated	\$ 9,744,256	\$ 10,355,479
Capital assets being depreciated, net	23,492,818	16,856,888
Less related debt:		
Bonds payable and lease purchase agreements	(15,347,857)	(2,955,000)
Bond premium	(483,867)	(52,221)
Unspent proceeds	457,744	-
<b>Total net investment in capital assets</b>	<b><u>\$ 17,863,094</u></b>	<b><u>\$ 24,205,146</u></b>

# LENAWEE COUNTY, MICHIGAN

## Notes to Financial Statements

### 21. FUND BALANCE

Fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, is as follows:

	General fund	401 General Capital Projects	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>				
Prepays	\$ 1,363,565	\$ -	\$ -	\$ 1,363,565
Advance to component unit	225,000	-	-	225,000
<b>Total nonspendable</b>	<b>1,588,565</b>	<b>-</b>	<b>-</b>	<b>1,588,565</b>
<b>Restricted:</b>				
General government	-	449,405	414,632	864,037
Judicial	-	-	202,060	202,060
Public safety	-	-	2,701,130	2,701,130
Health and welfare	-	-	3,728,051	3,728,051
Community enrichment and development	-	-	130,072	130,072
<b>Total restricted</b>	<b>-</b>	<b>449,405</b>	<b>7,175,945</b>	<b>7,625,350</b>
<b>Committed:</b>				
General government	-	699,270	100	699,370
Judicial	-	-	395,187	395,187
Public safety	-	-	139,856	139,856
Health and welfare	-	-	3,067,568	3,067,568
Community enrichment and development	-	-	103,982	103,982
Debt service	-	-	67,723	67,723
<b>Total committed</b>	<b>-</b>	<b>699,270</b>	<b>3,774,416</b>	<b>4,473,686</b>
<b>Assigned -</b>				
Subsequent years expenditures	300,000	-	-	300,000
<b>Unassigned (deficit)</b>	<b>6,994,886</b>	<b>-</b>	<b>(5,028)</b>	<b>6,989,858</b>
<b>Total fund balances, governmental funds</b>	<b>\$ 8,883,451</b>	<b>\$ 1,148,675</b>	<b>\$ 10,945,333</b>	<b>\$ 20,977,459</b>

# LENAWEE COUNTY, MICHIGAN

## ■ Notes to Financial Statements

### 22. SUBSEQUENT EVENT

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

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## REQUIRED SUPPLEMENTARY INFORMATION

# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

### Retirement Income Plan

#### Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31,				
	2015	2016	2017	2018	2019
<b>Total pension liability</b>					
Service cost	\$ 431,494	\$ 395,417	\$ 313,832	\$ 345,134	\$ 340,918
Interest	6,144,592	6,292,646	6,118,286	6,086,555	6,125,900
Differences between expected and actual experience	-	(1,217,364)	29,362	433,145	39,959
Changes of assumptions	-	(1,297,032)	3,510,271	1,909,791	46,395
Benefit payments, including refunds of employee contributions	(4,625,758)	(4,706,055)	(4,894,340)	(5,098,068)	(5,321,979)
<b>Net change in total pension liability</b>	<b>1,950,328</b>	<b>(532,388)</b>	<b>5,077,411</b>	<b>3,676,557</b>	<b>1,231,193</b>
Total pension liability, beginning of year	79,661,026	81,611,354	81,078,966	86,156,377	89,832,934
<b>Total pension liability, end of year</b>	<b>81,611,354</b>	<b>81,078,966</b>	<b>86,156,377</b>	<b>89,832,934</b>	<b>91,064,127</b>
<b>Plan fiduciary net position</b>					
Employer contributions	1,375,047	1,380,729	1,496,769	1,566,547	1,604,006
Employee contributions	746,305	697,243	674,926	644,660	610,660
Net investment income (loss)	(1,075,668)	4,699,879	8,433,660	(4,849,554)	12,929,230
Benefit payments, including refunds of employee contributions	(4,625,758)	(4,706,055)	(4,894,340)	(5,098,068)	(5,321,979)
Administrative expense	(44,450)	(5,302)	(44,000)	(44,900)	(44,000)
<b>Net change in plan fiduciary net position</b>	<b>(3,624,524)</b>	<b>2,066,494</b>	<b>5,667,015</b>	<b>(7,781,315)</b>	<b>9,777,917</b>
Plan fiduciary net position, beginning of year	67,728,016	64,103,492	66,169,986	71,837,001	64,055,686
<b>Plan fiduciary net position, end of year</b>	<b>64,103,492</b>	<b>66,169,986</b>	<b>71,837,001</b>	<b>64,055,686</b>	<b>73,833,603</b>
<b>County's net pension liability</b>	<b>\$ 17,507,862</b>	<b>\$ 14,908,980</b>	<b>\$ 14,319,376</b>	<b>\$ 25,777,248</b>	<b>\$ 17,230,524</b>
Plan fiduciary net position as a percentage of total pension liability	78.5%	81.6%	83.4%	71.3%	81.1%
Covered payroll	\$ 7,015,567	\$ 6,880,414	\$ 6,659,268	\$ 6,431,542	\$ 6,053,388
County's net pension liability as a percentage of covered payroll	249.6%	216.7%	215.0%	400.8%	284.6%

#### Notes:

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 include a decrease in the expected salary increases, decrease in expected return on investments and a change in the mortality tables.

Assumption changes for 2017 include a decrease in expected return on investments and a change in the mortality tables.

Assumption changes for 2018 include a decrease in expected return on investments and a change in the mortality tables.

Assumption changes for 2019 include a change in the mortality tables.

# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

Medical Care Facility - Salaried

### Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31,				
	2015	2016	2017	2018	2019
<b>Total pension liability</b>					
Service cost	\$ 65,233	\$ 82,030	\$ 83,650	\$ 55,632	\$ 49,264
Interest	465,819	482,407	475,185	495,464	503,460
Differences between expected and actual experience	16,056	(156,777)	148,693	(38,821)	(34,614)
Changes of assumptions	1,048,977	(200,876)	(133,735)	(20,792)	255,138
Benefit payments, including refunds of employee contributions	(283,801)	(288,788)	(353,709)	(342,330)	(370,799)
<b>Net change in total pension liability</b>	<b>1,312,284</b>	<b>(82,004)</b>	<b>220,084</b>	<b>149,153</b>	<b>402,449</b>
Total pension liability, beginning of year	6,287,693	7,599,977	7,517,973	7,738,057	7,887,210
<b>Total pension liability, end of year</b>	<b>7,599,977</b>	<b>7,517,973</b>	<b>7,738,057</b>	<b>7,887,210</b>	<b>8,289,659</b>
<b>Plan fiduciary net position</b>					
Employer contributions	89,806	116,292	167,521	652,392	60,373
Employee contributions	32,275	31,151	31,054	26,931	23,487
Net investment income (loss)	(60,719)	462,867	754,840	(467,972)	1,247,364
Benefit payments, including refunds of employee contributions	(283,801)	(288,788)	(353,709)	(342,330)	(370,799)
Other	115,943	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>(106,496)</b>	<b>321,522</b>	<b>599,706</b>	<b>(130,979)</b>	<b>960,425</b>
Plan fiduciary net position, beginning of year	5,757,440	5,650,944	5,972,466	6,572,172	6,441,193
<b>Plan fiduciary net position, end of year</b>	<b>5,650,944</b>	<b>5,972,466</b>	<b>6,572,172</b>	<b>6,441,193</b>	<b>7,401,618</b>
<b>Facility's net pension liability</b>	<b>\$ 1,949,033</b>	<b>\$ 1,545,507</b>	<b>\$ 1,165,885</b>	<b>\$ 1,446,017</b>	<b>\$ 888,041</b>
Plan fiduciary net position as a percentage of total pension liability	74.4%	79.4%	84.9%	81.7%	89.3%
Covered payroll	\$ 735,397	\$ 658,051	\$ 676,434	\$ 616,617	\$ 588,141
Facility's net pension liability as a percentage of covered payroll	265.0%	234.9%	172.4%	234.5%	151.0%

#### Notes:

The amounts presented for each fiscal year were determined as of December 31 of the current 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 2015 include a change in the mortality tables.

Assumption changes for 2016 include a change in the mortality tables.

Assumption changes for 2017 include a decrease in expected return on investments and a change in the mortality tables.

Assumption changes for 2018 include a change in the mortality tables.

Assumption changes for 2019 include a change in the mortality tables.

# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

Medical Care Facility - Union

### Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

	Year Ended December 31,				
	2015	2016	2017	2018	2019
<b>Total pension liability</b>					
Service cost	\$ 88,548	\$ 82,613	\$ 83,054	\$ 101,615	\$ 91,758
Interest	118,402	141,637	147,249	149,942	161,822
Differences between expected and actual experience	143,270	(77,690)	(143,962)	12,883	(97,728)
Changes of assumptions	-	110,123	151,577	(5,456)	76,866
Benefit payments, including refunds of employee contributions	(33,497)	(35,452)	(48,683)	(57,786)	(74,927)
<b>Net change in total pension liability</b>	<b>316,723</b>	<b>221,231</b>	<b>189,235</b>	<b>201,198</b>	<b>157,791</b>
Total pension liability, beginning of year	1,506,889	1,823,612	2,044,843	2,234,078	2,435,276
<b>Total pension liability, end of year</b>	<b>1,823,612</b>	<b>2,044,843</b>	<b>2,234,078</b>	<b>2,435,276</b>	<b>2,593,067</b>
<b>Plan fiduciary net position</b>					
Employer contributions	71,347	72,504	76,295	71,240	60,854
Net investment income (loss)	(23,939)	159,347	269,961	(172,952)	443,300
Benefit payments, including refunds of employee contributions	(33,497)	(35,452)	(48,683)	(57,786)	(74,927)
Other	58,253	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>72,164</b>	<b>196,399</b>	<b>297,573</b>	<b>(159,498)</b>	<b>429,227</b>
Plan fiduciary net position, beginning of year	1,819,068	1,891,232	2,087,631	2,385,204	2,225,706
<b>Plan fiduciary net position, end of year</b>	<b>1,891,232</b>	<b>2,087,631</b>	<b>2,385,204</b>	<b>2,225,706</b>	<b>2,654,933</b>
<b>Facility's net pension liability (asset)</b>	<b>\$ (67,620)</b>	<b>\$ (42,788)</b>	<b>\$ (151,126)</b>	<b>\$ 209,570</b>	<b>\$ (61,866)</b>
Plan fiduciary net position as a percentage of total pension liability	103.7%	102.1%	106.8%	91.4%	102.4%
Covered payroll	\$ 2,782,254	\$ 2,646,830	\$ 2,389,219	\$ 2,539,624	\$ 2,514,778
Facility's net pension liability (asset) as a percentage of covered payroll	-2.4%	-1.6%	-6.3%	8.3%	-2.5%

#### Notes:

The amounts presented for each fiscal year were determined as of December 31 of the current 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 include a change in the mortality tables.

Assumption changes for 2017 include a decrease in expected return on investments and a change in the mortality tables.

Assumption changes for 2018 include a change in the mortality tables.

Assumption changes for 2019 include a change in the mortality tables.



# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

### County Employees' Retirement Income Plan Schedule of the Net Pension Liability

Fiscal Year Ended December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as Percentage of Covered Payroll
2015	\$ 81,611,354	\$ 64,103,492	\$ 17,507,862	78.5%	\$ 7,015,567	249.6%
2016	81,078,966	66,169,986	14,908,980	81.6%	6,880,414	216.7%
2017	86,156,377	71,837,001	14,319,376	83.4%	6,659,268	215.0%
2018	89,832,934	64,055,686	25,777,248	71.3%	6,431,542	400.8%
2019	91,064,127	73,833,603	17,230,524	81.1%	6,053,388	284.6%

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

### Medical Care Facility Schedule of the Net Pension Liability - Salaried

Fiscal Year Ended December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as Percentage of Covered Payroll
2015	\$ 7,599,977	\$ 5,650,944	\$ 1,949,033	74.4%	\$ 735,397	265.0%
2016	7,517,973	5,972,466	1,545,507	79.4%	658,051	234.9%
2017	7,738,057	6,572,172	1,165,885	84.9%	676,434	172.4%
2018	7,887,210	6,441,193	1,446,017	81.7%	616,617	234.5%
2019	8,289,659	7,401,618	888,041	89.3%	588,141	151.0%

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

### Medical Care Facility Schedule of the Net Pension Liability (Asset) - Union

Fiscal Year Ended December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability (Asset) as Percentage of Covered Payroll
2015	\$ 1,823,612	\$ 1,891,232	\$ (67,620)	103.7%	\$ 2,782,254	-2.4%
2016	2,044,843	2,087,631	(42,788)	102.1%	2,646,830	-1.6%
2017	2,234,078	2,385,204	(151,126)	106.8%	2,389,219	-6.3%
2018	2,435,276	2,225,706	209,570	91.4%	2,539,624	8.3%
2019	2,593,067	2,654,933	(61,866)	102.4%	2,514,778	-2.5%

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

# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

### County Employees' Retirement Income Plan Schedule of Investment Returns

Fiscal Year Ending December 31,	Annual Return <sup>(1)</sup>
2015	7.90%
2016	7.47%
2017	12.84%
2018	-6.81%
2019	20.56%

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

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

# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

### Medical Care Facility Schedule of Investment Returns - Salaried

Fiscal Year Ending December 31,	Annual Return <sup>(1)</sup>
2015	0.97%
2016	8.29%
2017	12.80%
2018	-7.18%
2019	19.51%

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

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

# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

### Medical Care Facility Schedule of Investment Returns - Union

Fiscal Year Ending December 31,	Annual Return <sup>(1)</sup>
2015	1.87%
2016	8.34%
2017	12.85%
2018	-7.24%
2019	19.90%

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

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

# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

### County Employees' Retirement Income Plan Schedule of Contributions

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2015	\$ 1,129,803	\$ 1,375,047	\$ (245,244)	\$ 7,015,567	19.6%
2016	1,359,575	1,380,729	(21,154)	6,880,414	20.1%
2017	1,281,247	1,496,769	(215,522)	6,659,268	22.5%
2018	1,500,548	1,566,547	(65,999)	6,431,542	24.4%
2019	1,499,529	1,604,006	(104,477)	6,053,388	26.5%

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

#### Notes to Schedule of Contributions

Notes Actuarially determined contribution rates are calculated as of December 31 in the year prior to the beginning of the fiscal year in which the contributions are reported.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age, percentage of pay.
Amortization method	Normal cost plus 20-year level amortization
Remaining amortization period	20 years
Asset valuation method	For assets held in the General Investment Account, the value is assigned by the Insurance Company. All other assets are valued at market value.
Inflation	2.0%
Salary increases	3.0%
Investment rate of return	7.00%, net of investment and administrative expenses
Retirement age	Plan Normal Retirement Age
Mortality	RP-2014 Fully Generational for annuitants and non-annuitants with MP-2018

# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

### Medical Care Facility Schedule of Contributions - Salaried

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2015	\$ 89,806	\$ 89,806	\$ -	\$ 735,397	12.2%
2016	116,292	116,292	-	658,051	17.7%
2017	152,392	167,521	(15,129)	676,434	24.8%
2018	115,152	652,392	(537,240)	616,617	105.8%
2019	60,373	60,373	-	588,141	10.3%

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

#### Notes to Schedule of Contributions

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

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	15 years
Asset valuation method	Assets in Separate Investment Accounts (SIAs) valued at market value. Assets in General Investment Account (GIA) valued at value reported by insurance company.
Inflation	2.0%
Salary increases	4.0%, including inflation
Investment rate of return	6.5%, net of investment and administrative expenses
Retirement age	65 and 8 years of service
Mortality	Pub-2010 Mortality Table (General) with Scale MP-2019

# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

### Medical Care Facility Schedule of Contributions - Union

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2015	\$ 71,347	\$ 71,347	\$ -	\$ 2,782,254	2.6%
2016	72,504	72,504	-	2,646,830	2.7%
2017	71,240	76,295	(5,055)	2,389,219	3.2%
2018	78,633	71,240	7,393	2,539,624	2.8%
2019	60,854	60,854	-	2,514,778	2.4%

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

#### Notes to Schedule of Contributions

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

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	16 years
Asset valuation method	Assets in Separate Investment Accounts (SIAs) valued at market value. Assets in General Investment Account (GIA) valued at value reported by insurance company.
Inflation	2.0%
Salary increases	4.0%, including inflation
Investment rate of return	6.5%, net of investment and administrative expenses
Retirement age	65 and 8 years of service
Mortality	Pub-2010 Mortality Table (General) with Scale MP-2019

# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

### Medical Care Facility Postemployment Healthcare Plan - Retiree Health

#### Schedule of Changes in Net OPEB Liability and Related Ratios

	Year Ended December 31,	
	2018	2019
<b>Total OPEB liability</b>		
Service cost	\$ 9,047	\$ 11,873
Interest on total OPEB liability	14,823	19,095
Differences between expected and actual experience	-	60,422
Benefit payments	-	(22,031)
<b>Net change in total OPEB liability</b>	<u>23,870</u>	<u>69,359</u>
Total OPEB liability, beginning of year	<u>341,380</u>	<u>365,250</u>
<b>Total OPEB liability, end of year</b>	<u>365,250</u>	<u>434,609</u>
<b>Plan fiduciary net position</b>		
Employer contributions	-	168,131
Net investment income	-	11,178
Benefit payments	-	(22,031)
Administrative expense	-	(191)
<b>Net change in plan fiduciary net position</b>	<u>-</u>	<u>157,087</u>
Plan fiduciary net position, beginning of year	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position, end of year</b>	<u>-</u>	<u>157,087</u>
<b>Facility's net OPEB liability</b>	<u>\$ 365,250</u>	<u>\$ 277,522</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.0%	36.1%
Covered payroll	\$ 115,690	\$ 120,230
Net OPEB liability as a percentage of covered payroll	315.71%	230.83%

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



# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

### Medical Care Facility Postemployment Healthcare Plan - Retiree Health

#### Schedule of Contributions

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2018	\$ 45,572	\$ -	\$ 45,572	\$ 115,690	0.00%
2019	81,254	168,131	(86,877)	120,230	139.84%

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

#### Notes to Schedule of Contributions

Valuation Date December 31, 2019

Methods and assumptions used to determine contribution rates for 2019:

Actuarial cost method	Entry-age normal
Amortization method	Level dollar, closed
Remaining amortization period	4 years
Asset valuation method	Market value
Inflation	3.00%
Salary increases	3.00%, including inflation
Investment rate of return	7.75%, net of OPEB plan investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Healthcare trend rates	8.50% trend for the first year, gradually decreasing to 4.50% in year 10

# LENAWEE COUNTY, MICHIGAN

## Required Supplementary Information

### Medical Care Facility Postemployment Healthcare Plan - Retiree Health

#### Schedule of Investment Returns

Fiscal Year Ending December 31,	Annual Return <sup>(1)</sup>
2018	0.00%
2019	13.51%

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

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

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

LENAWEE COUNTY, MICHIGAN

**Detail Schedule of Revenues, Expenditures and Changes in Fund Balance**

Budget and Actual - General Fund

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019			2018	
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Actual
<b>Revenues</b>					
Taxes:					
Current real property taxes	\$ 18,476,561	\$ 19,133,561	\$ 19,023,270	\$ (110,291)	\$ 17,912,743
Trailer tax	10,579	10,579	11,258	679	10,712
Administration fees	190,500	190,500	199,879	9,379	204,745
Total taxes	18,677,640	19,334,640	19,234,407	(100,233)	18,128,200
Licenses and permits:					
Dog licenses	105,000	105,000	104,394	(606)	113,588
Clerk	42,800	42,800	45,280	2,480	59,166
Total licenses and permits	147,800	147,800	149,674	1,874	172,754
Fines and forfeits:					
Local ordinances	440,000	440,000	347,739	(92,261)	400,099
Clerk & district court	400	400	617	217	436
Total fines and forfeits	440,400	440,400	348,356	(92,044)	400,535
Investment earnings	298,200	418,200	705,197	286,997	393,477
Rental revenue	29,735	29,735	29,735	-	29,735
Intergovernmental:					
State revenue sharing	2,075,000	2,075,000	2,097,301	22,301	2,078,311
Probate judge salary	139,919	139,919	149,220	9,301	96,636
Probate court - other	70,200	81,200	77,838	(3,362)	65,537
Probate juvenile officer salary	62,000	62,000	63,356	1,356	60,407
Probate court juvenile - other	6,000	6,000	3,482	(2,518)	4,488
District court	312,448	312,448	285,313	(27,135)	306,792
Friend of the court:					
Title IV-D CRP - federal	760,000	760,000	891,637	131,637	829,600
Incentive payments - federal	153,000	153,000	145,746	(7,254)	152,054
Other	100,000	100,000	94,780	(5,220)	102,804
Circuit Court Fund	73,500	73,500	72,666	(834)	84,010
Prosecuting Attorney:					
Title IV-D CRP - federal	189,721	189,721	138,912	(50,809)	133,627
Title IV-E CRP - federal	70,000	70,000	43,906	(26,094)	42,200
Victims' rights	145,068	145,068	118,261	(26,807)	123,161
Other	183,529	183,529	206,151	22,622	192,336
Judicial salary standard pay	91,448	91,448	80,731	(10,717)	91,448
Convention facilities liquor	305,050	305,050	303,771	(1,279)	304,686
Court costs for children	500	500	194	(306)	453
Emergency management - federal	24,200	24,200	22,284	(1,916)	29,091
OMNI grants	13,587	13,587	30,063	16,476	17,006
Local stabilization	700,000	930,000	932,800	2,800	452,831
Board & care of prisoners	6,000	6,000	7,688	1,688	42,467
Veteran Affairs	-	-	858	858	1,121
Total intergovernmental	5,481,170	5,722,170	5,766,958	44,788	5,211,066

continued...

LENAWEE COUNTY, MICHIGAN

**Detail Schedule of Revenues, Expenditures and Changes in Fund Balance**

Budget and Actual - General Fund

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Actual
<b>Revenues</b>					
Charges for services:					
Circuit Court	\$ 500	\$ 500	\$ 500	\$ -	\$ -
District Court	1,298,000	1,298,000	991,068	(306,932)	1,147,430
Civil fees	-	-	3,321	3,321	6,300
Friend of the Court - service charges	86,000	86,000	84,903	(1,097)	82,084
Probate Court	61,840	61,840	47,319	(14,521)	57,687
Treasurer	65,170	65,170	61,744	(3,426)	68,862
County Clerk	249,350	249,350	247,346	(2,004)	248,094
Register of Deeds	800,775	815,775	912,079	96,304	842,830
Equalization - GIS	155,000	155,000	121,621	(33,379)	129,525
Sheriff - serving papers	2,750	2,750	4,415	1,665	4,111
Sheriff other	39,250	39,250	15,231	(24,019)	32,513
Medical Examiner	82,390	82,390	110,486	28,096	101,670
<b>Total charges for services</b>	<b>2,841,025</b>	<b>2,856,025</b>	<b>2,600,033</b>	<b>(255,992)</b>	<b>2,721,106</b>
Other:					
County Clerk refunds and rebates	5,000	5,000	4,767	(233)	5,302
Other refunds and rebates	558,732	558,732	530,565	(28,167)	593,523
Telephone, postage and other refunds	425,773	544,773	613,915	69,142	518,713
<b>Total other</b>	<b>989,505</b>	<b>1,108,505</b>	<b>1,149,247</b>	<b>40,742</b>	<b>1,117,538</b>
<b>Total revenues</b>	<b>28,905,475</b>	<b>30,057,475</b>	<b>29,983,607</b>	<b>(73,868)</b>	<b>28,174,411</b>
<b>Other financing sources</b>					
Transfers in	1,145,000	1,145,000	320,000	(825,000)	1,650,760
<b>Total revenue and other financing sources</b>	<b>30,050,475</b>	<b>31,202,475</b>	<b>30,303,607</b>	<b>(898,868)</b>	<b>29,825,171</b>
<b>Expenditures</b>					
Legislative -					
Board of Commissioners	259,991	259,991	238,576	(21,415)	248,797
General government:					
Clerk	706,446	706,446	695,300	(11,146)	691,326
Elections	80,205	80,205	53,388	(26,817)	117,486
Jury Board	1,800	2,100	1,776	(324)	1,481
Treasurer	508,278	528,978	478,713	(50,265)	463,684
Register of Deeds	273,293	273,293	245,075	(28,218)	238,065
Prosecuting Attorney	1,825,195	1,873,395	1,749,343	(124,052)	1,875,948
Prosecuting Attorney - Cooperative Reimbursement	185,404	211,204	203,813	(7,391)	188,170

continued...

# LENAWEE COUNTY, MICHIGAN

## Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Actual
<b>Expenditures</b>					
General government (concluded):					
Public defender	\$ 243,465	\$ 273,465	\$ 246,737	\$ (26,728)	\$ 463,918
Surveyor	2,880	2,880	2,880	-	2,880
Plat Board	302	302	-	(302)	-
Equalization	412,800	412,800	326,170	(86,630)	297,698
Equalization - GIS	285,646	285,646	157,155	(128,491)	276,208
Administrator	759,241	796,091	764,379	(31,712)	735,227
Building and grounds	812,133	812,133	754,213	(57,920)	698,289
Building and grounds - county farm	4,100	4,300	4,255	(45)	4,182
Utilities	582,533	582,533	543,021	(39,512)	581,469
Printing / purchasing	424,047	424,047	398,071	(25,976)	438,504
Information technology	1,156,061	1,249,061	1,202,293	(46,768)	1,065,459
MSU Extension	256,715	256,715	223,437	(33,278)	254,072
Soil Conservation	41,800	41,800	41,266	(534)	39,266
<b>Total general government</b>	<b>8,562,344</b>	<b>8,817,394</b>	<b>8,091,285</b>	<b>(726,109)</b>	<b>8,433,332</b>
Judicial:					
Circuit Court	568,651	624,051	612,675	(11,376)	520,275
District Court	1,554,830	1,554,830	1,467,592	(87,238)	1,509,702
Friend of the Court	1,338,758	1,372,958	1,361,345	(11,613)	1,266,693
Probate Court	590,497	590,497	557,875	(32,622)	667,111
Probate Court Juvenile	381,968	386,268	384,085	(2,183)	467,817
Circuit Court Probation	3,500	3,500	3,141	(359)	2,646
<b>Total judicial</b>	<b>4,438,204</b>	<b>4,532,104</b>	<b>4,386,713</b>	<b>(145,391)</b>	<b>4,434,244</b>
Public safety:					
Sheriff department	4,077,069	4,077,069	3,904,889	(172,180)	3,908,384
Sheriff security - jail	4,653,262	4,936,562	5,032,349	95,787	4,683,038
Animal control	128,668	128,668	113,451	(15,217)	185,105
Sheriff coalition compliance	5,067	5,067	3,910	(1,157)	3,363
Emergency management	89,973	97,473	97,674	201	89,456
Court bailiffs	338,669	346,669	340,128	(6,541)	322,060
<b>Total public safety</b>	<b>9,292,708</b>	<b>9,591,508</b>	<b>9,492,401</b>	<b>(99,107)</b>	<b>9,191,406</b>
Public works:					
Drain at Large	150,666	150,666	150,666	-	192,940
Transportation	50,000	50,000	50,000	-	50,000
<b>Total public works</b>	<b>200,666</b>	<b>200,666</b>	<b>200,666</b>	<b>-</b>	<b>242,940</b>
Health and welfare:					
Mental health	365,686	365,686	365,686	-	365,686
Substance abuse	145,000	146,100	146,071	(29)	146,915
Medical examiner	444,968	454,868	444,600	(10,268)	425,213
Veterans affairs	90,711	102,411	97,983	(4,428)	96,708
Area Agency on Aging	6,300	6,300	6,300	-	6,300
Lenawee Tomorrow Corporation	179,307	179,307	179,347	40	179,307
<b>Total health and welfare</b>	<b>1,231,972</b>	<b>1,254,672</b>	<b>1,239,987</b>	<b>(14,685)</b>	<b>1,220,129</b>

continued...

# LENAWEE COUNTY, MICHIGAN

## Detail Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Actual
<b>Expenditures</b>					
Other:					
Human services rental contribution	\$ 38,707	\$ 38,707	\$ 35,554	\$ (3,153)	\$ 38,006
Insurance and miscellaneous bonds	592,000	680,700	443,984	(236,716)	373,445
Unallocated fringe benefits	743,066	997,372	-	(997,372)	-
Total other	<u>1,373,773</u>	<u>1,716,779</u>	<u>479,538</u>	<u>(1,237,241)</u>	<u>411,451</u>
Debt service:					
Principal	316,856	316,856	200,758	(116,098)	391,110
Interest and fiscal charges	491,776	491,776	3,554	(488,222)	17,521
Total debt service	<u>808,632</u>	<u>808,632</u>	<u>204,312</u>	<u>(604,320)</u>	<u>408,631</u>
<b>Total expenditures</b>	<u>26,168,290</u>	<u>27,181,746</u>	<u>24,333,478</u>	<u>(2,848,268)</u>	<u>24,590,930</u>
<b>Other financing uses - transfers out</b>					
Special revenue funds:					
Parks	30,000	30,000	30,000	-	25,000
County Health	450,000	450,000	450,000	-	450,000
Drain Commission	549,329	635,429	605,411	(30,018)	341,770
Law Library	27,000	27,000	27,000	-	30,000
Child Care - Maurice Spear Campus	1,675,000	1,675,000	1,675,000	-	1,739,055
Department of Human Services	22,000	22,000	22,000	-	22,000
Child Care - DHS	435,856	435,856	435,856	-	775,000
Others	-	52,444	474,357	421,913	37,400
Total special revenue funds	<u>3,189,185</u>	<u>3,327,729</u>	<u>3,719,624</u>	<u>391,895</u>	<u>3,420,225</u>
Capital project funds -					
Building and Site	800,000	800,000	800,000	-	800,000
Enterprise funds -					
Airport	43,000	43,000	43,000	-	43,000
<b>Total other financing uses - transfers out</b>	<u>4,032,185</u>	<u>4,170,729</u>	<u>4,562,624</u>	<u>391,895</u>	<u>4,263,225</u>
<b>Total expenditures and other financing uses</b>	<u>30,200,475</u>	<u>31,352,475</u>	<u>28,896,102</u>	<u>(2,456,373)</u>	<u>28,854,155</u>
<b>Change in fund balance</b>	(150,000)	(150,000)	1,407,505	1,557,505	971,016
Fund balance, beginning of year	<u>7,475,946</u>	<u>7,475,946</u>	<u>7,475,946</u>	-	<u>6,504,930</u>
<b>Fund balance, end of year</b>	<u>\$ 7,325,946</u>	<u>\$ 7,325,946</u>	<u>\$ 8,883,451</u>	<u>\$ 1,557,505</u>	<u>\$ 7,475,946</u>

concluded.

# LENAWEE COUNTY, MICHIGAN

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2019

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 10,683,058	\$ 57,343	\$ 72,793	\$ 10,813,194
Accounts receivable, net	466,902	125,322	-	592,224
Due from other governments	856,399	-	-	856,399
<b>Total assets</b>	<b>\$ 12,006,359</b>	<b>\$ 182,665</b>	<b>\$ 72,793</b>	<b>\$ 12,261,817</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 353,455	\$ 207	\$ 1,288	\$ 354,950
Accrued wages and benefits	380,749	-	-	380,749
Interfund payable	171,828	-	-	171,828
Unearned revenue	93,820	4,536	-	98,356
Other liabilities	21,100	-	-	21,100
<b>Total liabilities</b>	<b>1,020,952</b>	<b>4,743</b>	<b>1,288</b>	<b>1,026,983</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	179,302	110,199	-	289,501
<b>Fund balance</b>				
Restricted	7,167,606	-	8,339	7,175,945
Committed	3,643,527	67,723	63,166	3,774,416
Unassigned (deficit)	(5,028)	-	-	(5,028)
<b>Total fund balances</b>	<b>10,806,105</b>	<b>67,723</b>	<b>71,505</b>	<b>10,945,333</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 12,006,359</b>	<b>\$ 182,665</b>	<b>\$ 72,793</b>	<b>\$ 12,261,817</b>



# LENAWEE COUNTY, MICHIGAN

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2019

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$ 2,425,825	\$ -	\$ -	\$ 2,425,825
Licenses and permits	2,259,398	-	-	2,259,398
Investment earnings	46,059	1,144	49	47,252
Intergovernmental	8,006,858	-	-	8,006,858
Charges for services	1,731,260	342,440	920	2,074,620
Other	901,677	-	24,239	925,916
<b>Total revenues</b>	<b>15,371,077</b>	<b>343,584</b>	<b>25,208</b>	<b>15,739,869</b>
<b>Expenditures</b>				
Current:				
General government	995,678	-	-	995,678
Judicial	441,016	-	-	441,016
Public safety	2,332,904	-	57,921	2,390,825
Health and welfare	11,803,181	-	-	11,803,181
Community enrichment and development	2,023,733	-	-	2,023,733
Debt service:				
Principal	576,822	200,000	-	776,822
Interest and fiscal charges	198,457	426,163	-	624,620
<b>Total expenditures</b>	<b>18,371,791</b>	<b>626,163</b>	<b>57,921</b>	<b>19,055,875</b>
Revenues under expenditures	(3,000,714)	(282,579)	(32,713)	(3,316,006)
<b>Other financing sources (uses)</b>				
Transfers in:				
County appropriation	3,245,267	234,250	-	3,479,517
Other	82,444	391,913	-	474,357
Transfers out	-	(320,000)	-	(320,000)
<b>Total other financing sources (uses)</b>	<b>3,327,711</b>	<b>306,163</b>	<b>-</b>	<b>3,633,874</b>
<b>Net change in fund balances</b>	<b>326,997</b>	<b>23,584</b>	<b>(32,713)</b>	<b>317,868</b>
Fund balances, beginning of year	10,479,108	44,139	104,218	10,627,465
<b>Fund balances, end of year</b>	<b>\$ 10,806,105</b>	<b>\$ 67,723</b>	<b>\$ 71,505</b>	<b>\$ 10,945,333</b>

# LENAWEE COUNTY, MICHIGAN

## Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2019

	208 Parks	211 Agriculture Committee	214 Sobriety Court	215 Friend of Court Duties
<b>Assets</b>				
Cash and investments	\$ 92,205	\$ 12,150	\$ 95,566	\$ 328,807
Accounts receivable	-	-	26,079	2,680
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 92,205</b>	<b>\$ 12,150</b>	<b>\$ 121,645</b>	<b>\$ 331,487</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 50	\$ -	\$ 300	\$ -
Accrued wages and benefits	-	-	2,408	-
Interfund payable	-	-	-	-
Unearned revenue	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>50</b>	<b>-</b>	<b>2,708</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	400	-	-	-
<b>Fund balances</b>				
Restricted	-	-	118,937	-
Committed	91,755	12,150	-	331,487
Unassigned (deficit)	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>91,755</b>	<b>12,150</b>	<b>118,937</b>	<b>331,487</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 92,205</b>	<b>\$ 12,150</b>	<b>\$ 121,645</b>	<b>\$ 331,487</b>

216 Caseload Assistance	217 Enhanced Treatment Court	218 Drug Treatment Court	221 County Health	223 Lenawee Transportation	232 Solid Waste
\$ 35,445	\$ 4,708	\$ 2,716	\$ 2,388,384	\$ 2,701	\$ 7,983
-	16,552	14,852	51,759	14,137	-
-	-	-	-	-	-
<u>\$ 35,445</u>	<u>\$ 21,260</u>	<u>\$ 17,568</u>	<u>\$ 2,440,143</u>	<u>\$ 16,838</u>	<u>\$ 7,983</u>
\$ -	\$ 3,895	\$ 6,384	\$ 101,325	\$ -	\$ 7,906
-	-	294	79,542	1,885	-
-	-	-	-	-	-
-	-	-	93,820	-	-
-	-	-	-	-	-
-	3,895	6,678	274,687	1,885	7,906
-	-	-	10,025	-	-
-	-	-	-	-	-
35,445	17,365	10,890	2,155,431	14,953	77
-	-	-	-	-	-
<u>35,445</u>	<u>17,365</u>	<u>10,890</u>	<u>2,155,431</u>	<u>14,953</u>	<u>77</u>
<u>\$ 35,445</u>	<u>\$ 21,260</u>	<u>\$ 17,568</u>	<u>\$ 2,440,143</u>	<u>\$ 16,838</u>	<u>\$ 7,983</u>

continued...

# LENAWEE COUNTY, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2019

	234 Lenawee Local Emergency	251 Drain	253 Indigent Defense	254 Survey & Remonu- mentation
<b>Assets</b>				
Cash and investments	\$ 9,814	\$ 276,212	\$ -	\$ -
Accounts receivable	-	1,795	-	-
Due from other governments	-	-	98,506	38,737
<b>Total assets</b>	<b>\$ 9,814</b>	<b>\$ 278,007</b>	<b>\$ 98,506</b>	<b>\$ 38,737</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ 712	\$ 2,012	\$ 1,548
Accrued wages and benefits	-	35,154	20,619	-
Interfund payable	-	-	75,875	34,271
Unearned revenue	-	-	-	-
Other liabilities	-	21,100	-	-
<b>Total liabilities</b>	<b>-</b>	<b>56,966</b>	<b>98,506</b>	<b>35,819</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	-
<b>Fund balances</b>				
Restricted	-	221,041	-	2,918
Committed	9,814	-	-	-
Unassigned (deficit)	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>9,814</b>	<b>221,041</b>	<b>-</b>	<b>2,918</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 9,814</b>	<b>\$ 278,007</b>	<b>\$ 98,506</b>	<b>\$ 38,737</b>



256 Register of Deeds Automation	257 Concealed Pistol Licensing	258 County Disaster	260 Mobile Data Terminal	261 Central Dispatcher	262 Hard Labor
\$ 414,632	\$ 105,287	\$ 100	\$ 65,433	\$ 2,288,671	\$ 60,347
-	-	-	-	32,211	215
-	-	-	-	10,898	-
<u>\$ 414,632</u>	<u>\$ 105,287</u>	<u>\$ 100</u>	<u>\$ 65,433</u>	<u>\$ 2,331,780</u>	<u>\$ 60,562</u>
\$ -	\$ -	\$ -	\$ -	\$ 28,263	\$ 93
-	1,226	-	-	42,721	416
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,226	-	-	70,984	509
-	-	-	-	-	-
414,632	104,061	-	-	2,260,796	60,053
-	-	100	65,433	-	-
-	-	-	-	-	-
<u>414,632</u>	<u>104,061</u>	<u>100</u>	<u>65,433</u>	<u>2,260,796</u>	<u>60,053</u>
<u>\$ 414,632</u>	<u>\$ 105,287</u>	<u>\$ 100</u>	<u>\$ 65,433</u>	<u>\$ 2,331,780</u>	<u>\$ 60,562</u>

continued...

# LENAWEE COUNTY, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2019

	263 Marine Law	264 Local Corrections Officer Training	265 Drug Law Enforcement	266 Law Enforcement
<b>Assets</b>				
Cash and investments	\$ -	\$ 163,932	\$ 84,379	\$ -
Accounts receivable	-	1,740	-	-
Due from other governments	12,347	-	-	-
<b>Total assets</b>	<b>\$ 12,347</b>	<b>\$ 165,672</b>	<b>\$ 84,379</b>	<b>\$ -</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ 6,124	\$ -	\$ 107
Accrued wages and benefits	-	-	-	-
Interfund payable	11,705	-	-	4,921
Unearned revenue	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>11,705</b>	<b>6,124</b>	<b>-</b>	<b>5,028</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	-
<b>Fund balances</b>				
Restricted	642	159,548	84,379	-
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	(5,028)
<b>Total fund balances (deficit)</b>	<b>642</b>	<b>159,548</b>	<b>84,379</b>	<b>(5,028)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 12,347</b>	<b>\$ 165,672</b>	<b>\$ 84,379</b>	<b>\$ -</b>



269 Law Library	273 Community Oriented Police Services	274 Homeland Security	280 Secondary Road Patrol	286 Veteran Services	287 Housing Rehabilitation
\$ 24,684	\$ 38,512	\$ -	\$ 11,664	\$ 4,051	\$ 125,734
-	-	59,055	-	-	14,521
-	-	-	24,260	-	-
<u>\$ 24,684</u>	<u>\$ 38,512</u>	<u>\$ 59,055</u>	<u>\$ 35,924</u>	<u>\$ 4,051</u>	<u>\$ 140,255</u>
\$ 1,614	\$ -	\$ -	\$ 485	\$ -	\$ 69,831
-	-	1,162	3,423	-	-
-	-	45,056	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,614</u>	<u>-</u>	<u>46,218</u>	<u>3,908</u>	<u>-</u>	<u>69,831</u>
-	-	-	-	-	-
23,070	38,512	12,837	32,016	4,051	70,424
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,070</u>	<u>38,512</u>	<u>12,837</u>	<u>32,016</u>	<u>4,051</u>	<u>70,424</u>
<u>\$ 24,684</u>	<u>\$ 38,512</u>	<u>\$ 59,055</u>	<u>\$ 35,924</u>	<u>\$ 4,051</u>	<u>\$ 140,255</u>

continued...

# LENAWEE COUNTY, MICHIGAN

## Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2019

	290 Social Welfare	292 Child Care - Maurice Spear Campus	293 Veterans Relief	296 Department on Aging
<b>Assets</b>				
Cash and investments	\$ 40,596	\$ 53,807	\$ 407,867	\$ 3,076,909
Accounts receivable	-	231,306	-	-
Due from other governments	-	480,826	-	190,825
<b>Total assets</b>	<b>\$ 40,596</b>	<b>\$ 765,939</b>	<b>\$ 407,867</b>	<b>\$ 3,267,734</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 7,200	\$ 49,030	\$ 2,880	\$ 63,067
Accrued wages and benefits	-	85,204	973	105,722
Interfund payable	-	-	-	-
Unearned revenue	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>7,200</b>	<b>134,234</b>	<b>3,853</b>	<b>168,789</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	168,877	-	-
<b>Fund balances</b>				
Restricted	-	-	404,014	3,098,945
Committed	33,396	462,828	-	-
Unassigned (deficit)	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>33,396</b>	<b>462,828</b>	<b>404,014</b>	<b>3,098,945</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 40,596</b>	<b>\$ 765,939</b>	<b>\$ 407,867</b>	<b>\$ 3,267,734</b>





297 DHS Child Care	298 Lilley	299 Special Projects	Total
\$ 400,960	\$ 57,359	\$ 1,443	\$ 10,683,058
-	-	-	466,902
-	-	-	856,399
<u>\$ 400,960</u>	<u>\$ 57,359</u>	<u>\$ 1,443</u>	<u>\$ 12,006,359</u>
\$ -	\$ 629	\$ -	\$ 353,455
-	-	-	380,749
-	-	-	171,828
-	-	-	93,820
-	-	-	21,100
-	629	-	1,020,952
-	-	-	179,302
-	56,730	-	7,167,606
400,960	-	1,443	3,643,527
-	-	-	(5,028)
<u>400,960</u>	<u>56,730</u>	<u>1,443</u>	<u>10,806,105</u>
<u>\$ 400,960</u>	<u>\$ 57,359</u>	<u>\$ 1,443</u>	<u>\$ 12,006,359</u>

concluded.

# LENAWEE COUNTY, MICHIGAN

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	208 Parks	211 Agriculture Committee	214 Sobriety Court	215 Friend of Court Duties
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Investment earnings	-	-	-	-
Intergovernmental	-	-	107,216	-
Charges for services	-	-	-	-
Other	17,485	-	28,429	69,505
<b>Total revenues</b>	<u>17,485</u>	<u>-</u>	<u>135,645</u>	<u>69,505</u>
<b>Expenditures</b>				
General government	-	-	-	-
Judicial	-	-	126,859	1,935
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community enrichment and development	24,733	97	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>24,733</u>	<u>97</u>	<u>126,859</u>	<u>1,935</u>
Revenues over (under) expenditures	<u>(7,248)</u>	<u>(97)</u>	<u>8,786</u>	<u>67,570</u>
<b>Other financing sources</b>				
Transfers in:				
County appropriation	30,000	-	-	-
Other	-	-	-	-
<b>Total other financing sources</b>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	22,752	(97)	8,786	67,570
Fund balance (deficit), beginning of year	<u>69,003</u>	<u>12,247</u>	<u>110,151</u>	<u>263,917</u>
<b>Fund balance (deficit), end of year</b>	<u>\$ 91,755</u>	<u>\$ 12,150</u>	<u>\$ 118,937</u>	<u>\$ 331,487</u>

216 Caseload Assistance	217 Enhanced Treatment Court	218 Drug Treatment Court	221 County Health	223 Lenawee Transportation	232 Solid Waste
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	12	-	-
16,913	84,919	159,940	1,418,342	409,029	2,064
-	-	-	1,095,478	-	900
-	407	173	15,042	71,244	9,113
<u>16,913</u>	<u>85,326</u>	<u>160,113</u>	<u>2,528,874</u>	<u>480,273</u>	<u>12,077</u>
-	-	-	-	-	-
6,373	83,263	174,279	-	-	-
-	-	-	-	-	-
-	-	-	2,574,957	475,862	-
-	-	-	-	-	97,000
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,373</u>	<u>83,263</u>	<u>174,279</u>	<u>2,574,957</u>	<u>475,862</u>	<u>97,000</u>
<u>10,540</u>	<u>2,063</u>	<u>(14,166)</u>	<u>(46,083)</u>	<u>4,411</u>	<u>(84,923)</u>
-	-	-	450,000	-	55,000
-	-	29,600	-	-	30,000
-	-	29,600	450,000	-	85,000
10,540	2,063	15,434	403,917	4,411	77
24,905	15,302	(4,544)	1,751,514	10,542	-
<u>\$ 35,445</u>	<u>\$ 17,365</u>	<u>\$ 10,890</u>	<u>\$ 2,155,431</u>	<u>\$ 14,953</u>	<u>\$ 77</u>

continued...

# LENAWEE COUNTY, MICHIGAN

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	234 Lenawee Local Emergency	251 Drain	253 Indigent Defense	254 Survey & Remonu- mentation
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Investment earnings	-	-	-	-
Intergovernmental	-	1,391,973	447,346	68,514
Charges for services	-	65,360	-	-
Other	9,999	10,044	-	-
<b>Total revenues</b>	<u>9,999</u>	<u>1,467,377</u>	<u>447,346</u>	<u>68,514</u>
<b>Expenditures</b>				
General government	-	-	889,028	-
Judicial	-	-	-	-
Public safety	10,185	-	-	-
Health and welfare	-	-	-	-
Community enrichment and development	-	1,695,600	-	68,676
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>10,185</u>	<u>1,695,600</u>	<u>889,028</u>	<u>68,676</u>
Revenues over (under) expenditures	<u>(186)</u>	<u>(228,223)</u>	<u>(441,682)</u>	<u>(162)</u>
<b>Other financing sources</b>				
Transfers in:				
County appropriation	-	270,000	280,411	-
Other	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>270,000</u>	<u>280,411</u>	<u>-</u>
<b>Net change in fund balances</b>	(186)	41,777	(161,271)	(162)
Fund balance (deficit), beginning of year	<u>10,000</u>	<u>179,264</u>	<u>161,271</u>	<u>3,080</u>
<b>Fund balance (deficit), end of year</b>	<u>\$ 9,814</u>	<u>\$ 221,041</u>	<u>\$ -</u>	<u>\$ 2,918</u>

256 Register of Deeds Automation	257 Concealed Pistol Licensing	258 County Disaster	260 Mobile Data Terminal	261 Central Dispatcher	262 Hard Labor
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	56,692	-	-	2,202,706	-
2,216	652	-	-	40,209	-
87,850	-	-	-	216,489	-
-	-	-	44,604	-	11,566
-	78	-	-	10,893	29
<u>90,066</u>	<u>57,422</u>	<u>-</u>	<u>44,604</u>	<u>2,470,297</u>	<u>11,595</u>
50,926	55,724	-	-	-	-
-	-	-	-	-	14,279
-	-	-	20,516	2,029,456	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	576,822	-
-	-	-	-	198,457	-
<u>50,926</u>	<u>55,724</u>	<u>-</u>	<u>20,516</u>	<u>2,804,735</u>	<u>14,279</u>
<u>39,140</u>	<u>1,698</u>	<u>-</u>	<u>24,088</u>	<u>(334,438)</u>	<u>(2,684)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>39,140</u>	<u>1,698</u>	<u>-</u>	<u>24,088</u>	<u>(334,438)</u>	<u>(2,684)</u>
<u>375,492</u>	<u>102,363</u>	<u>100</u>	<u>41,345</u>	<u>2,595,234</u>	<u>62,737</u>
<u>\$ 414,632</u>	<u>\$ 104,061</u>	<u>\$ 100</u>	<u>\$ 65,433</u>	<u>\$ 2,260,796</u>	<u>\$ 60,053</u>

continued...

# LENAWEE COUNTY, MICHIGAN

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	263 Marine Law	264 Local Corrections Officer Training	265 Drug Law Enforcement	266 Law Enforcement
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Investment earnings	-	-	492	-
Intergovernmental	12,347	-	-	5,901
Charges for services	-	22,236	-	-
Other	334	29	-	-
<b>Total revenues</b>	<b>12,681</b>	<b>22,265</b>	<b>492</b>	<b>5,901</b>
<b>Expenditures</b>				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	18,629	33,629	-	15,352
Health and welfare	-	-	-	-
Community enrichment and development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>18,629</b>	<b>33,629</b>	<b>-</b>	<b>15,352</b>
Revenues over (under) expenditures	(5,948)	(11,364)	492	(9,451)
<b>Other financing sources</b>				
Transfers in:				
County appropriation	-	-	-	-
Other	6,000	-	-	-
<b>Total other financing sources</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>52</b>	<b>(11,364)</b>	<b>492</b>	<b>(9,451)</b>
Fund balance (deficit), beginning of year	590	170,912	83,887	4,423
<b>Fund balance (deficit), end of year</b>	<b>\$ 642</b>	<b>\$ 159,548</b>	<b>\$ 84,379</b>	<b>\$ (5,028)</b>

269 Law Library	273 Community Oriented Police Services	274 Homeland Security	280 Secondary Road Patrol	286 Veteran Services	287 Housing Rehabilitation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	925
6,500	-	101,456	95,102	50,000	-
-	-	-	-	-	-
-	-	92	387	-	61,475
<u>6,500</u>	<u>-</u>	<u>101,548</u>	<u>95,489</u>	<u>50,000</u>	<u>62,400</u>
-	-	-	-	-	-
34,028	-	-	-	-	-
-	-	89,619	92,714	-	-
-	-	-	-	47,793	-
-	-	-	-	-	129,361
-	-	-	-	-	-
-	-	-	-	-	-
<u>34,028</u>	<u>-</u>	<u>89,619</u>	<u>92,714</u>	<u>47,793</u>	<u>129,361</u>
<u>(27,528)</u>	<u>-</u>	<u>11,929</u>	<u>2,775</u>	<u>2,207</u>	<u>(66,961)</u>
27,000	-	-	-	-	-
-	-	-	-	1,844	-
<u>27,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,844</u>	<u>-</u>
(528)	-	11,929	2,775	4,051	(66,961)
<u>23,598</u>	<u>38,512</u>	<u>908</u>	<u>29,241</u>	<u>-</u>	<u>137,385</u>
<u>\$ 23,070</u>	<u>\$ 38,512</u>	<u>\$ 12,837</u>	<u>\$ 32,016</u>	<u>\$ 4,051</u>	<u>\$ 70,424</u>

continued...

# LENAWEE COUNTY, MICHIGAN

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	290 Social Welfare	292 Child Care - Maurice Spear Campus	293 Veterans Relief	296 Department on Aging
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ 2,425,825
Licenses and permits	-	-	-	-
Investment earnings	-	-	-	-
Intergovernmental	-	2,178,202	-	1,141,626
Charges for services	-	173,598	-	317,518
Other	-	22,577	278	321,403
<b>Total revenues</b>	<u>-</u>	<u>2,374,377</u>	<u>278</u>	<u>4,206,372</u>
<b>Expenditures</b>				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	25,620	4,158,400	141,741	3,984,900
Community enrichment and development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>25,620</u>	<u>4,158,400</u>	<u>141,741</u>	<u>3,984,900</u>
Revenues over (under) expenditures	<u>(25,620)</u>	<u>(1,784,023)</u>	<u>(141,463)</u>	<u>221,472</u>
<b>Other financing sources</b>				
Transfers in:				
County appropriation	22,000	1,675,000	-	-
Other	-	-	-	-
<b>Total other financing sources</b>	<u>22,000</u>	<u>1,675,000</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	(3,620)	(109,023)	(141,463)	221,472
Fund balance (deficit), beginning of year	<u>37,016</u>	<u>571,851</u>	<u>545,477</u>	<u>2,877,473</u>
<b>Fund balance (deficit), end of year</b>	<u>\$ 33,396</u>	<u>\$ 462,828</u>	<u>\$ 404,014</u>	<u>\$ 3,098,945</u>



297 DHS Child Care	298 Lilley	299 Special Projects	Total
\$ -	\$ -	\$ -	\$ 2,425,825
-	-	-	2,259,398
-	1,553	-	46,059
-	-	5,129	8,006,858
-	-	-	1,731,260
250,626	-	2,035	901,677
<u>250,626</u>	<u>1,553</u>	<u>7,164</u>	<u>15,371,077</u>
-	-	-	995,678
-	-	-	441,016
-	-	22,804	2,332,904
393,908	-	-	11,803,181
-	8,266	-	2,023,733
-	-	-	576,822
-	-	-	198,457
<u>393,908</u>	<u>8,266</u>	<u>22,804</u>	<u>18,371,791</u>
<u>(143,282)</u>	<u>(6,713)</u>	<u>(15,640)</u>	<u>(3,000,714)</u>
435,856	-	-	3,245,267
-	-	15,000	82,444
<u>435,856</u>	<u>-</u>	<u>15,000</u>	<u>3,327,711</u>
292,574	(6,713)	(640)	326,997
<u>108,386</u>	<u>63,443</u>	<u>2,083</u>	<u>10,479,108</u>
<u>\$ 400,960</u>	<u>\$ 56,730</u>	<u>\$ 1,443</u>	<u>\$ 10,806,105</u>

concluded.

# LENAWEE COUNTY, MICHIGAN

## Combining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2019

	301 General Debt Service	366 Building Authority Debt Service- Jail	Total
<b>Assets</b>			
Cash and investments	\$ -	\$ 57,343	\$ 57,343
Accounts receivable	-	125,322	125,322
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 182,665</u>	<u>\$ 182,665</u>
<b>Liabilities</b>			
Accounts and contracts payable	\$ -	\$ 207	\$ 207
Unearned revenue	-	4,536	4,536
<b>Total liabilities</b>	-	4,743	4,743
<b>Deferred inflows of resources</b>			
Unavailable revenue	-	110,199	110,199
<b>Fund balance</b>			
Committed	-	67,723	67,723
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ -</u>	<u>\$ 182,665</u>	<u>\$ 182,665</u>

# LENAWEE COUNTY, MICHIGAN

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

Nonmajor Debt Service Funds

For the Year Ended December 31, 2019

	301 General Debt Service	366 Building Authority Debt Service- Jail	Total
<b>Revenues</b>			
Investment earnings	\$ -	\$ 1,144	\$ 1,144
Charges for services	-	342,440	342,440
<b>Total revenues</b>	<b>-</b>	<b>343,584</b>	<b>343,584</b>
<b>Expenditures</b>			
Debt service:			
Principal	200,000	-	200,000
Interest and fiscal charges	426,163	-	426,163
<b>Total expenditures</b>	<b>626,163</b>	<b>-</b>	<b>626,163</b>
Revenues over (under) expenditures	(626,163)	343,584	(282,579)
<b>Other financing sources (uses)</b>			
Transfers in:			
County appropriation	234,250	-	234,250
Other	391,913	-	391,913
Transfers out	-	(320,000)	(320,000)
<b>Total other financing sources (uses)</b>	<b>626,163</b>	<b>(320,000)</b>	<b>306,163</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>23,584</b>	<b>23,584</b>
Fund balances, beginning of year	-	44,139	44,139
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 67,723</b>	<b>\$ 67,723</b>

# LENAWEE COUNTY, MICHIGAN

## Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2019

	466 Building Authority Capital Projects-Jail	467 Jail Building & Inmate Maintenance	Total
<b>Assets</b>			
Cash and investments	\$ 8,339	\$ 64,454	\$ 72,793
<b>Liabilities</b>			
Accounts and contracts payable	\$ -	\$ 1,288	\$ 1,288
<b>Fund balances</b>			
Restricted	8,339	-	8,339
Committed	-	63,166	63,166
<b>Total fund balances</b>	8,339	63,166	71,505
<b>Total liabilities and fund balances</b>	\$ 8,339	\$ 64,454	\$ 72,793

# LENAWEE COUNTY, MICHIGAN

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

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2019

	466 Building Authority Capital Projects-Jail	467 Jail Building & Inmate Maintenance	Total
<b>Revenues</b>			
Investment earnings	\$ 49	\$ -	\$ 49
Charges for services	-	920	920
Other	-	24,239	24,239
	<hr/>	<hr/>	<hr/>
<b>Total revenues</b>	49	25,159	25,208
<b>Expenditures</b>			
Current -			
Public safety	-	57,921	57,921
	<hr/>	<hr/>	<hr/>
<b>Net change in fund balances</b>	49	(32,762)	(32,713)
Fund balances, beginning of year	8,290	95,928	104,218
	<hr/>	<hr/>	<hr/>
<b>Fund balances, end of year</b>	<u>\$ 8,339</u>	<u>\$ 63,166</u>	<u>\$ 71,505</u>

# LENAWEE COUNTY, MICHIGAN

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

	595 Jail Commissary	503 Summer Tax Collection	547 Equalization Revolving	597 Business Loan Revolving	Total
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 5,639	\$ 12,943	\$ 527,679	\$ 251	\$ 546,512
Accounts receivable	-	-	134,686	-	134,686
<b>Total assets</b>	<b>5,639</b>	<b>12,943</b>	<b>662,365</b>	<b>251</b>	<b>681,198</b>
<b>Deferred outflows of resources</b>					
Deferred pension amounts	-	-	1,103	-	1,103
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	5,974	-	961	-	6,935
Accrued wages and benefits	-	-	725	-	725
Unearned revenue	-	-	134,686	-	134,686
<b>Total current liabilities</b>	<b>5,974</b>	<b>-</b>	<b>136,372</b>	<b>-</b>	<b>142,346</b>
Noncurrent liabilities -					
Net pension liability	-	-	12,891	-	12,891
<b>Total liabilities</b>	<b>5,974</b>	<b>-</b>	<b>149,263</b>	<b>-</b>	<b>155,237</b>
<b>Deferred inflows of resources</b>					
Deferred pension amounts	-	-	1,631	-	1,631
<b>Net position</b>					
Unrestricted	\$ (335)	\$ 12,943	\$ 512,574	\$ 251	\$ 525,433

# LENAWEE COUNTY, MICHIGAN

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

	595 Jail Commissary	503 Summer Tax Collection	547 Equalization Revolving	597 Business Loan Revolving	Total
<b>Operating revenues</b>					
Charges for services	\$ 93,043	\$ -	\$ 285,426	\$ -	\$ 378,469
Other	-	-	30,273	3,421	33,694
<b>Total operating revenues</b>	<b>93,043</b>	<b>-</b>	<b>315,699</b>	<b>3,421</b>	<b>412,163</b>
<b>Operating expenses</b>					
Personnel services costs	-	-	37,698	-	37,698
Supplies and other operating expenses	101,997	-	49,584	118,973	270,554
<b>Total operating expenses</b>	<b>101,997</b>	<b>-</b>	<b>87,282</b>	<b>118,973</b>	<b>308,252</b>
<b>Change in net position</b>	<b>(8,954)</b>	<b>-</b>	<b>228,417</b>	<b>(115,552)</b>	<b>103,911</b>
Net position, beginning of year	8,619	12,943	284,157	115,803	421,522
<b>Net position (deficit), end of year</b>	<b>\$ (335)</b>	<b>\$ 12,943</b>	<b>\$ 512,574</b>	<b>\$ 251</b>	<b>\$ 525,433</b>

# LENAWEE COUNTY, MICHIGAN

## Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2019

	595 Jail Commissary	503 Summer Tax Collection	547 Equalization Revolving	597 Business Loan Revolving	Total
<b>Cash flows from operating activities</b>					
Cash received from customers, residents and users	\$ 98,069	\$ -	\$ 320,190	\$ -	\$ 418,259
Other operating receipts	-	-	30,273	3,421	33,694
Cash paid to employees	-	-	(76,580)	-	(76,580)
Cash paid to suppliers	(99,304)	-	(73,194)	(118,973)	(291,471)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,235)</b>	<b>-</b>	<b>200,689</b>	<b>(115,552)</b>	<b>83,902</b>
Cash and investments, beginning of year	6,874	12,943	326,990	115,803	462,610
<b>Cash and investments, end of year</b>	<b>\$ 5,639</b>	<b>\$ 12,943</b>	<b>\$ 527,679</b>	<b>\$ 251</b>	<b>\$ 546,512</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (8,954)	\$ -	\$ 228,417	\$ (115,552)	\$ 103,911
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Change in:					
Accounts receivable	5,026	-	34,764	-	39,790
Inventory	781	-	-	-	781
Accounts payable	1,912	-	573	-	2,485
Accrued wages and benefits	-	-	(30)	-	(30)
Unearned revenue	-	-	(24,183)	-	(24,183)
Net pension liability	-	-	(68,233)	-	(68,233)
Deferred outflows related to the net pension liability	-	-	27,750	-	27,750
Deferred inflows related to the net pension liability	-	-	1,631	-	1,631
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (1,235)</b>	<b>\$ -</b>	<b>\$ 200,689</b>	<b>\$ (115,552)</b>	<b>\$ 83,902</b>



LENAWEE COUNTY, MICHIGAN

**Combining Statement of Fiduciary Assets and Liabilities**

Agency Funds  
December 31, 2019

	701 Trust and Agency	702 Undistributed Tax	703 Summer Tax Collection	721 Library Penal	764 Inmate Trust	Total
<b>Assets</b>						
Cash and investments	\$ 740,589	\$ 600,563	\$ 13,592	\$ 109,378	\$ 39,537	\$ 1,503,659
<b>Liabilities</b>						
Undistributed fees, taxes and other collections	\$ 740,589	\$ 600,563	\$ 13,592	\$ 109,378	\$ 39,537	\$ 1,503,659

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