



# ***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

YEAR ENDED DECEMBER 31, 2019

This page intentionally left blank.



# COUNTY OF MONROE, MICHIGAN

## Table of Contents

INTRODUCTORY SECTION	<u>EXHIBIT</u>	<u>PAGE</u>
Letter of Transmittal		1
GFOA Certificate of Achievement		8
Organizational Chart		9
List of Principal Officials		10
 FINANCIAL SECTION		
Independent Auditors' Report		13
Management's Discussion and Analysis		19
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A	31
Statement of Activities	B	32
Fund Financial Statements:		
Balance Sheet - Governmental Funds	C-1	34
Reconciliation - Fund Balances for Governmental Funds to Net Position of Governmental Activities	C-2	37
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	C-3	38
Reconciliation - Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	C-4	41
Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:		
General Fund	D-1	42
County Health Special Revenue Fund	D-2	43
Federal Prisoner Housing Special Revenue Fund	D-3	44
Senior Citizen Special Revenue Fund	D-4	45
Statement of Net Position - Proprietary Funds	E-1	46
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	E-2	47
Statement of Cash Flows - Proprietary Funds	E-3	48
Statement of Fiduciary Net Position - Fiduciary Funds	F-1	50
Statement of Changes in Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds	F-2	51
Component Unit Financial Statements:		
Combining Statement of Net Position	G-1	52
Combining Statement of Activities	G-2	54

# COUNTY OF MONROE, MICHIGAN

## Table of Contents

	<u>EXHIBIT</u>	<u>PAGE</u>
Notes to Basic Financial Statements:		
Note 1 - Summary of Significant Accounting Policies		59
Note 2 - Budgets and Budgetary Accounting		68
Note 3 - Excess of Expenditures Over Appropriations		69
Note 4 - Deposits, Investments and Securities Lending		70
Note 5 - Receivables and Payables		78
Note 6 - Interfund Receivables, Payables and Transfers		78
Note 7 - Capital Assets		80
Note 8 - Long-term Debt		86
Note 9 - Pension Plan		93
Note 10 - Postemployment Benefits Other Than Pensions		99
Note 11 - Risk Management		108
Note 12 - Contingent Liabilities		112
Note 13 - Property Taxes		112
Note 14 - Net Investment in Capital Assets		113
Note 15 - Fund Balances - Governmental Funds		114
Note 16 - Tax Abatements		115
Note 17 - Subsequent Events		115
Note 18 - Restatements		115
Required Supplementary Information:		
Employees' Retirement System:		
Schedule of Changes in the Net Pension Liability and Related Ratios	H-1	119
Schedule of Changes in the Net Pension Liability and Related Ratios - Primary Government	H-1a	120
Schedule of Contributions - Primary Government Only	H-2	121
Schedule of Investment Returns	H-3	122
Retiree Health Plan:		
Schedule of Changes in the Net OPEB Liability and Related Ratios	H-4	123
Schedule of Changes in the Net OPEB Liability and Related Ratios - Primary Government	H-5	124
Schedule of Contributions - Primary Government Only	H-6	125
Schedule of Investment Returns	H-7	126
Supplementary Information:		
Combining and Individual Fund Statements and Schedules:		
General Fund:		
Schedule of Revenue and Other Sources - By Source - Budget and Actual	I-1	133
Schedule of Expenditures and Other Uses - By Activity - Budget and Actual	I-2	136
County Health Special Revenue Fund -		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	J	147
Federal Prisoner Housing Special Revenue Fund -		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	K	148

# COUNTY OF MONROE, MICHIGAN

## Table of Contents

	<u>EXHIBIT</u>	<u>PAGE</u>
Senior Citizen Special Revenue Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	L	149
Nonmajor Governmental Funds:		
Combining Balance Sheet	M-1	155
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	M-2	156
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	N-1	157
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	N-2	160
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N-3	163
Nonmajor Enterprise Funds:		
Combining Statement of Net Position	O-1	184
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	O-2	186
Combining Statement of Cash Flows	O-3	188
Internal Service Funds:		
Combining Statement of Net Position	P-1	194
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	P-2	196
Combining Statement of Cash Flows	P-3	198
Fiduciary Funds:		
Combining Statement of Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds	Q-1	203
Combining Statement of Changes in Plan Net Position - Pension and Other Employee Benefit Trust Funds	Q-2	205
Combining Statement of Assets and Liabilities - All Agency Funds	Q-3	206
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	Q-4	208
Drain Commission Component Unit:		
Statement of Net Position / Balance Sheet	R-1	214
Statement of Activities / Statement of Revenues, Expenditures, and Changes in Fund Balances	R-2	216
Capital Assets Used in the Operation of Governmental Funds:		
Comparative Schedule By Source	S-1	221
Schedule By Function and Activity	S-2	222
Schedule of Changes By Function and Activity	S-3	223

# COUNTY OF MONROE, MICHIGAN

## Table of Contents

STATISTICAL SECTION	<u>SCHEDULE</u>	<u>PAGE</u>
Net Position by Component	1	228
Changes in Net Position	2	230
Fund Balances - Governmental Funds	3	234
Changes in Fund Balances - Governmental Funds	4	236
Assessed and Estimated True Cash Value of Taxable Property	5	238
Direct and Overlapping Property Tax Rates	6	240
Principal Property Tax Payers	7	241
Property Tax Levies and Collections	8	243
Ratios of Outstanding Debt by Type	9	244
Computation of Net Direct and Overlapping Debt	10	246
Legal Debt Margin	11	248
Demographic and Economic Statistics	12	249
Principal Employers	13	250
Full-time County Primary Government Employees by Function/Program	14	251
Operating Indicators by Function/Program	15	252
Capital Asset Statistics by Function/Program	16	254

■ ■ ■ ■ ■

## INTRODUCTORY SECTION

This page intentionally left blank.





## MONROE COUNTY FINANCE DEPARTMENT

125 East Second Street · Monroe, Michigan 48161-2197  
Telephone: (734) 240-7250 · Fax (734) 240-7266

August 24, 2020

### To the Citizens of the County of Monroe, Michigan:

The Comprehensive Annual Financial Report of the County of Monroe, Michigan, (the "County") for the year ended December 31, 2019, is submitted herein. This report has been prepared by employees of the County of Monroe Finance Department. Responsibility for the accuracy of the data presented in the report, the completeness and fairness of the presentation, including all disclosures, rests with the County.

The Michigan Uniform Accounting and Budgeting Act requires every general-purpose government publish, within six months of the close of the fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the year ended December 31, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatement. Management believes the information presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that the disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activity have been included.

Rehmann Robson LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the County's financial statements for the year ended December 31, 2019. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis ("MD&A") immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The County is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As a recipient of federal financial assistance, the County is responsible for ensuring that sufficient internal control is in place to achieve compliance with applicable laws and regulations related to program funds.

As part of the County's single audit, tests are made to determine the adequacy of the internal control, including that portion related to federal financial assistance programs. The results of the County's single audit for the year ended December 31, 2019, are contained in a separately issued single audit report including the schedule of expenditures of federal awards, a schedule of findings and questioned costs, and independent auditors' reports on internal control and compliance. These reports are available on the Finance page of the County's web site.

## PROFILE OF THE COUNTY AND ITS SERVICES

The County of Monroe was organized in 1817 and is located in the southeast corner of Michigan's Lower Peninsula, approximately 20 miles southeast of Detroit. The 2010 census recorded a population of 152,021. The County's major population areas include the City of Monroe, Village of Dundee, and Bedford Township. The County seat is located in the City of Monroe. The County is empowered to levy a property tax, the primary source of funding, on both real and personal property located within its boundaries. The governmental structure of the County is based upon the State Constitution and the general laws of the State of Michigan. The County's legislative body, and its administrative body for many functions, is the Board of Commissioners. The Board of Commissioners consists of nine commissioners elected by direct vote from single-member districts every even numbered year. In addition to the Board of Commissioners, there are additional elected officials serving the County in judicial, administrative, or staff officer roles. An organization chart depicting the County structure is shown on the page following this letter. The County provides a full menu of public services to County residents, businesses and visitors including those in the following areas of interest: public safety and justice, emergency preparedness and response, housing and homelessness, public and environmental health, children's well-being, civic infrastructure, and support services. The County also supports cultural and recreational programs and services with a library system, historical museums, and parks and recreation amenities.

The Monroe County Municipal Building Authority functions for all practical purposes as a department of the County and is presented as a blended component unit. The County is also financially responsible for five legally separate component units. The Monroe County Road Commission, Monroe County Community Mental Health Authority, Monroe County Library System, Monroe County Drain Commission and County Agency are presented as discrete component units in the financial statements. Additional information on all of these legally separate entities can be found in the notes to the financial statements.

## FINANCIAL MANAGEMENT AND CONTROL

The Board of Commissioners has primary responsibility for establishing financial management policies for the County. The State of Michigan Constitution divides the administration duties of the County among various elected officials and the County Administrator/Chief Financial Officer. The general administration of all non-elected departments and agencies is the responsibility of the County Administrator/Chief Financial Officer.

The Board of Commissioners is committed to ensuring the County's continuous fiscal sustainability. The County operates on a deliberate course, making sound fiscal and operationally efficient decisions to maintain a financially stable position for the organization. This is demonstrated in a credit rating of AA by Standard and Poor's Rating Agency and Aa2 by Moody's Investor Services of the County's credit risk. The unreserved, undesignated fund balance in the general fund for 2019 continues to exceed amounts for best practices in financial management recommended by the Government Finance Officers Association. The Board of Commissioners has continued its commitment to plan future budgets to meet the goal of a reserve for subsequent years representing at least one-twelfth of the annual general fund operating budget. Relevant financial management tools that affect current year operations include annually developing budget guidelines with key financial trends and analysis, updating forward budget models projecting six year forecasts, annually adopting 2nd year budget outlines, capital improvement planning, and purchasing and

Management of the County is responsible for establishing and maintaining internal control designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that financial statements are in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The County has established a Finance Department that is responsible for the administration of the county-wide general ledger activities and financial reporting. The Finance Department works collaboratively with various departments and offices to maintain a current and accurate financial reporting system. Additionally, an independent audit of the County's Comprehensive Annual Financial Report is completed annually.

## Relevant Financial Issues

Most sources of revenue have stabilized and property tax receipts increased for the fifth consecutive year, thereby providing a positive impact on the general fund and selected special revenue funds. In relative terms, 2019 property tax receipts were approximately equal to the amount collected in 2008 and represented approximately 62% of General Fund revenue. As manufacturing, housing values, and other economic conditions have changed over time and local and state business sectors continue evolving from a more industrial based economy to a service and technology economy, dependence on property taxes to fund local government services will continue to challenge the County's revenue growth in meeting operational needs. The personal property tax portion of property tax revenue has been reformed by the State of Michigan, and over time this source will diminish as we see varied receipts for this intergovernmental revenue. In 2019, the County continued its work with local taxing jurisdictions in defense of the property tax appeals of the public electric utility. The appeals filed were against the 2018 assessments and taxable values. In anticipation of the resolution of the appeals, the County acted by reserving a reasonable amount of revenue collected in 2019 to cover any refund and reduction in property tax revenues from a lower overall valuation.

## Budgeting Control

The County maintains budgetary control with the objective of ensuring compliance with legal provisions embodied in the annual general appropriations act approved by the Board of Commissioners. Activities of the general and special revenue funds are included in the annual budget. The level of budgetary control is established at the department level within an individual fund. Department managers have access to real time financial reporting at the line item detail level. Supplemental control is provided through quarterly reporting of revenues and expenditures to the Board of Commissioners to monitor overall compliance to

The County maintains an encumbrance accounting system as one technique of achieving budgetary control. Encumbrances outstanding at December 31, 2019, do not lapse and instead are set aside within the fund balance and brought forward to the new fiscal year.

## ECONOMIC CONDITION AND OUTLOOK

The local economy is subject to cycles of economic growth and contraction along with associated changes in workforce employment rates. The Board of Commissioners continues to make strategic investments to strengthen, diversify, and create growth incentives in the local economy by working closely with its economic development partners. Through investments of additional resources into economic development and expansion efforts, the County's goals remain to create expanded opportunities for businesses and citizens. The County's efforts are outlined in a strategic plan for economic development called the Monroe Link Plan. The strategy attempts to leverage potential along the Interstate-75 corridor through the County and is in the implementation phase with efforts focused on capturing the best market opportunities promoting the corridor as a prime location for development. The key drivers related to future development are the Gordie Howe International Bridge Crossing, the County's strategic geographic location and other infrastructure assets. When completed in 2024, the \$4.4 billion Bridge will link with America's largest trading partner via Interstate I-75 to the Herb Grey Parkway to Highway 401 through Canada for uninterrupted traffic flow. Trade flows across the border are projected to grow by over 144% by the year 2040. The strategic economic development efforts look to leverage logistics and supply chain sectors of the market.

## Employment

Unemployment in the County during 2019 fluctuated in response to traditional seasonal marketplace influences but overall trended positive from rates at the beginning of the year. From an unemployment rate of 4.3% in January, the unemployment rate steadily declined to the lowest rate of 2.8% in the October-November period. The Bureau of Labor Statistics reported a 3.8% average rate in the County for the year. This compares to the state average unemployment rate of 4.1% and the national rate of 3.7%.

During the year, there were 39,720 workers employed or an increase over the prior year of 7.66% or 2,827 workers. Some of the most in-demand occupations were in business and finance, customer service, education, engineers and designers, information technology, and health care.

## **Building Activities**

Construction of single-family housing units is an important aspect of building trends and is often used as a primary indicator of economic health. In the County, 59% of taxable value is from the residential property class. After the recession and economic decline originating from 2008-2010, the economic activity related to building permits began to increase again in 2014 and has continued into 2019. The total annual value of new single-family home construction bottomed out in 2009 at \$11.8 million, the lowest total since 1984. Since then, the value has increased each year and in 2019 totaled approximately \$67.7 million, nearly \$6 million higher than the prior year. The average cost of building a new single family detached home in the County in 2019 was \$237,713, up 8.5% over 2018's cost that was higher over the prior year by 6%.

The total dollar value for all new construction permits in 2019 increased from 2018 to \$113.4 million as compared to \$75 million in the prior year. The details of this information can be viewed in the 2019 Monroe County Building Activities Report, published by the Monroe County Planning and Community Engagement Department and available online at [https://www.co.monroe.mi.us/2019\\_Building\\_Activities\\_Report.pdf](https://www.co.monroe.mi.us/2019_Building_Activities_Report.pdf).

The County's taxable property values realized an average 4.16% increase per year for the period 2005-2008. In 2009, the first ever reduction in taxable property values occurred. In year's 2009-2014, total taxable property value fell 11.81%. However, in 2015 the County realized a return to positive growth of taxable property value with an increase of 2.56%. 2017 saw an increase of 2.02% and was followed in 2018 with an increase of 3.41%. At year-end 2019, taxable value in the County had surpassed 2008's amount by \$178.1

## **Economic Development**

The Monroe County Business Development Corporation (BDC) is a 501(c)(3) not-for-profit organization whose mission is to work with its strategic partners to attract and retain a diverse range of businesses that create an economic environment of innovation and success. Under a service agreement with the County, the BDC provides a full menu of economic development services including site location readiness information, marketing and communication plans, transportation surveys, economic growth initiatives, economic development training programs, and connecting businesses with local, state, and federal programs that provide resources to assist them in their growth.

The BDC is actively engaged in marketing the assets of the County to commercial and industrial interests and is a member of "Automation Alley," a regional consortium working to bring high-tech businesses to southeast Michigan. The BDC regularly collaborates on attraction strategies with regional partners including the newly formed Detroit Regional Partnership, the Greater Ann Arbor Regional Partnership, and the Regional Growth Partnership, which serves both southeast Michigan and Northwest Ohio. The BDC is recognized as the local partner to the Michigan Economic Development Corporation for attraction, retention, and growth project initiatives. Additionally, the BDC participates on the Southeast Michigan Regional Council of Governments (SEMCOG) Economic Development Task Force. This participation allows the County to align priorities with our neighbors and meets the requirement for seeking Economic Development Administration (EDA) funding for a variety of programs. This is especially important as the CARES ACT has allocated additional moneys for many EDA programs.

The BDC continues to run a robust business retention and growth program (BR&G). Through the BR&G program, regular contact with the County's industrial businesses helps ensure efforts are focused on how to assist businesses in their progress. The program helps inform as to future opportunities and potential threats they see to their business over the next several months. This intelligence allows the BDC to recommend services that will assist the business in its growth strategies. In some cases, these discussions have led to the creation of new programs that will support businesses throughout the County.

## Other Economic Development Highlights

The BDC continues to lead the Monroe County Link Plan (Link Plan). The Link Plan is a five-pillar plan that addresses the following areas; Quality of Life and Tourism; Image and Branding; Talent Development; Preparing for Investment; and Growing Strategically. Each of these pillars are captained by community leaders and supported by a group of public and private sector volunteers. The initiative is now in the third year of a five-year plan and is managed by professional staff contracted by the BDC.

The BDC has worked with several companies over the last two years (2017-2019) on both attraction of new companies to the County and the growth of our existing industrial companies. During that period, there have been 16 developments, which resulted in 1071 new jobs, 615 retained jobs, and new capital investment in buildings and equipment valued at just over \$379 million. There has been additional organic growth that has taken place within the County as evidenced by increases in construction and machinery equipment purchases from our industrial businesses.

The BDC recently launched a new program called Matching Fund Program. In partnership with ProMedica Innovations, this is a pre-seed fund of \$500,000 created to support hi-tech start-ups. In addition to this funding, the BDC has developed supportive services and mentors that will support these endeavors. The BDC is committed to supporting entrepreneurship and is also working with other partners such as the Monroe County Community College and Generation E as we work to create an ecosystem of entrepreneurship.

During 2019, the BDC working with the County created a county-wide Property Assessed Clean Energy (PACE) program, further supporting the County's position of working toward energy efficiency and promoting a green solution for developments and redevelopments. Although we have not processed a PACE project at this time, the BDC stands ready to support the county administration during the application process.

## Community Assets

The County is the only Michigan county that offers a port on Lake Erie. The Port of Monroe (the "Port") is operated by a Port Commission appointed by the City of Monroe. The community has additional assets for development and commerce that complement the Port and its uniqueness of being adjacent to not only water (Lake Erie) but nearby highways (I-75 and I-275). In addition, the combination of the Port's proximity to Lake Erie and ready access to two class one rail lines (Canadian National & Norfolk Southern) offer potential for continued economic growth in the region. DTE Energy continues to maintain one of the nation's largest and cleanest coal fired power generating facilities at the Port. DTE Energy and the Port have been working together to market and sell the synthetic gypsum that generated from the plant.

## MAJOR INITIATIVES

The County focuses efforts on strategic initiatives within the organization to ensure resources are deployed for efficient and effective delivery of public services to our citizens and businesses of the County. Management and the Board of Commissioners have embarked on efforts to make purposeful and strategic investments to position the organization for the next decade and beyond. Initiatives that drive new ways of delivering community outcomes through important upgrades to mission critical systems are moving the organization internally to enhance public services. Some of these major initiatives include:

- 1) A new shared law enforcement records management system for all county police agencies along with new computer aided dispatching and jail records management is ready to go live mid-2020.
- 2) New mobile and portable public safety radios for all emergency first responder in the county ensuring full interoperability for emergency communications.
- 3) Leading ongoing efforts in geographic information systems bringing local units of government onto this shared data platform that will aid in providing data from which to make more informed decisions. Function areas in economic development, property tax assessing, and public safety will benefit from this shared technology tool.

- 4) An overhaul of the County information systems infrastructure was launched in 2019 and is scheduled to be fully implemented in the current year. This investment will position the county to lead on the above initiatives while building a secure data network to protect against cyber security threats and other potential vulnerabilities to mission critical networks.
- 5) Investments in human capital including a compensation analysis to ensure competitiveness in the marketplace for recruiting and retaining talent needed to move the County forward. Related advances with a new payroll and human resources enterprise system that is providing a streamlined and integrated approach for in managing our workforce.

The Board of Commissioners is committed to providing the tools to support our workforce, thereby enabling them to deliver the highest possible level of public services.

Early in the Board of Commissioner's 2019-2020 term of office, the Board established a set of strategic goals and initiatives and followed up by ensuring efforts and resources were being provided to realize these goals. Key initiatives were identified in public safety, economic development, capital investments in technology and facilities, public health services, and governance, including intergovernmental partnerships. Oversight is from progress reports and culminates in an annual summary of goal achievement. At year-end 2019, the Board of Commissioners had accomplished 73% of the goals they established while the remaining goals were moving towards implementation and completion.

The County has benefited from an economic recovery that is steady and showed ongoing strength throughout 2019. Over the past year, the organization has gained an additional measure of financial and operational stability allowing managers to focus on enhanced service delivery and building operational capacities. Illustrating this point, the County maintains favorable bond ratings from rating agencies with stable outlooks, holds a strong level of general fund unassigned fund balance, a low debt ratio, and generated an operating surplus of 5.7% or \$2,763,631 in the general fund for 2019. This is the tenth consecutive year of a positive result and the strongest fund balance position as a percent of general fund expenditures in the last 28 years.

A measurement of a solid financial position is a strong general fund balance. The increase in fund balance has been the result of continuous and focused efforts on cost control from the workforce while thereby operating below established appropriations across cost centers. This track record of performance has provided the governing board with a higher level of budget flexibility through a stronger fund balance and the ability to make targeted operational and capital investments that support an enhanced organizational capacity to deliver public services in our community. Included in this is the County's effort to pay the full employer pension contribution at the start of the year and apply the credit for advanced payment to the actuarial accrued unfunded liability of the three County employee groups. At year-end 2019, the unreserved fund balance was 30.23% of 2020 general fund budgeted expenditures. With a strong fund balance, the County is able to meet emergency needs without negative impact to existing programs, services, and employees.

Finally, another important benefit of a strong financial position related to fund balance is cash flow margin based upon the timing of the collection of property taxes. With 64% of general fund revenues dependent upon property taxes, it is necessary the organization maintain sufficient working capital to meet day to day outflows of cash for operational expenses. Without its strong fund balance position, the County would have to secure short-term borrowing. As an organization operating multiple self-insured benefit and risk financing funds as a cost effective alternative to traditional premium paid models, cash reserves are needed should any back stop of self insured retention levels be required.

#### **OTHER INFORMATION - Acknowledgements**

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report ("CAFR") for the fiscal year ended December 31, 2018. This was the 18th consecutive year, and 22nd of the past 24 years the County has achieved this honor. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of a state and local government financial report.



In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We are confident our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Appreciation is extended to the Board of Commissioners, elected officials, managers, and employees throughout the organization responsible for financial management and reporting. In particular, on behalf of the County, I want to acknowledge the special efforts of Finance Department employees, primarily Susan Maier, Director of Fiscal Services, who directly authored this report and Crystal Comer, Accountant, who participated directly in the drafting of the report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Bosanac", written in a cursive style.

Michael Bosanac  
Administrator/Chief Financial Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Monroe  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO



**Monroe County Board of Commissioners**  
**At December 31, 2019**

J. Henry Lievens, Chairman  
District 9

Greg Moore, Jr.  
District 8

**Members**

David Hoffman  
District 1

Mark Brant  
District 2

Dawn Asper  
District 3

George Jondro  
District 4

Jason Turner  
District 5

Jerry Oley  
District 6

David Swartout  
District 7

**Circuit, Probate and First District Court Judges**

**Circuit Court**

Hon. Mark S. Braunlich  
Hon. Michael A. Weipert  
Hon. Daniel S. White

**District Court**

Hon. Jack Vitale  
Hon. Michael C. Brown  
Hon. William P. Nichols

**Probate Court**

Hon. Frank L. Arnold  
Hon. Cheryl E. Lohmeyer

**Other Monroe County Elected Officials**

Sharon LeMasters  
Clerk/Register

Kay Sisung  
Treasurer

Michael G. Roehrig  
Prosecuting Attorney

Dale Malone  
Sheriff

David P. Thompson  
Drain Commissioner

## FINANCIAL SECTION

This page intentionally left blank.



**INDEPENDENT AUDITORS' REPORT**

August 24, 2020

To the Board of Commissioners  
of the County of Monroe, Michigan  
Monroe, Michigan

**Report on the Financial Statements**

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

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

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

***Independent Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Monroe County Employees' Retirement System which represents 68.1% of the assets, 70.8% of the net position, and 54.6% of the revenues/additions of the aggregate remaining fund information. We also did not audit the financial statements of the Monroe County Road Commission, Monroe County Community Mental Health Authority, and the Monroe County Library System which represent the indicated percentage of total aggregate discretely presented component units assets and deferred outflows of resources, net position, and revenues:

	Percent of Total Assets and Deferred Outflows	Percent of Total Net Position	Percent of Total Revenues
Monroe County Road Commission	43.4%	68.1%	38.3%
Monroe County Community Mental Health Authority	4.6%	-12.0%	36.7%
Monroe County Library System	6.7%	4.0%	8.0%

Those statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Monroe County Road Commission, Monroe County Community Mental Health Authority, Monroe County Library System, and Monroe County Employees' Retirement System, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Monroe County Library System were not audited in accordance with *Government Auditing Standards*.

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

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

### *Opinions*

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Monroe, Michigan, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and each major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Lobman LLC". The signature is written in a cursive, flowing style.

This page intentionally left blank.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This page intentionally left blank.



# COUNTY OF MONROE, MICHIGAN

## Management's Discussion and Analysis

As management of the County of Monroe, Michigan, (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the accompanying basic financial statements.

### Financial Highlights

· Total net position	\$ (29,540,232)
· Change in total net position	6,730,886
· Fund balances, governmental funds	34,015,059
· Change in fund balances, governmental funds	3,767,531
· Unassigned fund balance, general fund	14,363,017
· Change in fund balance, general fund	2,763,631
· Installment debt outstanding	5,150,036
· Change in installment debt	26,036

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). *Governmental activities* include general government, public safety, public works, health and welfare, community and economic development, and recreation and culture. *Business-type activities* include delinquent tax collections, equipment rental, imaging services, operation of an inmate commissary, property tax foreclosure, and a revolving loan program.

The County also includes legally separate entities (component units) for which the County is financially accountable. The *component units* include the Monroe County Road Commission, Monroe County Community Mental Health Authority, Monroe County Library System, Monroe County Drain Commission, and Monroe County Agency. Financial information for these component units is reported separately from the financial information presented for the primary government. The Monroe County Municipal Building Authority, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government as a blended component unit in the County's governmental activities.

## COUNTY OF MONROE, MICHIGAN

### Management's Discussion and Analysis

**Fund financial statements.** A fund is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *government funds* and *governmental activities*.

The County maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, county health fund, federal prisoner housing fund, and senior citizen fund, each of which is considered to be a major fund. Data for the remaining governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

**Proprietary funds.** The County maintains two different types of proprietary funds: enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its delinquent tax, equipment rental, imaging services, inmate commissary, property tax foreclosure, and revolving loan operations. *Internal service funds* are used to accumulate and allocate costs internally among the County's various functions. The various support services that are accounted for using internal service funds include telephone, self-insurance, banked sick pay, and computer and office equipment replacement. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This is limited to this management's discussion and analysis and the schedules for the pension and other postemployment benefit plans immediately following the notes to the financial statements. The combining and individual fund statements and schedules are presented immediately following the required supplementary information.

## COUNTY OF MONROE, MICHIGAN

### Management's Discussion and Analysis

#### Government-wide Financial Analysis

The government-wide financial analysis focuses on the net position and changes in net position of the governmental and business-type activities. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the County's liabilities and deferred inflows exceeded its assets and deferred outflows \$29,540,232 at December 31, 2019.

	Monroe County Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current and other assets	\$ 47,108,475	\$ 46,459,077	\$ 30,388,595	\$ 28,714,539	\$ 77,497,070	\$ 75,173,616
Capital assets, net	27,339,463	23,404,399	2,518	9,209	27,341,981	23,413,608
<b>Total assets</b>	<b>74,447,938</b>	<b>69,863,476</b>	<b>30,391,113</b>	<b>28,723,748</b>	<b>104,839,051</b>	<b>98,587,224</b>
<b>Deferred outflow of resources</b>	<b>21,119,947</b>	<b>13,530,881</b>	<b>-</b>	<b>-</b>	<b>21,119,947</b>	<b>13,530,881</b>
<b>Liabilities</b>						
Long-term liabilities	6,743,774	6,715,405	-	-	6,743,774	6,715,405
Net pension liability	69,466,881	52,857,097	-	-	69,466,881	52,857,097
Net other postemployment benefit liability	53,204,232	72,922,893	-	-	53,204,232	72,922,893
Other liabilities	4,289,254	3,922,608	74,853	90,780	4,364,107	4,013,388
<b>Total liabilities</b>	<b>133,704,141</b>	<b>136,418,003</b>	<b>74,853</b>	<b>90,780</b>	<b>133,778,994</b>	<b>136,508,783</b>
<b>Deferred inflow of resources</b>	<b>21,720,236</b>	<b>11,880,440</b>	<b>-</b>	<b>-</b>	<b>21,720,236</b>	<b>11,880,440</b>
<b>Net position</b>						
Net investment in capital assets	17,849,930	18,122,497	2,518	9,209	17,852,448	18,131,706
Restricted	8,721,367	8,196,658	-	-	8,721,367	8,196,658
Unrestricted (deficit)	(86,427,789)	(91,223,241)	30,313,742	28,623,759	(56,114,047)	(62,599,482)
<b>Total net position</b>	<b>\$ (59,856,492)</b>	<b>\$ (64,904,086)</b>	<b>\$ 30,316,260</b>	<b>\$ 28,632,968</b>	<b>\$ (29,540,232)</b>	<b>\$ (36,271,118)</b>

The largest portion of the County's net position, \$17,852,448, reflects its investment in capital assets (i.e., land, buildings, vehicles, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted net position was negative \$56,114,047 at December 31, 2019, an increase of \$6,485,435 from the prior year. The main cause of this was a decrease in the County's net liability for postemployment benefits other than pension (referred to as OPEB).

The remaining balance of \$8,721,367 represents resources that are subject to external restrictions on how they may be used.

# COUNTY OF MONROE, MICHIGAN

## Management's Discussion and Analysis

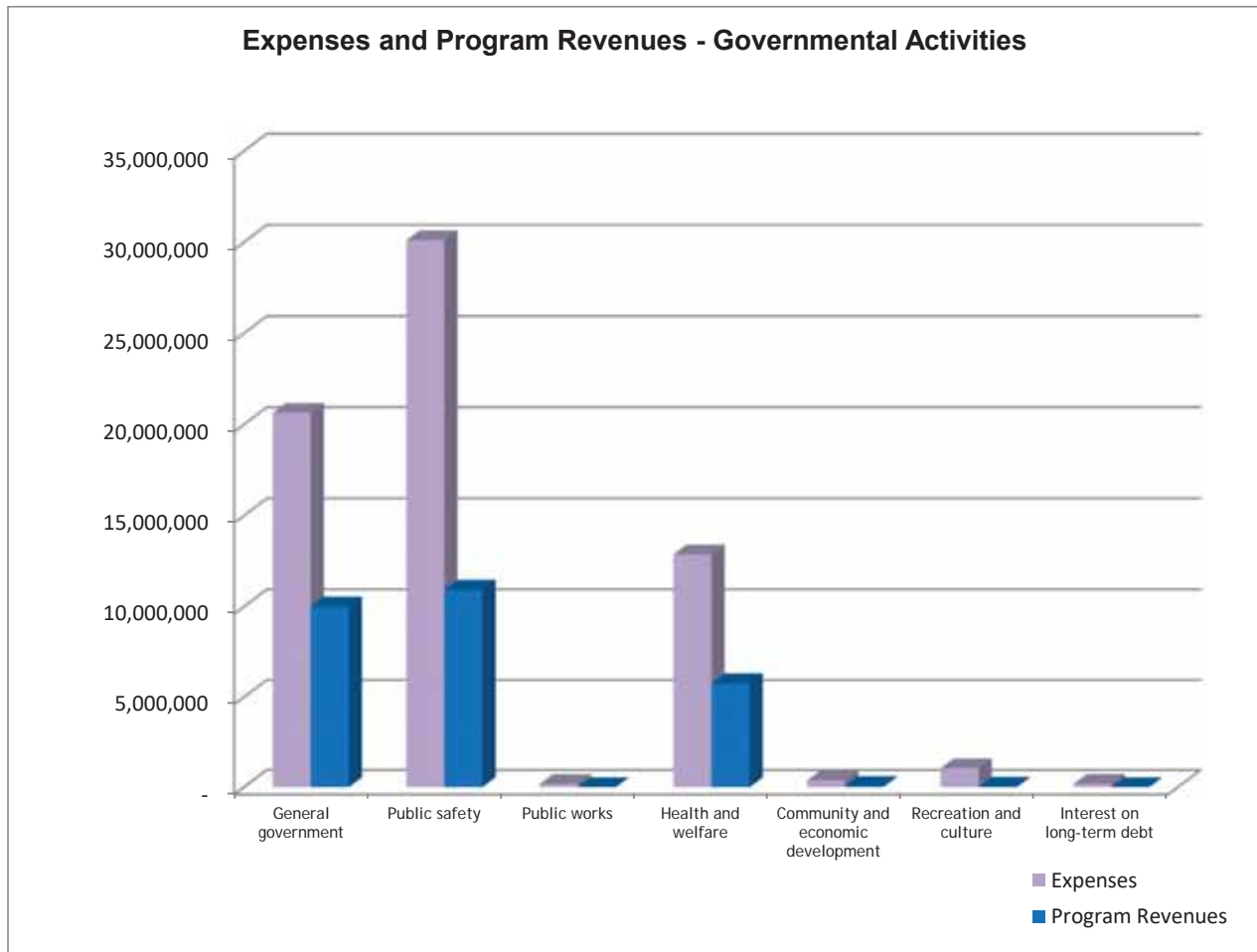
Monroe County Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 10,477,611	\$ 10,066,451	\$ 2,056,316	\$ 2,160,813	\$ 12,533,927	\$ 12,227,264
Operating grants and contributions	16,306,517	15,231,143	-	-	16,306,517	15,231,143
General revenues						
Property taxes	34,483,428	33,412,633	-	-	34,483,428	33,412,633
Grants and contributions not restricted to specific programs	7,598,173	7,089,719	-	-	7,598,173	7,089,719
Unrestricted interest and other revenue	1,482,117	1,202,225	370,494	225,206	1,852,611	1,427,431
<b>Total revenues</b>	<b>70,347,846</b>	<b>67,002,171</b>	<b>2,426,810</b>	<b>2,386,019</b>	<b>72,774,656</b>	<b>69,388,190</b>
<b>Expenses</b>						
General government	20,631,325	23,876,271	-	-	20,631,325	23,876,271
Public safety	30,105,871	31,753,846	-	-	30,105,871	31,753,846
Public works	176,428	140,785	-	-	176,428	140,785
Health and welfare	12,867,636	12,482,803	-	-	12,867,636	12,482,803
Community and economic development	363,851	285,182	-	-	363,851	285,182
Recreation and culture	1,050,039	863,635	-	-	1,050,039	863,635
Interest on long-term debt	185,102	197,273	-	-	185,102	197,273
Delinquent tax revolving	-	-	91,326	98,460	91,326	98,460
Equipment rental	-	-	178,201	374,440	178,201	374,440
Imaging services	-	-	93,501	85,725	93,501	85,725
Inmate commissary	-	-	50,616	145,682	50,616	145,682
Property tax foreclosures	-	-	246,988	239,125	246,988	239,125
Revolving loan	-	-	2,886	12,070	2,886	12,070
<b>Total expenses</b>	<b>65,380,252</b>	<b>69,599,795</b>	<b>663,518</b>	<b>955,502</b>	<b>66,043,770</b>	<b>70,555,297</b>
Change in net position before transfers	4,967,594	(2,597,624)	1,763,292	1,430,517	6,730,886	(1,167,107)
Transfers	80,000	-	(80,000)	-	-	-
<b>Change in net position</b>	<b>5,047,594</b>	<b>(2,597,624)</b>	<b>1,683,292</b>	<b>1,430,517</b>	<b>6,730,886</b>	<b>(1,167,107)</b>
<b>Net position</b>						
Beginning of year	(64,904,086)	(62,306,462)	28,632,968	27,202,451	(36,271,118)	(35,104,011)
<b>End of year</b>	<b>\$ (59,856,492)</b>	<b>\$ (64,904,086)</b>	<b>\$ 30,316,260</b>	<b>\$ 28,632,968</b>	<b>\$ (29,540,232)</b>	<b>\$ (36,271,118)</b>

The County's net position increased by \$6,730,886 during the current fiscal year. This is due to increased revenues combined with decreased expenses. The main areas of revenue increase are related to operating grants and property tax revenues which increased over \$1,000,000 each. A state grant for indigent defense services is the principal cause of the grant revenue increase. The largest expense decreases are in the general government and public safety categories and are due to decreased GASB 75 expenses.

**Governmental activities.** Governmental activities increased the County's net position by \$5,047,594. As previously mentioned, the major reasons for this increase was revenue growth combined with expense decreases.

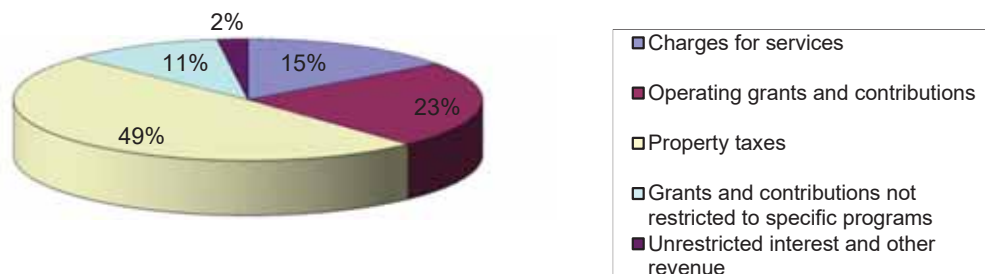
## COUNTY OF MONROE, MICHIGAN

### Management's Discussion and Analysis



The 2019 decrease in governmental activities expenses is primarily due to the change in the net OPEB liability.

### Revenue by Source - Governmental Activities



## COUNTY OF MONROE, MICHIGAN

### Management's Discussion and Analysis

**Business-type Activities.** Business type activities increased the County's net position by \$1,683,292. This is due mainly to activities in the delinquent tax revolving and property tax foreclosure funds, particularly interest income and foreclosure sales.

#### Financial Analysis of the County's Funds

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

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$34,015,059 an increase of \$3,767,531 over the prior year. This was primarily due to increases in tax revenue and reimbursement based operating grants, combined with decreased expenditures. Approximately 48% of the ending fund balances are subject to the underlying limitations applicable to the particular special revenue or debt service fund. Approximately 42% of the amount, \$14,363,017, is *available for spending* at the government's discretion (*unassigned fund balance*).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$14,363,017 with a total fund balance of \$19,379,646. Unassigned fund balance represents approximately 31% of total general fund expenditures and transfers out. The fund balance of the County's general fund increased by \$2,763,631 during the current fiscal year. This is primarily attributable to increased tax revenues, contributions from local units, and interest income. The increase in local unit contributions is due to an additional school resource officer and participation in the County-wide public safety records management system. Other financing sources also increased, mainly due to an installment purchase made for technology infrastructure upgrades. While the general government, health and welfare, and transfers out categories decreased as compared to 2018, all of the other expenditure categories increased in 2019. The decrease in general government expenditures is driven primarily by the separation of the indigent defense program from the general fund per the Michigan Indigent Defense Act. The largest increase was in capital outlay, which increased by over \$1,300,000 due mainly to the County-wide public safety records management system, network infrastructure upgrades, and drainage pumps in the drain commissioner's office. Public safety expenditures increased by nearly \$1,200,000 due to the addition of four deputies, changes in the animal control department, scheduled base wage adjustments, and employer pension and retiree health care contributions. The increase in other expenditures is due mainly to the \$500,000 supplemental employer pension contribution made after 2018 operating results were known.

The county health fund had a total fund balance of \$6,182,313, with \$2,252,940 restricted for specific programs. Total revenue increased by \$468,276, while total expenditures increased by \$472,224. The increase in fund balance is due to unspent funds from the general fund transfer, emergency preparedness, and medicaid revenues.

Revenues in the federal prisoner housing fund remained fairly steady while expenditures increased substantially. This was due to increased employee costs related to scheduled base wage adjustments and employer contributions for pension and retiree health care, higher inmate medical costs, and increased capital outlay expenditures related to participation in the County-wide public safety records management system. These factors led to a fund balance decrease of \$33,601, for a total fund balance of \$1,300,281.

The senior citizen fund had a total fund balance of \$647,707. The decrease of \$30,828 is due primarily to prior year tax adjustments and a decrease in the local community stabilization share grant payment from the State of Michigan.

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



## COUNTY OF MONROE, MICHIGAN

### Management's Discussion and Analysis

Total net position of the enterprise and internal service funds at year-end amounted to \$30,316,260, and \$7,610,491, respectively. The enterprise funds had an increase in net position for the year of \$1,683,292 due mainly to activities in the delinquent tax revolving and property tax foreclosure funds, particularly interest income and foreclosure sales. Increases in benefit payments and depreciation contributed to the majority of the \$230,041 decrease in internal service funds' net position.

#### General Fund Budgetary Highlights

Differences between the original and final amended budgets for expenditures and transfers out resulted in a 5.22% increase (an increase in appropriations of nearly \$2,400,000), primarily from an increase in budgeted service and supply expenses related to public safety costs and capital outlay related to homeland security grants, network infrastructure, drain pumps, and the County-wide public safety records management system.

Overall during 2019, general fund revenues and other financing sources were higher than the budgetary estimates by \$1,822,531. The areas of greatest variance include higher than budgeted taxes and charges for services. The difference in tax revenues is related to higher property taxes, due to recovery of property values. The difference in charges for services is related to higher revenues collected by the Register of Deeds, reflecting the recovering housing market.

Expenditures were less than budgetary estimates overall and for most of the major classifications. Specifically, actual services and supplies costs were less than budgeted amounts in most general fund departments due to internal cost savings measures.

Overall during the year, actual general fund revenues and expenditures along with other financing sources and uses resulted in an increase in fund balance of \$2,763,631 compared to a final budgeted decrease of \$1,525,185.

#### Capital Asset and Debt Administration

**Capital Assets.** The County's capital assets (net of accumulated depreciation) for its governmental activities as of December 31, 2019, amounted to \$27,339,463. These capital assets include land and land improvements, collections, buildings and improvements, machinery and equipment, and vehicular equipment. The total increase in the County's capital assets for the current fiscal year was approximately 16.8%. Major capital asset events during the current fiscal year included the following:

- Over \$4,000,000 for a County-wide radio console project.
- Over \$715,000 in network infrastructure upgrades.
- Over \$550,000 related to the County-wide public safety records management system.
- Over \$247,000 for drainage pumps in the drain commissioner's office.
- Over \$184,000 for exterior restoration of the historic Courthouse.
- Over \$175,000 for 911 phone system upgrades.

## COUNTY OF MONROE, MICHIGAN

### Management's Discussion and Analysis

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and improvements	\$ 180,952	\$ 166,715	\$ -	\$ -	\$ 180,952	\$ 166,715
Collections	113,500	113,500	-	-	113,500	113,500
Buildings and improvements	17,232,031	18,221,149	-	-	17,232,031	18,221,149
Machinery and equipment	8,984,373	4,066,508	2,518	9,209	8,986,891	4,075,717
Vehicles	828,607	836,527	-	-	828,607	836,527
<b>Total capital assets, net</b>	<b>\$27,339,463</b>	<b>\$23,404,399</b>	<b>\$ 2,518</b>	<b>\$ 9,209</b>	<b>\$27,341,981</b>	<b>\$23,413,608</b>

Additional information on the County's capital assets can be found in Note 7 of the notes to the financial statements.

**Long-term Debt.** Debt is classified as long-term if it matures over a period greater than one year. At the end of the current fiscal year, the County had total installment debt outstanding of \$5,150,036.

	General Obligation					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 4,578,000	\$ 5,124,000	\$ -	\$ -	\$ 4,578,000	\$ 5,124,000
Installment loan	572,036	-	-	-	572,036	-
<b>Total installment debt</b>	<b>\$ 5,150,036</b>	<b>\$ 5,124,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,150,036</b>	<b>\$ 5,124,000</b>

The County's installment debt increased by \$26,036 during the current fiscal year due to an installment purchase loan netted with principal payments.

The County has an "AA" rating for general obligation bonds from Standard & Poor's and an "Aa2" rating from Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation (State Equalized Value). The current debt limitation for the County is \$746,359,635 which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note 8 of the notes to the financial statements.

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

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

- Base wages for non-union employees reflect an increase of 2.5%. This includes a catch up adjustment of 1.5% to provide for equitable wage adjustment to what other groups received in 2010 when a 3% adjustment was provided to most groups except non-union and three other groups. Collective bargaining agreements generally reflect a 1% base wage increase. County Commissioner salaries remain unchanged since 2011. The salaries of other elected officials were increased by 1.5% for 2019.
- On August 7, 2018 voters approved a 911 surcharge of up to \$2.00 per month per device with all funds collected to be used only for the funding of 911 emergency telephone call answering and dispatch services within the County. This includes expending the surcharge for facilities, equipment, maintenance, and operating costs and expenditures for mobile and portable radios for all police, fire, and emergency medical service personnel within the County. The surcharge took effect on July 1, 2019 and the revenues will be recorded in the Central Dispatch fund along with all expenditures. In the 2020 budget, revenues from the local surcharge are budgeted at \$3,400,000 with an additional \$437,968 in state funding. There is no general fund appropriation.

## COUNTY OF MONROE, MICHIGAN

### Management's Discussion and Analysis

- The general fund budget includes \$375,000 of funding allocated for the purchase of public safety vehicles and \$345,000 for package scanners at the courthouse and main jail facilities. This funding includes \$80,000 provided by a transfer from the Property Tax Foreclosure Fund. The County's commitment to public safety is further demonstrated by its continued funding of the special response team and the inmate work release and indigent tether programs as well as participation in problem-solving court grants.
- The County has committed to maintaining a fund balance in the general fund that is at least one-twelfth of operating expenditures; the 2019 ending balance is well within this amount.
- In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. This has required changes in the way the County government conducts business and provides services to our citizens. The extent of the impact of the pandemic on the County's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, the response to the pandemic may place additional demands on the County for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the County's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain. Adding to the uncertainty is legislation that would provide reimbursement of eligible expenditures to the County for its efforts in responding to the pandemic. It is uncertain what level of funding will be appropriated to local units of government including counties, and if the funding would cover loss of revenue due to the pandemic. While management has revised the current year budget, the County, through several years of exceptional fiscal management and a focus on preparing for the future, is well positioned to face the challenges arising from this global pandemic.

During the current fiscal year, unassigned fund balance in the general fund increased to \$14,363,017. The generally accepted financial management practice is that fund balances can be used to help government during economic challenges and for targeted non-recurring expenses, but should not be used as a means of funding routine operations. In the 2020 budget, the County has no plans to use the fund balance of the general fund.

#### Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances to all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Finance Department, 125 East Second Street, Monroe, Michigan 48161.

This page intentionally left blank.

## BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

**Statement of Net Position**

December 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 17,647,695	\$ 10,355,758	\$ 28,003,453	\$ 32,163,078
Investments	18,246,486	9,152,836	27,399,322	11,508,970
Receivables, net	10,366,889	7,578,623	17,945,512	95,204,335
Internal balances	(1,324,158)	1,324,158	-	-
Prepaid items and other assets	364,845	4,024	368,869	2,394,229
Advances to primary government	-	-	-	76,000
Restricted assets - cash and cash equivalents	1,806,718	-	1,806,718	-
Loans receivable	-	1,973,196	1,973,196	-
Capital assets not being depreciated	218,500	-	218,500	35,603,473
Capital assets being depreciated, net	27,120,963	2,518	27,123,481	170,973,036
<b>Total assets</b>	<b>74,447,938</b>	<b>30,391,113</b>	<b>104,839,051</b>	<b>347,923,121</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	20,915,833	-	20,915,833	11,990,405
Deferred other postemployment benefit amounts	-	-	-	2,489,620
Deferred charges on refunding	204,114	-	204,114	179,184
<b>Total deferred outflows of resources</b>	<b>21,119,947</b>	<b>-</b>	<b>21,119,947</b>	<b>14,659,209</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	3,986,399	74,853	4,061,252	19,772,669
Unearned revenues	226,855	-	226,855	605,275
Advances from component units	76,000	-	76,000	-
Notes payable	-	-	-	1,250,000
Long-term liabilities:				
Due within one year	1,998,335	-	1,998,335	8,916,224
Due in more than one year	4,745,439	-	4,745,439	78,637,118
Other noncurrent liabilities due in more than one year:				
Net pension liability	69,466,881	-	69,466,881	32,585,879
Net other postemployment benefit liability	53,204,232	-	53,204,232	26,697,482
<b>Total liabilities</b>	<b>133,704,141</b>	<b>74,853</b>	<b>133,778,994</b>	<b>168,464,647</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	4,248,821	-	4,248,821	3,715,397
Deferred other postemployment benefit amounts	11,968,483	-	11,968,483	14,773,758
Taxes levied for a subsequent period	5,502,932	-	5,502,932	6,285,952
<b>Total deferred inflows of resources</b>	<b>21,720,236</b>	<b>-</b>	<b>21,720,236</b>	<b>24,775,107</b>
<b>Net position</b>				
Net investment in capital assets	17,849,930	2,518	17,852,448	175,651,821
Restricted for:				
General government	1,279,537	-	1,279,537	-
Public safety	775,416	-	775,416	-
Health and welfare	4,640,102	-	4,640,102	-
Recreation and culture	1,467,191	-	1,467,191	-
Debt service	-	-	-	9,554,666
Capital projects	559,121	-	559,121	11,529,574
Unrestricted (deficit)	(86,427,789)	30,313,742	(56,114,047)	(27,393,485)
<b>Total net position (deficit)</b>	<b>\$ (59,856,492)</b>	<b>\$ 30,316,260</b>	<b>\$ (29,540,232)</b>	<b>\$ 169,342,576</b>

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



**Statement of Activities**

For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
<b>Primary government</b>				
Governmental activities:				
General government	\$ 20,631,325	\$ 5,660,689	\$ 4,349,855	\$ (10,620,781)
Public safety	30,105,871	2,957,476	7,974,347	(19,174,048)
Public works	176,428	-	-	(176,428)
Health and welfare	12,867,636	1,840,510	3,925,767	(7,101,359)
Community and economic development	363,851	11,280	50,000	(302,571)
Recreation and culture	1,050,039	7,656	6,548	(1,035,835)
Interest on long-term debt	185,102	-	-	(185,102)
Total governmental activities	<u>65,380,252</u>	<u>10,477,611</u>	<u>16,306,517</u>	<u>(38,596,124)</u>
Business-type activities:				
Delinquent tax revolving	91,326	1,247,795	-	1,156,469
Equipment rental	178,201	230,414	-	52,213
Imaging services	93,501	86,575	-	(6,926)
Inmate commissary	50,616	83,243	-	32,627
Property tax foreclosure	246,988	408,289	-	161,301
Revolving loan	2,886	-	-	(2,886)
Total business-type activities	<u>663,518</u>	<u>2,056,316</u>	<u>-</u>	<u>1,392,798</u>
<b>Total primary government</b>	<u>\$ 66,043,770</u>	<u>\$ 12,533,927</u>	<u>\$ 16,306,517</u>	<u>\$ (37,203,326)</u>
<b>Component units</b>				
Monroe County Road Commission	\$ 21,145,331	\$ 2,957,554	\$ 35,240,055	\$ 17,052,278
Community Mental Health Authority	35,878,669	34,757,200	2,841,234	1,719,765
Monroe County Library System	8,156,154	238,911	120,193	(7,797,050)
Monroe County Drain Commission	3,859,573	16,913	2,211,731	(1,630,929)
Monroe County Agency	12,864,957	14,871,738	-	2,006,781
<b>Total component units</b>	<u>\$ 81,904,684</u>	<u>\$ 52,842,316</u>	<u>\$ 40,413,213</u>	<u>\$ 11,350,845</u>

continued...

**Statement of Activities**

For the Year Ended December 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Changes in net position</b>				
Net (expense) revenue	\$ (38,596,124)	\$ 1,392,798	\$ (37,203,326)	\$ 11,350,845
General revenues:				
Property taxes	34,483,428	-	34,483,428	6,140,402
Grants and contributions not restricted to specific programs	7,598,173	-	7,598,173	1,651,409
Other revenue	-	-	-	930,936
Unrestricted investment earnings	1,482,117	358,932	1,841,049	704,203
Gain on sale of capital assets	-	11,562	11,562	21,100
Transfers - internal activities	80,000	(80,000)	-	-
Total general revenues	43,643,718	290,494	43,934,212	9,448,050
Change in net position	5,047,594	1,683,292	6,730,886	20,798,895
Net position (deficit), beginning of year, as restated	(64,904,086)	28,632,968	(36,271,118)	148,543,681
Net position (deficit), end of year	\$ (59,856,492)	\$ 30,316,260	\$ (29,540,232)	\$ 169,342,576

concluded

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

## COUNTY OF MONROE, MICHIGAN

### Balance Sheet

Governmental Funds

December 31, 2019

	General	County Health	Federal Prisoner Housing	Senior Citizen
<b>Assets</b>				
Cash and cash equivalents	\$ 4,635,653	\$ 5,966,443	\$ 1,077,434	\$ 318,442
Investments	11,364,444	-	-	485,599
Taxes receivable	-	-	-	4,062,141
Accounts receivable, net	11,571	-	-	-
Due from other governments	1,837,637	154,872	403,210	-
Due from other funds	2,665,039	495,000	-	-
Prepaid items	226,157	49,084	3,886	-
Inventories	-	-	-	-
Advances to other funds	454,314	-	-	-
<b>Total assets</b>	<b>\$ 21,194,815</b>	<b>\$ 6,665,399</b>	<b>\$ 1,484,530</b>	<b>\$ 4,866,182</b>
<b>Liabilities</b>				
Accounts payable	\$ 983,362	\$ 216,313	\$ 40,498	\$ 156,334
Accrued wages and fringes	506,448	49,203	71,106	-
Unearned revenue	135,688	-	72,645	-
Due to other governments	-	217,570	-	-
Due to other funds	113,671	-	-	-
Advances from other funds	-	-	-	-
Advances from component units	76,000	-	-	-
<b>Total liabilities</b>	<b>1,815,169</b>	<b>483,086</b>	<b>184,249</b>	<b>156,334</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	-	-	-	4,062,141
<b>Fund balances</b>				
Nonspendable	680,471	49,084	3,886	-
Restricted	-	2,252,940	-	647,707
Committed	1,688,814	3,880,289	1,296,395	-
Assigned	2,647,344	-	-	-
Unassigned	14,363,017	-	-	-
<b>Total fund balances</b>	<b>19,379,646</b>	<b>6,182,313</b>	<b>1,300,281</b>	<b>647,707</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 21,194,815</b>	<b>\$ 6,665,399</b>	<b>\$ 1,484,530</b>	<b>\$ 4,866,182</b>

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

Exhibit C-1



Nonmajor Funds	Totals
\$ 3,674,995	\$ 15,672,967
1,390,539	13,240,582
1,440,791	5,502,932
818,273	829,844
1,580,319	3,976,038
110,967	3,271,006
32,363	311,490
18,522	18,522
-	454,314
<u>\$ 9,066,769</u>	<u>\$ 43,277,695</u>
\$ 206,361	\$ 1,602,868
181,734	808,491
18,522	226,855
-	217,570
603,282	716,953
110,967	110,967
-	76,000
<u>1,120,866</u>	<u>3,759,704</u>
<u>1,440,791</u>	<u>5,502,932</u>
50,885	784,326
5,801,565	8,702,212
652,662	7,518,160
-	2,647,344
-	14,363,017
<u>6,505,112</u>	<u>34,015,059</u>
<u>\$ 9,066,769</u>	<u>\$ 43,277,695</u>

This page intentionally left blank.

**Reconciliation**

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2019

Fund balances - total governmental funds \$ 34,015,059

Amounts reported for *governmental activities* in the statement of net position are different because:

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

Capital assets not being depreciated	218,500
Capital assets being depreciated, net	27,120,963
Less capital assets in internal service funds	(4,265,760)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.

Net position of governmental activities accounted for in internal service funds	7,610,491
---	-----------

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

Bonds and notes payable	(5,150,036)
Unamortized deferred charge on refunding	204,114
Unamortized premium on refunding bonds	(375,224)
Unamortized bond discount	30,753
Accrued interest on long-term liabilities	(43,501)
Accrued compensated absences	(1,249,267)

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

Net pension liability	(69,466,881)
Deferred outflows related to the net pension liability	20,915,833
Deferred inflows related to the net pension liability	(4,248,821)
Net other postemployment benefit liability	(53,204,232)
Deferred inflows related to the net other postemployment benefit liability	(11,968,483)

Net position of governmental activities	<u>\$ (59,856,492)</u>
---	------------------------

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

## COUNTY OF MONROE, MICHIGAN

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

Governmental Funds

For the Year Ended December 31, 2019

	General	County Health	Federal Prisoner Housing	Senior Citizen
<b>Revenues</b>				
Taxes	\$ 30,016,563	\$ -	\$ -	\$ 3,136,116
Licenses and permits	89,162	379,115	-	-
Intergovernmental revenues	7,007,922	2,784,751	2,385,797	155,240
Contributions from local units	2,496,412	-	-	-
Charges for services	5,694,978	1,433,080	111,552	-
Fines and forfeits	50,793	-	-	-
Interest and rents	642,086	-	49	23,671
Other revenue	2,279,900	116,330	32,719	277
<b>Total revenues</b>	<b>48,277,816</b>	<b>4,713,276</b>	<b>2,530,117</b>	<b>3,315,304</b>
<b>Expenditures</b>				
Current:				
General government	16,493,917	-	-	-
Public safety	18,100,673	-	4,419,946	-
Public works	176,428	-	-	-
Health and welfare	1,532,615	5,231,159	-	3,147,021
Community and economic development	361,772	-	-	-
Recreation and culture	223,080	-	-	-
Other expenditures	685,136	-	-	-
Debt service:				
Principal	143,009	-	-	-
Interest	-	-	-	-
Capital outlay	1,989,353	118,926	148,770	-
<b>Total expenditures</b>	<b>39,705,983</b>	<b>5,350,085</b>	<b>4,568,716</b>	<b>3,147,021</b>
Revenues over (under) expenditures	8,571,833	(636,809)	(2,038,599)	168,283
<b>Other financing sources (uses)</b>				
Proceeds from installment purchase	715,045	-	-	-
Transfers in	371,239	1,029,501	2,004,998	-
Transfers out	(6,894,486)	-	-	(199,111)
<b>Total other financing sources (uses)</b>	<b>(5,808,202)</b>	<b>1,029,501</b>	<b>2,004,998</b>	<b>(199,111)</b>
<b>Net change in fund balances</b>	<b>2,763,631</b>	<b>392,692</b>	<b>(33,601)</b>	<b>(30,828)</b>
Fund balances, beginning of year	16,616,015	5,789,621	1,333,882	678,535
<b>Fund balances, end of year</b>	<b>\$ 19,379,646</b>	<b>\$ 6,182,313</b>	<b>\$ 1,300,281</b>	<b>\$ 647,707</b>

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

Exhibit C-3



Nonmajor Funds	Totals
\$ 1,330,749	\$ 34,483,428
89,568	557,845
6,055,591	18,389,301
-	2,496,412
2,503,901	9,743,511
125,462	176,255
795,198	1,461,004
589,751	3,018,977
<u>11,490,220</u>	<u>70,326,733</u>
3,344,449	19,838,366
6,530,964	29,051,583
-	176,428
2,509,859	12,420,654
-	361,772
557,521	780,601
-	685,136
546,000	689,009
207,379	207,379
692,002	2,949,051
<u>14,388,174</u>	<u>67,159,979</u>
<u>(2,897,954)</u>	<u>3,166,754</u>
-	715,045
3,873,461	7,279,199
(299,870)	(7,393,467)
<u>3,573,591</u>	<u>600,777</u>
675,637	3,767,531
<u>5,829,475</u>	<u>30,247,528</u>
<u>\$ 6,505,112</u>	<u>\$ 34,015,059</u>



This page intentionally left blank.

**Reconciliation**

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ 3,767,531
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Acquisition/construction of capital assets	2,949,051
Depreciation expense	(3,148,420)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Proceeds from installment purchase	(715,045)
Principal payment on long-term debt	689,009
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in accrued interest on bonds and amortized bond discount and premium	22,277
Change in net other postemployment benefits liability and related deferred amounts	6,086,842
Change in net pension liability and related deferred amounts	(4,328,218)
Change in accrual for compensated absences	(45,392)
Internal service funds are used by management to charge the costs of certain activities, insurance and other centralized costs, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.	
Net operating loss from governmental activities in internal service funds	(445,422)
Interest revenue from governmental internal service funds	21,113
Net transfers in governmental internal service funds	194,268
Change in net position of governmental activities	<u><u>\$ 5,047,594</u></u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Revenues</b>				
Taxes	\$ 29,234,450	\$ 29,234,450	\$ 30,016,563	\$ 782,113
Licenses and permits	146,800	146,800	89,162	(57,638)
Intergovernmental revenues	6,018,394	6,659,003	7,007,922	348,919
Contributions from local units	2,387,009	2,469,367	2,496,412	27,045
Charges for services	5,298,507	5,353,780	5,694,978	341,198
Fines and forfeits	32,500	33,700	50,793	17,093
Interest and rents	180,000	205,000	642,086	437,086
Other revenue	2,293,110	2,337,622	2,279,900	(57,722)
<b>Total revenues</b>	<b>45,590,770</b>	<b>46,439,722</b>	<b>48,277,816</b>	<b>1,838,094</b>
<b>Expenditures</b>				
Current:				
General government	16,763,084	17,118,278	16,493,917	(624,361)
Public safety	17,800,981	19,014,906	18,100,673	(914,233)
Public works	176,428	176,428	176,428	-
Health and welfare	1,527,382	1,562,407	1,532,615	(29,792)
Community and economic development	371,285	379,447	361,772	(17,675)
Recreation and cultural	213,355	222,866	223,080	214
Other expenditures	1,460,313	1,260,285	685,136	(575,149)
Debt service -				
Principal	-	-	143,009	143,009
Capital outlay	765,945	1,722,606	1,989,353	266,747
<b>Total expenditures</b>	<b>39,078,773</b>	<b>41,457,223</b>	<b>39,705,983</b>	<b>(1,751,240)</b>
<b>Revenues over expenditures</b>	<b>6,511,997</b>	<b>4,982,499</b>	<b>8,571,833</b>	<b>3,589,334</b>
<b>Other financing sources (uses)</b>				
Proceeds from installment purchase	-	-	715,045	715,045
Transfers in	361,074	386,802	371,239	(15,563)
Transfers out	(6,874,371)	(6,894,486)	(6,894,486)	-
<b>Total other financing uses</b>	<b>(6,513,297)</b>	<b>(6,507,684)</b>	<b>(5,808,202)</b>	<b>699,482</b>
<b>Net change in fund balance</b>	<b>(1,300)</b>	<b>(1,525,185)</b>	<b>2,763,631</b>	<b>4,288,816</b>
<b>Fund balance, beginning of year</b>	<b>16,616,015</b>	<b>16,616,015</b>	<b>16,616,015</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 16,614,715</b>	<b>\$ 15,090,830</b>	<b>\$ 19,379,646</b>	<b>\$ 4,288,816</b>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

Budget and Actual

County Health Special Revenue Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Revenues</b>				
Licenses and permits	\$ 343,000	\$ 343,000	\$ 379,115	\$ 36,115
Intergovernmental revenues	2,427,961	2,670,327	2,784,751	114,424
Charges for services	1,234,395	1,234,395	1,433,080	198,685
Other revenue	132,500	132,500	116,330	(16,170)
<b>Total revenues</b>	<u>4,137,856</u>	<u>4,380,222</u>	<u>4,713,276</u>	<u>333,054</u>
<b>Expenditures</b>				
Current -				
Health and welfare	5,520,252	5,705,102	5,231,159	(473,943)
Capital outlay	-	120,012	118,926	(1,086)
<b>Total expenditures</b>	<u>5,520,252</u>	<u>5,825,114</u>	<u>5,350,085</u>	<u>(475,029)</u>
Revenues under expenditures	(1,382,396)	(1,444,892)	(636,809)	808,083
<b>Other financing sources</b>				
Transfers in	1,029,501	1,029,501	1,029,501	-
<b>Net change in fund balance</b>	<u>(352,895)</u>	<u>(415,391)</u>	<u>392,692</u>	<u>808,083</u>
Fund balance, beginning of year	<u>5,789,621</u>	<u>5,789,621</u>	<u>5,789,621</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 5,436,726</u>	<u>\$ 5,374,230</u>	<u>\$ 6,182,313</u>	<u>\$ 808,083</u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

Budget and Actual

Federal Prisoner Housing Special Revenue Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Revenues</b>				
Intergovernmental revenues	\$ 2,164,111	\$ 2,183,800	\$ 2,385,797	\$ 201,997
Charges for services	112,150	136,528	111,552	(24,976)
Interest and rents	-	-	49	49
Other revenue	500	13,623	32,719	19,096
<b>Total revenues</b>	<u>2,276,761</u>	<u>2,333,951</u>	<u>2,530,117</u>	<u>196,166</u>
<b>Expenditures</b>				
Current -				
Public safety	4,374,359	4,484,372	4,419,946	(64,426)
Capital outlay	7,400	164,371	148,770	(15,601)
<b>Total expenditures</b>	<u>4,381,759</u>	<u>4,648,743</u>	<u>4,568,716</u>	<u>(80,027)</u>
Revenues under expenditures	(2,104,998)	(2,314,792)	(2,038,599)	276,193
<b>Other financing sources</b>				
Transfers in	2,004,998	2,004,998	2,004,998	-
<b>Net change in fund balance</b>	<u>(100,000)</u>	<u>(309,794)</u>	<u>(33,601)</u>	<u>276,193</u>
Fund balance, beginning of year	<u>1,333,882</u>	<u>1,333,882</u>	<u>1,333,882</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,233,882</u>	<u>\$ 1,024,088</u>	<u>\$ 1,300,281</u>	<u>\$ 276,193</u>

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

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

Budget and Actual

Senior Citizen Special Revenue Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Revenues</b>				
Taxes	\$ 3,332,354	\$ 3,332,354	\$ 3,136,116	\$ (196,238)
Intergovernmental revenues	200,034	200,034	155,240	(44,794)
Interest and rents	2,000	2,000	23,671	21,671
Other revenue	1,000	1,000	277	(723)
<b>Total revenues</b>	<b>3,535,388</b>	<b>3,535,388</b>	<b>3,315,304</b>	<b>(220,084)</b>
<b>Expenditures</b>				
Current -				
Health and welfare	3,329,314	3,320,714	3,147,021	(173,693)
<b>Revenues over expenditures</b>	<b>206,074</b>	<b>214,674</b>	<b>168,283</b>	<b>(46,391)</b>
<b>Other financing uses</b>				
Transfers out	(206,074)	(214,674)	(199,111)	(15,563)
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>(30,828)</b>	<b>(30,828)</b>
<b>Fund balance, beginning of year</b>	<b>678,535</b>	<b>678,535</b>	<b>678,535</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 678,535</b>	<b>\$ 678,535</b>	<b>\$ 647,707</b>	<b>\$ (30,828)</b>

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

**Statement of Net Position**

Proprietary Funds  
December 31, 2019

	Business-type Activities / Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Funds	Totals	Internal Service
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 6,503,658	\$ 3,852,100	\$ 10,355,758	\$ 1,974,728
Investments	9,152,836	-	9,152,836	5,005,904
Taxes receivable - delinquent	6,881,712	-	6,881,712	-
Accounts receivable	-	15,103	15,103	58,075
Interest receivable	679,234	-	679,234	-
Due from other governments	-	2,574	2,574	-
Due from other funds	-	-	-	177,704
Loans receivable due within one year	-	59,566	59,566	-
Prepaid items	3,975	49	4,024	34,833
Advances to other funds	3,880,915	-	3,880,915	-
Total current assets	27,102,330	3,929,392	31,031,722	7,251,244
Noncurrent assets:				
Restricted assets - cash and cash equivalents	-	-	-	1,806,718
Loans receivable due beyond one year	-	1,913,630	1,913,630	-
Capital assets being depreciated, net	-	2,518	2,518	4,265,760
Total noncurrent assets	-	1,916,148	1,916,148	6,072,478
<b>Total assets</b>	<b>27,102,330</b>	<b>5,845,540</b>	<b>32,947,870</b>	<b>13,323,722</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	34,070	36,009	70,079	64,905
Accrued wages and fringes	1,038	3,626	4,664	9,422
Compensated absences payable	-	-	-	5,684
Claims payable	-	-	-	557,921
Due to other governments	110	-	110	-
Due to other funds	2,556,757	-	2,556,757	175,000
Advances from other funds	-	-	-	4,224,262
Total current liabilities	2,591,975	39,635	2,631,610	5,037,194
Noncurrent liabilities -				
Claims payable	-	-	-	676,037
<b>Total liabilities</b>	<b>2,591,975</b>	<b>39,635</b>	<b>2,631,610</b>	<b>5,713,231</b>
<b>Net position</b>				
Net investment in capital assets	-	2,518	2,518	66,620
Unrestricted	24,510,355	5,803,387	30,313,742	7,543,871
<b>Total net position</b>	<b>\$ 24,510,355</b>	<b>\$ 5,805,905</b>	<b>\$ 30,316,260</b>	<b>\$ 7,610,491</b>

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

**Statement of Revenues, Expenses, and Changes in Fund Net Position**

Proprietary Funds

For the Year Ended December 31, 2019

	Business-type Activities / Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Funds	Totals	Internal Service
<b>Operating revenues</b>				
Charges for services	\$ 14,857	\$ 777,896	\$ 792,753	\$ 61,684
Interest on taxes	925,846	-	925,846	-
Tax administration fees	307,092	-	307,092	-
Employer contributions	-	-	-	4,652,830
Employee contributions	-	-	-	616,788
Other operating revenue	-	30,625	30,625	428,788
<b>Total operating revenues</b>	<b>1,247,795</b>	<b>808,521</b>	<b>2,056,316</b>	<b>5,760,090</b>
<b>Operating expense</b>				
Cost of services	-	565,501	565,501	-
Administrative costs	91,326	-	91,326	95,425
Benefit payments	-	-	-	5,788,555
Liability insurance	-	-	-	88,814
Depreciation	-	6,691	6,691	232,718
<b>Total operating expense</b>	<b>91,326</b>	<b>572,192</b>	<b>663,518</b>	<b>6,205,512</b>
<b>Operating income (loss)</b>	<b>1,156,469</b>	<b>236,329</b>	<b>1,392,798</b>	<b>(445,422)</b>
<b>Nonoperating revenues</b>				
Interest and rentals	306,762	52,170	358,932	21,113
Gain on sale of capital assets	-	11,562	11,562	-
<b>Total nonoperating revenues</b>	<b>306,762</b>	<b>63,732</b>	<b>370,494</b>	<b>21,113</b>
<b>Income (loss) before transfers</b>	<b>1,463,231</b>	<b>300,061</b>	<b>1,763,292</b>	<b>(424,309)</b>
<b>Transfers in</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>194,268</b>
<b>Transfers out</b>	<b>-</b>	<b>(80,000)</b>	<b>(80,000)</b>	<b>-</b>
<b>Change in net position</b>	<b>1,463,231</b>	<b>220,061</b>	<b>1,683,292</b>	<b>(230,041)</b>
<b>Net position, beginning of year</b>	<b>23,047,124</b>	<b>5,585,844</b>	<b>28,632,968</b>	<b>7,840,532</b>
<b>Net position, end of year</b>	<b>\$ 24,510,355</b>	<b>\$ 5,805,905</b>	<b>\$ 30,316,260</b>	<b>\$ 7,610,491</b>

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



**Statement of Cash Flows**

Proprietary Funds

For the Year Ended December 31, 2019

	Business-type Activities / Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Funds	Totals	Internal Service
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 8,189,057	\$ 796,906	\$ 8,985,963	\$ 616,788
Cash received from interfund services	-	-	-	10,023,387
Collections of housing loan principal	-	60,985	60,985	-
Cash payments for delinquent taxes	(8,302,667)	-	(8,302,667)	-
Cash payments to suppliers for goods and services	(39,581)	(307,790)	(347,371)	(6,321,104)
Cash payments to employees for services	(55,592)	(282,232)	(337,824)	(85,332)
Cash payments for interfund services	(3,181,232)	-	(3,181,232)	(11,519)
Housing loans issued	-	(40,100)	(40,100)	-
<b>Net cash provided (used) by operating activities</b>	<b>(3,390,015)</b>	<b>227,769</b>	<b>(3,162,246)</b>	<b>4,222,220</b>
<b>Cash flows from noncapital financing activities</b>				
Transfers in	-	-	-	194,268
Transfers out	-	(80,000)	(80,000)	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>-</b>	<b>(80,000)</b>	<b>(80,000)</b>	<b>194,268</b>
<b>Cash flows from capital and related financing activities</b>				
Purchase of capital assets	-	-	-	(4,367,151)
Sale of capital assets	-	11,562	11,562	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>11,562</b>	<b>11,562</b>	<b>(4,367,151)</b>
<b>Cash flows from investing activities</b>				
Sale of investments	14,264,505	988,441	15,252,946	4,521,249
Purchase of investments	(9,303,722)	-	(9,303,722)	(5,011,724)
Interest received	306,760	52,170	358,930	21,113
<b>Net cash provided (used) by investing activities</b>	<b>5,267,543</b>	<b>1,040,611</b>	<b>6,308,154</b>	<b>(469,362)</b>
<b>Change in cash and cash equivalents</b>	<b>1,877,528</b>	<b>1,199,942</b>	<b>3,077,470</b>	<b>(420,025)</b>
Cash and cash equivalents, beginning of year	4,626,130	2,652,158	7,278,288	4,201,471
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,503,658</b>	<b>\$ 3,852,100</b>	<b>\$ 10,355,758</b>	<b>\$ 3,781,446</b>
<b>Reconciliation to statement of net position</b>				
Cash and cash equivalents	6,503,658	3,852,100	10,355,758	1,974,728
Restricted assets - cash and cash equivalents	-	-	-	1,806,718
	<b>\$ 6,503,658</b>	<b>\$ 3,852,100</b>	<b>\$ 10,355,758</b>	<b>\$ 3,781,446</b>

continued...

**Statement of Cash Flows**

Proprietary Funds

For the Year Ended December 31, 2019

	Business-type Activities / Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Funds	Totals	Internal Service
Cash flows from operating activities				
Operating income (loss)	\$ 1,156,469	\$ 236,329	\$ 1,392,798	\$ (445,422)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	6,691	6,691	232,718
Bad debt expense	-	(9,501)	(9,501)	-
Change in:				
Taxes receivable - delinquent	(1,226,760)	-	(1,226,760)	-
Accounts receivable	-	(9,126)	(9,126)	542,111
Interest receivable	(133,610)	-	(133,610)	-
Due from other funds	(3,880,915)	-	(3,880,915)	148,656
Prepaid items	(3,975)	-	(3,975)	(21,709)
Loans receivable	-	20,886	20,886	-
Accounts payable	(1,033)	(15,107)	(16,140)	59,952
Due from other governments	-	(2,489)	(2,489)	-
Accrued wages and fringes	126	86	212	(148,656)
Compensated absences payable	-	-	-	60
Advance from other funds	-	-	-	4,224,261
Claims payable	-	-	-	(369,973)
Due to other funds	699,683	-	699,683	222
Net cash provided (used) by operating activities	<u>\$ (3,390,015)</u>	<u>\$ 227,769</u>	<u>\$ (3,162,246)</u>	<u>\$ 4,222,220</u>

**Noncash transactions**

There were no noncash transactions during the fiscal year.

concluded

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

**Statement of Fiduciary Net Position**

Fiduciary Funds

December 31, 2019

	Pension and Other Employee Benefit Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 7,134,154	\$ 3,477,527
Investments at fair value:		
U.S. treasuries	15,702,151	-
Corporate bonds	17,491,743	-
Mortgage backed securities	13,018,043	-
Hedge fund	42,106,965	-
Mutual fund	2,659,401	-
Equity securities	107,295,810	-
Commingled funds	37,787,884	-
Real estate funds	37,503,069	-
Money market accounts	264,194	-
Due from brokers for securities sold	1,000,000	-
Contributions receivable	168,840	-
Interest receivable	232,598	-
<b>Total assets</b>	<b>282,364,852</b>	<b>\$ 3,477,527</b>
<b>Liabilities</b>		
Accounts payable	\$ 98,540	\$ -
Due to other governments	-	308,205
Undistributed taxes - current levy	-	2,035,844
Undistributed taxes - other	-	71,131
Other undistributed receipts	-	1,062,347
<b>Total liabilities</b>	<b>98,540</b>	<b>\$ 3,477,527</b>
<b>Net position</b>		
Restricted for pensions	213,841,821	
Restricted for other postemployment benefits	68,424,491	
<b>Total net position</b>	<b>\$ 282,266,312</b>	

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

**Statement of Changes in Fiduciary Net Position**

Pension and Other Employee Benefit Trust Funds  
For the Year Ended December 31, 2019

**Additions**

## Investment income:

Net appreciation in fair value of investments	\$ 37,434,587
Interest and dividends	7,387,562
Total investment income	44,822,149
Less: investment management fees	(1,096,114)

Net investment income	43,726,035
-----------------------	------------

## Contributions:

Employer	16,050,778
Employee	1,245,317
Retiree and other	322,911
Employer supplemental contributions	600,000
Time purchase	32,864

Total contributions	18,251,870
---------------------	------------

<b>Total additions</b>	<b>61,977,905</b>
------------------------	-------------------

**Deductions**

Benefit payments	22,380,698
Refunds of contributions	924,699
Administrative expenses	261,219

<b>Total deductions</b>	<b>23,566,616</b>
-------------------------	-------------------

Change in net position	38,411,289
------------------------	------------

**Net position**

Beginning of year	243,855,023
-------------------	-------------

End of year	\$ 282,266,312
-------------	----------------

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

# COUNTY OF MONROE, MICHIGAN

## Combining Statement of Net Position

Component Units  
December 31, 2019

	Road Commission	Community Mental Health Authority	Library System	Drain Commission
<b>Assets</b>				
Cash and cash equivalents	\$ 8,586,496	\$ 4,456,014	\$ 5,402,091	\$ 4,442,554
Investments	3,500,000	-	-	1,536,735
Taxes receivable	-	-	6,285,952	-
Special assessments receivable	-	-	-	2,631,428
Unlevied special assessments	-	-	-	10,370,140
Accounts receivable	129,355	190,296	41,192	-
Due from other governments	7,224,342	8,858,290	-	-
Advances to primary government	-	-	-	-
Inventories	1,221,504	-	-	-
Prepaid items	515,732	445,649	18,953	-
Leases receivable	-	-	-	-
Notes receivable	-	-	-	-
Capital assets not being depreciated	11,208,861	47,000	6,066,945	-
Capital assets being depreciated, net	119,344,465	583,262	2,430,362	27,722,444
<b>Total assets</b>	<b>151,730,755</b>	<b>14,580,511</b>	<b>20,245,495</b>	<b>46,703,301</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	4,159,541	2,062,476	3,088,403	-
Deferred other postemployment benefit amounts	1,301,923	214,286	973,411	-
Deferred charges on refunding	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>5,461,464</b>	<b>2,276,762</b>	<b>4,061,814</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	4,217,982	8,405,310	164,853	134,044
Accrued wages and fringes	231,419	222,106	-	-
Accrued interest payable	37,794	-	-	73,755
Due to other governments	-	766,548	-	600,000
Deposits payable	2,107,466	-	-	-
Unearned revenue	-	75,656	20,124	250,759
Short-term borrowing	-	1,250,000	-	-
Long-term liabilities:				
Due within one year	1,486,530	47,143	217,492	1,891,754
Due in more than one year	3,790,592	267,146	52,060	7,652,610
Other noncurrent liabilities:				
Net pension liability	11,717,617	7,056,928	7,433,018	-
Net other postemployment benefit liability	12,354,612	10,386,106	1,249,947	-
<b>Total liabilities</b>	<b>35,944,012</b>	<b>28,476,943</b>	<b>9,137,494</b>	<b>10,602,922</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	1,507,669	820,428	782,446	-
Deferred other postemployment benefit amounts	4,491,970	7,873,337	1,286,497	-
Taxes levied for a subsequent period	-	-	6,285,952	-
<b>Total deferred inflows of resources</b>	<b>5,999,639</b>	<b>8,693,765</b>	<b>8,354,895</b>	<b>-</b>
<b>Net position</b>				
Net investment in capital assets	125,805,559	630,262	8,497,307	18,178,080
Restricted for debt service	-	-	-	9,554,666
Restricted for capital projects	-	-	-	8,367,633
Unrestricted (deficit)	(10,556,991)	(20,943,697)	(1,682,387)	-
<b>Total net position (deficit)</b>	<b>\$ 115,248,568</b>	<b>\$ (20,313,435)</b>	<b>\$ 6,814,920</b>	<b>\$ 36,100,379</b>

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

Exhibit G-1

County Agency	Total
\$ 9,275,923	\$ 32,163,078
6,472,235	11,508,970
-	6,285,952
-	2,631,428
-	10,370,140
1,333,055	1,693,898
2,072,755	18,155,387
76,000	76,000
77,200	1,298,704
115,191	1,095,525
56,010,340	56,010,340
57,190	57,190
18,280,667	35,603,473
20,892,503	170,973,036
<u>114,663,059</u>	<u>347,923,121</u>
2,679,985	11,990,405
-	2,489,620
179,184	179,184
<u>2,859,169</u>	<u>14,659,209</u>
2,198,018	15,120,207
113,866	567,391
386,894	498,443
112,614	1,479,162
-	2,107,466
258,736	605,275
-	1,250,000
5,273,305	8,916,224
66,874,710	78,637,118
6,378,316	32,585,879
2,706,817	26,697,482
<u>84,303,276</u>	<u>168,464,647</u>
604,854	3,715,397
1,121,954	14,773,758
-	6,285,952
<u>1,726,808</u>	<u>24,775,107</u>
22,540,613	175,651,821
-	9,554,666
3,161,941	11,529,574
5,789,590	(27,393,485)
<u>\$ 31,492,144</u>	<u>\$ 169,342,576</u>

# COUNTY OF MONROE, MICHIGAN

## Combining Statement of Activities

Component Units

For the Year Ended December 31, 2019

	Road Commission	Community Mental Health Authority	Library System	Drain Commission
<b>Exp</b>				
Road Commission	\$ 21,145,331	\$ -	\$ -	\$ -
Mental Health Authority	-	35,878,669	-	-
Library Services	-	-	8,156,154	-
Drain Commission	-	-	-	3,859,573
County Agency	-	-	-	-
<b>Total expenses</b>	<b>21,145,331</b>	<b>35,878,669</b>	<b>8,156,154</b>	<b>3,859,573</b>
<b>Program revenues</b>				
Charges for services	2,957,554	34,757,200	238,911	16,913
Operating grants and contributions	35,240,055	2,841,234	120,193	2,211,731
<b>Total program revenues</b>	<b>38,197,609</b>	<b>37,598,434</b>	<b>359,104</b>	<b>2,228,644</b>
<b>Net (expense) revenue</b>	<b>17,052,278</b>	<b>1,719,765</b>	<b>(7,797,050)</b>	<b>(1,630,929)</b>
<b>General revenues</b>				
Property taxes	-	-	6,140,402	-
Grants and contributions not restricted to specific programs	-	-	1,455,436	-
Other revenue	831,497	-	99,439	-
Unrestricted investment earnings	268,788	42,315	120,015	81,239
Gain on sale of capital assets	-	21,100	-	-
<b>Total general revenues</b>	<b>1,100,285</b>	<b>63,415</b>	<b>7,815,292</b>	<b>81,239</b>
<b>Change in net position</b>	<b>18,152,563</b>	<b>1,783,180</b>	<b>18,242</b>	<b>(1,549,690)</b>
<b>Net position (deficit), beginning of year, as restated</b>	<b>97,096,005</b>	<b>(22,096,615)</b>	<b>6,796,678</b>	<b>37,650,069</b>
<b>Net position (deficit), end of year</b>	<b>\$ 115,248,568</b>	<b>\$ (20,313,435)</b>	<b>\$ 6,814,920</b>	<b>\$ 36,100,379</b>

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

Exhibit G-2



County Agency	Total
\$ -	\$ 21,145,331
-	35,878,669
-	8,156,154
-	3,859,573
<u>12,864,957</u>	<u>12,864,957</u>
<u>12,864,957</u>	<u>81,904,684</u>
14,871,738	52,842,316
<u>-</u>	<u>40,413,213</u>
<u>14,871,738</u>	<u>93,255,529</u>
<u>2,006,781</u>	<u>11,350,845</u>
-	6,140,402
195,973	1,651,409
-	930,936
191,846	704,203
<u>-</u>	<u>21,100</u>
<u>387,819</u>	<u>9,448,050</u>
2,394,600	20,798,895
<u>29,097,544</u>	<u>148,543,681</u>
<u>\$ 31,492,144</u>	<u>\$ 169,342,576</u>



This page intentionally left blank.

## NOTES TO BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Monroe, Michigan (the "County" or "government") was organized in 1817 and covers an area of 560 square miles divided into 15 townships, five villages, and four cities. The County seat is located in the City of Monroe. The County operates under an elected Board of Commissioners (nine members) and provides services to its estimated 150,084 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

The accompanying financial statements present the County (the primary government) and its component units. The financial data of the component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

#### *Blended Component Unit*

**Monroe County Building Authority** - The Monroe County Building Authority (the "Building Authority") was created under the provisions of Act 31, Public Acts of 1948 (Extra Session), as amended, and is governed by a five-member board appointed by the County Board of Commissioners. The purpose of the Building Authority is to finance, through tax-exempt bonds, the construction of public buildings for use by the County, with the bonds secured by lease agreements with the County and retired through lease payments from the County. Although it is legally separate from the County, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance the construction of and improvements to the County's public buildings. As a result, the County has included in its financial statements the Authority's debt service and capital projects funds. Also, the County has incorporated the bond issues into its long-term debt and capital assets are included in governmental capital assets. A separate report is prepared for the Building Authority and may be obtained from its administrative offices at 125 East Second Street, Monroe, Michigan 48161.

#### *Discretely Presented Component Units*

**Monroe County Road Commission** - The Monroe County Road Commission (the "Road Commission"), which is established pursuant to the County Road Law (MCL224.1), operates under a Board of five Road Commissioners of which, at September 30, 2019, all five members were appointed by the County Board of Commissioners. The Road Commission may not issue debt without the County's approval and any tax levy is subject to County Board of Commissioners approval. If approval is granted, the Road Commission's taxes are levied under the taxing authority of the County, as approved by the County electors, and would be included as part of the County's total tax levy as well as reported by the Road Commission. Complete financial statements that are separately audited may be obtained from the administrative office at Road Commission, 840 South Telegraph Road, Monroe, Michigan 48161.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

**Monroe County Community Mental Health Authority** - The Monroe County Community Mental Health Services Board was established in 1964 to provide mental health services to residents of the County under the provisions of Act 54, Public Acts of 1963, as amended. The current provision is Act 258 Public Acts of 1974. The Monroe County Community Mental Health Services Board was an agency of the County and served as a policy making board only. This status as an agency of the County ended December 31, 1996. On January 1, 1997, the Monroe County Community Mental Health Services Board, with all its assets, debt obligations and personnel, became the Monroe County Community Mental Health Authority (the "Community Mental Health Authority"). Upon receiving certification by the Michigan Department of Community Health under Section 232a of the Michigan Mental Health Code and through a resolution adopted by the County Board of Commissioners on October 1, 1996, it became an authority. As an authority, the Community Mental Health Authority has become an autonomous and distinct legal entity separate and apart from the County.

The County Board of Commissioners has the authority to appoint the voting members of the Community Mental Health Authority Board of Directors, which governs the Community Mental Health Authority. By law, the primary government (the County) can remove appointed members of the component unit's (Community Mental Health Authority) governing body at will. The Community Mental Health Authority is also accountable to the County and may be terminated by a majority vote of either the County Board of Commissioners or the Community Mental Health Authority Board of Directors. Complete financial statements that are separately audited may be obtained from the administrative office at Community Mental Health Authority, 1001 South Raisinville Road, Monroe, Michigan 48161.

**Monroe County Library System** - The Monroe County Library System (the "Library System") operates under the provisions of Section 397.301 of the 1979 Compiled Laws and is governed by a five-member board appointed by the County Board of Commissioners. As recommended by the Michigan Committee on Governmental Accounting and Auditing Statement No. 4, the Library System is treated as a discretely presented component unit. As well as appointing the Library System Board, the County has the ability to impose its will over the Library System and would incur a financial benefit or burden if operations of the Library System ceased or changed significantly. The purpose of the Library System is to account for earmarked revenue from penal fines, a special millage set aside for library operations, and state grants earmarked to provide public library services. Complete financial statements that are separately audited may be obtained from the administrative office at Monroe County Library System, 840 S. Roessler Street, Monroe, Michigan 48161.

**Monroe County Drain Commission** - Each of the drainage districts established pursuant to the Drain Code of 1956 and included in the financial statements of the Monroe County Drain Commission (the "Drain Commission") are separate legal entities with the power to contract; to sue and be sued; and to hold, manage, and dispose of real and personal property. The Statutory Drain Board consists of the Drain Commissioner, the Chair of the County Board of Commissioners, and one other member of the Board of Commissioners. The Drain Commissioner is responsible for the construction and maintenance of storm drains within the County. The County is financially accountable for the Drain Commission because the Board of Commissioners approves the budget for the Drain Commission. The full faith and credit of the County is often given for the long-term debt of the drainage districts. A separate report is not prepared for the Drain Commission.

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

**Monroe County Agency** - In 1968, the County entered into a program of water supply and sanitary sewer facility construction under Act 342, Public Acts of 1939, as amended. Pursuant to this Act, the County Board of Commissioners appointed the Drain Commissioner as the Monroe County Agency (the "County Agency"). The Drain Commissioner as County Agency may not issue debt or levy a special assessment except upon resolution adopted by the County Board of Commissioners. The County Agency manages water supply and sanitary sewer system construction projects of other separate legal units of government. The County pledges its full faith and credit for bonds to finance the projects, but title passes to the local unit when the debt is retired. In addition, the County Agency oversees debt retirement of bonded debt that was used to finance the construction projects that it has managed, and operates and maintains water supply and sanitary sewer systems for other local units of government as appointed by the County Board of Commissioners. The County Agency also handles the billing and collection of utility bills when contracted to do so by local units of government. Complete financial statements that are separately audited may be obtained from the administrative office at Drain Commissioner County Agency, 1005 South Raisinville Road, Monroe, Michigan 48161.

Complete financial statements of the individual component units that are separately audited can be obtained from their respective administrative offices as noted above or the County Clerk's office at 125 East Second Street, Monroe, MI 48161.

Related disclosures for the County's component units have been incorporated into the notes to the basic financial statements and are referenced to the above mentioned component units when applicable.

### Fiscal Year Ends Other Than December 31, 2019

The financial information presented in this report is for the fiscal year ended December 31, 2019, except for the Community Mental Health Authority and the Road Commission, which are for the fiscal year ended September 30, 2019.

### Other Related Organization

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

**County of Monroe Hospital Finance Authority** - is governed by a five-member board appointed by the Chairman of the County Board of Commissioners, with the approval of the majority of the entire membership of the County Board of Commissioners. No member of the County Board of Commissioners may serve on the County of Monroe Hospital Finance Authority Board. The County of Monroe Hospital Finance Authority (the "Hospital Finance Authority") is a legally separate entity established to facilitate nonpublic, nonprofit hospitals in obtaining financing or refinancing for capital improvements. To accomplish this purpose, the Hospital Finance Authority is authorized to issue bonds for the purpose of making related loans to the hospitals. Because the Hospital Finance Authority does not provide a financial benefit or burden to the County, and the County does not have the ability to impose its will, the Hospital Finance Authority is not reported as a component unit of the County.

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

### Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1, the delinquent tax revolving fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Thus, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants that use one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

Property taxes, intergovernmental revenue, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

General fund - This is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

County health special revenue fund - This fund is used to account for the activities of delivering an array of public health services to residents of the County. Monies are provided by federal, state, and county appropriations, contributions, and charges for services.

Federal prisoner housing special revenue fund - This fund is used to account for the activity of the second jail facility, which houses both federal ICE and U.S. Marshall inmates, as well as local inmates. Monies are generated through the housing of federal inmates, county appropriations to support housing of local inmates, and charges for services for such things as inmate phone use.

Senior citizen special revenue fund - This fund is used to account for the special tax levy for services and special programs for senior citizens.

The County reports the following major proprietary fund:

Delinquent tax revolving fund - This enterprise fund accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County's issuance of debt when needed (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

Additionally, the County reports the following fund types:

Special revenue funds - These funds account for revenue from specific revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

Debt service fund - This fund is used to record revenues which are restricted for the payment of principal and interest on debt recorded as long-term obligations of the governmental activities.

Capital projects fund - This fund is used to account for nonmajor renovation/construction projects and the acquisition or construction of facilities other than those financed by proprietary fund operations.

Enterprise funds - These funds are used to report any activity for which a fee is charged to external users for goods or services.



# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

Internal service funds - These funds account for operations that provide services (such as the County's telephone system, self-insurance, and equipment purchases) to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Pension and other employee benefit trust funds - These funds account for the activities of the Employees' Retirement System and the Retiree Health Plan for qualified employees.

Agency funds - These funds account for assets collected and held in a custodial capacity on behalf of outside parties and other governments, including fines, tax collections, fees, licenses, and permits.

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues and expenses of the delinquent tax revolving fund and of the government's internal service funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

#### Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments that do not have established market values are reported at estimated fair value; and (d) cash deposits are reported at carrying amounts which reasonably approximates fair value. Earnings from investments are allocated to various funds as required by federal regulations, state statutes, and local ordinances.

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments (except those with a fluctuating per share value).

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

### Receivables and Payables

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

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

### Inventories and Prepaid Items

Inventories are valued at cost, using the first-in first-out method.

Inventories for the Road Commission component unit are priced at cost as determined using an average cost method. Inventory items are charged to road construction and maintenance, equipment repairs, and operations, as used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method. The County establishes a nonspendable fund balance for all prepaid items in governmental funds.

### Restricted Assets

Certain resources are classified as restricted assets on the statement of net position because funds are set aside for debt retirement of general obligation bonds, construction, capital asset replacement, vehicles, necessary building improvement requirements, and general liability claims.

### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, drains, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For the County, infrastructure exists in the Drain Commission and Road Commission component units. The capitalization threshold for infrastructure is \$25,000. Only infrastructure assets acquired subsequent to 1980 have been reported. Capital assets other than infrastructure assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value as of the donation date. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

Depreciation on the capital assets (including infrastructure) of the primary government, as well as the component units, is computed using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	10-20
Buildings	30-50
Building improvements	20
Machinery and equipment	5-10
Vehicles	5-7
Public domain infrastructure	8-50

Provisions for depreciation are computed at rates designed to amortize the cost of the assets over the estimated useful lives of those assets.

#### Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and experience in its pension and other postemployment benefit plans as well as for the deferred charge on refunding. A deferred refunding charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

#### Long-term Obligations

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

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

#### Compensated Absences

The County has an accrued liability to its employees for accumulated vested vacation benefits of \$1,249,267 at December 31, 2019. The County's employment policy provides that vacation days can be carried over one year from the end of the calendar year in which they are earned. Vacation days are forfeited if they are not taken within the two-year period. This policy applies to all employees except Road Commission employees.

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

As of July 1, 1986, all accumulated sick leave for employees was frozen and placed in a bank. Regular full-time non-union employees with banked sick days may utilize them for illness. Unused sick days are maintained in the bank and the employee shall be paid for one-half of those unused days at the time the employee terminates employment. At December 31, 2019, the County has a liability of \$5,684 for the banked sick time recorded in the financial statements of the banked sick pay fund, an internal service fund. The County's current employment policy for sick leave calls for yearly payout of one-half of the unused balance for certain groups and others expire. The remaining one-half does not accumulate. This policy requires payment in the second payroll of the subsequent fiscal year and is accrued at year end.

### Deferred Inflows of Resources

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported in the statement of net position related to pension and other postemployment benefits. Deferred pension and other postemployment benefit inflows result when there is a change in total pension and other postemployment benefit liabilities due to differences between expected and actual experience, changes in actuarial assumptions, or differences between expected and actual investment returns. The amount is deferred and amortized over the average expected remaining service lives of all employees or five years, depending on the type of change. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods.

### Fund Balances

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the County Board of Commissioners. A formal resolution of the County Board of Commissioners is required to establish, modify or rescind a fund balance commitment. Assigned fund balance is reported for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The County Board of Commissioners has delegated the authority to assign fund balance to the Administrator/Chief Financial Officer or the Director of Fiscal Services through adoption of County policy number 301. Unassigned fund balance is the residual classification used for a general fund.

The County Board of Commissioners has adopted, by ordinance, a Budget Stabilization Fund under Michigan's Public Act 30 of 1978. The County Board of Commissioners may, with a 2/3 vote, set aside general fund surplus, up to a maximum of 15% of the most recent general fund budget (or average of the five most recent budgets, if less). An appropriation from the Budget Stabilization Fund, which also requires a 2/3 vote of the County Board of Commissioners, may only occur to correct a budget shortfall, or in the case of a natural disaster.

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

When the County incurs an expenditure for purposes for which various fund balance classifications can be used, it is the County's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance, if any.

### Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability, net other postemployment benefit liability, deferred outflows of resources, and deferred inflows of resources related to pension and other postemployment benefit plans, and pension and other postemployment benefit expenses, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## 2. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted by the County Board of Commissioners for the general and special revenue funds. The budgetary basis of accounting does not differ significantly from the modified accrual basis used to reflect the actual revenues and expenditures for these funds. All annual appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund, function, and department. The County Board of Commissioners holds a public hearing and a final budget is adopted prior to December 31 and presented in a separate document. The County's department heads may make transfers of appropriations within a department, with the exception of a personnel services object. Transfers of appropriations between a personnel and non-personnel services object require prior approval of the Finance Officer. The level of budgetary control is the department level for the general fund and fund level for special revenue funds. The Finance Officer is authorized to transfer budget amounts and to make authorized amendments to the original approved budget.

The County Board of Commissioners made several supplemental budgetary appropriations throughout the year, including a net increase of \$2,398,565 in the general fund budget and net increases of \$2,819,347 in the special revenue funds. The general fund and special revenue fund net increases were due primarily to additional grant activity. The general fund increase includes over \$956,661 in additional capital outlay.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances are recorded at the time that the purchase orders and contracts are issued. The encumbrances are liquidated when the goods or services are received. Encumbrances outstanding at December 31, 2019 do not lapse but are assigned within the fund balance and brought forward to the new fiscal year. As of December 31, 2019, the general fund has encumbrances in the amount of \$216,757.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

#### 3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local unit shall not incur expenditures in excess of the amounts appropriated. The approved budgets of the County were adopted on a department level basis for the general fund and the fund level for the special revenue funds.

Excess of expenditures or transfers out over appropriations in individual funds are as follows:

	Final Budget	Actual	Excess
General fund -			
General government -			
County guardian	\$ 147,650	\$ 148,700	\$ 1,050
Public safety -			
Corrections - medical services	451,467	460,834	9,367
Health and welfare -			
Ambulance fund	1,300	1,571	271
Community and economic develop -			
S.E. Michigan Council of Governments	47,500	47,645	145
Recreation and culture -			
Parks maintenance	222,866	223,080	214
Debt service - principal	-	143,009	143,009
Capital outlay	1,722,606	1,989,353	266,747

These excesses over appropriations were funded by available fund balance.

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

### 4. DEPOSITS, INVESTMENTS, AND SECURITIES LENDING

Following is a reconciliation of deposits and investments as of December 31, 2019:

	Primary Government	Component Units	Total
<b>Statement of Net Position</b>			
Cash and cash equivalents	\$ 28,003,453	\$ 32,163,078	\$ 60,166,531
Investments	27,399,322	11,508,970	38,908,292
Restricted assets - cash and cash equivalents	1,806,718	-	1,806,718
<b>Statement of Fiduciary Net Position</b>			
Cash and cash equivalents	10,611,681	-	10,611,681
Investments	273,829,260	-	273,829,260
<b>Total</b>	<b>\$ 341,650,434</b>	<b>\$ 43,672,048</b>	<b>\$ 385,322,482</b>
<b>Deposits and Investments</b>			
Deposits:			
Bank deposits (checking and savings accounts)			\$ 51,320,901
Certificates of deposit (due within one year)			25,751,378
Certificates of deposit (due in more than one year)			1,000,000
Investments in securities, mutual funds and similar vehicles:			
Treasurer's investment pool			33,390,705
Employee's retirement system			207,016,699
Retiree health insurance fund			66,812,561
Cash on hand			30,238
<b>Total</b>			<b>\$ 385,322,482</b>

#### *Bank Deposits and Treasurer's Investment Pool*

*Custodial Credit Risk - Deposits.* Deposits are exposed to custodial credit risk if they are not covered by depository insurance. As of December 31, 2019, \$50,317,531 of the County's total bank balance of \$69,015,551 (total book balance was \$78,080,356) was exposed to custodial credit risk as it was uninsured and uncollateralized; this was after \$508,306 of collateralized deposits.

Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to insure all bank deposits. As a result, the County's depository policy is to evaluate each financial institution and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

*Custodial Credit Risk - Investments.* Following is a summary of the Treasurer's investment pool as of December 31, 2019:

Money market accounts	\$ 25,305,699
Commercial paper	1,999,209
U.S. treasuries	5,084,373
U.S. agencies	<u>1,001,424</u>
	<u>\$ 33,390,705</u>

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

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy and State law require that commercial paper be rated in the top two ratings by at least two nationally recognized statistical rating organizations. Ratings are not required for money market funds or U.S. treasuries.

As of December 31, 2019, the Treasurer's investments in debt securities were rated by Standard & Poor's as follows:

Rating	Commercial paper	U.S. agencies
AA+	\$ -	\$ 1,001,424
A1	<u>1,999,209</u>	<u>-</u>
	<u>\$ 1,999,209</u>	<u>\$ 1,001,424</u>

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy requires diversification by security type and institution, but does not place a fixed percentage limit for any one issuer. At December 31, 2019, the County's investment portfolio was not exposed to concentration credit risk.

*Interest Rate Risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The County's investments in commercial paper, U.S. treasuries, and U.S. agencies all mature within one year from December 31, 2019.



## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

*Fair Value Measurements.* The County categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs - other than quoted prices included within Level 1- that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the management's review of the type and substance of investments held by the County.

The County's recurring fair value measurement as of December 31, 2019 were related to its investments in commercial paper, U.S. agencies, and U.S. treasuries. These investments are valued using significant other observable inputs of the underlying securities and bonds (Level 2 inputs).

#### *Employees' Retirement System Investments*

The Employees' Retirement System (the "System") investments are primarily held in a bank-administered trust fund. Following is a summary of those investments as of December 31, 2019:

Investments at fair value, as determined by quoted market price:

U.S. treasuries	\$ 9,386,640
Corporate bonds	11,675,354
Mortgage backed securities	1,984,613
Hedge fund	13,018,043
Mutual fund	42,106,965
Equity securities	59,336,459
Commingled funds	37,787,884
Real estate funds	<u>31,720,741</u>
Total investments	<u>\$ 207,016,699</u>

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in domestic and foreign stocks, government securities, corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's investment policy emphasizes appropriate risk/return parameters and compliance with Public Act 314, and gives discretionary authority to its investment managers as opposed to establishing specific credit rating benchmarks.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

As of December 31, 2019, the System's investments in corporate bonds were rated by Moody's as follows:

Rating	Corporate Bonds	Mortgage Backed Securities
Aaa	\$ 459,087	\$ -
A2	541,847	-
A3	403,767	-
Baa1 and below	8,549,312	-
Not rated	1,721,341	1,984,613
	<u>\$ 11,675,354</u>	<u>\$ 1,984,613</u>

*Custodial Credit Risk.* For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System's investment policy requires that securities be held in trust by a third-party institution in the System's name or its nominee custodian's name or in bearer form. Although uninsured and unregistered, the System's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the System's name. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy requires that no manager will hold more than 5% of its portion of the total fund in any single company and no more than 5% may be held in any single common stock. At December 31, 2019 the System's investment portfolio was not concentrated.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

As of December 31, 2019, maturities of the System's debt securities were as follows:

	Fair Value	Investment Maturities (fair value by years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. treasuries	\$ 9,386,640	\$ 110,735	\$ 1,413,387	\$ 7,862,518	\$ -
Corporate bonds	11,675,354	400,748	6,120,785	5,153,821	-
Mortgage backed securities	1,984,613	-	-	-	1,984,613
	<u>\$ 23,046,607</u>	<u>\$ 511,483</u>	<u>\$ 7,534,172</u>	<u>\$ 13,016,339</u>	<u>\$ 1,984,613</u>

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

*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 17.72%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Fair Value Measurements.* The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System had the following recurring fair value measurements as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
<b>Investments by fair value level</b>				
U.S. treasuries	\$ -	9,386,640	-	\$ 9,386,640
Corporate bonds	-	11,675,354	-	11,675,354
Mortgage backed securities	-	1,984,613	-	1,984,613
Mutual fund	42,106,965	-	-	42,106,965
Equity securities	59,336,459	-	-	59,336,459
<b>Total investments at fair value</b>	<b>\$ 101,443,424</b>	<b>\$ 23,046,607</b>	<b>\$ -</b>	<b>124,490,031</b>
<b>Investments measured at net asset value (NAV)</b>				
Hedge fund				13,018,043
Commingled funds				37,787,884
Real estate funds				31,720,741
<b>Total investments</b>				<b>\$ 207,016,699</b>

The fair value of the U.S. treasuries, corporate bonds and mortgage backed securities at December 31, 2019 was determined primarily based on Level 2 inputs. The System estimates the fair value of these investments based on prices that have been evaluated by independent pricing services. Such evaluated prices may be determined by using inputs such as interest rates and yield curves that are observable at commonly quoted intervals, maturities, call features, and ratings among other factors.

The valuation method for investments measured at NAV is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Hedge fund	\$ 13,018,043	\$ -	Quarterly	Up to 90 days
Commingled funds	37,787,884	-	Immediate	N/A
Real estate funds	31,720,741	4,722,975	Quarterly	Up to 90 days
	<b>\$ 82,526,668</b>	<b>\$ 4,722,975</b>		

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

The hedge fund class includes investment in funds whose objective is to achieve substantial capital appreciation with limited volatility. The strategy is designed to achieve modest correlation to global equity and fixed income returns. The funds pursues a multistrategy, multi-manager approach to hedge fund investing and invest in four broad strategies: long/short equity, relative value, event-driven/distressed, and global macro. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The commingled funds class includes investments in funds that invest predominantly in fixed-income instruments in U.S., developed, and emerging market countries. The funds invest across a diverse group of security types including government, corporate, and mortgage-backed debt and across the credit quality spectrum of investment grade and high yield. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The real estate funds class includes investments in funds whose objective is to acquire, develop, own, and operate a diversified portfolio of real estate investments in commercial property. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

#### *Retiree Health Insurance Fund Investments*

The Retiree Health Insurance Fund (the "RHIF") investments are similarly governed by Public Act 314 of 1965 and follow the investment policies of the System, although the RHIF is independent of the System. The RHIF's investments are held by an independent investment management company.

Following is a summary of the RHIF's investments as of December 31, 2019:

Investments at fair value, as determined by the quoted market price:

U.S. treasuries	\$ 6,315,511
Corporate bonds	5,816,389
Asset backed securities	674,788
Equity securities	47,959,351
Money market accounts	264,194
Real estate	<u>5,782,328</u>
Total investments	<u>\$ 66,812,561</u>

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The RHIF's investment policy emphasizes appropriate risk/return parameters and compliance with Public Act 314, and gives discretionary authority to its investment managers as opposed to establishing specific credit rating benchmarks. As of December 31, 2019, the RHIF's investments in corporate bonds and asset backed securities were rated by Moody's as follows:

Rating	Corporate Bonds	Asset Backed Securities
Aaa	\$ -	\$ 292,231
Aa1	-	159,038
Aa2	-	108,491
A2	236,436	-
A3	301,387	-
Baa1	529,263	-
Baa2	1,526,605	-
Baa3	1,769,756	115,028
Ba1	442,897	-
Ba2	131,749	-
Ba3	615,219	-
B1	125,222	-
B2	137,855	-
	<u>\$ 5,816,389</u>	<u>\$ 674,788</u>

United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk. The RHIF's investments in money market accounts are not rated.

*Custodial Credit Risk.* For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the RHIF will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The RHIF's investment policy requires that securities be held in trust by a third-party institution in the RHIF's name or its nominee custodian's name or in bearer form. Although uninsured and unregistered, the RHIF's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the RHIF's name. Short-term investments in money market accounts are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the RHIF's investment in a single issuer. The RHIF's investment policy requires that no manager will hold more than 5% of its portion of the total fund in any single company and no more than 5% may be held in any single common stock. At December 31, 2019, the RHIF had greater than 5% of its total investment portfolio concentrated as follows:

Investment Type	Issuer	% of Portfolio
Real estate	Boyd Watterson GSA Fund, LP	7.7%

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The RHIF's investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

As of December 31, 2019, maturities of the RHIF's debt securities were as follows:

	Fair Value	Investment Maturities (fair value by years)			
		Less Than 1	1-5	6-10	10 +
U.S. treasuries	\$ 6,315,511	\$ 768,717	\$ 2,257,885	\$ 2,450,201	\$ 838,708
Corporate bonds	5,816,389	181,651	3,814,993	1,564,274	255,471
Asset backed securities	674,788	-	674,788	-	-
	<u>\$ 12,806,688</u>	<u>\$ 950,368</u>	<u>\$ 6,747,666</u>	<u>\$ 4,014,475</u>	<u>\$ 1,094,179</u>

*Rate of Return.* For the year ended December 31, 2019, the annual money-weighted rate of return on the RHIF's investments, net of investment expense, was -5.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Fair Value Measurements.* The RHIF categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The RHIF had the following recurring fair value measurements as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
<b>Investments by fair value level</b>				
U.S. treasuries	\$ -	\$ 6,315,511	\$ -	\$ 6,315,511
Corporate bonds	-	5,816,389	-	5,816,389
Asset backed securities	-	674,788	-	674,788
Equity securities	7,870,222	40,089,129	-	47,959,351
Money market accounts	-	264,194	-	264,194
Real estate	-	-	5,782,328	5,782,328
<b>Total investments at fair value</b>	<u>\$ 7,870,222</u>	<u>\$ 53,160,011</u>	<u>\$ 5,782,328</u>	<u>\$ 66,812,561</u>

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

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

### 5. RECEIVABLES AND PAYABLES

Receivables in the governmental activities are as follows:

Accounts	\$ 887,919
Current taxes	5,502,932
Other governments	<u>3,976,038</u>
<b>Total</b>	<b><u>\$ 10,366,889</u></b>

Receivables for the business-type activities are composed primarily of amounts due from taxpayers for delinquent taxes and related interest and collections fees, along with loans receivable for housing rehabilitation programs.

Payables in the governmental activities are as follows:

Accounts	\$ 1,667,773
Accrued wages and fringes	823,597
Due to other governments	217,570
Claims payable	1,233,958
Accrued interest	<u>43,501</u>
<b>Total</b>	<b><u>\$ 3,986,399</u></b>

Payables for the business-type activities are composed primarily of accounts payable.

### 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2019, is as follows:

	Receivable	Payable
<b>Due to and from primary government funds</b>		
General fund	\$ 2,665,039	\$ 113,671
County health fund	495,000	-
Nonmajor governmental funds	110,967	603,282
Delinquent tax revolving fund	-	2,556,757
Internal service funds	<u>177,704</u>	<u>175,000</u>
<b>Total</b>	<b><u>\$ 3,448,710</u></b>	<b><u>\$ 3,448,710</u></b>
<b>Advances to and from other funds</b>		
General fund	\$ 454,314	\$ -
Nonmajor governmental funds	-	110,967
Delinquent tax revolving fund	3,880,915	-
Internal service funds	<u>-</u>	<u>4,224,262</u>
<b>Total</b>	<b><u>\$ 4,335,229</u></b>	<b><u>\$ 4,335,229</u></b>

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

The County reports interfund balances between certain of its funds. These interfund balances which are short-term in nature result primarily from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund advances are provided for working capital, and are long-term in nature.

A summary of interfund transfers for the year ended December 31, 2019 is as follows:

Transfers In						
General	County Health	Federal Prisoner Housing	Nonmajor Governmental Funds	Internal Service Funds	Total	
Out						
\$ -	\$ 1,029,501	\$ 2,004,998	\$ 3,859,987	\$ -	\$ 6,894,486	
199,111			-	-	199,111	
92,128	-	-	13,474	194,268	299,870	
80,000	-	-	-	-	80,000	
\$ 371,239	\$ 1,029,501	\$ 2,004,998	\$ 3,873,461	\$ 194,268	\$ 7,473,467	

SC - senior citizen special revenue fund

NMGF - nonmajor governmental funds

NMEF - nonmajor enterprise funds

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



# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

### 7. CAPITAL ASSETS

#### Primary government

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 105,000	\$ -	\$ -	\$ 105,000
Collections	113,500	-	-	113,500
Total capital assets not being depreciated	218,500	-	-	218,500
Capital assets being depreciated:				
Land improvement	855,938	18,300	-	874,238
Buildings and improvements	67,531,829	568,503	381,056	67,719,276
Machinery and equipment	19,512,461	6,310,944	784,930	25,038,475
Vehicles	3,534,449	418,455	-	3,952,904
Total capital assets being depreciated	91,434,677	7,316,202	1,165,986	97,584,893
Less accumulated depreciation for:				
Land improvement	794,223	4,063	-	798,286
Buildings and improvements	49,310,680	1,557,621	381,056	50,487,245
Machinery and equipment	15,445,953	1,393,079	784,930	16,054,102
Vehicles	2,697,922	426,375	-	3,124,297
Total accumulated depreciation	68,248,778	3,381,138	1,165,986	70,463,930
Total capital assets being depreciated, net	23,185,899	3,935,064	-	27,120,963
<b>Governmental activities capital assets, net</b>	<b>\$ 23,404,399</b>	<b>\$ 3,935,064</b>	<b>\$ -</b>	<b>\$ 27,339,463</b>

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets being depreciated:				
Machinery and equipment	\$ 26,610	\$ -	\$ -	\$ 26,610
Vehicles	367,671	-	218,302	149,369
Total capital assets being depreciated	394,281	-	218,302	175,979
Less accumulated depreciation for:				
Machinery and equipment	23,253	839	-	24,092
Vehicles	361,819	5,852	218,302	149,369
Total accumulated depreciation	385,072	6,691	218,302	173,461
<b>Business-type activities capital assets, net</b>	<u>\$ 9,209</u>	<u>\$ (6,691)</u>	<u>\$ -</u>	<u>\$ 2,518</u>

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

Governmental activities:	
General government	\$ 857,296
Public safety	1,611,955
Health and welfare	410,289
Recreation and culture	268,880
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>232,718</u>
<b>Total depreciation expense - governmental activities</b>	<u>\$ 3,381,138</u>
Business-type activities:	
Equipment rental	\$ 5,852
Inmate commissary	<u>839</u>
<b>Total depreciation expense - business-type activities</b>	<u>\$ 6,691</u>

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

### Discretely Presented Component Units

Capital asset activity for the discretely presented component units for fiscal year 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Component Unit - Road Commission</b>				
Capital assets not being depreciated:				
Land	\$ 407,412	\$ -	\$ -	\$ 407,412
Land improvements - infrastructure	10,691,406	110,043	-	10,801,449
Total capital assets not being depreciated	11,098,818	110,043	-	11,208,861
Capital assets being depreciated:				
Buildings and improvements	5,787,227	369,817	-	6,157,044
Equipment and storage	15,981,177	1,966,249	1,253,765	16,693,661
Infrastructure	202,403,347	17,868,699	4,783,242	215,488,804
Total capital assets being depreciated	224,171,751	20,204,765	6,037,007	238,339,509
Less accumulated depreciation for:				
Buildings and improvements	3,754,027	167,038	-	3,921,065
Equipment and storage	11,927,384	1,405,879	1,096,634	12,236,629
Infrastructure	98,167,943	9,452,649	4,783,242	102,837,350
Total accumulated depreciation	113,849,354	11,025,566	5,879,876	118,995,044
Total capital assets being depreciated, net	110,322,397	9,179,199	157,131	119,344,465
<b>Road Commission capital assets, net</b>	<b>\$ 121,421,215</b>	<b>\$ 9,289,242</b>	<b>\$ 157,131</b>	<b>\$ 130,553,326</b>

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit - Community Mental Health Authority				
Capital assets not being depreciated -				
Land	\$ 47,000	\$ -	\$ -	\$ 47,000
Capital assets being depreciated:				
Buildings and				
improvements	1,340,370	-	-	1,340,370
Equipment and furnishings	925,469	-	-	925,469
Vehicles	640,806	-	36,575	604,231
Total capital assets				
being depreciated	2,906,645	-	36,575	2,870,070
Less accumulated depreciation for:				
Buildings and				
improvements	907,967	92,775	-	1,000,742
Equipment and furnishings	683,784	102,450	-	786,234
Vehicles	460,318	76,089	36,575	499,832
Total accumulated				
depreciation	2,052,069	271,314	36,575	2,286,808
Total capital assets				
being depreciated, net	854,576	(271,314)	-	583,262
Community Mental Health Authority				
capital assets, net	\$ 901,576	\$ (271,314)	\$ -	\$ 630,262

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Component Unit - Library System</b>				
Capital assets not being depreciated -				
Library collection	\$ 6,516,405	\$ 527,251	\$ 976,711	\$ 6,066,945
Capital assets being depreciated:				
Buildings and improvements	2,846,201	23,189	-	2,869,390
Equipment and furnishings	1,909,243	14,092	-	1,923,335
Vehicular equipment	124,790	230,305	-	355,095
Total capital assets				
being depreciated	4,880,234	267,586	-	5,147,820
Less accumulated depreciation for:				
Buildings and improvements	757,703	84,457	-	842,160
Equipment and furnishings	1,647,032	77,035	-	1,724,067
Vehicular equipment	124,790	26,441	-	151,231
Total capital accumulated depreciation	2,529,525	187,933	-	2,717,458
Total capital assets being depreciated, net	2,350,709	79,653	-	2,430,362
<b>Library System capital assets, net</b>	<u>\$ 8,867,114</u>	<u>\$ 606,904</u>	<u>\$ 976,711</u>	<u>\$ 8,497,307</u>
<b>Component Unit - Drain Commission</b>				
Capital assets being depreciated -				
Infrastructure	\$ 44,235,897	\$ 164,745	\$ -	\$ 44,400,642
Less accumulated depreciation for -				
Infrastructure	15,980,906	697,292	-	16,678,198
<b>Drain Commission capital assets, net</b>	<u>\$ 28,254,991</u>	<u>\$ (532,547)</u>	<u>\$ -</u>	<u>\$ 27,722,444</u>

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Component Unit -					
County Agency					
Capital assets not being depreciated:					
Land	\$ 630,296	\$ -	\$ -	-	\$ 630,296
Construction in progress	1,359,315	16,039,009	-	252,047	17,650,371
Total capital assets, not being depreciated	1,989,611	16,039,009	-	252,047	18,280,667
Capital assets being depreciated:					
Utility plant in service	36,180,478	56,072	-	(252,047)	35,984,503
Buildings and improvements	767,397	7,163	-	-	774,560
Equipment and furnishings	665,425	23,278	-	-	688,703
Vehicles	1,688,663	113,096	-	-	1,801,759
Total capital assets being depreciated	39,301,963	199,609	-	(252,047)	39,249,525
Less accumulated depreciation for:					
Utility plant in service	15,271,242	580,298	-	-	15,851,540
Buildings and improvements	646,711	12,436	-	-	659,147
Equipment and furnishings	606,702	21,831	-	-	628,533
Vehicles	1,091,072	126,730	-	-	1,217,802
Total accumulated depreciation	17,615,727	741,295	-	-	18,357,022
Total capital assets being depreciated, net	21,686,236	(541,686)	-	(252,047)	20,892,503
County Agency capital assets, net	\$ 23,675,847	\$ 15,497,323	\$ -	\$ -	\$ 39,173,170

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

### 8. LONG-TERM DEBT

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds:					
Capital Improvement					
Series 2012	\$ 459,000	\$ -	\$ 111,000	\$ 348,000	\$ 450,000
Building Authority, 2014 Refunding	4,665,000	-	435,000	4,230,000	113,000
Direct borrowings and direct placements -					
Installment loan	-	715,045	143,009	572,036	143,009
Deferred amounts for:					
Issuance discounts	(34,597)	-	(3,844)	(30,753)	(3,844)
Issuance premiums	422,127	-	46,903	375,224	46,903
Compensated absences	1,203,875	1,249,267	1,203,875	1,249,267	1,249,267
	<u>\$ 6,715,405</u>	<u>\$ 1,964,312</u>	<u>\$ 1,935,943</u>	<u>\$ 6,743,774</u>	<u>\$ 1,998,335</u>

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

**General Obligation Bonds.** The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the County and pledge the County's full faith and credit. General obligation bonds currently outstanding are as follows:

	Interest Rate	Year of Maturity	Outstanding Principal	Original Amount
General obligation bonds				
2012 Capital Improvement	2.07%	2022	\$ 348,000	\$ 1,060,000
2014 Refunding Building Authority	4.00%	2027	4,230,000	5,480,000
<b>Total</b>			<u>\$ 4,578,000</u>	<u>\$ 6,540,000</u>

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

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

Year Ended December 31,	Principal	Interest
2020	\$ 563,000	\$ 166,234
2021	586,000	145,464
2022	614,000	123,732
2023	515,000	102,300
2024	540,000	81,200
2025-2027	1,760,000	107,400
	<u>\$ 4,578,000</u>	<u>\$ 726,330</u>

**Installment Loan.** The County entered into an installment agreement during the year for the purchase of technology equipment. It is an interest free loan and the County is required to make annual payments of \$143,009 through 2023.

#### Discretely Presented Component Units

##### Road Commission

Following is a summary of long-term debt transactions of the Road Commission for the year ended September 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Direct borrowings and direct placements:					
Michigan Transportation Fund:					
Notes, Series 2011	\$ 205,000	\$ -	\$ 100,000	\$ 105,000	\$ 105,000
Notes, Series 2012	300,000	-	75,000	225,000	75,000
Notes, Series 2017	4,285,000	-	715,000	3,570,000	715,000
Installment lease agreements	386,510	984,628	523,371	847,767	96,800
	<u>5,176,510</u>	<u>984,628</u>	<u>1,413,371</u>	<u>4,747,767</u>	<u>991,800</u>
Compensated absences	528,833	493,772	493,250	529,355	494,730
<b>Total Road Commission</b>	<u>\$ 5,705,343</u>	<u>\$ 1,478,400</u>	<u>\$ 1,906,621</u>	<u>\$ 5,277,122</u>	<u>\$ 1,486,530</u>



## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

The outstanding debt of the Road Commission as of September 30, 2019, is summarized as follows:

	Interest Rate	Maturing Through	Principal Outstanding
2011 Michigan Transportation Fund Notes, Series 2011	3.25%	2020	\$ 105,000
2012 Michigan Transportation Fund Notes, Series 2012	3.05%	2022	225,000
2017 Michigan Transportation Fund Notes, Series 2017	2.47%	2024	3,570,000
Installment lease purchase agreements	2.40%	2018	<u>847,767</u>
<b>Total bonded and other contractual indebtedness</b>			<b><u>\$ 4,747,767</u></b>

The installment lease purchase agreements consist of multi-equipment obligations, including two CAT loaders and two CAT graders.

Annual debt service requirements to maturity for the notes and installment lease purchase agreements are as follows:

Year Ending September 30,	Principal	Interest
2020	\$ 991,800	\$ 136,808
2021	891,433	110,521
2022	896,290	85,716
2023	826,382	60,676
2024	<u>1,141,862</u>	<u>37,676</u>
<b>Total</b>	<b><u>\$ 4,747,767</u></b>	<b><u>\$ 431,397</u></b>

#### Community Mental Health Authority

Following is a summary of the changes in the long-term debt of the Community Mental Health Authority for the year ended September 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	<u>\$ 267,662</u>	<u>\$ 86,776</u>	<u>\$ 40,149</u>	<u>\$ 314,289</u>	<u>\$ 47,143</u>

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

### Library System

Following is a summary of the changes in the long-term liabilities of the Library System:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 283,315	\$ 202,210	\$ 215,973	\$ 269,552	\$ 217,492

### Drain Commission

Drain bonds and notes are issued for the construction and maintenance of County drains. Bonds and notes issued by the Drain Commission are generally collateralized by the full faith and credit of the drainage districts and the County.

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
--	----------------------	-----------	-----------	-------------------	------------------------

### General obligation bonds:

2009 Drainage District Bonds (limited tax general obligation bonds; original issuance \$350,000); annual installments of \$5,000-\$20,000 through 2029; interest at 4.25% to 5.25%

\$ 220,000	\$ -	\$ 20,000	\$ 200,000	\$ 20,000
------------	------	-----------	------------	-----------

2010 Drainage District Bonds (limited tax general obligation bonds; original issuance \$520,000); annual installments of \$40,000-\$65,000 through 2021; interest at 3.50 to 4.20%

180,000	-	55,000	125,000	60,000
---------	---	--------	---------	--------

continued...

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2010 Drainage District Bonds (limited tax general obligation bonds; original issuance \$1,400,000); annual installments of \$45,000-\$75,000 through 2030; interest at 2.500% to 4.875%	\$ 900,000	\$ -	\$ 75,000	\$ 825,000	\$ 75,000
2011 Drainage District Bonds (limited tax general obligation bonds; original issuance \$1,765,000); annual installments of \$75,000-\$100,000 through 2030; interest at 2.50% to 4.75%	1,295,000	-	95,000	1,200,000	100,000
2011 Drainage District Bonds (limited tax general obligation bonds; original issuance \$1,850,000); annual installments of \$75,000-\$100,000 through 2031; interest at 2.25% to 4.35%	1,300,000	-	100,000	1,200,000	100,000
2013 Drainage District Bonds (limited tax general obligation bonds; original issuance \$1,960,000); annual installments of \$160,000-\$205,000 through 2022; interest at 0.50% to 2.25%	985,000	-	200,000	785,000	200,000

continued...

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2013 Drainage District Bonds (limited tax general obligation bonds; original issuance \$860,000); annual installments of \$50,000- \$60,000 through 2028; interest at 1.9% to 4.4%	\$ 590,000	\$ -	\$ 55,000	\$ 535,000	\$ 55,000
2013 Drainage District Bonds (limited tax general obligation bonds; original issuance \$2,320,000); annual installments of \$120,000-\$125,000 through 2033; interest at 3.75%	1,840,000	-	120,000	1,720,000	120,000
2014 Drainage District Bonds (limited tax general obligation bonds; original issuance \$2,118,000); annual installments of \$211,000-\$212,000 through 2034; interest at 2.0%	1,272,000	-	212,000	1,060,000	212,000
	8,582,000	-	932,000	7,650,000	942,000
<i>Direct borrowings and direct placements -</i>					
Drainage district notes payable	2,520,542	391,235	1,017,413	1,894,364	949,754
	<u>\$ 11,102,542</u>	<u>\$ 391,235</u>	<u>\$ 1,949,413</u>	<u>\$ 9,544,364</u>	<u>\$ 1,891,754</u>

concluded

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

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

Year Ended December 31,	Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2020	\$ 942,000	\$ 270,512	\$ 949,754	\$ 39,198
2021	947,000	224,623	389,604	21,114
2022	882,000	197,845	303,196	13,916
2023	882,000	175,285	152,873	5,550
2024	687,000	152,777	98,937	2,225
2025-2029	2,335,000	457,271	-	-
2030-2033	975,000	58,327	-	-
	<u>\$ 7,650,000</u>	<u>\$ 1,536,640</u>	<u>\$ 1,894,364</u>	<u>\$ 82,003</u>

#### County Agency

The County has issued general obligation bonds for various waterworks and sewage disposal systems under Act 342, P.A. 1939, as amended. These bonds are supported by a pledge of the County's full faith and credit as well as by the various local units which make payments through contractual agreements with the County to meet the principal and interest of these bonds; title passes to the local unit when the debt is retired.

The following is a summary of changes in long-term debt of the County Agency for the year ended December 31, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General obligation bonds	\$ 61,920,959	\$ 15,055,619	\$ 5,220,000	\$ 71,756,578	\$ 5,130,000
Capital lease	115,498	-	55,834	59,664	59,664
Deferred amounts for:					
Issuance discounts	(24,800)	-	(1,600)	(23,200)	(1,600)
Issuance premiums	-	308,266	19,267	288,999	19,267
Compensated absences	63,913	103,938	101,877	65,974	65,974
	<u>\$ 62,075,570</u>	<u>\$ 15,467,823</u>	<u>\$ 5,395,378</u>	<u>\$ 72,148,015</u>	<u>\$ 5,273,305</u>

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

The annual requirements to pay principal and interest on the general obligation bonds outstanding at December 31, 2019, are as follows:

Year Ending December 31,	Principal	Interest
2020	\$ 5,130,000	\$ 1,730,877
2021	5,230,000	1,648,273
2022	5,860,000	1,561,943
2023	5,930,000	1,459,914
2024	5,340,000	1,088,168
2025-2029	25,205,000	3,680,817
2030-2034	17,515,961	1,281,337
2035-2039	6,486,908	361,853
2040-2041	2,635,000	42,900
Amounts not yet drawn	(7,576,291)	-
<b>Total</b>	<b>\$ 71,756,578</b>	<b>\$ 12,856,082</b>

### 9. PENSION PLAN

#### *Employees' Retirement System*

*Plan Description.* The Monroe County Employees Retirement Plan (the "Plan") is a single-employer defined benefit pension plan administered by the System Board of Trustees (the "Board"). The Plan covers substantially all full-time employees of the County and discretely presented component units. The Plan was adopted and established by the County in accordance with Michigan Compiled Laws, Section 46.12a. The Plan provides retirement, deferred allowance, disability, and death benefits to plan members and their beneficiaries in accordance with the County's retirement plan ordinance. Benefit provisions are established and may be amended by the Board. The System's financial statements are included in the financial statements of the County as a pension trust fund. A separate, publicly available financial report that includes financial statements and required supplementary information is also issued; it may be obtained by writing to the Monroe County Employees Retirement System, 840 South Roessler Street, Monroe, MI 48161.

*Benefits Provided.* The System provides retirement, disability, and death benefits. For the County and County Agency employees, benefit terms are established by negotiations between the County Commission and the employees through collective bargaining agreements and may be amended by the County Commission. For the Library System employees, the terms are established by Library System administration and the Library System Board of Trustees. For Road Commission employees, the terms are established by the Board of Road Commissioners through collective bargaining. For the Community Mental Health Authority employees, the terms are established by the Community Mental Health Authority Board of Trustees through collective bargaining.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

*Contributions.* Article 9, Section 24 of the State of Michigan Constitution requires that financial benefits arising on account of employee service rendered in each year be funding during that year. Accordingly, the Pension Board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the Board in accordance with the union contracts and plan provisions. For the year ended December 31, 2018, the active member contribution rate ranged from 0.0% to 5.0% of annual pay and the contribution as a percentage of payroll for the various departments was: 31.31% for General County, 37.14% for County Agency, 31.08% for the Sheriff's Office, 16.63% for the County Library, 18.37% for the Road Commission, and 24.25% for Central Dispatch. The Community Mental Health Authority contributions are expressed in dollars and the required contribution was \$633,084. Total employer contributions to the Plan during the current fiscal year were \$8,359,272.

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

Inactive employees or beneficiaries currently receiving benefits	768
Inactive employees entitled to but not yet receiving benefits	144
Active employees	<u>724</u>
<b>Total membership</b>	<u><u>1,636</u></u>

*Reserves.* In accordance with the Plan policy, the County establishes reserves for various purposes. The reserves are adjusted annually based on recommendations from the County's actuaries. The policy for creating and adjusting reserves was established and can be amended by the Board. A summary of the Plan reserves at December 31, 2019 is as follows:

Reserve / Group	Balance
Retirement reserve fund (as of the beginning of the year)	\$ 165,627,762
Employee reserve	8,640,343

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

*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	3.0%
Salary increases	3.5-5.5%, varies by employee group
Investment rate of return	7.0%, net of investment expense and including inflation

Mortality rates were based on the Fully Generational RP-2014 Blue Collar Mortality Table for males and females, using Projection Scale MP-2014.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

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 ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan'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
Equities	63.00%	5.12%
Fixed income	14.00%	2.23%
Real estate	12.00%	4.53%
Alternatives	10.00%	5.27%
Cash	1.00%	0.74%
	<u>100.00%</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 assumed 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 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.



## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

*Changes in the Net Pension Liability.* The components of the change in the net pension liability for the pension plan (as reported in the fiscal 2018 financial statements) are summarized as follows:

	Total Plan		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	\$ 281,370,644	\$ 206,965,535	\$ 74,405,109
Changes for the year:			
Service cost	4,101,407	-	4,101,407
Interest	19,397,343	-	19,397,343
Difference between actual and expected experience	2,161,876	-	2,161,876
Employer contributions	-	8,359,272	(8,359,272)
Employee contributions	-	944,299	(944,299)
Net investment loss	-	(11,080,239)	11,080,239
Benefit payments, including refunds of employee contributions	(16,734,297)	(16,734,297)	-
Administrative expense	-	(210,357)	210,357
Net changes	8,926,329	(18,721,322)	27,647,651
Balances at December 31, 2018	\$ 290,296,973	\$ 188,244,213	\$ 102,052,760

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

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

	Primary Government		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	\$ 199,857,568	\$ 147,000,471	\$ 52,857,097
Changes for the year:			
Service cost	2,791,811	-	2,791,811
Interest	13,203,690	-	13,203,690
Difference between actual and expected experience	1,471,580	-	1,471,580
Employer contributions	-	5,690,121	(5,690,121)
Employee contributions	-	642,780	(642,780)
Net investment loss	-	(7,542,272)	7,542,272
Benefit payments, including refunds of employee contributions	(11,600,489)	(11,600,489)	-
Administrative expense	-	(143,191)	143,191
Loss due to change in proportionate share	(8,147,272)	(5,937,413)	(2,209,859)
Net changes	(2,280,680)	(18,890,464)	16,609,784
Balances at December 31, 2018	\$ 197,576,888	\$ 128,110,007	\$ 69,466,881

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the reporting entity calculated using the discount rate of 7.00%, as well as what the reporting entity'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 (primary government)	\$ 93,127,233	\$ 69,466,881	\$ 49,608,751
Road Commission	15,708,626	11,717,617	8,367,963
Community Mental Health Authority	9,460,511	7,056,928	5,039,601
Library System	9,964,696	7,433,018	5,308,180
County Agency	8,550,764	6,378,316	4,554,980
County's net pension liability	\$ 108,545,022	\$ 102,052,760	\$ 45,823,974

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

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Primary Government.* For the year ended December 31, 2019, the primary government recognized pension expense of \$10,740,349. At December 31, 2019, the primary government reported deferred outflows 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	\$ 2,029,932	\$ 2,494,663	\$ (464,731)
Changes in assumptions	326,591	-	326,591
Net difference between projected and actual earnings on pension plan investments	10,990,035	-	10,990,035
Changes in proportionate share	1,102,648	1,754,158	(651,510)
	14,449,206	4,248,821	10,200,385
Employer contributions to the plan subsequent to the measurement date	6,466,627	-	6,466,627
<b>Total</b>	<b>\$ 20,915,833</b>	<b>\$ 4,248,821</b>	<b>\$ 16,667,012</b>

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Component Units.* For the year ended December 31, 2019, component units recognized pension expense of \$4,980,307. At December 31, 2019, component units reported deferred outflows 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	\$ 952,210	\$ 1,170,212	\$ (218,002)
Changes in assumptions	153,198	-	153,198
Net difference between projected and actual earnings on pension plan investments	5,667,136	511,874	5,155,262
Changes in proportionate share	2,684,822	2,033,311	651,511
	9,457,366	3,715,397	5,741,969
Employer contributions to the plan subsequent to the measurement date	2,533,039	-	2,533,039
<b>Total</b>	<b>\$ 11,990,405</b>	<b>\$ 3,715,397</b>	<b>\$ 8,275,008</b>

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension for the reporting entity will be recognized in pension expense as follows:

Year Ended December 31,	County (primary government)	Component Units	Total
2020	\$ 4,046,415	\$ 1,862,067	\$ 5,908,482
2021	1,319,592	786,204	2,105,796
2022	1,390,007	1,378,936	2,768,943
2023	3,444,371	1,714,762	5,159,133
Total	<u>\$ 10,200,385</u>	<u>\$ 5,741,969</u>	<u>\$ 15,942,354</u>

### 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

#### Primary Government (including the County Agency)

*Plan Description.* The Monroe County Retiree Health Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the Retiree Health Care Board (the "Board"). The Plan was adopted and established by the County Board of Commissioners. The Plan provides postemployment healthcare and life insurance benefits to eligible retirees of the primary government and County Agency in accordance with the various labor contracts and personnel policies. Eligible retirees are those individuals who meet the requirements to receive retirement benefits pursuant to the System, except for employees hired on or after October 28, 2003 (for certain groups), who receive no benefits under the Plan. By July 1, 2013, the Plan was closed to all new hires.

The Plan is reported as an other employee benefit trust fund in the accompanying financial statements. The Plan does not issue a separate or stand-alone report.

*Basis of Accounting.* The Plan's financial statements are prepared using the accrual basis of accounting. Plan contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments for which market quotations are not readily available are valued at their fair values as determined by the portfolio manager under the direction of the Board.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

*Funding Policy.* The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners, subject to applicable labor contracts. Active plan members are required to contribute 3.0% of covered payroll. Additionally, plan members receiving healthcare benefits contribute on a sliding scale basis for spouse and dependent coverage, ranging from 0% to 50% of the monthly premium, based on years of service; plan members receiving benefits are not required to contribute towards their own individual coverage. Total contributions from active plan members and from plan members receiving benefits were \$684,317 or 12.9% of the total cost of benefits for 2018.

Employer contributions to fund the Plan are currently on a pay-as-you-go basis with additional contributions intended to build the fund for purposes of paying future benefits. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 22 years. The current combined ARC is 52.4% of annual covered payroll.

*Plan Membership.* Plan membership consisted of the following at December 31, 2018 (the date of the latest actuarial valuation):

Retirees and beneficiaries currently receiving benefits	439
Inactive employees entitled to but not yet receiving benefits	193
Active participants	213

*Net OPEB Liability.* The County's net OPEB liability was measured as of December 31, 2018 (and rolled forward to December 31, 2019, the measurement date).

*Actuarial Assumptions.* The total OPEB liability was determined by an actuarial valuation as of December 31, 2018 (and rolled forward to December 31, 2019, the measurement date), using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	5.50%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.5%-5.5%, depending on years of service
Healthcare cost trend rate	Pre-65 - 2.1% initially; 4.1% ultimately Post-65 - 3.6% initially; 4.1% ultimately
Inflation rate	2.3%
Mortality rates	RP-2014 Blue Collar Mortality Tables (Healthy Annuitant, Employee, and Disabled, as appropriate) projected back to 2006 base year using Projection Scale MP-2014 (male and female, as appropriate) with generational projection using Projection Scale MP-2017)

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

*Long-term Expected Rate of Return.* The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan'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
Cash	3.00%	0.18%	0.01%
Core fixed income	20.00%	2.06%	0.41%
High yield bonds	2.00%	4.69%	0.09%
Non-U.S. fixed income	15.00%	0.32%	0.05%
Large cap U.S. equities	25.00%	4.30%	1.08%
Mid cap U.S. equities	10.00%	4.83%	0.48%
Small cap U.S. equities	10.00%	5.53%	0.55%
Developed foreign equities	7.00%	5.52%	0.39%
Emerging market equities	3.00%	7.82%	0.23%
Real estate (property)	3.00%	3.83%	0.11%
Real estate (REITS)	2.00%	5.04%	0.10%
	<u>100.00%</u>		3.50%
Inflation			2.30%
Risk adjustments			<u>-0.30%</u>
Investment rate of return			<u>5.50%</u>

*Discount Rate.* The discount rate used to measure the total OPEB liability was 5.5%. 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 County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

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

	Total Plan		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2018	\$ 133,120,326	\$ 55,610,810	\$ 77,509,516
Changes for the year:			
Service cost	1,789,601	-	1,789,601
Interest	7,273,946	-	7,273,946
Differences between expected and actual experience	(7,446,354)	-	(7,446,354)
Changes in assumptions	(4,493,346)	-	(4,493,346)
Employer contributions	-	6,797,410	(6,797,410)
Employee contributions	-	361,406	(361,406)
Benefit payments, including refunds of employee contributions	(5,384,797)	(5,384,797)	-
Net investment income	-	11,086,481	(11,086,481)
Administrative expense	-	(46,819)	46,819
Net changes	(8,260,950)	12,813,681	(21,074,631)
Balances at December 31, 2019	\$ 124,859,376	\$ 68,424,491	\$ 56,434,885

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

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

	Primary Government		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2018	\$ 124,802,394	\$ 51,879,501	\$ 72,922,893
Changes for the year:			
Service cost	1,676,062	-	1,676,062
Interest	6,816,120	-	6,816,120
Differences between expected and actual experience	(7,145,547)	-	(7,145,547)
Changes in assumptions	(4,218,405)	-	(4,218,405)
Employer contributions	-	6,235,633	(6,235,633)
Employee contributions	-	336,830	(336,830)
Benefit payments, including refunds of employee contributions	(5,167,157)	(5,167,157)	-
Net investment income	-	10,318,106	(10,318,106)
Administrative expense	-	(43,678)	43,678
Net changes	(8,038,927)	11,679,734	(19,718,661)
Balances at December 31, 2019	\$ 116,763,467	\$ 63,559,235	\$ 53,204,232

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability of the County, calculated using the discount rate of 5.5%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (4.5%)	Current Discount Rate (5.5%)	1% Increase (6.5%)
County (primary government)	\$ 72,036,917	\$ 53,204,232	\$ 38,187,117
County Agency	4,442,160	3,230,653	2,248,241
Net OPEB liability	\$ 76,479,077	\$ 56,434,885	\$ 40,435,358



## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

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

	1% Decrease	Current Trend Rate	1% Increase
County (primary government)	\$ 36,996,238	\$ 53,204,232	\$ 73,698,089
County Agency	2,163,788	3,230,653	4,551,812
Net OPEB liability	<u>\$ 39,160,026</u>	<u>\$ 56,434,885</u>	<u>\$ 78,249,901</u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* For the year ended December 31, 2019, the County recognized OPEB expense of \$152,655. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Difference between expected and actual experience:	
County (primary government)	\$ 5,132,265
County Agency	311,411
	<u>5,443,676</u>
Changes in assumptions:	
County (primary government)	\$ 2,853,225
County Agency	185,965
	<u>3,039,190</u>
Net difference between projected and actual earnings on pension plan investments:	
County (primary government)	3,982,993
County Agency	624,578
	<u>4,607,571</u>
Total	<u>\$ 13,090,437</u>

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

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

Year Ended December 31,	County (primary government)	County Agency	Total
2020	\$ (5,040,479)	\$ (417,221)	\$ (5,457,700)
2021	(4,821,676)	(340,518)	(5,162,194)
2022	(620,770)	(148,800)	(769,570)
2023	(1,485,558)	(215,415)	(1,700,973)
	<u>\$ (11,968,483)</u>	<u>\$ (1,121,954)</u>	<u>\$ (13,090,437)</u>

A stand alone financial report has not been issued for the Plan; accordingly, those financials are presented below.

#### Statement of Plan Net Position - December 31, 2019

##### Assets

Cash and cash equivalents	\$ 1,611,167
Investments at fair value:	
U.S. treasuries	6,315,511
Corporate bonds	5,816,389
Asset backed securities	674,788
Equity securities	47,959,351
Real estate	5,782,328
Money market accounts	264,194
Contributions receivable	763

Total assets / net position restricted for  
other postemployment benefits

\$ 68,424,491

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

#### Statement of Changes in Plan Net Position Year Ended December 31, 2019

##### Additions

###### Investment income:

Net appreciation in fair value of investments	\$ 8,621,135
Interest and dividends	2,283,902
Total investment income	<u>10,905,037</u>
Less: investment management fees	(141,468)
Net investment income	<u>10,763,569</u>

###### Contributions:

Employer	6,797,410
Employee	361,406
Retiree and other	322,911
Total contributions	<u>7,481,727</u>

Total additions	<u>18,245,296</u>
-----------------	-------------------

##### Deductions

Benefit payments	5,311,362
Refunds of contributions	73,434
Administrative expenses	<u>46,819</u>

Total deductions	<u>5,431,615</u>
------------------	------------------

Change in net position	12,813,681
------------------------	------------

##### Net position

Beginning of year	<u>55,610,810</u>
End of year	<u><u>\$ 68,424,491</u></u>

#### Road Commission

*Plan Description.* The Road Commission provides postemployment benefits through a single-employer defined benefit healthcare plan (the "Plan") to eligible employees who retire from the Road Commission. Benefit provisions are established through negotiations between the Road Commission's management and Board of County Road Commissioners and the employees' unions. On December 2, 2018, the Road Commission entered into an agreement to transfer the assets from their single-employer defined benefit retiree healthcare plan into the County of Monroe Retiree Healthcare Fund, a multi-employer defined benefit OPEB trust (the County Plan). The other postemployment benefits trust fund of the Road Commission was closed on May 31, 2019 with the transfer of its remaining resources to the County Plan. The Plan is audited within the scope of the audit of the basic financial statements; separate audited financial statements are not issued.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

*Funding Policy.* The Road Commission has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a “pay-as-you-go” basis). However, the Road Commission has made contributions to advance-fund these benefits, as determined by the Board of County Road Commissioners through annual budget resolutions. Administrative costs of the Plan are paid for by the Road Commission. During the year ended September 30, 2019, employer contributions of \$2,279,222 were made, including a \$1,374,830 contribution to the Road Commission's Other Postemployment Benefits Trust Fund. The Plan was established by, and is being funded under, the authority of the Road Commission and under agreements with unions representing various classes of employees.

Complete disclosures regarding the Road Commission's OPEB plan are presented in the Commission's financial report.

#### Community Mental Health Authority

*Plan Description.* The Community Mental Health Authority administers a single-employer defined benefit healthcare plan (the “Plan”). The Community Mental Health Authority provides postemployment healthcare insurance benefits to certain employees through the Community Mental Health Authority's group health insurance plan which covers both active and retired members. Benefit provisions are established through discussions between the Community Mental Health Authority and its employees.

*Benefits Provided.* The Community Mental Health Authority provides medical and pharmacy benefits for eligible retirees, and their spouse, hired prior to June 1, 2012. Pre-Medicare benefits are provided through fully-insurance plans that mirror those offered to active employees through Blue Cross Blue Shield of Michigan (“BCBSM”) and Blue Care Network (“BCN”). Upon Medicare eligibility, supplemental benefits are offered through fully-insured plans administered by the Hartford. Normal retirement age is age 55 with 30 years of service, or age 60 with eight years of service. For employees that retired prior to December 19, 2013, the Plan pays 100% of the retiree's single premium rate, and the retiree is responsible for a portion of the dependent premium as provided by individual retiree in the participant data. For employees that retire(d) on or after December 19, 2013, prior to Medicare eligibility, the Community Mental Health Authority pays 100% of the retiree's single premium up to Public Act 152 Hard Cap in effect at that time. Upon reaching Medicare eligibility, the Community Mental Health Authority pays 100% of the retiree's single premium. For the life of the spouse, the Community Mental Health Authority pays 50% of the spouse/dependent's premium, plus 2.27% for each year of service in excess of eight years, up to 100% at 30 years of service.

Complete disclosures regarding the Community Mental Health Authority's OPEB plan are presented in the Community Mental Health Authority's financial report.

# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

### Library System

*Plan Administration.* The Library System administers its Retiree Health Care Benefits Plan and Trust ("Plan and Trust") which was adopted on December 17, 2001. The Plan and Trust was established under the authority of the Public Employees Health Care Fund Investment Act, Public Act 149 of 1999, and constitutes a "voluntary employees beneficiary association" (VEBA) under section 501 (c)(9) of the Internal Revenue Code, as amended. The Plan and Trust is a single-employer defined benefit postemployment healthcare plan.

*Benefits Provided.* The assets of the Plan and Trust are held in trust for the exclusive purpose of providing health care and life insurance benefits to eligible retirees and their beneficiaries who are also receiving retirement benefits from the System.

*Contributions.* Employees hired before October 21, 2002, are not required to contribute toward the cost of health insurance premiums. Employees hired after October 21, 2002, will earn 5% toward retiree health care premium coverage for each year of full time service with the Library System. Also, an inflation cap was put in place for employees hired after October 21, 2002. Any employee hired after October 21, 2002, will be required to pay for health care premium increases in excess of 5% annually of the premium in effect at retirement. For individuals retiring after December 31, 2012, the Library System Board voted to place a hard cap on medical benefits in line with the state mandated medical benefit plan coverage hard cap. The required contribution changes each year as a result of all the experience of the Plan and Trust. Some of that experience affects the unfunded accrued liability. Contributions are calculated using an actuarially determined contribution needed to meet the financial objective. The Library System's contribution to the Plan and Trust for 2019 was \$325,000 to fund retiree health benefits as a result of an actuarial valuation as of December 31, 2018. The contributions were equal to the annual other post-employment benefit cost (100% of the annual required contribution). The Library System was returned \$270,538 to pay the 2019 current year costs of the retiree health benefits.

Complete disclosures regarding the Library System's OPEB plan are presented in the Library System's financial report.

## 11. RISK MANAGEMENT

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has self-insurance plans for workers' compensation, unemployment, dental care, health care, and disability coverage. Each participating fund of the County makes payments to the respective internal service fund equal to an established percentage of gross salaries for that fund. These payments are accounted for as other employee benefits in the paying fund and charges for services revenue in the receiving fund. The County has established liabilities for incurred but not reported claims ("IBNR") in the worker's compensation, health care, dental care, unemployment, long-term disability, and liability funds. Historical data was used as a basis for the development of the IBNR liabilities.

In 2019, there were no significant reductions in insurance coverage from prior year levels by major categories of risk. Also, there have been no settlements that exceeded insurance coverage during each of the past five fiscal years.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

**Worker's compensation self-insurance plan** - The County has a self-insurance program for worker's compensation accounted for in a separate internal service fund. An independent third party administrator processes the daily claims and performs internal control and management duties. Currently, the County self-insures \$550,000 in liability for each occurrence and purchases excess insurance through various reinsurance companies, for up to \$5,000,000 per occurrence. The fund has unrestricted net position of \$466,828 at December 31, 2019. The changes in estimated claims liability are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2018	\$ 282,632	\$ (8,475)	\$ 53,070	\$ 221,087
2019	221,087	12,243	115,421	117,909

**Health care self-insurance plan** - The County offers health care options through two health maintenance organizations (HMOs), a preferred provider organization (PPO), or traditional coverage with Blue Cross Blue Shield. A separate internal service fund is used to account for health care self-insurance plan activities. The revenues for this fund's operation are charges to various funds and employee payroll withholdings. The fund has unrestricted net position of \$4,636,122 at December 31, 2019. The changes in the estimated claims liability are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2018	\$ 199,181	\$ 5,018,889	\$ 4,862,909	\$ 355,161
2019	355,161	4,917,539	5,003,195	269,505

**Dental care self-insurance plan** - The County has a self-insured plan for dental care coverage accounted for in a separate internal service fund. An independent administrator processes the daily claims and performs management duties. Benefits under the program are capped at \$800 per covered person annually. The revenues for this fund's operation are charges to various funds and payroll withholdings. The fund has unrestricted net position of \$389,797 at December 31, 2019. The changes in the estimated claims liability are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2018	\$ 15,341	\$ 473,655	\$ 465,294	\$ 23,702
2019	23,702	439,006	443,578	19,130

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

**Unemployment self-insurance plan** - The County is self-insured for unemployment and uses a separate internal service fund to account for unemployment claims. The revenues for this fund's operation are charges to various funds and payroll withholdings. The changes in the estimated claims liability are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2018	\$ 178	\$ 4,383	\$ 4,344	\$ 217
2019	217	24,559	23,596	1,180

**Long-term disability plan** - The County is self-insured for long term disability liabilities. A separate internal service fund is used to account for long-term disability claims. The revenues for this fund's operation are charges to various funds and payroll withholdings. An independent administrator is hired to process claims and to perform management duties. The changes in the estimated claims liability are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2018	\$ 12,396	\$ 219,009	\$ 220,386	\$ 11,019
2019	11,019	191,972	193,325	9,666

**General liability self-insurance** - The County is a voluntary member of the Michigan Municipal Risk Management Authority ("MMRMA") established in January 1980, pursuant to laws of the State of Michigan which authorizes local units of government to exercise jointly any power, privilege or authority which each might exercise separately. The MMRMA administers risk management services and provides Monroe County with loss protection for general and auto liability, and property and crime coverage. Under most circumstances the County's maximum loss per occurrence is limited as follows:

Type of Risk	Maximum Retention Per Occurrence
General and auto liability	\$ 300,000
Property and crime coverage	\$ 15,000 - \$1,000 deductible and 10% of next \$100,000
Flood and earthquake	\$ 1,000

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

The administration of the MMRMA is directed by a 10-member Board of Directors composed of municipal representatives elected by the membership. The MMRMA Board establishes the general policies of the MMRMA that create and publish rules to be followed by the Executive Director and Board, and is empowered with the authority to impose sanctions or terminate membership. The County's Administrator/Chief Financial Officer has been designated the representative to the MMRMA to be responsible for the execution of all loss control measures, to ensure the payment of all annual, supplementary or other payment requirements, to ensure the filing of all required lawsuits, claims, litigation, and reporting, and to act as a liaison between the County and MMRMA. This official is supported in this responsibility by the County's General Legal Counsel.

The MMRMA provides risk management, underwriting, reinsurance, litigation oversight and claim services with member contributions allocated to meet these obligations. The MMRMA has reserves to pay losses incurred by members that exceed individual retention levels and are not covered under reinsurance agreements. Losses incurred within the established limits are general obligations of the MMRMA.

After the County has paid the self-insured retention portion, the MMRMA and its reinsurers are responsible for paying losses, including damages, loss adjustment expense, and defense costs, with the limits at \$15,000,000 per occurrence for liability coverage. For property losses, the MMRMA insures the County property at replacement value for any property rebuilt or repaired. If not replaced, the property is adjusted at actual cash value. If for any reason the Authority's resources available to pay losses are depleted, the payment of all unpaid losses of the County is the sole obligation of Monroe County.

The reinsurance agreements discussed above include provisions for minimum annual premiums. As of December 31, 2019 the MMRMA had met the minimum requirements.

The County uses a separate internal service fund to account for the activities of the retention fund held by MMRMA. At December 31, 2019, the fund has net position of \$1,310,931.

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2018	\$ 879,844	\$ 267,509	\$ 154,607	\$ 992,746
2019	992,746	67,932	244,110	816,568



# COUNTY OF MONROE, MICHIGAN

## Notes to Financial Statements

### Road Commission Component Unit

The Road Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees.

The Road Commission is self-insured for healthcare benefits. The administrative services for the self-insured program are performed on a contractual basis by a third party. The Road Commission makes monthly payments, based on estimated claims and a stop-loss provision (up to \$75,000 per contract per year), which are adjusted quarterly. The Road Commission has accrued an estimate for claims incurred but not reported (IBNR) based on past history and current available data of \$39,495 at September 30, 2019.

The Road Commission also participates in the Michigan County Road Commission Self-Insurance Pool (the "Pool") for claims relating to property loss, torts, and errors and omissions. The Pool operates as a common-risk management program for local units of governments in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The Road Commission is partially uninsured for workers' compensation claims. Under the plan, the Road Commission is liable for losses up to a limit per occurrence of \$1,000,000 as of September 30, 2019. The Road Commission has recorded a liability for estimated losses incurred up to the limit per occurrence at the time of occurrence.

## 12. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the state and federal governments. 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.

The County is the defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

## 13. PROPERTY TAXES

County property taxes are levied annually on July 1 (the lien date) to fund operations for the current year. The property taxes are due in full within nine months (prior to March 1), at which time uncollected taxes became delinquent.

## COUNTY OF MONROE, MICHIGAN

### Notes to Financial Statements

The assessed value of real and personal property is established by the local units, accepted by the County and equalized under State statute at approximately 50% 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. Property taxes are levied based on the taxable value of the property (as defined under Proposal A). Taxable value is determined by using such factors as equalized value, assessed value, and capped value, along with a value change multiplier.

The taxable value of real and personal property for the July 1, 2019 levy was \$6.286 billion. The general operating tax rate for this levy was at the maximum rate of 4.7952 mills, as adjusted by the Headlee Amendment to the State of Michigan Constitution. The County also had a voter approved tax of 0.64 mills for senior citizen services, 0.125 for the Fairview Infirmary, 0.1 for the Museum, and 0.002 for the Veterans.

By agreement with various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable.

The Library System was authorized by a special election to levy 1.0 mills. The Library System's 2019 property taxes were levied on December 1, 2019 based on assessed valuations as of December 31, 2019. The taxable value for real and personal property for the year amounted to \$6.3 billion based on a percentage of the property's fair market value. Taxes levied December 1, 2019, totaling \$6,285,952 were recorded as both a deferred inflow and as a taxes receivable.

### 14. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets, for the governmental activities as of December 31, 2019, was as follows:

#### Capital assets

Capital assets not being depreciated	\$ 218,500
Capital assets being depreciated, net	<u>27,120,963</u>
	<u>27,339,463</u>

#### Related debt

Total bonds and notes payable	5,150,036
Net bond premium/discount	344,471
Deferred charge on refunding	(204,114)
Advance from other fund	<u>4,199,140</u>
	<u>9,489,533</u>

Net investment in capital assets	<u>\$ 17,849,930</u>
----------------------------------	----------------------

## COUNTY OF MONROE, MICHIGAN

### Notes To Financial Statements

#### 15. FUND BALANCES - GOVERNMENTAL FUNDS

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 are as follows:

	General	County Health	Federal Prisoner Housing	Senior Citizen	Nonmajor Funds	Total
<b>Nonspendable</b>						
Prepays	\$ 226,157	\$ 49,084	\$ 3,886	\$ -	\$ 32,363	\$ 311,490
Inventory	-	-	-	-	18,522	18,522
Long-term advances	454,314	-	-	-	-	454,314
Total nonspendable	680,471	49,084	3,886	-	50,885	784,326
<b>Restricted for</b>						
General government	-	-	-	-	1,259,898	1,259,898
Public safety	-	-	-	-	1,738,892	1,738,892
Health and welfare	-	2,252,940	-	647,707	766,020	3,666,667
Recreation and culture	-	-	-	-	1,446,404	1,446,404
Debt service	-	-	-	-	31,230	31,230
Capital projects	-	-	-	-	559,121	559,121
Total restricted	-	2,252,940	-	647,707	5,801,565	8,702,212
<b>Committed for</b>						
General government	1,688,814	-	-	-	-	1,688,814
Public safety	-	-	1,296,395	-	652,662	1,949,057
Health and welfare	-	3,880,289	-	-	-	3,880,289
Total committed	1,688,814	3,880,289	1,296,395	-	652,662	7,518,160
<b>Assigned for</b>						
Encumbrances	216,757	-	-	-	-	216,757
Budget stabilization	2,430,587	-	-	-	-	2,430,587
Total assigned	2,647,344	-	-	-	-	2,647,344
<b>Unassigned</b>	14,363,017	-	-	-	-	14,363,017
<b>Total fund balances, governmental funds</b>	<u>\$ 19,379,646</u>	<u>\$ 6,182,313</u>	<u>\$ 1,300,281</u>	<u>\$ 647,707</u>	<u>\$ 6,505,112</u>	<u>\$ 34,015,059</u>

Further information on the restricted fund balances for the County's major funds are as follows:

The county health fund balance is restricted for the solid waste program (\$1,105,646), medicaid (\$709,246), non-community water (\$90,387), and emergency preparedness (\$347,661).

The senior citizen fund balance is restricted for services provided to assist Monroe county residents 60 years of age and older in their daily lives (\$647,707).

Further information on the committed fund balances for the County's major funds are as follows:

The general fund balance is committed for ambulance fund expenditures (\$4,909), for computer capital outlay (\$1,610,839), and animal control donations (\$73,066).

The county health fund balance is committed for the diagnosis, solution, and prevention of community public health problems.

The federal prisoner housing fund balance is committed for use at the jail dormitory facility.

Further information on the assigned fund balances for the County's major funds are as follows:

The general fund balance is encumbered for office furniture for probate court (\$440), office supplies for adult probation (\$42), capital outlay for a law enforcement records management system (\$135,811), computer software for planning and community engagement (\$17,721), for contractual services for information technology (\$26,643), and for a compensation study of the county workforce (\$36,100).

# COUNTY OF MONROE, MICHIGAN

## Notes To Financial Statements

### 16. TAX ABATEMENTS

The County received reduced property tax revenues during 2018 as a result of industrial facilities tax exemptions ("IFT's") and brownfield redevelopment agreements entered into by cities, villages, townships, and authorities within the County.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Developments 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 \$199,787 in reduced county tax revenues for 2019.

### 17. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact of the pandemic on the County's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the County for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the County's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain. Adding to the uncertainty is legislation that would provide reimbursement of eligible expenditures to the County for its efforts in responding to the pandemic. It is uncertain what level of funding would be appropriated to local units of government including counties and if the funding would cover loss of revenue due to the pandemic.

### 18. RESTATEMENTS

Beginning net position of the Community Mental Health Authority component unit was decreased by \$50,668 to account for compliance examination adjustments related to fiscal year 2018 and was increased by \$2,476,954 for a change in the OPEB liability due to a change in the OPEB trust.

■ ■ ■ ■ ■

This page intentionally left blank.

## REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

**Required Supplementary Information**  
 Employees' Retirement System

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

	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 4,101,407	\$ 3,852,383	\$ 4,007,459	\$ 3,901,674	\$ 4,475,473
Interest	19,397,343	19,352,895	18,590,127	18,114,296	17,360,575
Differences between expected and actual experience	2,161,876	(6,474,451)	4,215,420	(1,665,060)	-
Changes of assumptions	-	-	-	4,100,832	-
Benefit payments, including refunds of employee contributions	(16,734,297)	(15,955,474)	(15,567,004)	(15,081,332)	(14,348,289)
<b>Net change in total pension liability</b>	<b>8,926,329</b>	<b>775,353</b>	<b>11,246,002</b>	<b>9,370,410</b>	<b>7,487,759</b>
Total pension liability, beginning of year	281,370,644	280,595,291	269,349,289	259,978,879	252,491,120
<b>Total pension liability, end of year</b>	<b>290,296,973</b>	<b>281,370,644</b>	<b>280,595,291</b>	<b>269,349,289</b>	<b>259,978,879</b>
<b>Plan fiduciary net position</b>					
Employer contributions	8,359,272	8,483,096	8,044,525	7,938,586	7,275,798
Employee contributions	944,299	868,337	851,150	897,929	773,806
Net investment income (loss)	(11,080,239)	24,707,505	12,409,450	(1,133,015)	7,866,098
Benefit payments, including refunds of employee contributions	(16,734,297)	(15,955,474)	(15,567,004)	(15,081,332)	(14,348,289)
Administrative expense	(210,357)	(148,861)	(169,405)	(233,746)	(154,756)
<b>Net change in plan fiduciary net position</b>	<b>(18,721,322)</b>	<b>17,954,603</b>	<b>5,568,716</b>	<b>(7,611,578)</b>	<b>1,412,657</b>
Plan fiduciary net position, beginning of year	206,965,535	189,010,932	183,442,216	191,053,794	189,641,137
<b>Plan fiduciary net position, end of year</b>	<b>188,244,213</b>	<b>206,965,535</b>	<b>189,010,932</b>	<b>183,442,216</b>	<b>191,053,794</b>
<b>Reporting entity's net pension liability</b>	<b>\$ 102,052,760</b>	<b>\$ 74,405,109</b>	<b>\$ 91,584,359</b>	<b>\$ 85,907,073</b>	<b>\$ 68,925,085</b>
Plan fiduciary net position as a percentage of total pension liability	64.85%	73.56%	67.36%	68.11%	73.49%
<b>Covered payroll</b>	<b>\$ 35,798,576</b>	<b>\$ 35,292,710</b>	<b>\$ 34,786,368</b>	<b>\$ 34,514,128</b>	<b>\$ 33,045,751</b>
Reporting entity's net pension liability as a percentage of covered payroll	285.07%	210.82%	263.28%	248.90%	208.57%

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

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



**Required Supplementary Information**  
 Employees' Retirement System

**Schedule of Changes in the Net Pension Liability and Related Ratios - Primary Government**

	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 2,791,811	\$ 2,736,348	\$ 2,790,394	\$ 2,687,863	\$ 2,976,190
Interest	13,203,690	13,746,361	12,944,305	12,478,939	11,544,782
Differences between expected and actual experience	1,471,580	(4,598,803)	2,935,197	(1,147,060)	-
Changes of assumptions	-	-	-	2,825,063	-
Benefit payments, including refunds of employee contributions	(11,600,489)	(11,333,173)	(10,839,305)	(10,389,530)	(9,541,612)
Gain (loss) due to change in proportionate share	(8,147,272)	-	-	-	-
<b>Net change in total pension liability</b>	<b>(2,280,680)</b>	<b>550,733</b>	<b>7,830,591</b>	<b>6,455,275</b>	<b>4,979,360</b>
Total pension liability, beginning of year	199,857,568	199,306,835	191,476,244	185,020,969	180,041,609
<b>Total pension liability, end of year</b>	<b>197,576,888</b>	<b>199,857,568</b>	<b>199,306,835</b>	<b>191,476,244</b>	<b>185,020,969</b>
<b>Plan fiduciary net position</b>					
Employer contributions	5,690,121	6,025,543	5,601,403	5,468,892	4,838,406
Employee contributions	642,780	616,780	592,656	618,583	514,581
Net investment income (loss)	(7,542,272)	17,549,741	8,640,700	(780,534)	5,230,955
Benefit payments, including refunds of employee contributions	(11,600,489)	(11,333,173)	(10,839,305)	(10,389,530)	(9,541,612)
Administrative expense	(143,191)	(112,885)	(110,808)	(161,028)	(102,913)
Gain (loss) due to change in proportionate share	(5,937,413)	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>(18,890,464)</b>	<b>12,746,006</b>	<b>3,884,646</b>	<b>(5,243,617)</b>	<b>939,417</b>
Plan fiduciary net position, beginning of year	147,000,471	134,254,465	130,369,819	135,613,436	134,674,019
<b>Plan fiduciary net position, end of year</b>	<b>128,110,007</b>	<b>147,000,471</b>	<b>134,254,465</b>	<b>130,369,819</b>	<b>135,613,436</b>
<b>Reporting entity's net pension liability</b>	<b>\$ 69,466,881</b>	<b>\$ 52,857,097</b>	<b>\$ 65,052,370</b>	<b>\$ 61,106,425</b>	<b>\$ 49,407,533</b>
Plan fiduciary net position as a percentage of total pension liability	64.84%	73.55%	67.36%	68.09%	73.30%
<b>Covered payroll</b>	<b>\$ 22,428,147</b>	<b>\$ 25,068,412</b>	<b>\$ 24,221,748</b>	<b>\$ 23,776,783</b>	<b>\$ 21,975,424</b>
Reporting entity's net pension liability as a percentage of covered payroll	309.73%	210.85%	268.57%	257.00%	224.83%

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

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

**Required Supplementary Information**

## Employees' Retirement System

Schedule of Contributions  
Primary Government Only

Fiscal Year Ending 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	\$ 5,864,806	\$ 5,864,806	\$ -	\$ 21,975,424	26.69%
2016	5,557,800	5,557,800	-	23,776,783	25.87%
2017	5,945,974	5,945,974	-	24,221,748	24.55%
2018	5,726,755	5,726,755	-	25,068,412	22.84%
2019	5,966,627	6,466,627	500,000	22,428,147	28.83%

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**

Valuation date                      Actuarially determined contribution rates are calculated as of December 31 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

## Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level of percent of payroll
Remaining amortization period	25 years
Asset valuation method	7-year adjusted market value
Inflation	3.0%
Salary increases	3.5-5.5%, varied by employee group
Investment rate of return	7.0% net of pension plan investment expense, including inflation
Mortality rates	Fully Generational RP-2014 Blue Collar Mortality Table for males and females, using Projection Scale MP-2014.

**Required Supplementary Information**

## Employees' Retirement System

## Schedule of Investment Returns

Fiscal Year Ended December 31,	Annual Return <sup>(1)</sup>
2015	-0.2%
2016	6.6%
2017	13.3%
2018	-5.7%
2019	17.7%

<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.

## Required Supplementary Information

## Retiree Health Plan

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

	Year Ended December 31,		
	2019	2018	2017
<b>Total OPEB liability</b>			
Service cost	\$ 1,789,601	\$ 1,550,100	\$ 1,469,289
Interest	7,273,946	7,135,421	6,974,764
Differences between expected and actual experience	(7,446,354)	(986,205)	(578,542)
Changes in assumptions	(4,493,346)	-	-
Benefit payments, including refunds of employee contributions	(5,384,797)	(5,454,629)	(4,607,273)
<b>Net change in total OPEB liability</b>	<b>(8,260,950)</b>	<b>2,244,687</b>	<b>3,258,238</b>
Total OPEB liability, beginning of year	133,120,326	130,875,639	127,617,401
<b>Total OPEB liability, end of year</b>	<b>124,859,376</b>	<b>133,120,326</b>	<b>130,875,639</b>
<b>Plan fiduciary net position</b>			
Employer contributions	6,797,410	6,498,074	6,308,394
Employee contributions	361,406	392,779	404,303
Retiree contributions	-	-	285,737
Net investment income (loss)	11,086,481	(3,200,530)	6,547,600
Benefit payments, including refunds of employee contributions	(5,384,797)	(5,454,629)	(4,607,274)
Administrative expense	(46,819)	(23,850)	(30,869)
<b>Net change in plan fiduciary net position</b>	<b>12,813,681</b>	<b>(1,788,156)</b>	<b>8,907,891</b>
Plan fiduciary net position, beginning of year	55,610,810	57,398,966	48,491,075
<b>Plan fiduciary net position, end of year</b>	<b>68,424,491</b>	<b>55,610,810</b>	<b>57,398,966</b>
<b>County's net OPEB liability</b>	<b>\$ 56,434,885</b>	<b>\$ 77,509,516</b>	<b>\$ 73,476,673</b>
Plan fiduciary net position as a percentage of total OPEB liability	54.80%	41.77%	43.86%
<b>Covered payroll</b>	<b>\$ 12,975,010</b>	<b>\$ 13,972,121</b>	<b>\$ 14,171,007</b>
County's net OPEB liability as a percentage of covered payroll	434.95%	554.74%	518.50%

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

**Required Supplementary Information**

## Retiree Health Plan

## Schedule of Changes in the Net OPEB Liability and Related Ratios - Primary Government

	Year Ended December 31,		
	2019	2018	2017
<b>Total OPEB liability</b>			
Service cost	\$ 1,676,062	\$ 1,472,002	\$ 1,395,262
Interest	6,816,120	6,681,316	6,532,449
Differences between expected and actual experience	(7,145,547)	(710,150)	(501,049)
Changes in assumptions	(4,218,405)	-	-
Benefit payments, including refunds of employee contributions	(5,167,157)	(5,224,553)	(4,380,217)
<b>Net change in total OPEB liability</b>	<b>(8,038,927)</b>	<b>2,218,615</b>	<b>3,046,445</b>
Total OPEB liability, beginning of year	124,802,394	122,583,779	119,537,334
<b>Total OPEB liability, end of year</b>	<b>116,763,467</b>	<b>124,802,394</b>	<b>122,583,779</b>
<b>Plan fiduciary net position</b>			
Employer contributions	6,235,633	5,988,296	5,749,007
Employee contributions	336,830	367,609	379,877
Net investment income (loss)	10,318,106	(2,991,864)	6,615,213
Benefit payments, including refunds of employee contributions	(5,167,157)	(5,224,553)	(4,380,217)
Administrative expense	(43,678)	(22,339)	(22,402)
<b>Net change in plan fiduciary net position</b>	<b>11,679,734</b>	<b>(1,882,851)</b>	<b>8,341,478</b>
Plan fiduciary net position, beginning of year	51,879,501	53,762,352	45,420,874
<b>Plan fiduciary net position, end of year</b>	<b>63,559,235</b>	<b>51,879,501</b>	<b>53,762,352</b>
<b>County's net OPEB liability</b>	<b>\$ 53,204,232</b>	<b>\$ 72,922,893</b>	<b>\$ 68,821,427</b>
Plan fiduciary net position as a percentage of total OPEB liability	54.43%	41.57%	43.86%
<b>Covered payroll</b>	<b>\$ 12,112,728</b>	<b>\$ 13,127,244</b>	<b>\$ 13,348,430</b>
County's net OPEB liability as a percentage of covered payroll	439.24%	555.51%	515.58%

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

# Required Supplementary Information

## Retiree Health Plan

### Schedule of Contributions Primary Government Only

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
2017	\$ 8,170,321	\$ 5,749,007	\$ (2,421,314)	\$ 13,348,430	43.1%
2018	8,896,786	5,988,296	(2,908,490)	13,127,244	45.6%
2019	9,104,709	6,235,633	(2,869,076)	12,112,728	51.5%

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

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

Actuarial cost method	Entry-age normal
Amortization method	Level dollar, closed
Remaining amortization period	14 years
Asset valuation method	5-year smoothing
Inflation	2.3%
Salary increases	3.5%-5.5%, depending on years of service
Investment rate of return	5.5%, net of OPEB plan investment expense
Mortality	RP-2014 Blue Collar Mortality Tables (Healthy Annuitant, Employee, and Disabled, as appropriate) projected back to 2006 base year using Projection Scale MP-2014 (male and female, as appropriate) with generational projection using Projection Scale MP-2017)
Health care trend rates	Pre-65 - 2.1% initially; 4.1% ultimately Post-65 - 3.6% initially; 4.1% ultimately

**Required Supplementary Information**  
Retiree Health Plan

## Schedule of Investment Returns

Fiscal Year Ended December 31,	Annual Return <sup>(1)</sup>
2017	13.76%
2018	-5.50%
2019	3.41%

<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.

## SUPPLEMENTARY INFORMATION



This page intentionally left blank.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

This page intentionally left blank.

# COUNTY OF MONROE, MICHIGAN

## Major Governmental Funds

### General Fund

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

### County Health Special Revenue Fund

The *County Health Special Revenue Fund* is used to account for revenue restricted for the purpose of providing health protection, maintenance, and improvement for the residents of the County.

### Federal Prisoner Housing Special Revenue Fund

The *Federal Prisoner Housing Special Revenue Fund* is used to account for the activity of the second jail facility.

### Senior Citizen Special Revenue Fund

The *Senior Citizen Special Revenue Fund* controls the special tax levy and general fund appropriation for services and special programs for seniors.

This page intentionally left blank.

**Schedule of Revenues and Other Sources - by Source**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Taxes</b>				
Current property taxes	\$ 28,726,450	\$ 28,726,450	\$ 29,428,117	\$ 701,667
Delinquent personal property taxes	20,000	20,000	34,126	14,126
Industrial facilities tax	396,000	396,000	453,796	57,796
Trailer tax	32,000	32,000	32,541	541
Payments in lieu of taxes	60,000	60,000	67,983	7,983
<b>Total taxes</b>	<b>29,234,450</b>	<b>29,234,450</b>	<b>30,016,563</b>	<b>782,113</b>
<b>Licenses and permits</b>				
Other	146,800	146,800	89,162	(57,638)
<b>Intergovernmental revenues</b>				
Emergency management division grant	35,500	35,500	27,896	(7,604)
OPSG Grant	-	148,544	44,857	(103,687)
UASI homeland security grant	-	286,299	312,319	26,020
Justice department grant	-	12,520	4,402	(8,118)
Welfare grant	2,500	2,500	-	(2,500)
Traffic enforcement	54,350	140,653	29,433	(111,220)
Local community stabilization share	450,000	450,000	1,005,007	555,007
Probate court judges salaries	296,938	296,938	318,871	21,933
Circuit court judges salaries	137,172	137,172	137,172	-
District court judges salaries	137,172	137,172	137,172	-
Crime victim/witness grant	156,515	185,590	166,705	(18,885)
Juvenile probation	78,389	78,389	97,986	19,597
Assistant prosecutor (state)	40,000	40,000	79,895	39,895
District court - mental health court	112,500	156,087	150,295	(5,792)
District court - veterans court	26,250	26,210	26,199	(11)
District court - caseload assistance	32,500	32,500	23,087	(9,413)
District court - drug caseload assistance	2,750	2,750	2,584	(166)
Circuit court - drug caseload assistance	-	-	1,625	1,625
State court equity fund	600,000	600,000	623,479	23,479
Remonumentation	73,538	73,199	71,917	(1,282)

continued...

**Schedule of Revenues and Other Sources - by Source**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Intergovernmental revenues (concluded)</b>				
Other state grants	\$ 26,750	\$ 26,750	\$ 19,179	\$ (7,571)
Secondary road patrol	143,000	177,660	93,488	(84,172)
Marine safety	17,000	17,000	14,389	(2,611)
Community services grant	282,722	282,722	277,807	(4,915)
Community corrections grant	120,000	120,000	74,500	(45,500)
Michigan strategic fund grant	-	-	50,000	50,000
State revenue sharing	3,177,848	3,177,848	3,199,724	21,876
Liquor licenses	15,000	15,000	17,934	2,934
<b>Total intergovernmental revenues</b>	<b>6,018,394</b>	<b>6,659,003</b>	<b>7,007,922</b>	<b>348,919</b>
<b>Contributions from local units</b>	<b>2,387,009</b>	<b>2,469,367</b>	<b>2,496,412</b>	<b>27,045</b>
<b>Charges for services</b>				
Attorney fee reimbursement	230,000	230,000	226,107	(3,893)
Circuit court costs	78,000	78,000	77,583	(417)
District court costs	1,850,000	1,850,000	1,998,194	148,194
District court services	811,500	811,500	866,987	55,487
Probate court services	100,850	100,850	81,746	(19,104)
Treasurer services	37,000	37,000	40,155	3,155
Clerk services	212,800	212,800	228,473	15,673
Register of deeds services	1,245,000	1,245,000	1,380,996	135,996
Equalization services	1,000	1,000	300	(700)
Elections	25,000	25,000	-	(25,000)
Planning department services	2,000	2,000	5,510	3,510
Sheriff services	123,200	132,700	148,388	15,688
Sheriff contract special services	76,922	76,922	56,789	(20,133)
Jail	353,825	399,098	382,041	(17,057)
Animal control	24,000	24,000	17,099	(6,901)
Medical examiner fees	23,500	23,500	28,315	4,815
Parks and recreation	3,910	3,910	5,770	1,860
Fees and permits - soil erosion	100,000	100,500	150,525	50,025
<b>Total charges for services</b>	<b>5,298,507</b>	<b>5,353,780</b>	<b>5,694,978</b>	<b>341,198</b>

continued...

**Schedule of Revenues and Other Sources - by Source**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Fines and forfeits</b>				
Bond forfeitures	\$ 30,000	\$ 31,200	\$ 48,109	\$ 16,909
Forfeitures - other	2,500	2,500	2,684	184
<b>Total fines and forfeitures</b>	<u>32,500</u>	<u>33,700</u>	<u>50,793</u>	<u>17,093</u>
<b>Interest</b>				
Interest on deposits	180,000	205,000	642,086	437,086
<b>Other revenue</b>				
Contributions from private sources	90,000	100,802	105,693	4,891
Finance department revenue	65,100	65,100	71,441	6,341
General reimbursements	424,850	458,560	471,927	13,367
Gain on sale of capital assets	3,000	3,000	3,746	746
Rebates - food services	2,000	2,000	3,148	1,148
Indirect costs reimbursements	1,659,355	1,659,355	1,602,945	(56,410)
Other	48,805	48,805	21,000	(27,805)
<b>Total other revenue</b>	<u>2,293,110</u>	<u>2,337,622</u>	<u>2,279,900</u>	<u>(57,722)</u>
<b>Total revenues</b>	<u>45,590,770</u>	<u>46,439,722</u>	<u>48,277,816</u>	<u>1,838,094</u>
<b>Other financing sources</b>				
Proceeds from installment purchase	-	-	715,045	715,045
Transfers in	361,074	386,802	371,239	(15,563)
<b>Total other financing sources</b>	<u>361,074</u>	<u>386,802</u>	<u>1,086,284</u>	<u>699,482</u>
<b>Total revenues and other financing sources</b>	<u>\$ 45,951,844</u>	<u>\$ 46,826,524</u>	<u>\$ 49,364,100</u>	<u>\$ 2,537,576</u>

concluded



**Schedule of Expenditures and Other Uses - by Activity**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>General government</b>				
<b>Board of commissioners</b>				
Salaries and wages	\$ 171,198	\$ 171,198	\$ 170,279	\$ (919)
Employee benefits	146,376	149,876	147,947	(1,929)
Services and supplies	22,600	23,567	21,377	(2,190)
	<u>340,174</u>	<u>344,641</u>	<u>339,603</u>	<u>(5,038)</u>
<b>Circuit court</b>				
Salaries and wages	487,013	487,013	483,764	(3,249)
Employee benefits	297,279	297,279	295,839	(1,440)
Services and supplies	120,840	139,340	127,783	(11,557)
	<u>905,132</u>	<u>923,632</u>	<u>907,386</u>	<u>(16,246)</u>
<b>District court</b>				
Salaries and wages	1,413,998	1,424,148	1,414,438	(9,710)
Employee benefits	1,115,442	1,110,564	1,080,005	(30,559)
Services and supplies	261,275	281,256	306,505	25,249
	<u>2,790,715</u>	<u>2,815,968</u>	<u>2,800,948</u>	<u>(15,020)</u>
<b>District court probation</b>				
Salaries and wages	481,432	488,932	479,698	(9,234)
Employee benefits	407,136	411,940	391,951	(19,989)
Services and supplies	11,200	10,097	10,124	27
	<u>899,768</u>	<u>910,969</u>	<u>881,773</u>	<u>(29,196)</u>
<b>District court veteran court</b>				
Salaries and wages	13,630	18,678	18,990	312
Employee benefits	3,200	4,443	4,270	(173)
Services and supplies	15,971	13,504	12,508	(996)
	<u>32,801</u>	<u>36,625</u>	<u>35,768</u>	<u>(857)</u>
<b>District court mental health court</b>				
Salaries and wages	37,400	52,811	53,759	948
Employee benefits	19,881	33,097	33,071	(26)
Services and supplies	71,901	90,152	82,648	(7,504)
	<u>129,182</u>	<u>176,060</u>	<u>169,478</u>	<u>(6,582)</u>
<b>County guardian</b>				
Services and supplies	146,500	147,650	148,700	1,050

continued...

**Schedule of Expenditures and Other Uses - by Activity**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>General government (continued)</b>				
<b>Adult probation</b>				
Services and supplies	\$ 16,310	\$ 16,310	\$ 14,887	\$ (1,423)
<b>Probate court</b>				
Salaries and wages	1,182,744	1,182,744	1,193,411	10,667
Employee benefits	718,692	718,692	711,704	(6,988)
Services and supplies	492,390	478,240	438,172	(40,068)
	<u>2,393,826</u>	<u>2,379,676</u>	<u>2,343,287</u>	<u>(36,389)</u>
<b>Elections</b>				
Salaries and wages	-	1,120	1,117	(3)
Employee benefits	-	87	87	-
Services and supplies	63,700	52,582	1,935	(50,647)
	<u>63,700</u>	<u>53,789</u>	<u>3,139</u>	<u>(50,650)</u>
<b>Administrator</b>				
Salaries and wages	127,986	129,486	128,524	(962)
Employee benefits	135,950	135,950	135,685	(265)
Services and supplies	2,700	2,700	1,630	(1,070)
	<u>266,636</u>	<u>268,136</u>	<u>265,839</u>	<u>(2,297)</u>
<b>Finance department</b>				
Salaries and wages	189,218	191,612	192,425	813
Employee benefits	149,012	149,695	149,429	(266)
Services and supplies	35,950	35,950	26,955	(8,995)
	<u>374,180</u>	<u>377,257</u>	<u>368,809</u>	<u>(8,448)</u>
<b>Clerk</b>				
Salaries and wages	648,428	650,928	640,306	(10,622)
Employee benefits	486,702	493,806	469,033	(24,773)
Services and supplies	84,405	84,405	73,665	(10,740)
	<u>1,219,535</u>	<u>1,229,139</u>	<u>1,183,004</u>	<u>(46,135)</u>
<b>Register of deeds</b>				
Salaries and wages	123,159	127,448	127,760	312
Employee benefits	127,496	129,101	120,444	(8,657)
Services and supplies	11,550	11,550	6,560	(4,990)
	<u>262,205</u>	<u>268,099</u>	<u>254,764</u>	<u>(13,335)</u>

continued...

**Schedule of Expenditures and Other Uses - by Activity**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>General government (continued)</b>				
<b>Equalization</b>				
Salaries and wages	\$ 188,235	\$ 190,611	\$ 191,416	\$ 805
Employee benefits	184,413	185,129	184,603	(526)
Services and supplies	53,600	53,600	40,722	(12,878)
	<u>426,248</u>	<u>429,340</u>	<u>416,741</u>	<u>(12,599)</u>
<b>Human resources</b>				
Salaries and wages	126,200	126,200	125,658	(542)
Employee benefits	109,657	109,657	105,894	(3,763)
Services and supplies	30,837	32,270	29,562	(2,708)
	<u>266,694</u>	<u>268,127</u>	<u>261,114</u>	<u>(7,013)</u>
<b>Prosecuting attorney</b>				
Salaries and wages	1,218,353	1,246,856	1,241,140	(5,716)
Employee benefits	816,633	821,173	822,676	1,503
Services and supplies	120,275	120,934	120,856	(78)
	<u>2,155,261</u>	<u>2,188,963</u>	<u>2,184,672</u>	<u>(4,291)</u>
<b>Crime victims services</b>				
Salaries and wages	96,457	113,584	110,320	(3,264)
Employee benefits	71,642	76,334	75,419	(915)
Services and supplies	13,829	27,697	14,301	(13,396)
	<u>181,928</u>	<u>217,615</u>	<u>200,040</u>	<u>(17,575)</u>
<b>Information services</b>				
Salaries and wages	456,190	457,048	452,662	(4,386)
Employee benefits	371,245	371,757	377,410	5,653
Services and supplies	44,238	44,238	26,443	(17,795)
	<u>871,673</u>	<u>873,043</u>	<u>856,515</u>	<u>(16,528)</u>
<b>Remonumentation</b>				
Salaries and wages	-	1,500	3,489	1,989
Employee benefits	3,739	3,739	2,386	(1,353)
Services and supplies	69,799	67,960	66,013	(1,947)
	<u>73,538</u>	<u>73,199</u>	<u>71,888</u>	<u>(1,311)</u>

continued...

**Schedule of Expenditures and Other Uses - by Activity**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>General government (continued)</b>				
<b>Treasurer</b>				
Salaries and wages	\$ 209,370	\$ 213,370	\$ 210,659	\$ (2,711)
Employee benefits	165,581	166,809	172,946	6,137
Services and supplies	37,575	62,575	32,550	(30,025)
	<u>412,526</u>	<u>442,754</u>	<u>416,155</u>	<u>(26,599)</u>
<b>Cooperative extension services</b>				
Services and supplies	<u>256,377</u>	<u>256,377</u>	<u>255,109</u>	<u>(1,268)</u>
<b>Purchasing and property maintenance</b>				
Salaries and wages	202,585	169,300	164,796	(4,504)
Employee benefits	180,171	154,254	131,149	(23,105)
Services and supplies	<u>584,275</u>	<u>581,022</u>	<u>597,823</u>	<u>16,801</u>
	<u>967,031</u>	<u>904,576</u>	<u>893,768</u>	<u>(10,808)</u>
<b>I.C.E. operations</b>				
Services and supplies	<u>61,300</u>	<u>63,700</u>	<u>59,094</u>	<u>(4,606)</u>
<b>Courthouse security</b>				
Salaries and wages	95,010	96,210	95,591	(619)
Employee benefits	9,349	9,371	9,905	534
Services and supplies	<u>3,000</u>	<u>11,211</u>	<u>10,255</u>	<u>(956)</u>
	<u>107,359</u>	<u>116,792</u>	<u>115,751</u>	<u>(1,041)</u>
<b>Drain commission</b>				
Salaries and wages	223,566	205,066	161,466	(43,600)
Employee benefits	142,306	142,306	113,558	(28,748)
Services and supplies	<u>27,732</u>	<u>27,732</u>	<u>20,612</u>	<u>(7,120)</u>
	<u>393,604</u>	<u>375,104</u>	<u>295,636</u>	<u>(79,468)</u>
<b>Soil erosion</b>				
Salaries and wages	41,630	44,421	44,116	(305)
Employee benefits	18,546	19,068	19,080	12
Services and supplies	<u>5,840</u>	<u>6,340</u>	<u>6,079</u>	<u>(261)</u>
	<u>66,016</u>	<u>69,829</u>	<u>69,275</u>	<u>(554)</u>
<b>General county expense</b>				
Services and supplies	<u>682,555</u>	<u>890,598</u>	<u>680,699</u>	<u>(209,899)</u>

continued...

**Schedule of Expenditures and Other Uses - by Activity**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>General government (concluded)</b>				
<b>Building authority</b>				
Services and supplies	\$ 310	\$ 310	\$ 75	\$ (235)
<b>Total general government</b>	<u>16,763,084</u>	<u>17,118,278</u>	<u>16,493,917</u>	<u>(624,361)</u>
<b>Public safety</b>				
<b>Sheriff - administrator and road patrol</b>				
Salaries and wages	655,117	646,628	621,179	(25,449)
Employee benefits	482,316	466,624	478,121	11,497
Services and supplies	491,638	457,268	445,879	(11,389)
	<u>1,629,071</u>	<u>1,570,520</u>	<u>1,545,179</u>	<u>(25,341)</u>
<b>Detectives bureau</b>				
Salaries and wages	284,445	285,795	281,167	(4,628)
Employee benefits	279,458	286,758	283,455	(3,303)
Services and supplies	-	2,900	2,892	(8)
	<u>563,903</u>	<u>575,453</u>	<u>567,514</u>	<u>(7,939)</u>
<b>M.A.N.T.I.S. operations</b>				
Salaries and wages	194,695	205,872	201,802	(4,070)
Employee benefits	173,858	175,779	179,229	3,450
Services and supplies	-	2,025	2,025	-
	<u>368,553</u>	<u>383,676</u>	<u>383,056</u>	<u>(620)</u>
<b>Road patrol</b>				
Salaries and wages	2,748,150	2,804,280	2,762,602	(41,678)
Employee benefits	2,277,782	2,266,788	2,291,714	24,926
Services and supplies	2,300	178,966	179,715	749
	<u>5,028,232</u>	<u>5,250,034</u>	<u>5,234,031</u>	<u>(16,003)</u>
<b>Sheriff records</b>				
Salaries and wages	185,737	185,737	183,141	(2,596)
Employee benefits	152,380	135,880	135,357	(523)
Services and supplies	-	2,050	2,348	298
	<u>338,117</u>	<u>323,667</u>	<u>320,846</u>	<u>(2,821)</u>

continued...

**Schedule of Expenditures and Other Uses - by Activity**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Public safety (continued)</b>				
Youth services				
Salaries and wages	\$ 66,110	\$ 71,552	\$ 69,244	\$ (2,308)
Employee benefits	72,158	72,211	74,339	2,128
Services and supplies	-	675	675	-
	<u>138,268</u>	<u>144,438</u>	<u>144,258</u>	<u>(180)</u>
 Contractual-local units				
Salaries and wages	1,122,981	1,122,981	1,037,509	(85,472)
Employee benefits	798,447	798,447	695,962	(102,485)
Services and supplies	17,800	29,275	26,201	(3,074)
	<u>1,939,228</u>	<u>1,950,703</u>	<u>1,759,672</u>	<u>(191,031)</u>
 Contractual-schools				
Salaries and wages	335,443	344,318	340,420	(3,898)
Employee benefits	331,267	331,267	335,422	4,155
Services and supplies	3,000	3,000	-	(3,000)
	<u>669,710</u>	<u>678,585</u>	<u>675,842</u>	<u>(2,743)</u>
 Traffic enforcement				
Salaries and wages	30,245	72,468	14,665	(57,803)
Employee benefits	21,455	58,158	11,434	(46,724)
Services and supplies	2,650	10,027	3,332	(6,695)
	<u>54,350</u>	<u>140,653</u>	<u>29,431</u>	<u>(111,222)</u>
 Secondary road patrol				
Salaries and wages	143,403	143,403	98,296	(45,107)
Employee benefits	145,256	145,256	106,001	(39,255)
Services and supplies	28,200	28,350	20,360	(7,990)
	<u>316,859</u>	<u>317,009</u>	<u>224,657</u>	<u>(92,352)</u>
 Special contractual				
Salaries and wages	45,000	45,000	30,218	(14,782)
Employee benefits	31,922	31,922	23,573	(8,349)
	<u>76,922</u>	<u>76,922</u>	<u>53,791</u>	<u>(23,131)</u>

continued...

**Schedule of Expenditures and Other Uses - by Activity**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Public safety (continued)</b>				
Records management system				
Services and supplies	\$ -	\$ 223,657	\$ 182,311	\$ (41,346)
<b>Special response team</b>				
Salaries and wages	10,000	10,000	3,741	(6,259)
Employee benefits	7,094	7,094	3,324	(3,770)
Services and supplies	32,888	33,100	31,960	(1,140)
	<u>49,982</u>	<u>50,194</u>	<u>39,025</u>	<u>(11,169)</u>
<b>Justice department grant</b>				
Salaries and wages	-	5,675	2,441	(3,234)
Employee benefits	-	4,994	1,961	(3,033)
Services and supplies	-	1,851	-	(1,851)
	<u>-</u>	<u>12,520</u>	<u>4,402</u>	<u>(8,118)</u>
<b>Marine safety</b>				
Salaries and wages	15,000	8,700	4,710	(3,990)
Employee benefits	10,641	10,641	1,940	(8,701)
Services and supplies	10,900	13,150	8,776	(4,374)
	<u>36,541</u>	<u>32,491</u>	<u>15,426</u>	<u>(17,065)</u>
<b>Corrections - jail</b>				
Salaries and wages	2,215,861	2,287,424	2,182,196	(105,228)
Employee benefits	1,806,640	1,809,036	1,731,933	(77,103)
Services and supplies	863,750	982,769	976,440	(6,329)
	<u>4,886,251</u>	<u>5,079,229</u>	<u>4,890,569</u>	<u>(188,660)</u>
<b>Corrections - medical services</b>				
Services and supplies	<u>383,967</u>	<u>451,467</u>	<u>460,834</u>	<u>9,367</u>
<b>Work release program</b>				
Salaries and wages	39,600	20,600	22,300	1,700
Employee benefits	3,896	3,896	2,194	(1,702)
Services and supplies	<u>2,000</u>	<u>2,000</u>	<u>997</u>	<u>(1,003)</u>
	<u>45,496</u>	<u>26,496</u>	<u>25,491</u>	<u>(1,005)</u>

continued...

**Schedule of Expenditures and Other Uses - by Activity**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Public safety (concluded)</b>				
<b>Community work services program</b>				
Salaries and wages	\$ 73,509	\$ 73,509	\$ 73,263	\$ (246)
Employee benefits	58,389	58,389	58,292	(97)
Services and supplies	244,272	244,272	237,472	(6,800)
	<u>376,170</u>	<u>376,170</u>	<u>369,027</u>	<u>(7,143)</u>
<b>Emergency management</b>				
Salaries and wages	170,044	145,893	143,147	(2,746)
Employee benefits	128,524	107,741	106,891	(850)
Services and supplies	69,950	77,688	73,314	(4,374)
	<u>368,518</u>	<u>331,322</u>	<u>323,352</u>	<u>(7,970)</u>
<b>UASI homeland security grant</b>				
Services and supplies	-	294,943	257,266	(37,677)
<b>OPSG grant</b>				
Salaries and wages	-	43,808	18,805	(25,003)
Employee benefits	-	37,825	16,211	(21,614)
Services and supplies	-	85,416	10,014	(75,402)
	<u>-</u>	<u>167,049</u>	<u>45,030</u>	<u>(122,019)</u>
<b>Animal control</b>				
Salaries and wages	227,996	232,996	236,788	3,792
Employee benefits	222,497	224,539	214,111	(10,428)
Services and supplies	75,350	76,850	80,583	3,733
	<u>525,843</u>	<u>534,385</u>	<u>531,482</u>	<u>(2,903)</u>
<b>Two Seven Oh Grant</b>				
Services and supplies	-	10,000	8,901	(1,099)
<b>Animal control donations</b>				
Services and supplies	5,000	12,000	7,957	(4,043)
<b>M.A.N.T.I.S.</b>				
Services and supplies	-	1,323	1,323	-
<b>Total public safety</b>	<u>17,800,981</u>	<u>19,014,906</u>	<u>18,100,673</u>	<u>(914,233)</u>
<b>Public works</b>				
<b>Drains at large</b>				
Services and supplies	166,428	166,428	166,428	-

continued...



**Schedule of Expenditures and Other Uses - by Activity**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Public works (concluded)</b>				
Soil conservation				
Services and supplies	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
<b>Total public works</b>	<u>176,428</u>	<u>176,428</u>	<u>176,428</u>	<u>-</u>
<b>Health and welfare</b>				
Medical examiner				
Salaries and wages	53,074	65,612	55,726	(9,886)
Employee benefits	20,295	20,325	27,183	6,858
Services and supplies	<u>117,200</u>	<u>131,057</u>	<u>124,486</u>	<u>(6,571)</u>
	<u>190,569</u>	<u>216,994</u>	<u>207,395</u>	<u>(9,599)</u>
Commission on aging				
Salaries and wages	76,264	77,789	78,111	322
Employee benefits	66,003	66,004	63,239	(2,765)
Services and supplies	<u>63,807</u>	<u>70,881</u>	<u>57,759</u>	<u>(13,122)</u>
	<u>206,074</u>	<u>214,674</u>	<u>199,109</u>	<u>(15,565)</u>
Veterans' bureau				
Salaries and wages	27,998	27,998	28,132	134
Employee benefits	13,908	13,908	13,857	(51)
Services and supplies	<u>5,920</u>	<u>5,920</u>	<u>3,851</u>	<u>(2,069)</u>
	<u>47,826</u>	<u>47,826</u>	<u>45,840</u>	<u>(1,986)</u>
River raisin watershed				
Services and supplies	<u>1,710</u>	<u>1,710</u>	<u>500</u>	<u>(1,210)</u>
Ambulance fund				
Salaries and wages	1,300	1,270	1,532	262
Employee benefits	<u>-</u>	<u>30</u>	<u>39</u>	<u>9</u>
	<u>1,300</u>	<u>1,300</u>	<u>1,571</u>	<u>271</u>
Area-wide water quality board				
Services and supplies	<u>7,100</u>	<u>7,100</u>	<u>5,397</u>	<u>(1,703)</u>
Industrial development corporation				
Services and supplies	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Mental health facility				
Services and supplies	<u>997,803</u>	<u>997,803</u>	<u>997,803</u>	<u>-</u>
<b>Total health and welfare</b>	<u>1,527,382</u>	<u>1,562,407</u>	<u>1,532,615</u>	<u>(29,792)</u>

continued...

**Schedule of Expenditures and Other Uses - by Activity**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Community and economic development</b>				
<b>Planning</b>				
Salaries and wages	\$ 143,974	\$ 152,778	\$ 147,579	\$ (5,199)
Employee benefits	112,046	111,354	108,853	(2,501)
Services and supplies	37,681	37,681	27,737	(9,944)
	<u>293,701</u>	<u>301,813</u>	<u>284,169</u>	<u>(17,644)</u>
<b>Plat board</b>				
Salaries and wages	-	50	163	113
Employee benefits	-	-	11	11
Services and supplies	150	150	-	(150)
	<u>150</u>	<u>200</u>	<u>174</u>	<u>(26)</u>
<b>State boundary commission</b>				
Services and supplies	150	150	-	(150)
<b>Economic development</b>				
Services and supplies	29,784	29,784	29,784	-
<b>S.E. Michigan Council of Governments</b>				
Services and supplies	47,500	47,500	47,645	145
<b>Total community and economic development</b>	<u>371,285</u>	<u>379,447</u>	<u>361,772</u>	<u>(17,675)</u>
<b>Recreation and cultural</b>				
<b>Parks maintenance</b>				
Salaries and wages	58,008	64,586	65,948	1,362
Employee benefits	47,147	47,909	50,756	2,847
Services and supplies	108,200	110,371	106,376	(3,995)
<b>Total recreation and culture</b>	<u>213,355</u>	<u>222,866</u>	<u>223,080</u>	<u>214</u>
<b>Other expenditures</b>				
<b>Insurance, bonds, and fringes</b>				
Services and supplies	182,817	685,168	685,136	(32)
<b>Contingencies</b>				
Services and supplies	1,277,496	575,117	-	(575,117)
<b>Total other expenditures</b>	<u>1,460,313</u>	<u>1,260,285</u>	<u>685,136</u>	<u>(575,149)</u>

continued...

**Schedule of Expenditures and Other Uses - by Activity**

Budget and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Debt service				
Principal	\$ -	\$ -	\$ 143,009	\$ 143,009
Capital outlay	765,945	1,722,606	1,989,353	266,747
Total expenditures	39,078,773	41,457,223	39,705,983	(1,751,240)
Other financing uses - transfers out				
Health department	1,029,501	1,029,501	1,029,501	-
Friend of the court	566,321	566,321	566,321	-
New jail	2,004,998	2,004,998	2,004,998	-
Central dispatch	1,011,131	1,011,131	1,011,131	-
Child care	1,800,073	1,800,073	1,800,073	-
Capital improvement	250,000	268,300	268,300	-
Parks and recreation	-	1,815	1,815	-
Indigent defense	211,347	211,347	211,347	-
Social services	1,000	1,000	1,000	-
Total other financing uses - transfers out	6,874,371	6,894,486	6,894,486	-
Total expenditures and transfers out	\$ 45,953,144	\$ 48,351,709	\$ 46,600,469	\$ (1,751,240)

concluded

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

Budget and Actual

County Health Special Revenue Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Revenues</b>				
Licenses and permits	\$ 343,000	\$ 343,000	\$ 379,115	\$ 36,115
Intergovernmental revenues	2,427,961	2,670,327	2,784,751	114,424
Charges for services	1,234,395	1,234,395	1,433,080	198,685
Other revenue	132,500	132,500	116,330	(16,170)
<b>Total revenues</b>	<u>4,137,856</u>	<u>4,380,222</u>	<u>4,713,276</u>	<u>333,054</u>
<b>Expenditures</b>				
Current -				
Health and welfare:				
Salaries and wages	2,206,802	2,217,069	2,107,353	(109,716)
Employee benefits	1,199,880	1,214,312	1,142,385	(71,927)
Services and supplies	2,113,570	2,273,721	1,981,421	(292,300)
Capital outlay	-	120,012	118,926	(1,086)
<b>Total expenditures</b>	<u>5,520,252</u>	<u>5,825,114</u>	<u>5,350,085</u>	<u>(475,029)</u>
Revenues under expenditures	(1,382,396)	(1,444,892)	(636,809)	808,083
<b>Other financing sources</b>				
Transfers in	1,029,501	1,029,501	1,029,501	-
<b>Net change in fund balance</b>	<u>(352,895)</u>	<u>(415,391)</u>	<u>392,692</u>	<u>808,083</u>
Fund balance, beginning of year	<u>5,789,621</u>	<u>5,789,621</u>	<u>5,789,621</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 5,436,726</u>	<u>\$ 5,374,230</u>	<u>\$ 6,182,313</u>	<u>\$ 808,083</u>

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

Budget and Actual

Federal Prisoner Housing Special Revenue Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Revenues</b>				
Intergovernmental revenues	\$ 2,164,111	\$ 2,183,800	\$ 2,385,797	\$ 201,997
Charges for services	112,150	136,528	111,552	(24,976)
Interest and rents	-	-	49	49
Other revenue	500	13,623	32,719	19,096
<b>Total revenues</b>	<u>2,276,761</u>	<u>2,333,951</u>	<u>2,530,117</u>	<u>196,166</u>
<b>Expenditures</b>				
Current -				
Public safety:				
Salaries and wages	1,800,116	1,797,394	1,811,350	13,956
Employee benefits	1,649,657	1,649,657	1,572,072	(77,585)
Services and supplies	924,586	1,037,321	1,036,524	(797)
Capital outlay	7,400	164,371	148,770	(15,601)
<b>Total expenditures</b>	<u>4,381,759</u>	<u>4,648,743</u>	<u>4,568,716</u>	<u>(80,027)</u>
Revenues under expenditures	(2,104,998)	(2,314,792)	(2,038,599)	276,193
<b>Other financing sources</b>				
Transfers in	2,004,998	2,004,998	2,004,998	-
<b>Net changes in fund balances</b>	<u>(100,000)</u>	<u>(309,794)</u>	<u>(33,601)</u>	<u>276,193</u>
Fund balances, beginning of year	1,333,882	1,333,882	1,333,882	-
<b>Fund balances, end of year</b>	<u>\$ 1,233,882</u>	<u>\$ 1,024,088</u>	<u>\$ 1,300,281</u>	<u>\$ 276,193</u>

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

Budget and Actual

Senior Citizen Special Revenue Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
<b>Revenues</b>				
Taxes	\$ 3,332,354	\$ 3,332,354	\$ 3,136,116	\$ (196,238)
Intergovernmental revenues	200,034	200,034	155,240	(44,794)
Interest and rents	2,000	2,000	23,671	21,671
Other revenue	1,000	1,000	277	(723)
<b>Total revenues</b>	<b>3,535,388</b>	<b>3,535,388</b>	<b>3,315,304</b>	<b>(220,084)</b>
<b>Expenditures</b>				
Current -				
Health and welfare -				
Services and supplies	3,329,314	3,320,714	3,147,021	(173,693)
<b>Revenues over expenditures</b>	<b>206,074</b>	<b>214,674</b>	<b>168,283</b>	<b>(46,391)</b>
<b>Other financing uses</b>				
Transfers out	(206,074)	(214,674)	(199,111)	(15,563)
<b>Net changes in fund balances</b>	<b>-</b>	<b>-</b>	<b>(30,828)</b>	<b>(30,828)</b>
<b>Fund balances, beginning of year</b>	<b>678,535</b>	<b>678,535</b>	<b>678,535</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 678,535</b>	<b>\$ 678,535</b>	<b>\$ 647,707</b>	<b>\$ (30,828)</b>

This page intentionally left blank.

## COUNTY OF MONROE, MICHIGAN

### Nonmajor Governmental Funds

#### Special Revenue Funds

##### *Friend of the Court Fund*

Accounts for the County revenue that is restricted for the operation of this division of the Circuit Court.

##### *Central Dispatch Authority Fund*

Accounts for the activity of the public safety answering point for all of the County, including villages, townships, and cities participating in the Emergency Telephone District of the 9-1-1 Service Plan.

##### *Marriage Counseling Fund*

Established under Act 4 of the Public Acts of 1980 for fees allocated to be used for family counseling services.

##### *Prosecutor Drug Forfeiture Fund*

Established to account for monies received by the prosecutor's office for drug forfeiture cases.

##### *Special Investigation Drug Enforcement Fund*

Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Drug Enforcement activities.

##### *Federally Forfeited Property Fund*

Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Local Law Enforcement activities.

##### *MANTIS Drug Forfeiture Fund*

Accounts for monies received by the Monroe Area Narcotics Team and Investigative Services (MANTIS) which is a multi-jurisdictional task force combining the efforts of the Michigan State Police, Monroe County Sheriff's Office, and the City of Monroe Police Department.

##### *Forfeited Property Non-drug Fund*

Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Local Law Enforcement activities.



## COUNTY OF MONROE, MICHIGAN

### **Nonmajor Governmental Funds**

#### *Job Training and Placement Fund*

Accounts for costs involved with the training and placement of qualified county residents.

#### *Workforce Investment Fund*

Accounts for costs related to the Adult Program, for adults who are economically disadvantaged, and the Dislocated Workers Program, for certain laid-off individuals.

#### *Sheriff Training Fund*

Utilizes State funds to provide corrective and protective service officers with training seminars to update and enhance the officers' knowledge of criminal activities.

#### *Social Services Fairview Infirmary Fund*

Functions under the directions of the County Board and State Family Independence Agency to provide general relief for indigent persons and medical care for eligible persons who are unable to provide it for themselves.

#### *Probate Court Youth Center Fund*

Accounts for the revenue reserved for this division of the Probate Court and is used for the care of all juveniles under the jurisdiction of the Court.

#### *Historical Commission Museum Fund*

This fund was established to account for monies for special programs of the Historical Commission, including the activities of the museum.

#### *Museum Legacy Fund*

This fund was established to account for monies donated to the Monroe County Historical Museum to supplement existing programs and facilities to promote history and culture in the County.

#### *Indigent Defense Fund*

This fund was established to account for monies provided by the Michigan Indigent Defense Commission and the County to improve and provide legal representation for indigent criminal defendants.

#### *Other Special Revenue Funds*

These 13 funds account for specific grants requiring separate accounting as stipulated in the grant provisions as well as several other small funds. These funds are not significant and are combined into one category of special revenue funds. Financing is provided primarily by federal and state grants, other revenues and reimbursements, and transfers.

## COUNTY OF MONROE, MICHIGAN

### Nonmajor Governmental Funds

#### Debt Service Fund

##### *Debt Service*

This fund accounts for the accumulation of resources for, and the payment of, the general long-term obligations issued for the County and the Building Authority and other general obligations.

#### Capital Projects Fund

##### *Capital Projects*

This fund accounts for financial resources to be used for the acquisition of capital equipment or construction of major capital facilities.

This page intentionally left blank.

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

	Special Revenue	Debt Service	Capital Projects	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 3,084,644	\$ 31,230	\$ 559,121	\$ 3,674,995
Investments	1,390,539	-	-	1,390,539
Taxes receivable	1,440,791	-	-	1,440,791
Accounts receivable, net	818,273	-	-	818,273
Due from other governments	1,580,319	-	-	1,580,319
Due from other funds	-	110,967	-	110,967
Prepaid items	31,863	500	-	32,363
Inventories	18,522	-	-	18,522
<b>Total assets</b>	<b>\$ 8,364,951</b>	<b>\$ 142,697</b>	<b>\$ 559,121</b>	<b>\$ 9,066,769</b>
<b>Liabilities</b>				
Accounts payable	\$ 206,361	\$ -	\$ -	\$ 206,361
Accrued wages and fringes	181,734	-	-	181,734
Unearned revenue	18,522	-	-	18,522
Due to other funds	603,282	-	-	603,282
Advances from other funds	-	110,967	-	110,967
<b>Total liabilities</b>	<b>1,009,899</b>	<b>110,967</b>	<b>-</b>	<b>1,120,866</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	1,440,791	-	-	1,440,791
<b>Fund balances</b>				
Nonspendable	50,385	500	-	50,885
Restricted	5,211,214	31,230	559,121	5,801,565
Committed	652,662	-	-	652,662
<b>Total fund balances</b>	<b>5,914,261</b>	<b>31,730</b>	<b>559,121</b>	<b>6,505,112</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 8,364,951</b>	<b>\$ 142,697</b>	<b>\$ 559,121</b>	<b>\$ 9,066,769</b>

**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	Totals
<b>Revenues</b>				
Taxes	\$ 1,330,749	\$ -	\$ -	\$ 1,330,749
Licenses and permits	89,568	-	-	89,568
Intergovernmental revenues	6,055,591	-	-	6,055,591
Charges for services	2,503,901	-	-	2,503,901
Fines and forfeits	125,462	-	-	125,462
Interest and rents	54,195	741,003	-	795,198
Other revenue	589,751	-	-	589,751
<b>Total revenues</b>	<b>10,749,217</b>	<b>741,003</b>	<b>-</b>	<b>11,490,220</b>
<b>Expenditures</b>				
Current:				
General government	3,344,449	-	-	3,344,449
Public safety	6,530,964	-	-	6,530,964
Health and welfare	2,509,859	-	-	2,509,859
Recreation and culture	557,521	-	-	557,521
Debt service:				
Principal	-	546,000	-	546,000
Interest	20,378	187,001	-	207,379
Capital outlay	320,707	-	371,295	692,002
<b>Total expenditures</b>	<b>13,283,878</b>	<b>733,001</b>	<b>371,295</b>	<b>14,388,174</b>
Revenues over (under) expenditures	(2,534,661)	8,002	(371,295)	(2,897,954)
<b>Other financing sources (uses)</b>				
Transfers in	3,601,579	-	271,882	3,873,461
Transfers out	(279,160)	(3,582)	(17,128)	(299,870)
<b>Total other financing sources (uses)</b>	<b>3,322,419</b>	<b>(3,582)</b>	<b>254,754</b>	<b>3,573,591</b>
<b>Net changes in fund balances</b>	<b>787,758</b>	<b>4,420</b>	<b>(116,541)</b>	<b>675,637</b>
Fund balances, beginning of year	5,126,503	27,310	675,662	5,829,475
<b>Fund balances, end of year</b>	<b>\$ 5,914,261</b>	<b>\$ 31,730</b>	<b>\$ 559,121</b>	<b>\$ 6,505,112</b>

**Combining Balance Sheet**

Nonmajor Special Revenue Funds

December 31, 2019

	Friend of the Court	Central Dispatch Authority	Marriage Counseling	Prosecutor Drug Forfeiture	Special Investigation Drug Enforcement	Federally Forfeited Property
<b>Assets</b>						
Cash and cash equivalents	\$ 284,204	\$ 2,015	\$ 9,940	\$ 60,394	\$ 12,182	\$ 51,482
Investments	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Accounts receivable, net	-	818,273	-	-	-	-
Due from other governments	401,218	113,668	-	-	-	-
Prepaid items	19,638	787	-	-	-	-
Inventories	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 705,060</u>	<u>\$ 934,743</u>	<u>\$ 9,940</u>	<u>\$ 60,394</u>	<u>\$ 12,182</u>	<u>\$ 51,482</u>
<b>Liabilities</b>						
Accounts payable	\$ 9,446	\$ 22,074	\$ 1,735	\$ -	\$ -	\$ -
Accrued wages and fringes	35,834	43,727	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	173,000	-	-	-	-
<b>Total liabilities</b>	<u>45,280</u>	<u>238,801</u>	<u>1,735</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>						
Taxes levied for a subsequent period	-	-	-	-	-	-
<b>Fund balances</b>						
Nonspendable	19,638	787	-	-	-	-
Restricted	640,142	42,493	8,205	60,394	12,182	51,482
Committed	-	652,662	-	-	-	-
<b>Total fund balances</b>	<u>659,780</u>	<u>695,942</u>	<u>8,205</u>	<u>60,394</u>	<u>12,182</u>	<u>51,482</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 705,060</u>	<u>\$ 934,743</u>	<u>\$ 9,940</u>	<u>\$ 60,394</u>	<u>\$ 12,182</u>	<u>\$ 51,482</u>

continued...

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

	MANTIS Drug Forfeiture	Forfeited Property Non-drug	Job Training and Placement	Workforce Investment	Sheriff Training	Social Services Fairview Infirmary
<b>Assets</b>						
Cash and cash equivalents	\$ 212,831	\$ 15,086	\$ 2,727	\$ 3,168	\$ 37,239	\$ 1,098,237
Investments	-	-	-	-	-	273,051
Taxes receivable	-	-	-	-	-	793,387
Accounts receivable, net	-	-	-	-	-	-
Due from other governments	18,882	-	83,165	92,974	-	39,532
Prepaid items	-	-	-	53	325	500
Inventories	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 231,713</u>	<u>\$ 15,086</u>	<u>\$ 85,892</u>	<u>\$ 96,195</u>	<u>\$ 37,564</u>	<u>\$ 2,204,707</u>
<b>Liabilities</b>						
Accounts payable	\$ 3,623	\$ -	\$ 5,974	\$ 4,747	\$ 5,165	\$ 30,190
Accrued wages and fringes	-	-	6,770	8,445	-	19,052
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	65,000	80,000	-	-
<b>Total liabilities</b>	<u>3,623</u>	<u>-</u>	<u>77,744</u>	<u>93,192</u>	<u>5,165</u>	<u>49,242</u>
<b>Deferred inflows of resources</b>						
Taxes levied for a subsequent period	-	-	-	-	-	793,387
<b>Fund balances</b>						
Nonspendable	-	-	-	53	325	500
Restricted	228,090	15,086	8,148	2,950	32,074	1,361,578
Committed	-	-	-	-	-	-
<b>Total fund balances</b>	<u>228,090</u>	<u>15,086</u>	<u>8,148</u>	<u>3,003</u>	<u>32,399</u>	<u>1,362,078</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 231,713</u>	<u>\$ 15,086</u>	<u>\$ 85,892</u>	<u>\$ 96,195</u>	<u>\$ 37,564</u>	<u>\$ 2,204,707</u>

continued...

**Combining Balance Sheet**

Nonmajor Special Revenue Funds

December 31, 2019

	Probate Court Youth Center	Historical Commission Museum	Museum Legacy	Indigent Defense	Other Special Revenue	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 2,041	\$ 207,012	\$ 446,945	\$ 23,497	\$ 615,644	\$ 3,084,644
Investments	-	473,160	352,305	-	292,023	1,390,539
Taxes receivable	-	634,710	-	-	12,694	1,440,791
Accounts receivable, net	-	-	-	-	-	818,273
Due from other governments	575,365	-	-	248,967	6,548	1,580,319
Prepaid items	8,285	2,265	-	-	10	31,863
Inventories	-	18,522	-	-	-	18,522
<b>Total assets</b>	<u>\$ 585,691</u>	<u>\$ 1,335,669</u>	<u>\$ 799,250</u>	<u>\$ 272,464</u>	<u>\$ 926,919</u>	<u>\$ 8,364,951</u>
<b>Liabilities</b>						
Accounts payable	\$ 36,670	\$ 36,680	\$ 450	\$ 41,544	\$ 8,063	\$ 206,361
Accrued wages and fringes	60,561	5,720	-	-	1,625	181,734
Unearned revenue	-	18,522	-	-	-	18,522
Due to other funds	285,282	-	-	-	-	603,282
<b>Total liabilities</b>	<u>382,513</u>	<u>60,922</u>	<u>450</u>	<u>41,544</u>	<u>9,688</u>	<u>1,009,899</u>
<b>Deferred inflows of resources</b>						
Taxes levied for a subsequent period	-	634,710	-	-	12,694	1,440,791
<b>Fund balances</b>						
Nonspendable	8,285	20,787	-	-	10	50,385
Restricted	194,893	619,250	798,800	230,920	904,527	5,211,214
Committed	-	-	-	-	-	652,662
<b>Total fund balances</b>	<u>203,178</u>	<u>640,037</u>	<u>798,800</u>	<u>230,920</u>	<u>904,537</u>	<u>5,914,261</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 585,691</u>	<u>\$ 1,335,669</u>	<u>\$ 799,250</u>	<u>\$ 272,464</u>	<u>\$ 926,919</u>	<u>\$ 8,364,951</u>

concluded



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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Friend of the Court	Central Dispatch Authority	Marriage Counseling	Prosecutor Drug Forfeiture	Special Investigation Drug Enforcement	Federally Forfeited Property
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	11,715	-	-	-
Intergovernmental revenue	1,759,045	370,427	-	-	-	-
Charges for services	229,190	2,015,929	-	-	-	-
Fines and forfeits	-	-	-	59,833	-	457
Interest and rents	-	-	-	-	86	-
Other revenues	-	-	-	-	1,546	-
<b>Total revenues</b>	<b>1,988,235</b>	<b>2,386,356</b>	<b>11,715</b>	<b>59,833</b>	<b>1,632</b>	<b>457</b>
<b>Expenditures</b>						
Current:						
General government	2,551,625	-	22,050	-	-	-
Public safety	-	2,492,380	-	66,414	-	4,206
Health and welfare	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Debt service - interest	-	20,378	-	-	-	-
Capital outlay	-	177,632	-	-	-	-
<b>Total expenditures</b>	<b>2,551,625</b>	<b>2,690,390</b>	<b>22,050</b>	<b>66,414</b>	<b>-</b>	<b>4,206</b>
Revenues over (under) expenditures	(563,390)	(304,034)	(10,335)	(6,581)	1,632	(3,749)
<b>Other financing sources (uses)</b>						
Transfers in	566,321	1,011,131	-	-	-	-
Transfers out	-	(194,268)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>566,321</b>	<b>816,863</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>2,931</b>	<b>512,829</b>	<b>(10,335)</b>	<b>(6,581)</b>	<b>1,632</b>	<b>(3,749)</b>
Fund balances, beginning of year	656,849	183,113	18,540	66,975	10,550	55,231
<b>Fund balances, end of year</b>	<b>\$ 659,780</b>	<b>\$ 695,942</b>	<b>\$ 8,205</b>	<b>\$ 60,394</b>	<b>\$ 12,182</b>	<b>\$ 51,482</b>

continued...

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	MANTIS Drug Forfeiture	Forfeited Property Non-drug	Job Training and Placement	Workforce Investment	Sheriff Training	Social Services Fairview Infirmary
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 732,179
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenue	73,298	-	683,956	593,784	12,476	36,136
Charges for services	-	-	-	-	-	-
Fines and forfeits	58,672	-	-	-	-	-
Interest and rents	1,281	111	-	-	-	22,200
Other revenues	57,090	-	-	-	-	363,817
<b>Total revenues</b>	<b>190,341</b>	<b>111</b>	<b>683,956</b>	<b>593,784</b>	<b>12,476</b>	<b>1,154,332</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	205,064	-	-	-	20,897	-
Health and welfare	-	-	682,110	597,627	-	1,169,205
Recreation and culture	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	31,093
<b>Total expenditures</b>	<b>205,064</b>	<b>-</b>	<b>682,110</b>	<b>597,627</b>	<b>20,897</b>	<b>1,200,298</b>
Revenues over (under) expenditures	(14,723)	111	1,846	(3,843)	(8,421)	(45,966)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(9,892)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,892)</b>
<b>Net changes in fund balances</b>	<b>(14,723)</b>	<b>111</b>	<b>1,846</b>	<b>(3,843)</b>	<b>(8,421)</b>	<b>(55,858)</b>
Fund balances, beginning of year	242,813	14,975	6,302	6,846	40,820	1,417,936
<b>Fund balances, end of year</b>	<b>\$ 228,090</b>	<b>\$ 15,086</b>	<b>\$ 8,148</b>	<b>\$ 3,003</b>	<b>\$ 32,399</b>	<b>\$ 1,362,078</b>

continued...

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Probate Court Youth Center	Historical Commission Museum	Museum Legacy	Indigent Defense	Other Special Revenue	Total
<b>Revenues</b>						
Taxes	\$ -	\$ 585,628	\$ -	\$ -	\$ 12,942	\$ 1,330,749
Licenses and permits	-	-	-	-	77,853	89,568
Intergovernmental revenue	1,818,555	28,909	-	671,879	7,126	6,055,591
Charges for services	207,975	7,656	-	-	43,151	2,503,901
Fines and forfeits	-	-	-	-	6,500	125,462
Interest and rents	-	12,560	11,803	-	6,154	54,195
Other revenues	48,595	3,007	1,390	-	114,306	589,751
<b>Total revenues</b>	<b>2,075,125</b>	<b>637,760</b>	<b>13,193</b>	<b>671,879</b>	<b>268,032</b>	<b>10,749,217</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	645,696	125,078	3,344,449
Public safety	3,716,833	-	-	-	25,170	6,530,964
Health and welfare	-	-	-	-	60,917	2,509,859
Recreation and culture	-	533,004	15,197	-	9,320	557,521
Debt service - interest	-	-	-	-	-	20,378
Capital outlay	57,830	41,042	-	6,610	6,500	320,707
<b>Total expenditures</b>	<b>3,774,663</b>	<b>574,046</b>	<b>15,197</b>	<b>652,306</b>	<b>226,985</b>	<b>13,283,878</b>
Revenues over (under) expenditures	(1,699,538)	63,714	(2,004)	19,573	41,047	(2,534,661)
<b>Other financing sources (uses)</b>						
Transfers in	1,800,073	-	-	211,347	12,707	3,601,579
Transfers out	-	-	-	-	(75,000)	(279,160)
<b>Total other financing sources (uses)</b>	<b>1,800,073</b>	<b>-</b>	<b>-</b>	<b>211,347</b>	<b>(62,293)</b>	<b>3,322,419</b>
<b>Net changes in fund balances</b>	<b>100,535</b>	<b>63,714</b>	<b>(2,004)</b>	<b>230,920</b>	<b>(21,246)</b>	<b>787,758</b>
Fund balances, beginning of year	102,643	576,323	800,804	-	925,783	5,126,503
<b>Fund balances, end of year</b>	<b>\$ 203,178</b>	<b>\$ 640,037</b>	<b>\$ 798,800</b>	<b>\$ 230,920</b>	<b>\$ 904,537</b>	<b>\$ 5,914,261</b>

concluded

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Friend of the Court			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,994,679	1,994,679	1,759,045	(235,634)
Charges for services	217,250	217,250	229,190	11,940
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	<b>2,211,929</b>	<b>2,211,929</b>	<b>1,988,235</b>	<b>(223,694)</b>
<b>Expenditures</b>				
Current -				
General government:				
Salaries and wages	1,367,375	1,367,375	1,236,819	(130,556)
Employee benefits	1,005,738	1,005,738	923,151	(82,587)
Services and supplies	405,137	422,637	391,655	(30,982)
Debt service - interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>2,778,250</b>	<b>2,795,750</b>	<b>2,551,625</b>	<b>(244,125)</b>
<b>Revenues over (under) expenditures</b>	<b>(566,321)</b>	<b>(583,821)</b>	<b>(563,390)</b>	<b>20,431</b>
<b>Other financing sources (uses)</b>				
Transfers in	566,321	566,321	566,321	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>566,321</b>	<b>566,321</b>	<b>566,321</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>(17,500)</b>	<b>2,931</b>	<b>20,431</b>
<b>Fund balances, beginning of year</b>	<b>656,849</b>	<b>656,849</b>	<b>656,849</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 656,849</b>	<b>\$ 639,349</b>	<b>\$ 659,780</b>	<b>\$ 20,431</b>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Central Dispatch Authority			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	412,968	412,968	370,427	(42,541)
Charges for services	1,641,991	1,641,991	2,015,929	373,938
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	<u>2,054,959</u>	<u>2,054,959</u>	<u>2,386,356</u>	<u>331,397</u>
<b>Expenditures</b>				
Current -				
Public safety:				
Salaries and wages	1,232,361	1,232,361	1,224,685	(7,676)
Employee benefits	926,298	913,037	861,029	(52,008)
Services and supplies	455,431	460,163	406,666	(53,497)
Debt service - interest	-	20,378	20,378	-
Capital outlay	-	245,882	177,632	(68,250)
<b>Total expenditures</b>	<u>2,614,090</u>	<u>2,871,821</u>	<u>2,690,390</u>	<u>(181,431)</u>
<b>Revenues over (under) expenditures</b>	<u>(559,131)</u>	<u>(816,862)</u>	<u>(304,034)</u>	<u>512,828</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,011,131	1,011,131	1,011,131	-
Transfers out	-	(194,268)	(194,268)	-
<b>Total other financing sources (uses)</b>	<u>1,011,131</u>	<u>816,863</u>	<u>816,863</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>452,000</u>	<u>1</u>	<u>512,829</u>	<u>512,828</u>
<b>Fund balances, beginning of year</b>	<u>183,113</u>	<u>183,113</u>	<u>183,113</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 635,113</u>	<u>\$ 183,114</u>	<u>\$ 695,942</u>	<u>\$ 512,828</u>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Marriage Counseling			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	13,000	13,000	11,715	(1,285)
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	<b>13,000</b>	<b>13,000</b>	<b>11,715</b>	<b>(1,285)</b>
<b>Expenditures</b>				
Current -				
General government:				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	13,000	25,200	22,050	(3,150)
Debt service - interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>13,000</b>	<b>25,200</b>	<b>22,050</b>	<b>(3,150)</b>
Revenues over (under) expenditures	-	(12,200)	(10,335)	1,865
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>(12,200)</b>	<b>(10,335)</b>	<b>1,865</b>
Fund balances, beginning of year	18,540	18,540	18,540	-
<b>Fund balances, end of year</b>	<b>\$ 18,540</b>	<b>\$ 6,340</b>	<b>\$ 8,205</b>	<b>\$ 1,865</b>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Prosecutor Drug Forfeiture			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	28,814	28,814	59,833	31,019
Interest and rents	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	<u>28,814</u>	<u>28,814</u>	<u>59,833</u>	<u>31,019</u>
<b>Expenditures</b>				
Current -				
Public safety:				
Salaries and wages	2,950	2,950	4,223	1,273
Employee benefits	2,364	2,364	3,980	1,616
Services and supplies	23,500	70,643	58,211	(12,432)
Debt service - interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>28,814</u>	<u>75,957</u>	<u>66,414</u>	<u>(9,543)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(47,143)</u>	<u>(6,581)</u>	<u>40,562</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>(47,143)</u>	<u>(6,581)</u>	<u>40,562</u>
Fund balances, beginning of year	<u>66,975</u>	<u>66,975</u>	<u>66,975</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 66,975</u>	<u>\$ 19,832</u>	<u>\$ 60,394</u>	<u>\$ 40,562</u>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Special Investigation Drug Enforcement			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	86	86
Other revenue	10,000	10,000	1,546	(8,454)
<b>Total revenues</b>	<u>10,000</u>	<u>10,000</u>	<u>1,632</u>	<u>(8,368)</u>
<b>Expenditures</b>				
Current -				
Public safety:				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	10,000	10,000	-	(10,000)
Debt service - interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,632</u>	<u>1,632</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>1,632</u>	<u>1,632</u>
Fund balances, beginning of year	<u>10,550</u>	<u>10,550</u>	<u>10,550</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 10,550</u>	<u>\$ 10,550</u>	<u>\$ 12,182</u>	<u>\$ 1,632</u>

continued...



**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Federally Forfeited Property			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	457	457
Interest and rents	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	-	-	457	457
<b>Expenditures</b>				
Current -				
Public safety:				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	-	5,000	4,206	(794)
Debt service - interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	5,000	4,206	(794)
Revenues over (under) expenditures	-	(5,000)	(3,749)	1,251
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net changes in fund balances</b>	-	(5,000)	(3,749)	1,251
Fund balances, beginning of year	-	-	55,231	55,231
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ (5,000)</b>	<b>\$ 51,482</b>	<b>\$ 56,482</b>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	MANTIS Drug Forfeiture			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	73,646	73,298	(348)
Charges for services	-	-	-	-
Fines and forfeits	161,876	161,876	58,672	(103,204)
Interest and rents	1,000	1,000	1,281	281
Other revenue	30,000	30,000	57,090	27,090
<b>Total revenues</b>	<b>192,876</b>	<b>266,522</b>	<b>190,341</b>	<b>(76,181)</b>
<b>Expenditures</b>				
Current -				
Public safety:				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	192,876	266,522	205,064	(61,458)
Debt service - interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>192,876</b>	<b>266,522</b>	<b>205,064</b>	<b>(61,458)</b>
Revenues over (under) expenditures	-	-	(14,723)	(14,723)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>-</b>	<b>(14,723)</b>	<b>(14,723)</b>
Fund balances, beginning of year	242,813	242,813	242,813	-
<b>Fund balances, end of year</b>	<b>\$ 242,813</b>	<b>\$ 242,813</b>	<b>\$ 228,090</b>	<b>\$ (14,723)</b>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Forfeited Property - Non-Drug			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	111	111
Other revenue	-	-	-	-
<b>Total revenues</b>	-	-	111	111
<b>Expenditures</b>				
Current -				
Public safety:				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	-	-	-	-
Debt service - interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
Revenues over (under) expenditures	-	-	111	111
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net changes in fund balances</b>	-	-	111	111
Fund balances, beginning of year	14,975	14,975	14,975	-
<b>Fund balances, end of year</b>	<b>\$ 14,975</b>	<b>\$ 14,975</b>	<b>\$ 15,086</b>	<b>\$ 111</b>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

Job Training and Placement				
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	791,993	683,956	(108,037)
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	-	791,993	683,956	(108,037)
<b>Expenditures</b>				
Current -				
Health and welfare:				
Salaries and wages	-	308,764	297,068	(11,696)
Employee benefits	-	224,006	214,397	(9,609)
Services and supplies	-	258,523	170,645	(87,878)
Debt service - interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	791,293	682,110	(109,183)
Revenues over (under) expenditures	-	700	1,846	1,146
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net changes in fund balances</b>	-	700	1,846	1,146
Fund balances, beginning of year	6,302	6,302	6,302	-
<b>Fund balances, end of year</b>	<b>\$ 6,302</b>	<b>\$ 7,002</b>	<b>\$ 8,148</b>	<b>\$ 1,146</b>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Workforce Investment			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	807,503	593,784	(213,719)
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	-	807,503	593,784	(213,719)
<b>Expenditures</b>				
Current -				
Health and welfare:				
Salaries and wages	-	314,007	248,808	(65,199)
Employee benefits	-	243,999	197,069	(46,930)
Services and supplies	-	249,497	151,750	(97,747)
Debt service - interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	807,503	597,627	(209,876)
Revenues over (under) expenditures	-	-	(3,843)	(3,843)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net changes in fund balances</b>	-	-	(3,843)	(3,843)
Fund balances, beginning of year	6,846	6,846	6,846	-
<b>Fund balances, end of year</b>	<b>\$ 6,846</b>	<b>\$ 6,846</b>	<b>\$ 3,003</b>	<b>\$ (3,843)</b>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Sheriff Training			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	5,000	12,476	7,476
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>5,000</u>	<u>12,476</u>	<u>7,476</u>
<b>Expenditures</b>				
Current -				
Public safety:				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	13,500	20,900	20,897	(3)
Debt service - interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>13,500</u>	<u>20,900</u>	<u>20,897</u>	<u>(3)</u>
<b>Revenues over (under) expenditures</b>	<u>(13,500)</u>	<u>(15,900)</u>	<u>(8,421)</u>	<u>7,479</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>(13,500)</u>	<u>(15,900)</u>	<u>(8,421)</u>	<u>7,479</u>
<b>Fund balances, beginning of year</b>	<u>40,820</u>	<u>40,820</u>	<u>40,820</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 27,320</u>	<u>\$ 24,920</u>	<u>\$ 32,399</u>	<u>\$ 7,479</u>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Social Services Fairview Infirmary			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 775,688	\$ 775,688	\$ 732,179	\$ (43,509)
Licenses and permits	-	-	-	-
Intergovernmental revenues	20,000	20,000	36,136	16,136
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	15,000	15,000	22,200	7,200
Other revenue	300,000	300,000	363,817	63,817
<b>Total revenues</b>	<u>1,110,688</u>	<u>1,110,688</u>	<u>1,154,332</u>	<u>43,644</u>
<b>Expenditures</b>				
Current -				
Health and welfare:				
Salaries and wages	553,722	553,722	548,253	(5,469)
Employee benefits	352,099	352,099	319,925	(32,174)
Services and supplies	319,757	319,757	301,027	(18,730)
Debt service - interest	-	-	-	-
Capital outlay	-	73,327	31,093	(42,234)
<b>Total expenditures</b>	<u>1,225,578</u>	<u>1,298,905</u>	<u>1,200,298</u>	<u>(98,607)</u>
Revenues over (under) expenditures	<u>(114,890)</u>	<u>(188,217)</u>	<u>(45,966)</u>	<u>142,251</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(9,892)	(9,892)	(9,892)	-
<b>Total other financing sources (uses)</b>	<u>(9,892)</u>	<u>(9,892)</u>	<u>(9,892)</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>(124,782)</u>	<u>(198,109)</u>	<u>(55,858)</u>	<u>142,251</u>
Fund balances, beginning of year	<u>1,417,936</u>	<u>1,417,936</u>	<u>1,417,936</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,293,154</u>	<u>\$ 1,219,827</u>	<u>\$ 1,362,078</u>	<u>\$ 142,251</u>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Probate Court Youth Center			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	2,106,073	2,106,073	1,818,555	(287,518)
Charges for services	100,000	100,000	207,975	107,975
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	106,390	106,390	48,595	(57,795)
<b>Total revenues</b>	<b>2,312,463</b>	<b>2,312,463</b>	<b>2,075,125</b>	<b>(237,338)</b>
<b>Expenditures</b>				
Current -				
Public safety:				
Salaries and wages	1,648,275	1,648,275	1,642,851	(5,424)
Employee benefits	1,105,394	1,105,394	1,030,200	(75,194)
Services and supplies	1,338,867	1,309,557	1,043,782	(265,775)
Debt service - interest	-	-	-	-
Capital outlay	20,000	60,734	57,830	(2,904)
<b>Total expenditures</b>	<b>4,112,536</b>	<b>4,123,960</b>	<b>3,774,663</b>	<b>(349,297)</b>
<b>Revenues over (under) expenditures</b>	<b>(1,800,073)</b>	<b>(1,811,497)</b>	<b>(1,699,538)</b>	<b>111,959</b>
<b>Other financing sources (uses)</b>				
Transfers in	1,800,073	1,800,073	1,800,073	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,800,073</b>	<b>1,800,073</b>	<b>1,800,073</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>(11,424)</b>	<b>100,535</b>	<b>111,959</b>
<b>Fund balances, beginning of year</b>	<b>102,643</b>	<b>102,643</b>	<b>102,643</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 102,643</b>	<b>\$ 91,219</b>	<b>\$ 203,178</b>	<b>\$ 111,959</b>

continued...



**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Historical Commission Museum			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 620,550	\$ 620,550	\$ 585,628	\$ (34,922)
Licenses and permits	-	-	-	-
Intergovernmental revenues	10,000	10,000	28,909	18,909
Charges for services	10,500	10,500	7,656	(2,844)
Fines and forfeits	-	-	-	-
Interest and rents	-	10,000	12,560	2,560
Other revenue	1,500	1,500	3,007	1,507
<b>Total revenues</b>	<b>642,550</b>	<b>652,550</b>	<b>637,760</b>	<b>(14,790)</b>
<b>Expenditures</b>				
Current -				
Recreation and culture:				
Salaries and wages	269,496	269,496	239,704	(29,792)
Employee benefits	83,356	83,356	74,356	(9,000)
Services and supplies	220,228	242,603	218,944	(23,659)
Debt service - interest	-	-	-	-
Capital outlay	-	184,528	41,042	(143,486)
<b>Total expenditures</b>	<b>573,080</b>	<b>779,983</b>	<b>574,046</b>	<b>(205,937)</b>
<b>Revenues over (under) expenditures</b>	<b>69,470</b>	<b>(127,433)</b>	<b>63,714</b>	<b>191,147</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>69,470</b>	<b>(127,433)</b>	<b>63,714</b>	<b>191,147</b>
<b>Fund balances, beginning of year</b>	<b>576,323</b>	<b>576,323</b>	<b>576,323</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 645,793</b>	<b>\$ 448,890</b>	<b>\$ 640,037</b>	<b>\$ 191,147</b>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Museum Legacy			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	11,803	11,803
Other revenue	-	-	1,390	1,390
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>13,193</u>	<u>13,193</u>
<b>Expenditures</b>				
Current -				
Recreation and culture:				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	70,000	70,000	15,197	(54,803)
Debt service - interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>70,000</u>	<u>70,000</u>	<u>15,197</u>	<u>(54,803)</u>
Revenues over (under) expenditures	<u>(70,000)</u>	<u>(70,000)</u>	<u>(2,004)</u>	<u>67,996</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>(70,000)</u>	<u>(70,000)</u>	<u>(2,004)</u>	<u>67,996</u>
Fund balances, beginning of year	<u>800,804</u>	<u>800,804</u>	<u>800,804</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 730,804</u>	<u>\$ 730,804</u>	<u>\$ 798,800</u>	<u>\$ 67,996</u>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Indigent Defense			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	423,492	620,108	671,879	51,771
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	<u>423,492</u>	<u>620,108</u>	<u>671,879</u>	<u>51,771</u>
<b>Expenditures</b>				
Current -				
General government:				
Salaries and wages	-	7,891	443	(7,448)
Employee benefits	-	803	40	(763)
Services and supplies	614,839	760,010	645,213	(114,797)
Debt service - interest	-	-	-	-
Capital outlay	20,000	6,610	6,610	-
<b>Total expenditures</b>	<u>634,839</u>	<u>775,314</u>	<u>652,306</u>	<u>(123,008)</u>
Revenues over (under) expenditures	<u>(211,347)</u>	<u>(155,206)</u>	<u>19,573</u>	<u>174,779</u>
<b>Other financing sources (uses)</b>				
Transfers in	211,347	211,347	211,347	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>211,347</u>	<u>211,347</u>	<u>211,347</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>56,141</u>	<u>230,920</u>	<u>174,779</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 56,141</u>	<u>\$ 230,920</u>	<u>\$ 174,779</u>

continued...

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019

	Other Special Revenue Funds			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 14,911	\$ 14,911	\$ 12,942	\$ (1,969)
Licenses and permits	81,452	81,452	77,853	(3,599)
Intergovernmental revenues	500	33,240	7,126	(26,114)
Charges for services	43,250	43,250	43,151	(99)
Fines and forfeits	22,000	22,000	6,500	(15,500)
Interest and rents	3,012	3,012	6,154	3,142
Other revenue	130,000	130,000	114,306	(15,694)
<b>Total revenues</b>	<u>295,125</u>	<u>327,865</u>	<u>268,032</u>	<u>(59,833)</u>
<b>Expenditures</b>				
Current:				
General government:				
Salaries and wages	50,090	50,090	32,722	(17,368)
Employee benefits	4,568	4,568	9,723	5,155
Services and supplies	144,321	145,291	82,633	(62,658)
Public safety:				
Salaries and wages	10,200	10,200	-	(10,200)
Employee benefits	7,234	7,234	-	(7,234)
Services and supplies	27,828	31,328	25,170	(6,158)
Health and welfare:				
Salaries and wages	19,975	19,990	20,423	433
Employee benefits	9,275	9,330	9,293	(37)
Services and supplies	72,335	72,265	31,201	(41,064)
Recreation and culture:				
Salaries and wages	2,950	2,850	1,303	(1,547)
Employee benefits	-	100	17	(83)
Services and supplies	50	40,050	8,000	(32,050)
Debt service - interest	-	-	-	-
Capital outlay	-	6,500	6,500	-
<b>Total expenditures</b>	<u>348,826</u>	<u>399,796</u>	<u>226,985</u>	<u>(172,811)</u>
<b>Revenues over (under) expenditures</b>	<u>(53,701)</u>	<u>(71,931)</u>	<u>41,047</u>	<u>112,978</u>
<b>Other financing sources (uses)</b>				
Transfers in	10,892	12,707	12,707	-
Transfers out	(75,000)	(75,000)	(75,000)	-
<b>Total other financing sources (uses)</b>	<u>(64,108)</u>	<u>(62,293)</u>	<u>(62,293)</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>(117,809)</u>	<u>(134,224)</u>	<u>(21,246)</u>	<u>112,978</u>
<b>Fund balances, beginning of year</b>	<u>925,783</u>	<u>925,783</u>	<u>925,783</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 807,974</u>	<u>\$ 791,559</u>	<u>\$ 904,537</u>	<u>\$ 112,978</u>

concluded

This page intentionally left blank.

## COUNTY OF MONROE, MICHIGAN

### Nonmajor Enterprise Funds

#### *Equipment Rental Fund*

Accounts for the reimbursement to the County by drain districts for the use of county equipment and drain maintenance and repair.

#### *Imaging Services Fund*

Accounts for the reimbursement of the printing department costs by user departments, government entities, and agencies.

#### *Inmate Commissary Fund*

Used to account for the concession activity for inmates in the county jails.

#### *Property Tax Foreclosure Fund*

This fund is used to account for the forfeit, foreclosure, and sale of property for delinquent property taxes.

#### *Revolving Loan Fund*

This fund is used to report activity related to the issuance and repayment of Housing Rehabilitation Loans made to County residents that are eligible to participate in the Community Development Block Grant Housing Rehabilitation Loan program.

This page intentionally left blank.

This page intentionally left blank.



# COUNTY OF MONROE, MICHIGAN

## Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2019

	Equipment Rental	Imaging Services	Inmate Commissary
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 471,940	\$ 33,504	\$ 215,169
Accounts receivable	11,562	-	-
Due from other governments	-	2,574	-
Loans receivable due within one year	-	-	-
Prepaid items	-	49	-
Total current assets	<u>483,502</u>	<u>36,127</u>	<u>215,169</u>
Noncurrent assets:			
Loans receivable	-	-	-
Capital assets, net	-	-	2,518
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>2,518</u>
<b>Total assets</b>	<u>483,502</u>	<u>36,127</u>	<u>217,687</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	1,841	821	1,228
Accrued wages and fringes	<u>1,170</u>	<u>1,087</u>	<u>-</u>
<b>Total liabilities</b>	<u>3,011</u>	<u>1,908</u>	<u>1,228</u>
<b>Net position</b>			
Investment in capital assets	-	-	2,518
Unrestricted	<u>480,491</u>	<u>34,219</u>	<u>213,941</u>
<b>Total net position</b>	<u>\$ 480,491</u>	<u>\$ 34,219</u>	<u>\$ 216,459</u>

Exhibit O-1



Property Tax Foreclosure	Revolving Loan	Total
\$ 2,997,167	\$ 134,320	\$ 3,852,100
3,541	-	15,103
-	-	2,574
-	59,566	59,566
-	-	49
<u>3,000,708</u>	<u>193,886</u>	<u>3,929,392</u>
-	1,913,630	1,913,630
-	-	2,518
<u>-</u>	<u>1,913,630</u>	<u>1,916,148</u>
<u>3,000,708</u>	<u>2,107,516</u>	<u>5,845,540</u>
32,119	-	36,009
<u>1,369</u>	<u>-</u>	<u>3,626</u>
<u>33,488</u>	<u>-</u>	<u>39,635</u>
-	-	2,518
<u>2,967,220</u>	<u>2,107,516</u>	<u>5,803,387</u>
<u>\$ 2,967,220</u>	<u>\$ 2,107,516</u>	<u>\$ 5,805,905</u>

## COUNTY OF MONROE, MICHIGAN

### Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Nonmajor Enterprise Funds

For the Year Ended December 31, 2019

	Equipment Rental	Imaging Services	Inmate Commissary
<b>Operating revenues</b>			
Charges for services	\$ 199,789	\$ 86,575	\$ 83,243
Other operating revenue	30,625	-	-
<b>Total operating revenues</b>	<b>230,414</b>	<b>86,575</b>	<b>83,243</b>
<b>Operating expense</b>			
Cost of services	172,349	93,501	49,777
Depreciation	5,852	-	839
<b>Total operating expense</b>	<b>178,201</b>	<b>93,501</b>	<b>50,616</b>
<b>Operating income (loss)</b>	<b>52,213</b>	<b>(6,926)</b>	<b>32,627</b>
<b>Nonoperating revenue</b>			
Interest and rentals	-	-	-
Gain on sale of capital assets	11,562	-	-
<b>Total nonoperating revenues</b>	<b>11,562</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before transfers</b>	<b>63,775</b>	<b>(6,926)</b>	<b>32,627</b>
<b>Transfers out</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>63,775</b>	<b>(6,926)</b>	<b>32,627</b>
<b>Net position, beginning of year</b>	<b>416,716</b>	<b>41,145</b>	<b>183,832</b>
<b>Net position, end of year</b>	<b>\$ 480,491</b>	<b>\$ 34,219</b>	<b>\$ 216,459</b>

Exhibit O-2



Property Tax Foreclosure	Revolving Loan	Total
\$ 408,289	\$ -	\$ 777,896
-	-	30,625
408,289	-	808,521
246,988	2,886	565,501
-	-	6,691
246,988	2,886	572,192
161,301	(2,886)	236,329
52,170	-	52,170
-	-	11,562
52,170	-	63,732
213,471	(2,886)	300,061
(80,000)	-	(80,000)
133,471	(2,886)	220,061
2,833,749	2,110,402	5,585,844
<u>\$ 2,967,220</u>	<u>\$ 2,107,516</u>	<u>\$ 5,805,905</u>

## COUNTY OF MONROE, MICHIGAN

### Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2019

	Equipment Rental	Imaging Services	Inmate Commissary
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 218,852	\$ 84,086	\$ 83,243
Collections of housing loan principal	-	-	-
Cash payments to suppliers for goods and services	(56,998)	(46,575)	(55,946)
Cash payments for employee services	(133,323)	(47,549)	-
Housing loans issued	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>28,531</b>	<b>(10,038)</b>	<b>27,297</b>
<b>Cash flows from noncapital financing activities</b>			
Transfers out	-	-	-
<b>Cash flows from capital and related financing activities</b>			
Sale of capital assets	11,562	-	-
<b>Cash flows from investing activities</b>			
Sale of investments	-	-	-
Interest received	-	-	-
<b>Net cash used by investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents</b>	<b>40,093</b>	<b>(10,038)</b>	<b>27,297</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>431,847</b>	<b>43,542</b>	<b>187,872</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 471,940</b>	<b>\$ 33,504</b>	<b>\$ 215,169</b>
<b>Cash flows from operating activities</b>			
Operating income (loss)	\$ 52,213	\$ (6,926)	\$ 32,627
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	5,852	-	839
Bad debt expense	-	-	-
Change in:			
Accounts receivable	(11,562)	-	-
Loans receivable	-	-	-
Accounts payable	(17,289)	(1,165)	(6,169)
Due from other governments	-	(2,489)	-
Accrued wages and fringes	(683)	542	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 28,531</b>	<b>\$ (10,038)</b>	<b>\$ 27,297</b>

## Exhibit O-3

Property Tax Foreclosure	Revolving Loan	Total
\$ 410,725	\$ -	\$ 796,906
-	60,985	60,985
(135,885)	(12,386)	(307,790)
(101,360)	-	(282,232)
-	(40,100)	(40,100)
173,480	8,499	227,769
(80,000)	-	(80,000)
-	-	11,562
988,441	-	988,441
52,170	-	52,170
1,040,611	-	1,040,611
1,134,091	8,499	1,199,942
1,863,076	125,821	2,652,158
\$ 2,997,167	\$ 134,320	\$ 3,852,100
\$ 161,301	\$ (2,886)	\$ 236,329
-	-	6,691
-	(9,501)	(9,501)
2,436	-	(9,126)
-	20,886	20,886
9,516	-	(15,107)
-	-	(2,489)
227	-	86
\$ 173,480	\$ 8,499	\$ 227,769

This page intentionally left blank.

## COUNTY OF MONROE, MICHIGAN

### Internal Service Funds

#### *Central Dispatch Equipment Fund*

Established to accumulate and disburse monies related to central dispatch equipment.

#### *Office Equipment Pool Fund*

Used to record the operations of an office equipment pool.

#### *Telephone Fund*

Accounts for the reimbursement of telephone costs by user departments.

#### *Banked Sick Pay Fund*

Established to record the liability and related costs associated with banked sick pay accumulated prior to July 1, 1986.

#### *Dental Insurance Fund*

Established to accumulate and disburse monies related to dental insurance claims.

#### *Unemployment Compensation Fund*

Established to accumulate and disburse monies related to unemployment compensation claims.

#### *Health Insurance Fund*

Established to accumulate and disburse monies related to health insurance claims.

#### *Workers' Compensation Fund*

Established to accumulate and disburse monies related to workers' compensation insurance claims.

#### *Long-Term Disability Fund*

Established to accumulate and disburse monies related to long-term disability claims.

#### *Liability Insurance Fund*

Established to accumulate and disburse monies related to general liability claims.



This page intentionally left blank.

This page intentionally left blank.

# COUNTY OF MONROE, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

December 31, 2019

	Central Dispatch Equipment	Office Equipment Pool	Telephone	Banked Sick Pay
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 74,592	\$ 187,671	\$ 68,075	\$ 5,684
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Due from other funds	-	-	2,704	-
Prepaid items	-	-	13,124	-
Total current assets	<u>74,592</u>	<u>187,671</u>	<u>83,903</u>	<u>5,684</u>
Noncurrent assets:				
Restricted assets - cash and cash equivalents	-	-	-	-
Capital assets being depreciated, net	4,199,140	59,481	7,139	-
Total noncurrent assets	<u>4,199,140</u>	<u>59,481</u>	<u>7,139</u>	<u>-</u>
<b>Total assets</b>	<u>4,273,732</u>	<u>247,152</u>	<u>91,042</u>	<u>5,684</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	-	-	11,357	-
Accrued wages and fringes	-	-	-	-
Compensated absences payable	-	-	-	5,684
Claims payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	4,224,262	-	-	-
Total current liabilities	<u>4,224,262</u>	<u>-</u>	<u>11,357</u>	<u>5,684</u>
Noncurrent liabilities -				
Claims payable	-	-	-	-
<b>Total liabilities</b>	<u>4,224,262</u>	<u>-</u>	<u>11,357</u>	<u>5,684</u>
<b>Net position</b>				
Net investment in capital assets	-	59,481	7,139	-
Unrestricted	<u>49,470</u>	<u>187,671</u>	<u>72,546</u>	<u>-</u>
<b>Total net position</b>	<u>\$ 49,470</u>	<u>\$ 247,152</u>	<u>\$ 79,685</u>	<u>\$ -</u>

Dental Insurance	Unemployment Compensation	Health Insurance	Workers' Compensation	Long-Term Disability	Liability Insurance	Total
\$ 408,927	\$ 179,438	\$ 47,519	\$ 418,795	\$ 263,246	\$ 320,781	\$ 1,974,728
-	-	5,005,904	-	-	-	5,005,904
-	-	58,075	-	-	-	58,075
-	-	-	175,000	-	-	177,704
-	-	8,101	-	13,608	-	34,833
408,927	179,438	5,119,599	593,795	276,854	320,781	7,251,244
-	-	-	-	-	1,806,718	1,806,718
-	-	-	-	-	-	4,265,760
-	-	-	-	-	1,806,718	6,072,478
408,927	179,438	5,119,599	593,795	276,854	2,127,499	13,323,722
-	-	29,550	9,058	14,940	-	64,905
-	-	9,422	-	-	-	9,422
-	-	-	-	-	-	5,684
19,130	1,180	269,505	94,327	9,666	164,113	557,921
-	-	175,000	-	-	-	175,000
-	-	-	-	-	-	4,224,262
19,130	1,180	483,477	103,385	24,606	164,113	5,037,194
-	-	-	23,582	-	652,455	676,037
19,130	1,180	483,477	126,967	24,606	816,568	5,713,231
-	-	-	-	-	-	66,620
389,797	178,258	4,636,122	466,828	252,248	1,310,931	7,543,871
\$ 389,797	\$ 178,258	\$ 4,636,122	\$ 466,828	\$ 252,248	\$ 1,310,931	\$ 7,610,491

## COUNTY OF MONROE, MICHIGAN

### Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

For the Year Ended December 31, 2019

	Central Dispatch Equipment	Office Equipment Pool	Telephone	Banked Sick Pay
<b>Operating revenues</b>				
Charges for services	\$ -	\$ -	\$ 61,684	\$ -
Employer contributions	-	-	-	-
Employee contributions	-	-	-	-
Other revenue	-	62,657	-	-
<b>Total operating revenues</b>	-	62,657	61,684	-
<b>Operating expense</b>				
Administrative costs	-	-	76,263	-
Benefit payments	-	-	-	-
Liability insurance	-	-	-	-
Depreciation	144,798	36,309	51,611	-
<b>Total operating expense</b>	144,798	36,309	127,874	-
<b>Operating income (loss)</b>	(144,798)	26,348	(66,190)	-
<b>Nonoperating revenue</b>				
Interest earned on investments	-	-	-	-
<b>Income (loss) before transfers</b>	(144,798)	26,348	(66,190)	-
<b>Transfers in</b>	194,268	-	-	-
<b>Change in net position</b>	49,470	26,348	(66,190)	-
<b>Net position beginning of year</b>	-	220,804	145,875	-
<b>Net position, end of year</b>	\$ 49,470	\$ 247,152	\$ 79,685	\$ -

Dental Insurance	Unemployment Compensation	Health Insurance	Workers' Compensation	Long-Term Disability	Liability Insurance	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,684
365,855	38,891	3,582,762	110,780	214,398	340,144	4,652,830
15,448	-	601,340	-	-	-	616,788
154,408	-	211,723	-	-	-	428,788
535,711	38,891	4,395,825	110,780	214,398	340,144	5,760,090
-	-	-	18,648	305	209	95,425
439,105	24,560	5,059,336	63,545	202,009	-	5,788,555
-	-	-	-	-	88,814	88,814
-	-	-	-	-	-	232,718
439,105	24,560	5,059,336	82,193	202,314	89,023	6,205,512
96,606	14,331	(663,511)	28,587	12,084	251,121	(445,422)
-	-	17,558	3,555	-	-	21,113
96,606	14,331	(645,953)	32,142	12,084	251,121	(424,309)
-	-	-	-	-	-	194,268
96,606	14,331	(645,953)	32,142	12,084	251,121	(230,041)
293,191	163,927	5,282,075	434,686	240,164	1,059,810	7,840,532
\$ 389,797	\$ 178,258	\$ 4,636,122	\$ 466,828	\$ 252,248	\$ 1,310,931	\$ 7,610,491

# COUNTY OF MONROE, MICHIGAN

## Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2019

	Central Dispatch Equipment	Office Equipment Pool	Telephone	Banked Sick Pay
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ -	\$ -	\$ -	\$ -
Cash received from interfund services	4,224,261	62,657	61,680	60
Cash payments to suppliers for goods and services	-	-	(65,253)	-
Cash payments for employee services	-	-	-	-
Cash payments for interfund services	-	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>4,224,261</b>	<b>62,657</b>	<b>(3,573)</b>	<b>60</b>
<b>Cash flows from noncapital financing activities</b>				
Transfers in	194,268	-	-	-
<b>Cash flows from capital and related financing activities</b>				
Purchase of capital assets	(4,343,937)	(23,214)	-	-
<b>Cash flows from investing activities</b>				
Sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Interest received	-	-	-	-
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents</b>	<b>74,592</b>	<b>39,443</b>	<b>(3,573)</b>	<b>60</b>
Cash and cash equivalents, beginning of year	-	148,228	71,648	5,624
<b>Cash and cash equivalents, end of year</b>	<b>\$ 74,592</b>	<b>\$ 187,671</b>	<b>\$ 68,075</b>	<b>\$ 5,684</b>
<b>Reconciliation to statement of net position</b>				
Cash and cash equivalents	\$ 74,592	\$ 187,671	\$ 68,075	\$ 5,684
Restricted assets - cash and cash equivalents	-	-	-	-
	<b>\$ 74,592</b>	<b>\$ 187,671</b>	<b>\$ 68,075</b>	<b>\$ 5,684</b>
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ (144,798)	\$ 26,348	\$ (66,190)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	144,798	36,309	51,611	-
Change in:				
Accounts receivable	-	-	(4)	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Accounts payable	-	-	11,010	-
Accrued wages and fringes	-	-	-	-
Compensated absences payable	-	-	-	60
Advance from other funds	4,224,261	-	-	-
Claims payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 4,224,261</b>	<b>\$ 62,657</b>	<b>\$ (3,573)</b>	<b>\$ 60</b>

Dental Insurance	Unemployment Compensation	Health Insurance	Workers' Compensation	Long-Term Disability	Liability Insurance	Total
\$ 15,448	\$ -	\$ 601,340	\$ -	\$ -	\$ -	\$ 616,788
520,263	38,890	4,336,600	110,780	328,053	340,143	10,023,387
(233,677)	(23,596)	(5,175,501)	(355,543)	(202,334)	(265,200)	(6,321,104)
-	-	(85,332)	-	-	-	(85,332)
-	-	(11,519)	-	-	-	(11,519)
302,034	15,294	(334,412)	(244,763)	125,719	74,943	4,222,220
-	-	-	-	-	-	194,268
-	-	-	-	-	-	(4,367,151)
-	-	4,021,679	499,570	-	-	4,521,249
-	-	(5,011,724)	-	-	-	(5,011,724)
-	-	17,558	3,555	-	-	21,113
-	-	(972,487)	503,125	-	-	(469,362)
302,034	15,294	(1,306,899)	258,362	125,719	74,943	(420,025)
106,893	164,144	1,354,418	160,433	137,527	2,052,556	4,201,471
<u>\$ 408,927</u>	<u>\$ 179,438</u>	<u>\$ 47,519</u>	<u>\$ 418,795</u>	<u>\$ 263,246</u>	<u>\$ 2,127,499</u>	<u>\$ 3,781,446</u>
\$ 408,927	\$ 179,438	\$ 47,519	\$ 418,795	\$ 263,246	\$ 320,781	\$ 1,974,728
-	-	-	-	-	1,806,718	1,806,718
<u>\$ 408,927</u>	<u>\$ 179,438</u>	<u>\$ 47,519</u>	<u>\$ 418,795</u>	<u>\$ 263,246</u>	<u>\$ 2,127,499</u>	<u>\$ 3,781,446</u>
\$ 96,606	\$ 14,331	\$ (663,511)	\$ 28,587	\$ 12,084	\$ 251,121	\$ (445,422)
-	-	-	-	-	-	232,718
-	-	542,115	-	-	-	542,111
210,000	-	-	(175,000)	113,656	-	148,656
-	-	(8,101)	-	(13,608)	-	(21,709)
-	-	29,174	4,828	14,940	-	59,952
-	-	(148,656)	-	-	-	(148,656)
-	-	-	-	-	-	60
-	-	-	-	-	-	4,224,261
(4,572)	963	(85,655)	(103,178)	(1,353)	(176,178)	(369,973)
-	-	222	-	-	-	222
<u>\$ 302,034</u>	<u>\$ 15,294</u>	<u>\$ (334,412)</u>	<u>\$ (244,763)</u>	<u>\$ 125,719</u>	<u>\$ 74,943</u>	<u>\$ 4,222,220</u>



This page intentionally left blank.

# COUNTY OF MONROE, MICHIGAN

## Fiduciary Funds

### *Employees' Retirement System Trust Fund*

Used to account for the financial operations of the Monroe County Employees' Retirement System. The system is administered by a nine-member board of trustees, while the County acts as the custodian of the system.

### *Retiree Health Insurance Trust Fund*

Used to account for the operations of this fund for current retiree hospitalization benefits and their subsequent disbursement.

### *General Agency Fund*

Used to account for monies deposited with the County Treasurer that are to be released at a later date.

### *Current Tax Collection Agency Fund*

Used to record the collection of current property taxes and their subsequent disbursement to various municipalities, school districts and other governmental units.

### *Imprest Payroll Agency Fund*

Used to account for the County's payroll and related withholdings.

### *Penal Fines Agency Fund*

Used to account for monies received by the District and Circuit Courts for penal fines that are subsequently disbursed to public libraries.

### *Escheats Probate Court Agency Fund*

Used to account for monies that have not been claimed and are subsequently disbursed to the State of Michigan.

### *MANTIS Safe and Non-adjudicated Fund*

Used to account for cash seized from defendants upon arrest and bonds posted in accordance with the laws of the State of Michigan, until settlement of a case.

### *Clearing Account Agency Fund*

Used as a clearing account for the County's disbursements.

This page intentionally left blank.

**Combining Statement of Fiduciary Net Position**

Pension and Other Employee Benefit Trust Funds

December 31, 2019

	Employees' Retirement System	Retiree Health Insurance	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 5,522,987	\$ 1,611,167	\$ 7,134,154
Investments at fair value:			
U.S. treasuries	9,386,640	6,315,511	15,702,151
Corporate bonds	11,675,354	5,816,389	17,491,743
Mortgage backed securities	1,984,613	674,788	2,659,401
Hedge fund	13,018,043	-	13,018,043
Mutual fund	42,106,965	-	42,106,965
Equity securities	59,336,459	47,959,351	107,295,810
Commingled funds	37,787,884	-	37,787,884
Real estate funds	31,720,741	5,782,328	37,503,069
Money market accounts	-	264,194	264,194
Due from brokers for securities sold	1,000,000	-	1,000,000
Contributions receivable	168,077	763	168,840
Interest receivable	232,598	-	232,598
<b>Total assets</b>	<b>213,940,361</b>	<b>68,424,491</b>	<b>282,364,852</b>
<b>Liabilities</b>			
Accounts payable	98,540	-	98,540
<b>Net position</b>			
Restricted for pensions	213,841,821	-	213,841,821
Restricted for other postemployment benefits	-	68,424,491	68,424,491
<b>Total net position</b>	<b>\$ 213,841,821</b>	<b>\$ 68,424,491</b>	<b>\$ 282,266,312</b>

This page intentionally left blank.

**Combining Statement of Changes in Plan Net Position**

Pension and Other Employee Benefit Trust Funds

For the Year Ended December 31, 2019

	Employees' Retirement System	Retiree Health Insurance	Total
<b>Additions</b>			
Investment income:			
Net appreciation in fair value of investments	\$ 28,813,452	\$ 8,621,135	\$ 37,434,587
Interest and dividends	5,103,660	2,283,902	7,387,562
Total investment income	33,917,112	10,905,037	44,822,149
Less: investment management fees	(954,646)	(141,468)	(1,096,114)
<b>Net investment income</b>	<b>32,962,466</b>	<b>10,763,569</b>	<b>43,726,035</b>
Contributions:			
Employer	9,253,368	6,797,410	16,050,778
Employee	883,911	361,406	1,245,317
Retiree and other	-	322,911	322,911
Employer supplemental contributions	600,000	-	600,000
Time purchase	32,864	-	32,864
<b>Total contributions</b>	<b>10,770,143</b>	<b>7,481,727</b>	<b>18,251,870</b>
<b>Total additions</b>	<b>43,732,609</b>	<b>18,245,296</b>	<b>61,977,905</b>
<b>Deductions</b>			
Benefit payments	17,069,336	5,311,362	22,380,698
Refunds of contributions	851,265	73,434	924,699
Administrative expenses	214,400	46,819	261,219
<b>Total deductions</b>	<b>18,135,001</b>	<b>5,431,615</b>	<b>23,566,616</b>
<b>Change in net position</b>	<b>25,597,608</b>	<b>12,813,681</b>	<b>38,411,289</b>
Net position, beginning of year	188,244,213	55,610,810	243,855,023
<b>Net position, end of year</b>	<b>\$ 213,841,821</b>	<b>\$ 68,424,491</b>	<b>\$ 282,266,312</b>

## COUNTY OF MONROE, MICHIGAN

### Combining Statement of Assets and Liabilities

All Agency Funds

December 31, 2019

	General Agency	Current Tax Collection	Imprest Payroll	Penal Fines
<b>Assets</b>				
Cash and cash equivalents	\$ 1,373,361	\$ 2,035,844	\$ 52,610	\$ 5,261
<b>Liabilities</b>				
Due to other governments	\$ 302,944	\$ -	\$ -	\$ 5,261
Undistributed taxes - current levy	-	2,035,844	-	-
Undistributed taxes - other	71,131	-	-	-
Other undistributed receipts	999,286	-	52,610	-
<b>Total liabilities</b>	<b>\$ 1,373,361</b>	<b>\$ 2,035,844</b>	<b>\$ 52,610</b>	<b>\$ 5,261</b>

Exhibit Q-3



Escheats Probate Court	MANTIS Safe and Non- adjudicated	Clearing Account	Total
\$ 1,631	\$ 8,820	\$ -	\$ 3,477,527
\$ -	\$ -	\$ -	\$ 308,205
-	-	-	2,035,844
-	-	-	71,131
1,631	8,820	-	1,062,347
\$ 1,631	\$ 8,820	\$ -	\$ 3,477,527



**Combining Statement of Changes in Assets and Liabilities**

All Agency Funds

For the Year Ended December 31, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<i>General Agency</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,847,205	\$ 10,838,062	\$ 11,311,906	\$ 1,373,361
Investments	-	500,000	500,000	-
<b>Total assets</b>	<u>\$ 1,847,205</u>	<u>\$ 11,338,062</u>	<u>\$ 11,811,906</u>	<u>\$ 1,373,361</u>
<b>Liabilities</b>				
Due to other governments	\$ 343,051	\$ 4,306,256	\$ 4,346,363	\$ 302,944
Undistributed taxes - other	93,259	203,139	225,267	71,131
Other undistributed receipts	1,410,895	8,295,643	8,707,252	999,286
<b>Total liabilities</b>	<u>\$ 1,847,205</u>	<u>\$ 12,805,038</u>	<u>\$ 13,278,882</u>	<u>\$ 1,373,361</u>
<i>Current Tax Collection</i>				
<b>Assets</b>				
Cash and cash equivalents	<u>\$ 660,370</u>	<u>\$ 77,266,423</u>	<u>\$ 75,890,949</u>	<u>\$ 2,035,844</u>
<b>Liabilities</b>				
Undistributed taxes - current levy	<u>\$ 660,370</u>	<u>\$ 77,974,521</u>	<u>\$ 76,599,047</u>	<u>\$ 2,035,844</u>

continued...

**Combining Statement of Changes in Assets and Liabilities**

All Agency Funds

For the Year Ended December 31, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<i>Imprest Payroll</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 95,717	\$ 29,841,276	\$ 29,884,383	\$ 52,610
<b>Liabilities</b>				
Due to other governments	\$ 78,411	\$ 7,568,843	\$ 7,647,254	\$ -
Other undistributed receipts	17,306	27,200,808	27,165,504	52,610
<b>Total liabilities</b>	<b>\$ 95,717</b>	<b>\$ 34,769,651</b>	<b>\$ 34,812,758</b>	<b>\$ 52,610</b>
<i>Penal Fines</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 3,789	\$ 1,486,596	\$ 1,485,124	\$ 5,261
<b>Liabilities</b>				
Due to other governments	\$ 3,789	\$ 1,538,745	\$ 1,537,273	\$ 5,261
<i>Escheats Probate Court</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,625	\$ 1,631	\$ 1,625	\$ 1,631
<b>Liabilities</b>				
Other undistributed receipts	\$ 1,625	\$ 1,631	\$ 1,625	\$ 1,631

continued...

**Combining Statement of Changes in Assets and Liabilities**

All Agency Funds

For the Year Ended December 31, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<i>MANTIS-Safe and Non-adjudicated</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 14,093	\$ 14,094	\$ 19,367	\$ 8,820
<b>Liabilities</b>				
Other undistributed receipts	\$ 14,093	\$ 14,094	\$ 19,367	\$ 8,820
<b>Clearing Account</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 120,035,261	\$ 120,035,261	\$ -
<b>Liabilities</b>				
Other undistributed receipts	\$ -	\$ 120,030,821	\$ 120,030,821	\$ -
<i>Total Agency Funds</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,622,799	\$ 239,483,343	\$ 238,628,615	\$ 3,477,527
Investments	-	500,000	500,000	-
<b>Total assets</b>	\$ 2,622,799	\$ 239,983,343	\$ 239,128,615	\$ 3,477,527
<b>Liabilities</b>				
Due to other governments	\$ 425,251	\$ 13,413,844	\$ 13,530,890	\$ 308,205
Undistributed taxes - current levy	660,370	77,974,521	76,599,047	2,035,844
Undistributed taxes - other	93,259	203,139	225,267	71,131
Other undistributed receipts	1,443,919	155,542,997	155,924,569	1,062,347
<b>Total liabilities</b>	\$ 2,622,799	\$ 247,134,501	\$ 246,279,773	\$ 3,477,527

concluded

## DRAIN COMMISSION COMPONENT UNIT

This page intentionally left blank.

This page intentionally left blank.

# COUNTY OF MONROE, MICHIGAN

## Statement of Net Position / Governmental Funds Balance Sheet

Drain Commission Component Unit

December 31, 2019

	Debt Service	Capital Projects	
	Special Drain	Drain	Special Drain
<b>Assets</b>			
Cash and cash equivalents	\$ 545,701	\$ 3,725,677	\$ 168,732
Investments	-	1,536,735	-
Special assessments receivable	399,947	2,231,481	-
Unlevied special assessments	8,682,773	1,687,367	-
Due from other funds	-	772,021	-
Capital assets being depreciated, net	-	-	-
<b>Total assets</b>	<b>\$ 9,628,421</b>	<b>\$ 9,953,281</b>	<b>\$ 168,732</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 22,359	\$ 15,493
Due to other funds	-	998,748	467,021
Interest payable	-	-	-
Unearned special assessment revenue	-	250,759	-
Advance from other government	-	-	-
Long-term liabilities:			
Due within one year	-	-	-
Due beyond one year	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1,271,866</b>	<b>482,514</b>
<b>Deferred inflows of resources</b>			
Unavailable special assessment revenue	9,082,720	3,918,848	-
<b>Fund balances</b>			
Restricted for:			
Debt service	545,701	-	-
Capital projects	-	4,762,567	-
Unassigned (deficit)	-	-	(313,782)
<b>Total fund balances</b>	<b>545,701</b>	<b>4,762,567</b>	<b>(313,782)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 9,628,421</b>	<b>\$ 9,953,281</b>	<b>\$ 168,732</b>
<b>Net position</b>			
Net investment in capital assets			
Restricted for debt service			
Restricted for capital projects			
<b>Total net position</b>			

Exhibit R-1



Capital Projects			
Drain Revolving	Total	Adjustments	Statement of Net Position
\$ 2,444	\$ 4,442,554	\$ -	\$ 4,442,554
-	1,536,735	-	1,536,735
-	2,631,428	-	2,631,428
-	10,370,140	-	10,370,140
998,748	1,770,769	(1,770,769)	-
-	-	27,722,444	27,722,444
<u>\$ 1,001,192</u>	<u>\$ 20,751,626</u>	<u>25,951,675</u>	<u>46,703,301</u>
\$ 96,192	\$ 134,044	-	134,044
305,000	1,770,769	(1,770,769)	-
-	-	73,755	73,755
-	250,759	-	250,759
600,000	600,000	-	600,000
-	-	1,891,754	1,891,754
-	-	7,652,610	7,652,610
<u>1,001,192</u>	<u>2,755,572</u>	<u>7,847,350</u>	<u>10,602,922</u>
-	13,001,568	(13,001,568)	-
-	545,701	(545,701)	-
-	4,762,567	(4,762,567)	-
-	(313,782)	313,782	-
<u>-</u>	<u>4,994,486</u>	<u>(4,994,486)</u>	<u>-</u>
<u>\$ 1,001,192</u>	<u>\$ 20,751,626</u>		
		18,178,080	18,178,080
		9,554,666	9,554,666
		<u>8,367,633</u>	<u>8,367,633</u>
		\$ 36,100,379	\$ 36,100,379



## COUNTY OF MONROE, MICHIGAN

### Statement of Activities / Governmental Funds Revenues, Expenditures, and Changes in Fund Balances Drain Commission Component Unit For the Year Ended December 31, 2019

	Debt Service	Capital Projects	
	Special Drain	Drain	Special Drain
<b>Revenues</b>			
Special assessments	\$ 92,714	\$ 3,357,475	\$ 303,438
Charges for services	-	16,913	-
Interest revenue	5,434	75,805	-
Other revenue	-	774,242	-
<b>Total revenues</b>	<b>98,148</b>	<b>4,224,435</b>	<b>303,438</b>
<b>Expenditures/expenses</b>			
Public works	-	1,916,901	1,075,918
Debt service:			
Principal	1,949,413	-	-
Interest and fiscal charges	343,431	-	-
<b>Total expenditures/expenses</b>	<b>2,292,844</b>	<b>1,916,901</b>	<b>1,075,918</b>
<b>Revenues over (under) expenditures/expenses</b>	<b>(2,194,696)</b>	<b>2,307,534</b>	<b>(772,480)</b>
<b>Other financing sources (uses)</b>			
Transfers in	2,322,746	63,114	400,000
Transfers out	-	(2,340,362)	(445,498)
Proceeds from issuance of drain notes	-	-	391,235
<b>Total other financing sources (uses)</b>	<b>2,322,746</b>	<b>(2,277,248)</b>	<b>345,737</b>
<b>Change in fund balances / net position</b>	<b>128,050</b>	<b>30,286</b>	<b>(426,743)</b>
<b>Fund balances / net position, beginning of year</b>	<b>417,651</b>	<b>4,732,281</b>	<b>112,961</b>
<b>Fund balances / net position, end of year</b>	<b>\$ 545,701</b>	<b>\$ 4,762,567</b>	<b>\$ (313,782)</b>

Exhibit R-2

Capital Projects				
Drain Revolving	Total	Adjustments	Statement of Activities	
\$ -	\$ 3,753,627	\$ (2,316,138)	\$ 1,437,489	
-	16,913	-	16,913	
-	81,239	-	81,239	
-	774,242	-	774,242	
-	4,626,021	(2,316,138)	2,309,883	
-	2,992,819	532,547	3,525,366	
-	1,949,413	(1,949,413)	-	
-	343,431	(9,224)	334,207	
-	5,285,663	(1,426,090)	3,859,573	
-	(659,642)	(890,048)	(1,549,690)	
-	2,785,860	(2,785,860)	-	
-	(2,785,860)	2,785,860	-	
-	391,235	(391,235)	-	
-	391,235	(391,235)	-	
-	(268,407)	(1,281,283)	(1,549,690)	
-	5,262,893	32,387,176	37,650,069	
\$ -	\$ 4,994,486	\$ 31,105,893	\$ 36,100,379	

This page intentionally left blank.

**CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS**

This page intentionally left blank.

**Comparative Schedule of Capital Assets Used**  
in the Operation of Governmental Funds by Source  
December 31, 2019 and 2018

	2019	2018
<b>Capital assets used in governmental funds:</b>		
Land and improvements	\$ 966,008	\$ 947,710
Buildings and improvements	67,975,480	67,788,034
Machinery and equipment	19,395,094	18,236,232
Vehicles	3,952,901	3,534,448
<b>Total capital assets used in governmental funds</b>	<b>\$ 92,289,483</b>	<b>\$ 90,506,424</b>
<b>Capital assets used in governmental funds by source:</b>		
General fund	\$ 15,231,640	\$ 13,975,506
Special revenue funds	8,638,181	8,130,005
Capital projects funds	68,419,662	68,400,913
<b>Total capital assets used in governmental funds</b>	<b>\$ 92,289,483</b>	<b>\$ 90,506,424</b>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net position.

**Schedule of Capital Assets Used in the Operation of Governmental Funds**

By Function and Activity

December 31, 2019

	Land and Improvements	Buildings and Improvements	Machinery and Equipment	Vehicles	Total
<b>General government</b>					
District Court	\$ -	\$ 243,422	\$ 37,957	\$ 21,639	\$ 303,018
Prosecutor	-	27,439	-	-	27,439
Clerk/Register of Deeds	-	-	140,568	-	140,568
General Services Administration	251,623	18,830,568	4,622,819	62,709	23,767,719
<b>Total general government</b>	<u>251,623</u>	<u>19,101,429</u>	<u>4,801,344</u>	<u>84,348</u>	<u>24,238,744</u>
<b>Public safety</b>					
Law Enforcement and Corrections - Sheriff	-	20,920,376	4,104,922	3,235,322	28,260,620
Youth Center	-	1,614,904	105,133	20,867	1,740,904
Emergency Management Division	-	620,828	1,292,370	161,224	2,074,422
Central Dispatch	-	3,763,196	8,612,552	21,275	12,397,023
Animal Control Division	-	502,183	-	40,220	542,403
<b>Total public safety</b>	<u>-</u>	<u>27,421,487</u>	<u>14,114,977</u>	<u>3,478,908</u>	<u>45,015,372</u>
<b>Public works - Drain Commissioner</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,802</u>	<u>22,802</u>
<b>Health and welfare</b>					
Public Health Department	-	3,756,126	347,629	140,008	4,243,763
Community Mental Health	-	6,901,026	-	-	6,901,026
Fairview Infirmary	-	1,513,088	-	-	1,513,088
<b>Total health and welfare</b>	<u>-</u>	<u>12,170,240</u>	<u>347,629</u>	<u>140,008</u>	<u>12,657,877</u>
<b>Community and economic development</b>	<u>-</u>	<u>-</u>	<u>38,764</u>	<u>-</u>	<u>38,764</u>
<b>Culture and recreation</b>					
Historical Commission	-	1,934,271	12,199	44,502	1,990,972
Parks and Recreation	714,385	2,637,687	80,181	182,333	3,614,586
Library System	-	4,640,998	-	-	4,640,998
Extension	-	69,368	-	-	69,368
<b>Total culture and recreation</b>	<u>714,385</u>	<u>9,282,324</u>	<u>92,380</u>	<u>226,835</u>	<u>10,315,924</u>
<b>Total capital assets used in governmental funds</b>	<u>\$ 966,008</u>	<u>\$ 67,975,480</u>	<u>\$ 19,395,094</u>	<u>\$ 3,952,901</u>	<u>\$ 92,289,483</u>

**Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds**

By Function and Activity

For the Year Ended December 31, 2019

	Beginning Balance	Additions	Deletions	Ending Balance
<b>General government</b>				
District Court	\$ 303,018	\$ -	\$ -	\$ 303,018
Prosecutor	27,439	-	-	27,439
Clerk/Register of Deeds	140,568	-	-	140,568
General Services Administration	23,550,068	1,383,637	1,165,986	23,767,719
<b>Total general government</b>	<b>24,021,093</b>	<b>1,383,637</b>	<b>1,165,986</b>	<b>24,238,744</b>
<b>Public safety</b>				
Law Enforcement and Corrections - Sheriff	27,142,348	1,118,272	-	28,260,620
Youth Center	1,683,075	57,829	-	1,740,904
Emergency Management Division	2,074,422	-	-	2,074,422
Central Dispatch	12,219,392	177,631	-	12,397,023
Animal Control Division	542,403	-	-	542,403
<b>Total public safety</b>	<b>43,661,640</b>	<b>1,353,732</b>	<b>-</b>	<b>45,015,372</b>
<b>Public works - Drain Commissioner</b>	<b>22,802</b>	<b>-</b>	<b>-</b>	<b>22,802</b>
<b>Health and welfare</b>				
Public Health Department	4,124,837	118,926	-	4,243,763
Community Mental Health	6,901,026	-	-	6,901,026
Fairview Infirmary	1,491,384	21,704	-	1,513,088
<b>Total health and welfare</b>	<b>12,517,247</b>	<b>140,630</b>	<b>-</b>	<b>12,657,877</b>
<b>Planning and development</b>	<b>38,764</b>	<b>-</b>	<b>-</b>	<b>38,764</b>
<b>Culture and recreation</b>				
Historical Commission	1,949,930	41,042	-	1,990,972
Parks and Recreation	3,584,577	30,009	-	3,614,586
Library System	4,640,998	-	-	4,640,998
Extension	69,368	-	-	69,368
<b>Total culture and recreation</b>	<b>10,244,873</b>	<b>71,051</b>	<b>-</b>	<b>10,315,924</b>
<b>Total capital assets used in governmental funds</b>	<b>\$ 90,506,419</b>	<b>\$ 2,949,050</b>	<b>\$ 1,165,986</b>	<b>\$ 92,289,483</b>



This page intentionally left blank.

# COUNTY OF MONROE, MICHIGAN

## Statistical Section Table of Contents

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

		<u>Page</u>
Financial Trends (schedules 1-4)	These schedules contain trend information to help the reader understand and evaluate how the County’s financial condition, performance and well-being have changed over time.	228
Revenue Capacity (schedules 5-8)	These schedules contain information to help the reader assess the County’s ability to generate its most significant local revenue source, the property tax.	238
Debt Capacity (schedules 9-11)	These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and its ability to issue additional debt in the future.	244
Demographic and Economic Information (schedules 12 - 14)	These schedules present various demographic and economic indicators to help the reader understand the environment within which the County operates and how they affect the County’s financial activities.	249
Operating Information (schedules 15-16)	These schedules contain information about the County’s operations and resources to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.	252

This page intentionally left blank.

This page intentionally left blank.

## COUNTY OF MONROE, MICHIGAN

### Net Position by Component

Last Ten Years

(accrual basis of accounting)

	2010	2011	2012
<b>Governmental activities</b>			
Net investment in capital assets	\$ 24,950,605	\$ 23,066,135	\$ 20,148,661
Restricted	3,337,389	2,986,630	3,680,492
Unrestricted (deficit)	17,263,774	17,421,608	13,046,075
Total governmental activities net position	<u>\$ 45,551,768</u>	<u>\$ 43,474,373</u>	<u>\$ 36,875,228</u>
<b>Business-type activities</b>			
Net investment in capital assets	\$ 6,026	\$ 1,352	\$ -
Unrestricted	14,567,408	16,973,489	19,079,818
Total business-type activities net position	<u>\$ 14,573,434</u>	<u>\$ 16,974,841</u>	<u>\$ 19,079,818</u>
<b>Primary government</b>			
Net investment in capital assets	\$ 24,956,631	\$ 23,067,487	\$ 20,148,661
Restricted	3,337,389	2,986,630	3,680,492
Unrestricted (deficit)	31,831,182	34,395,097	32,125,893
Total primary government net position	<u>\$ 60,125,202</u>	<u>\$ 60,449,214</u>	<u>\$ 55,955,046</u>

Note: GASB Statement No. 68 was implemented for the year ended December 31, 2015. This resulted in presentation of the County's net position liability on the statement of net position. Prior years were not restated.

Note: GASB Statement No. 75 was implemented for the year ended December 31, 2018. This resulted in presentation of the County's net other postemployment benefit liability on the statement of net position. Prior years were not restated.

Source: Monroe County Finance Department

2013	2014	2015	2016	2017	2018	2019
\$ 20,399,958	\$ 20,058,875	\$ 20,658,579	\$ 20,389,570	\$ 19,316,689	\$ 18,122,497	\$ 17,849,930
2,735,092	9,437,027	7,893,177	7,947,408	8,178,686	8,196,658	8,721,367
10,799,994	2,141,337	(36,094,661)	(41,330,097)	(43,109,077)	(91,223,241)	(86,427,789)
<u>\$ 33,935,044</u>	<u>\$ 31,637,239</u>	<u>\$ (7,542,905)</u>	<u>\$ (12,993,119)</u>	<u>\$ (15,613,702)</u>	<u>\$ (64,904,086)</u>	<u>\$ (59,856,492)</u>

\$ 31,125	\$ 44,800	\$ 35,240	\$ 27,832	\$ 16,302	\$ 9,209	\$ 2,518
21,138,173	22,670,875	24,328,876	25,727,715	27,186,149	28,623,759	30,313,742
<u>\$ 21,169,298</u>	<u>\$ 22,715,675</u>	<u>\$ 24,364,116</u>	<u>\$ 25,755,547</u>	<u>\$ 27,202,451</u>	<u>\$ 28,632,968</u>	<u>\$ 30,316,260</u>

\$ 20,431,083	\$ 20,103,675	\$ 20,693,819	\$ 20,417,402	\$ 19,332,991	\$ 18,131,706	\$ 17,852,448
2,735,092	9,437,027	7,893,177	7,947,408	8,178,686	8,196,658	8,721,367
31,968,167	24,812,212	(11,765,785)	(15,602,382)	(15,922,928)	(62,599,482)	(56,114,047)
<u>\$ 55,134,342</u>	<u>\$ 54,352,914</u>	<u>\$ 16,821,211</u>	<u>\$ 12,762,428</u>	<u>\$ 11,588,749</u>	<u>\$ (36,271,118)</u>	<u>\$ (29,540,232)</u>

## COUNTY OF MONROE, MICHIGAN

### Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2010	2011	2012
<b>Expenses</b>			
Governmental activities:			
General government	\$ 20,461,519	\$ 19,208,346	\$ 20,920,339
Public safety	30,035,874	27,941,645	30,248,077
Public works	86,797	56,288	130,288
Health and welfare	13,322,243	12,573,802	12,056,811
Community and economic development	531,409	614,220	514,814
Recreation and culture	717,709	628,466	521,371
Interest on long-term debt	402,002	417,287	412,377
<b>Total governmental activities expenses</b>	<b>65,557,553</b>	<b>61,440,054</b>	<b>64,804,077</b>
Business-type activities:			
Delinquent tax	216,624	187,954	155,273
Equipment rental	228,714	158,906	225,959
Imaging services	134,874	96,246	98,627
Engineering	26,275	14,233	2,075
Inmate commissary	65,156	132,853	164,910
Property tax foreclosure	308,139	288,513	299,867
Revolving loan	222,966	163,349	41,343
<b>Total business-type activities expenses</b>	<b>1,202,748</b>	<b>1,042,054</b>	<b>988,054</b>
<b>Total primary government expenses</b>	<b>66,760,301</b>	<b>62,482,108</b>	<b>65,792,131</b>
<b>Program revenues</b>			
Governmental activities:			
Charges for services:			
General government	4,863,446	4,565,044	4,816,111
Public safety	1,898,450	1,730,211	1,633,150
Health and welfare	1,166,408	850,727	1,069,183
Community and economic development	30,400	19,574	26,307
Recreation and culture	4,343	7,473	5,018
Operating grants and contributions	17,318,732	16,293,868	15,947,942
<b>Total governmental activities program revenues</b>	<b>25,281,779</b>	<b>23,466,897</b>	<b>23,497,711</b>
Business-type activities:			
Charges for services:			
Delinquent tax	2,406,439	2,265,606	2,009,160
Equipment rental	214,093	168,273	294,261
Imaging services	85,858	95,639	78,362
Engineering	10,054	14,234	-
Inmate commissary	65,059	32,210	92,696
Property tax foreclosure	570,443	545,415	589,417
Operating grants and contributions	367,137	276,650	3,072
<b>Total business-type activities program revenues</b>	<b>3,719,083</b>	<b>3,398,027</b>	<b>3,066,968</b>
<b>Total primary government program revenues</b>	<b>29,000,862</b>	<b>26,864,924</b>	<b>26,564,679</b>

2013	2014	2015	2016	2017	2018	2019
\$ 20,486,909	\$ 20,364,976	\$ 18,712,608	\$ 23,843,280	\$ 23,209,094	\$ 23,876,271	\$ 20,631,325
29,001,776	29,551,916	27,606,066	31,383,978	31,451,465	31,753,846	30,105,871
111,909	137,218	152,091	165,831	151,422	140,785	176,428
11,858,358	11,549,503	11,626,049	11,743,918	11,770,661	12,482,803	12,867,636
382,043	664,045	801,931	374,964	285,283	285,182	363,851
580,923	743,739	851,582	828,411	866,778	863,635	1,050,039
388,836	481,050	211,543	265,891	232,691	197,273	185,102
62,810,754	63,492,447	59,961,870	68,606,273	67,967,394	69,599,795	65,380,252
113,294	163,428	145,881	112,863	96,992	98,460	91,326
254,680	240,084	241,342	401,923	425,988	374,440	178,201
94,969	104,725	116,503	97,289	86,791	85,725	93,501
-	-	-	-	-	-	-
72,977	77,907	60,996	74,927	158,327	145,682	50,616
282,061	279,268	322,947	279,227	237,879	239,125	246,988
73,581	243,051	14,875	1,360	45,294	12,070	2,886
891,562	1,108,463	902,544	967,589	1,051,271	955,502	663,518
63,702,316	64,600,910	60,864,414	69,573,862	69,018,665	70,555,297	66,043,770
5,048,797	4,664,582	4,901,870	5,466,211	5,556,900	5,795,300	5,660,689
1,729,229	1,723,758	1,553,078	1,825,592	1,935,449	2,012,543	2,957,476
1,033,424	1,451,123	2,128,232	1,787,746	1,772,981	2,244,071	1,840,510
15,782	12,027	5,132	32,388	5,158	6,765	11,280
14,030	10,746	9,509	9,758	7,296	7,772	7,656
17,244,022	15,801,824	15,045,505	14,613,190	14,475,679	15,231,143	16,306,517
25,085,284	23,664,060	23,643,326	23,734,885	23,753,463	25,297,594	26,784,128
1,646,732	1,455,303	1,354,380	1,208,782	1,197,120	1,172,123	1,247,795
298,119	253,083	238,691	443,791	489,741	362,788	230,414
85,452	75,346	86,988	80,912	105,470	83,762	86,575
-	-	-	-	-	-	-
69,505	84,247	79,681	78,234	154,812	276,977	83,243
931,882	518,600	881,878	642,474	432,201	265,163	408,289
111,350	401,538	-	7,238	-	-	-
3,143,040	2,788,117	2,641,618	2,461,431	2,379,344	2,160,813	2,056,316
28,228,324	26,452,177	26,284,944	26,196,316	26,132,807	27,458,407	28,840,444

continued...



## COUNTY OF MONROE, MICHIGAN

### Changes in Net Position (Concluded)

Last Ten Years

(accrual basis of accounting)

	2010	2011	2012
<b>Net (expenses) revenue</b>			
Governmental activities	\$ (40,275,774)	\$ (37,973,157)	\$ (41,306,366)
Business-type activities	2,516,335	2,355,973	2,078,914
<b>Total primary government net (expense) revenue</b>	<b>(37,759,439)</b>	<b>(35,617,184)</b>	<b>(39,227,452)</b>
<b>General revenues</b>			
Governmental activities:			
Property taxes	31,190,431	31,628,655	31,094,159
Grants and contributions not restricted to specific programs	3,439,742	3,554,509	2,970,714
Unrestricted investment earnings	729,893	730,058	714,351
Transfers	(53,999)	(17,460)	(650)
<b>Total governmental activities general revenues</b>	<b>35,306,067</b>	<b>35,895,762</b>	<b>34,778,574</b>
Business-type activities:			
Investment earnings	21,990	27,974	25,413
Gain on sale of capital assets	-	-	-
Transfers	53,999	17,460	650
<b>Total business-type activities general revenues</b>	<b>75,989</b>	<b>45,434</b>	<b>26,063</b>
<b>Total primary government general revenues</b>	<b>35,382,056</b>	<b>35,941,196</b>	<b>34,804,637</b>
<b>Change in net position</b>			
Governmental activities	(4,969,707)	(2,077,395)	(6,527,792)
Business-type activities	2,592,324	2,401,407	2,104,977
<b>Total primary government</b>	<b>\$ (2,377,383)</b>	<b>\$ 324,012</b>	<b>\$ (4,422,815)</b>

Source: Monroe County Finance Department

2013	2014	2015	2016	2017	2018	2019
\$ (37,725,470)	\$ (39,828,387)	\$ (36,318,544)	\$ (44,871,388)	\$ (44,213,931)	\$ (44,302,201)	\$ (38,596,124)
2,251,478	1,679,654	1,739,074	1,493,842	1,328,073	1,205,311	1,392,798
(35,473,992)	(38,148,733)	(34,579,470)	(43,377,546)	(42,885,858)	(43,096,890)	(37,203,326)
31,095,526	31,192,919	31,932,792	32,432,239	31,998,545	33,412,633	34,483,428
2,809,864	5,346,176	5,632,185	5,951,345	8,547,902	7,089,719	7,598,173
729,468	811,666	705,836	868,425	946,901	1,202,225	1,482,117
150,428	179,821	118,250	169,165	100,000	-	80,000
34,785,286	37,530,582	38,389,063	39,421,174	41,593,348	41,704,577	43,643,718
18,430	16,544	27,617	66,754	218,831	225,206	358,932
-	-	-	-	-	-	11,562
(150,428)	(179,821)	(118,250)	(169,165)	(100,000)	-	(80,000)
(131,998)	(163,277)	(90,633)	(102,411)	118,831	225,206	290,494
34,653,288	37,367,305	38,298,430	39,318,763	41,712,179	41,929,783	43,934,212
(2,940,184)	(2,297,805)	2,070,519	(5,450,214)	(2,620,583)	(2,597,624)	5,047,594
2,119,480	1,516,377	1,648,441	1,391,431	1,446,904	1,430,517	1,683,292
\$ (820,704)	\$ (781,428)	\$ 3,718,960	\$ (4,058,783)	\$ (1,173,679)	\$ (1,167,107)	\$ 6,730,886

concluded

## COUNTY OF MONROE, MICHIGAN

### Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2010	2011	2012
<b>General Fund</b>			
Reserved	\$ 909,687	\$ -	\$ -
Unreserved	5,050,268	-	-
Nonspendable	-	843,679	805,559
Restricted	-	3,033,655	3,062,391
Committed	-	826,946	915,010
Assigned	-	500,748	43,505
Unassigned	-	5,772,828	6,298,270
<b>Total general fund</b>	<b>\$ 5,959,955</b>	<b>\$ 10,977,856</b>	<b>\$ 11,124,735</b>
<b>All other governmental funds</b>			
Reserved	\$ 1,732,718	\$ -	\$ -
Unreserved, reported in:			
Special revenue funds	14,150,849	-	-
Debt service funds	440,858	-	-
Capital projects funds	878,788	-	-
Nonspendable	-	-	-
Restricted	-	9,330,999	7,780,136
Committed	-	1,741,608	3,103,890
Assigned	-	607,898	-
Unassigned (deficit)	-	-	(79,049)
<b>Total all other governmental funds</b>	<b>\$ 17,203,213</b>	<b>\$ 11,680,505</b>	<b>\$ 10,804,977</b>

NOTE: GASB 54 was implemented in 2011.

Source: Monroe County Finance Department

2013	2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
299,073	262,281	164,705	139,903	209,945	244,385	680,471
2,217,133	2,089,234	-	-	-	-	-
1,008,118	1,028,218	2,971,069	3,022,534	1,215,861	1,481,969	1,688,814
327,902	131,833	5,450	229,048	2,095,429	2,153,907	2,647,344
7,779,680	8,480,615	9,120,778	9,764,597	10,407,269	12,735,754	14,363,017
<u>\$ 11,631,906</u>	<u>\$ 11,992,181</u>	<u>\$ 12,262,002</u>	<u>\$ 13,156,082</u>	<u>\$ 13,928,504</u>	<u>\$ 16,616,015</u>	<u>\$ 19,379,646</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,806	25,210	23,901	22,602	47,405	62,290	103,855
7,008,927	7,445,626	7,976,422	7,962,825	8,166,702	8,177,323	8,702,212
2,806,132	2,794,157	1,757,942	1,988,107	3,747,995	5,391,900	5,829,346
-	-	-	-	-	-	-
-	-	-	(232,715)	-	-	-
<u>\$ 9,842,865</u>	<u>\$ 10,264,993</u>	<u>\$ 9,758,265</u>	<u>\$ 9,740,819</u>	<u>\$ 11,962,102</u>	<u>\$ 13,631,513</u>	<u>\$ 14,635,413</u>

## COUNTY OF MONROE, MICHIGAN

### Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2010	2011	2012
<b>Revenues</b>			
Taxes	\$ 31,190,431	\$ 31,628,655	\$ 31,094,159
Licenses and permits	502,223	481,782	510,840
Intergovernmental and local units	14,956,554	13,984,723	13,763,582
Contributions from local units	2,362,178	2,309,145	2,184,360
Charges for services	6,709,043	5,966,246	6,384,451
Fines and forfeits	702,372	725,001	654,478
Interest and rents	771,551	722,251	702,866
Other revenue	3,439,742	3,554,509	2,970,714
<b>Total revenues</b>	<b>60,634,094</b>	<b>59,372,312</b>	<b>58,265,450</b>
<b>Expenditures</b>			
General government	16,921,691	18,064,441	18,062,687
Public safety	27,482,330	26,069,682	27,044,251
Public works	86,797	56,288	130,288
Health and welfare	13,130,648	12,373,430	11,660,309
Community and economic development	535,291	620,938	512,263
Recreation and culture	402,250	307,892	252,108
Other activities	108,303	97,112	78,381
Capital outlay	1,315,411	1,102,469	1,121,680
Principal	690,000	750,000	790,000
Interest	415,055	417,407	382,582
Issuance costs	71,353	-	18,900
<b>Total expenditures</b>	<b>61,159,129</b>	<b>59,859,659</b>	<b>60,053,449</b>
<b>Revenues over (under) expenditures</b>	<b>(525,035)</b>	<b>(487,347)</b>	<b>(1,787,999)</b>
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	4,070,000	-	1,060,000
Payment to escrow	(4,094,483)	-	-
Bond premium	15,536	-	-
Transfers in	11,124,662	9,701,167	9,440,114
Transfers out	(11,178,661)	(9,718,627)	(9,440,764)
<b>Total other financing sources (uses)</b>	<b>(62,946)</b>	<b>(17,460)</b>	<b>1,059,350</b>
<b>Net change in fund balances</b>	<b>\$ (587,981)</b>	<b>\$ (504,807)</b>	<b>\$ (728,649)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>1.85%</b>	<b>1.99%</b>	<b>1.99%</b>

Source: Monroe County Finance Department

2013	2014	2015	2016	2017	2018	2019
\$ 31,095,526	\$ 31,192,919	\$ 31,932,792	\$ 32,432,239	\$ 31,998,545	\$ 33,412,633	\$ 34,483,428
538,228	505,825	536,498	601,937	566,706	585,873	557,845
15,158,679	16,352,665	15,970,788	15,732,978	17,198,764	17,276,770	18,389,301
2,081,612	2,133,291	2,173,606	2,004,828	2,045,189	2,056,591	2,496,412
6,595,009	6,601,902	7,810,773	8,269,710	8,555,747	9,244,235	9,743,511
708,025	754,509	250,550	250,048	155,331	236,343	176,255
718,021	802,976	694,259	852,404	920,734	1,170,965	1,461,004
2,819,923	2,672,565	2,533,424	2,826,729	3,779,628	2,987,501	3,018,977
59,715,023	61,016,652	61,902,690	62,970,873	65,220,644	66,970,911	70,326,733
18,037,665	17,964,919	18,767,473	19,504,398	19,784,122	19,634,199	19,838,366
26,126,113	26,890,341	26,907,358	27,187,914	27,163,272	27,328,810	29,051,583
111,909	144,718	159,591	175,831	161,422	150,785	176,428
11,504,071	11,171,958	11,338,408	11,350,432	11,372,300	11,993,218	12,420,654
382,515	663,986	807,548	375,310	288,392	280,506	361,772
312,410	466,723	579,960	541,083	572,968	570,459	780,601
140,397	151,831	165,787	180,111	185,034	190,425	685,136
2,528,168	1,653,880	2,219,465	1,602,638	1,489,012	1,151,930	2,949,051
912,000	953,000	990,000	1,028,000	1,060,000	1,098,000	689,009
384,098	355,760	262,257	282,687	250,417	215,657	207,379
-	90,006	-	-	-	-	-
60,439,346	60,507,122	62,197,847	62,228,404	62,326,939	62,613,989	67,159,979
(724,323)	509,530	(295,157)	742,469	2,893,705	4,356,922	3,166,754
-	5,480,000	-	-	-	-	715,045
-	(5,996,687)	-	-	-	-	-
-	609,739	-	-	-	-	-
7,467,862	6,798,943	7,051,739	7,070,030	8,371,486	7,518,028	7,279,199
(7,198,480)	(6,619,122)	(6,993,489)	(6,935,865)	(8,271,486)	(7,518,028)	(7,393,467)
269,382	272,873	58,250	134,165	100,000	-	600,777
\$ (454,941)	\$ 782,403	\$ (236,907)	\$ 876,634	\$ 2,993,705	\$ 4,356,922	\$ 3,767,531
2.24%	2.23%	2.09%	2.16%	2.15%	2.14%	1.40%

## COUNTY OF MONROE, MICHIGAN

### Assessed and Estimated True Cash Value of Taxable Property

Last Ten Years

Tax Year	Residential Property	Agriculture Property	Commercial Property	Industrial Property	Developmental Property
2010	\$ 3,474,192,511	\$ 477,120,794	\$ 857,318,148	\$ 1,062,863,630	\$ 43,267,812
2011	3,321,573,084	460,314,979	807,657,466	1,039,416,773	32,540,512
2012	3,254,305,029	446,476,781	772,824,646	1,051,177,594	21,252,625
2013	3,257,793,146	450,288,037	709,134,804	1,011,100,961	13,155,380
2014	3,345,120,214	456,457,540	677,231,990	999,984,273	9,357,380
2015	3,582,592,180	467,695,576	695,904,435	1,015,109,900	9,520,960
2016	3,846,540,325	495,802,684	699,978,949	1,027,359,170	9,410,160
2017	4,086,471,763	528,972,219	737,698,110	1,062,632,890	8,187,730
2018	4,190,892,771	541,586,160	753,419,656	1,069,773,380	7,621,670
2019	4,451,098,690	561,328,241	818,367,050	1,130,029,990	7,005,200

Note: Residential, commercial and industrial values are calculated without tax-exempt values.

Source: County Equalization Department figures, exclusive of Industrial and Commercial Facility Tax and prior to any Board of Review actions.

Schedule 5  
UNAUDITED



	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated True Cash Value
\$	516,103,835	\$6,430,866,730	0.05545	\$12,957,283,147
	548,797,150	6,210,299,964	0.05610	12,479,526,742
	544,181,666	6,090,218,341	0.05610	12,152,892,850
	544,901,217	6,090,218,341	0.05597	12,052,025,125
	506,562,003	5,994,713,400	0.05597	12,053,344,515
	533,730,982	6,304,554,033	0.05522	12,672,831,008
	474,342,825	6,553,434,113	0.00125	13,198,072,560
	436,905,349	6,860,868,061	0.05584	13,825,752,349
	460,838,206	7,024,131,843	0.05559	14,137,149,945
	495,767,181	7,463,596,352	0.05662	15,020,885,741



COUNTY OF MONROE, MICHIGAN

Schedule 6  
UNAUDITED

**Direct and Overlapping Property Tax Rates**

Last Ten Years  
(rate per \$1,000 of taxable value)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>County direct rates</b>										
Operation	4.80	4.80	4.80	4.795	4.795	4.795	4.795	4.795	4.795	4.795
Veterans	0.05	0.05	0.05	0.002	0.002	0.002	0.002	0.002	0.002	0.002
Tourism	-	0.06	0.06	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Fairview	0.20	0.20	0.20	0.200	0.200	0.125	0.125	0.125	0.125	0.125
Senior citizen	0.50	0.50	0.50	0.500	0.500	0.500	0.500	0.562	0.537	0.640
<b>Total direct rate</b>	<b>5.55</b>	<b>5.61</b>	<b>5.61</b>	<b>5.597</b>	<b>5.597</b>	<b>5.522</b>	<b>5.522</b>	<b>5.584</b>	<b>5.559</b>	<b>5.662</b>
<b>Overlapping rates</b>										
Cities:										
Luna Pier	10.33	10.33	10.33	10.33	10.33	10.33	10.32	12.32	12.32	12.32
Milan	17.54	15.83	16.18	16.01	16.51	19.04	20.11	20.35	18.79	17.28
Monroe	16.76	16.76	17.15	17.32	17.34	17.50	17.51	17.98	18.01	18.13
Petersburg	20.42	21.26	20.88	21.26	21.47	21.30	21.07	20.74	20.32	19.62
Townships (average)	2.98	3.00	3.13	3.10	3.10	2.97	3.15	3.15	3.18	3.64
School districts (average)	33.12	33.15	33.20	33.45	33.59	33.76	33.68	33.82	33.94	33.85
Intermediate school districts (average)	4.87	4.87	4.87	4.87	4.87	4.87	5.24	5.73	5.73	5.72
Community college	2.18	2.18	2.18	2.18	2.18	2.18	2.18	3.03	3.03	3.03
Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
(A) - Rates range from:										
Low	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.69	0.68	0.73
High	9.64	9.80	10.81	10.84	10.92	10.92	10.92	10.98	10.96	10.97
(B) - Rates range from:										
Low	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
High	37.99	37.99	37.99	40.10	41.59	42.95	42.94	42.94	42.94	41.22
(C) - Rates range from:										
Low	3.46	3.46	3.46	3.46	3.46	3.46	3.46	4.75	4.75	4.75
High	7.28	7.28	7.28	7.28	7.28	7.28	7.28	7.28	7.32	7.32

Source: Monroe County Equalization Office

# COUNTY OF MONROE, MICHIGAN

Schedule 7  
UNAUDITED

## Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Detroit Edison	\$ 1,090,863,140	1	17.28%	\$ 863,700,833	1	14.93%
International Transmission Co.	65,429,373	2	1.04%	39,428,030	3	0.68%
Republic Services, Inc.	55,318,070	3	0.88%	-	-	-
Goodwill Co. (Meijer)	27,449,258	4	0.43%	27,140,744	5	0.47%
Consumers Power Co.	27,215,376	5	0.43%	90,046,284	2	1.56%
La-Z-Boy Inc.	23,660,269	6	0.37%	-	-	-
Michigan Gas	16,977,631	7	0.27%	-	-	-
Gerdau MacSteel (formerly North Star)	16,114,540	8	0.26%	24,354,400	6	0.42%
Global Engine Asset	14,700,848	9	0.23%	-	-	-
Cabela's	10,822,930	10	0.17%	16,425,606	10	0.28%
Inergy Automotive (formerly Ford/Visteon)	-	-	-	27,744,266	4	0.48%
Frenchtown Square	-	-	-	20,602,910	7	0.36%
Spartan Steel Coating	-	-	-	18,401,308	8	0.32%
Guardian Glass	-	-	-	16,948,348	9	0.29%
	<u>\$ 1,348,551,435</u>		<u>21.37%</u>	<u>\$ 1,144,792,729</u>		<u>19.79%</u>

Source: Monroe County Equalization Department

This page intentionally left blank.

# COUNTY OF MONROE, MICHIGAN

Schedule 8  
UNAUDITED

## Property Tax Levies and Collections Last Ten Years

Funded Year	Adjusted Taxes Levied	Collected within the Fiscal Year of the Levy		Purchased by Tax Revolving Fund	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2010	\$ 30,246,996	\$ 28,911,080	95.58%	\$ 1,260,987	\$ 30,172,067	99.75%
2011	29,669,763	28,515,307	96.11%	1,096,933	29,612,240	99.81%
2012	29,038,500	28,011,706	96.46%	973,673	28,985,379	99.82%
2013	28,985,031	28,020,411	96.67%	931,280	28,951,691	99.88%
2014	28,858,656	27,962,148	96.89%	857,743	28,819,891	99.87%
2015	29,607,309	28,776,226	97.19%	759,164	29,571,390	99.88%
2016	29,763,031	28,907,836	97.13%	810,725	29,718,561	99.85%
2017	30,630,522	29,771,358	97.20%	813,310	30,584,668	99.85%
2018	31,539,660	30,683,745	97.29%	812,252	31,495,994	99.86%
2019	33,829,109	32,911,747	97.29%	865,928	33,777,675	99.85%

Source: Monroe County Treasurer's Office

## COUNTY OF MONROE, MICHIGAN

### Ratios of Outstanding Debt by Type Primary Government Last Ten Years

Net General Bonded Debt Outstanding						
Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	% of Personal Income	% of Actual Taxable Value of Property	Per Capita
2010	\$ 11,830,000	\$ -	\$ 11,830,000	0.22%	0.09%	\$ 74.92
2011	11,080,000	-	11,080,000	0.20%	0.09%	71.71
2012	11,244,378	-	11,244,378	0.21%	0.09%	73.73
2013	10,393,893	-	9,472,710	0.16%	0.08%	63.14
2014	9,867,534	-	9,001,847	0.15%	0.07%	59.86
2015	8,832,533	-	8,832,533	0.15%	0.07%	58.92
2016	7,759,532	-	7,759,532	0.12%	0.06%	52.02
2017	6,654,531	-	6,626,376	0.10%	0.05%	44.41
2018	5,511,530	-	5,511,530	0.08%	0.04%	36.94
2019	4,922,471	-	4,922,471	0.07%	0.04%	32.80

Source: Monroe County Finance Department

(1) Includes total general obligations bonds (not netted) along with installment loans and general obligation tax notes.

Other Governmental Activities Debt		Business-type Activities				
Installment Loans	General Obligation Tax Notes	(1) Total Primary Government	% of Personal Income	% of Actual Taxable Value of Property	Per Capita	
\$ -	\$ 8,300,000	\$ 20,130,000	0.40%	0.16%	\$ 132.42	
-	5,515,000	16,595,000	0.31%	0.13%	109.45	
-	3,205,000	14,449,378	0.27%	0.12%	95.84	
-	-	10,393,893	0.18%	0.09%	69.28	
-	-	9,867,534	0.17%	0.08%	65.62	
-	-	8,832,533	0.15%	0.07%	58.95	
-	-	7,759,532	0.12%	0.06%	52.02	
-	-	6,654,531	0.10%	0.05%	44.60	
-	-	5,511,530	0.08%	0.04%	36.94	
572,036	-	5,494,507	0.08%	0.04%	36.61	

# COUNTY OF MONROE, MICHIGAN

Schedule 10

UNAUDITED

## Computation of Net Direct and Overlapping Debt

As of December 31, 2019

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
<b>Direct debt</b>			
Capital improvement bonds	\$ 348,000	\$ 348,000	\$ -
Building authority bonds	4,574,471	-	4,574,471
Installment loan	572,036	572,036	-
<b>Net direct debt</b>	<b>\$ 5,494,507</b>	<b>\$ 920,036</b>	<b>\$ 4,574,471</b>

	Gross Amount Outstanding	Percentage Applicable to County of Monroe	Share Applicable to County of Monroe
<b>Overlapping debt</b>			
City of Luna Pier	\$ 1,111,109	100.00%	\$ 1,111,109
City of Milan	5,675,000	36.69%	2,082,158
City of Monroe	76,151,556	100.00%	76,151,556
City of Petersburg	840,600	100.00%	840,600
Ash Township	960,000	100.00%	960,000
Bedford Township	18,857,082	100.00%	18,857,082
Berlin Township	3,890,000	100.00%	3,890,000
Dundee Township	1,160,000	100.00%	1,160,000
Erie Township	422,152	100.00%	422,152
Exeter Township	5,795,057	100.00%	5,795,057
Frenchtown Township	11,297,244	100.00%	11,297,244
Ida Township	520,140	100.00%	520,140
Lasalle Township	825,783	100.00%	825,783
Monroe Township	9,254,116	100.00%	9,254,116
Raisinville Township	372,598	100.00%	372,598
Summerfield Township	134,400	100.00%	134,400
Whiteford Township	5,079,000	100.00%	5,079,000
Village of Carleton	670,000	100.00%	670,000
Village of Dundee	9,810,000	100.00%	9,810,000
Village of Maybee	27,580	100.00%	27,580
Village of South Rockwood	532,007	100.00%	532,007
Airport School District	25,415,000	95.62%	24,301,823
Bedford School District	31,690,000	100.00%	31,690,000
Blissfield School District	570,000	0.12%	684
Britton Deerfield School District	2,380,000	9.12%	217,056
Dundee School District	22,403,655	99.99%	22,401,415
Flat Rock School District	30,058,135	5.26%	1,581,058

continued...

# COUNTY OF MONROE, MICHIGAN

Schedule 10  
UNAUDITED

## Computation of Net Direct and Overlapping Debt As of December 31, 2019

	Gross Amount Outstanding	Percentage Applicable to County of Monroe	Share Applicable to County of Monroe
Overlapping debt (continued)			
Huron School District	\$ 55,617,529	0.83%	\$ 461,625
Jefferson School District	260,000	100.00%	260,000
Milan School District	103,342,469	41.60%	42,990,467
Summerfield School District	3,230,000	100.00%	3,230,000
Whiteford School District	3,760,000	96.71%	3,636,296
Net overlapping debt	432,112,212		280,563,006
Net direct and overlapping debt	\$ 437,606,719		\$ 285,137,477

concluded

(1) Overlapping debt is calculated for an entity, based upon assessed values received from the State of Michigan, which determines the issuer's proportionate share of the debt of other local government units that either overlap it (the issuer is located wholly or partly within the geographic limits of other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is apportioned based upon relative assessed values.

Source: County of Monroe and Municipal Advisory Council of Michigan



# COUNTY OF MONROE, MICHIGAN

Schedule 11  
UNAUDITED

## Legal Debt Margin Last Ten Years

### Legal Debt Margin Calculation for 2019

Assessed value (as of December 31, 2019)	<u>\$ 7,463,596,352</u>
Debt limit (10% of assessed value)	\$ 746,359,635
Debt applicable to limit - Long-term debt including component units	<u>15,038,871</u>
Legal debt margin	<u>\$ 731,320,764</u>

Fiscal year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2010	\$ 643,086,673	\$ 90,619,142	\$ 552,467,531	16.40%
2011	621,029,996	89,811,292	531,218,704	16.91%
2012	604,021,864	93,994,506	510,027,358	18.43%
2013	598,637,355	102,543,985	496,093,370	20.67%
2014	599,471,340	108,794,024	490,677,316	22.17%
2015	630,455,403	101,590,665	528,864,738	19.21%
2016	655,343,411	93,549,825	561,793,586	16.65%
2017	686,086,806	87,515,826	668,051,817	13.10%
2018	702,409,184	16,614,072	685,795,112	2.42%
2019	746,359,635	15,038,871	731,320,764	2.06%

Source: Monroe County Finance Department

# COUNTY OF MONROE, MICHIGAN

Schedule 12  
UNAUDITED

## Demographic and Economic Statistics

Last Ten Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2010	152,021	\$ 5,164,494	\$ 33,972	12.40%
2011	151,623 (b)	5,445,297	35,913	9.70%
2012	150,763 (b)	5,603,805	37,170	8.00%
2013	150,019 (b)	5,701,505	38,005	8.10%
2014	149,824 (b)	5,954,153	39,741	6.10%
2015	149,568 (b)	6,237,965	41,707	4.50%
2016	149,176 (b)	6,455,157	43,272	4.30%
2017	149,649 (b)	6,788,553	45,363	4.90%
2018	149,208 (b)	7,145,290	47,888	4.20%
2019	150,084 (b)	7,145,290 (a)	47,609	3.90%

(a) Updated data not available at the time of publication.

(b) Projected.

Sources: U.S. Census Bureau, U.S. Bureau of Labor Statistics  
U.S. Bureau of Economic Analysis and Southeast Michigan Council of Governments

COUNTY OF MONROE, MICHIGAN

Schedule 13

UNAUDITED

**Principal Employers**

Current Year and Ten Years Ago

Employer	2019			2009*		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Yanfeng Global Automotive Interiors	1,425	1	3.59%	-	-	-
Detroit Edison Corp.	1,251	2	3.15%	1,500	1	3.79%
Promedica Monroe	1,250	3	3.15%	-	-	-
Monroe Public Schools	803	4	2.02%	1,000	4	2.53%
Chrysler Engine Plant	681	5	1.71%	-	-	-
Meijer Inc.	575	6	1.45%	1,025	3	2.59%
La-Z-Boy Inc	550	7	1.38%	500	8	1.26%
Bedford Public Schools	538	8	1.35%	725	5	1.83%
Gerdeau Specialty Steel	520	9	1.31%	-	-	-
Tenneco, Inc.	515	10	1.30%	-	-	-
Mercy Memorial	-	-	-	1,300	2	3.29%
Monroe County	-	-	-	665	6	1.68%
Cabela's	-	-	-	650	7	1.64%
Monroe Auto Equipment	-	-	-	500	8	1.26%
Guardian Industries Corp	-	-	-	500	8	1.26%
	<u>8,108</u>		<u>20.41%</u>	<u>8,365</u>		<u>21.15%</u>

Source: Monroe Business Development Corporation and Bureau of Labor Statistics

\* 2010 information not available

# COUNTY OF MONROE, MICHIGAN

Schedule 14  
UNAUDITED

## Full-time County Primary Government Employees by Function/Program Last Ten Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
Board of Commissioners	10.0	9.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Circuit Court	4.5	4.8	4.8	4.8	4.8	9.0	9.0	9.0	9.0	9.0
District Court	43.0	39.0	40.0	40.0	40.0	39.2	39.2	39.2	40.2	42.15
Probate/Family Court	24.2	25.2	25.2	25.2	25.2	21.0	21.0	21.0	21.0	18.75
Administrator/CFO	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
County Clerk	16.0	16.0	15.0	15.0	15.0	15.0	15.0	16.0	16.0	16.0
Register of Deeds	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Equalization	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Human Resources	2.0	3.0	3.0	2.5	2.4	3.0	3.0	3.0	3.0	3.0
Prosecuting Attorney	18.6	16.1	15.6	17.6	18.4	19.0	19.0	19.0	20.0	20.0
Retirement Board	1.0	1.0	1.0	0.5	-	-	-	-	-	-
Treasurer	6.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.95
County Extension	4.0	1.0	1.0	1.0	1.0	-	-	-	-	-
Information Services	5.5	5.0	5.0	5.0	5.0	6.0	6.0	6.4	6.4	6.4
Purchasing/Prop Maint	9.0	6.0	7.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0
Drain Commissioner	5.0	5.0	5.0	4.8	4.8	4.8	4.8	6.8	6.8	7.0
Parks maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Friend of the Court	25.4	21.4	20.4	20.4	20.6	20.9	20.9	22.9	22.9	22.85
<b>Public Safety</b>										
Sheriff	100.7	80.0	80.0	79.0	78.0	80.0	82.0	82.0	85.0	89.0
Emergency Management	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Animal Control	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Jail/Corrections	82.0	74.0	75.0	75.0	74.0	71.0	70.0	71.0	74.0	77.0
Central Dispatch	22.0	22.0	22.1	22.1	22.0	22.0	22.0	24.0	24.0	24.0
Drug Court	1.0	-	-	-	-	-	-	-	-	-
Juvenile Justice	3.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	3.0
Youth Center	32.7	28.0	28.5	28.3	28.3	28.3	28.3	27.3	27.3	27.55
<b>Health and Welfare</b>										
Medical Examiner	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.25
Commission on Aging	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5
Veterans Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Health	17.5	17.8	20.9	21.4	22.7	25.8	25.8	26.8	26.8	27.75
Environmental Health	6.9	7.0	6.9	6.4	6.0	3.0	3.0	3.0	3.0	4.0
Employment Training	28.0	28.0	24.0	20.0	19.0	17.0	16.0	12.0	12.0	15.0
Fairview	6.7	7.5	7.5	7.7	10.7	10.7	10.7	10.7	12.7	12.7
<b>Community and Economic</b>										
Planning	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	2.5
<b>Recreation and Cultural</b>										
Historical Commission	3.7	3.0	1.2	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Enterprise Activities</b>										
Printing	2.0	1.0	1.0	1.0	1.0	1.0	1.0	0.6	0.6	0.6
Delinquent Tax	-	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1
<b>Total</b>	<u>507.4</u>	<u>451.0</u>	<u>449.3</u>	<u>446.8</u>	<u>448.1</u>	<u>445.8</u>	<u>445.8</u>	<u>448.8</u>	<u>460.1</u>	<u>473.0</u>

Source: Monroe County Finance Department

## COUNTY OF MONROE, MICHIGAN

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

Function/Program	2010	2011	2012	2013	2014
<b>General Government</b>					
District Court cases	37,104	31,858	34,174	35,733	32,698
Circuit Court cases	4,583	4,381	4,372	4,064	3,839
Taxes returned delinquent	\$ 1,335,919	\$ 1,154,456	\$ 1,026,794	\$ 964,620	\$ 896,508
<b>Public Safety</b>					
Jail capacity	343	343	343	363	363
Certified Police Officers	91	69	69	71	74
Traffic infractions	18,687	14,218	15,862	18,458	17,683
<b>Health</b>					
Public Health:					
Vaccines administered	9,057	7,015	6,465	5,886	5,568
WIC average monthly caseload	3,412	3,369	3,324	3,286	3,122
Maternal and Infant support clients	-	19	396	387	293
Senior Services -					
Client contacts (unduplicated count)	7,780	7,696	6,595	5,746	7,160
<b>Culture &amp; Recreation</b>					
County owned park acres	222	222	222	222	222

Source: Monroe County Finance Department, Monroe County Treasurer's Office, Monroe County Health

Schedule 15  
UNAUDITED

--

2015	2016	2017	2018	2019
------	------	------	------	------

31,240	33,530	34,686	36,253	34,345
3,595	3,521	3,206	3,410	3,297
\$ 831,083	\$ 855,195	\$ 859,164	\$ 855,918	\$ 917,363

363	363	363	363	363
74	74	77	79	79
13,700	14,206	14,884	17,492	16,922

6,428	4,796	9,288	7,512	6,065
2,926	2,770	2,510	2,434	2,511
403	319	285	368	369
7,307	7,557	7,648	7,932	8,267

222	222	222	222	222
-----	-----	-----	-----	-----

COUNTY OF MONROE, MICHIGAN

Schedule 16  
UNAUDITED

**Capital Asset Statistics by Function/Program**  
Last Ten Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Public Safety</b>										
Corrections facility capacities	343	343	343	363	363	363	363	363	363	363
Sheriff patrol vehicles	91	84	84	81	45	41	43	60	60	60
Animal control vehicles	7	7	7	8	3	3	3	3	2	2
Marine safety - boats	5	4	4	4	3	4	4	3	2	2
<b>Parks and recreation</b>										
Park acreage	221	221	221	222	222	222	222	222	222	222
County parks	6	6	6	6	6	6	6	6	6	6
Service vehicles (trucks, etc.)	7	7	7	7	7	7	7	7	7	7
Buildings:										
Park pavilions	14	14	14	14	14	14	14	14	14	14
Historical commission	5	5	5	5	5	5	5	5	5	5
<b>Public Health</b>										
Inspection vehicles	8	8	8	8	8	6	6	6	6	6
<b>Public Works</b>										
Primary road miles	439	439	441	441	441	440	440	440	440	440
Local road miles	901	901	898	898	897	897	897	897	897	897
State road miles	165	165	165	165	165	165	165	165	165	165

Source: Monroe County Finance Department

County of  
Monroe,  
Michigan



Year Ended  
December 31,  
2019

Single Audit Act  
Compliance



# COUNTY OF MONROE, MICHIGAN

## Table of Contents

	<u>Page</u>
Independent Auditors' Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Schedule of Expenditures of Federal Awards	2
Notes to Schedule of Expenditures of Federal Awards	6
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	10
Schedule of Findings and Questioned Costs	12
Summary Schedule of Prior Year Audit Findings	18
Corrective Action Plan	19



INDEPENDENT AUDITORS' REPORT ON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE

August 24, 2020

To the Board of Commissioners  
of Monroe County  
Monroe, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Monroe, Michigan* (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated August 24, 2020, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



# COUNTY OF MONROE, MICHIGAN

## Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2019

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
<b>U.S Department of Agriculture</b>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	MDE	58-000-8001	\$ 9,047
National School Lunch Program	10.555	MDE	58-000-8001	14,057
National School Lunch Program - Snack	10.555	MDE	58-000-8001	3,813
				<u>26,917</u>
Special Supplemental Nutrition Program for Women, Infants, and Children ("WIC"):				
WIC:				
2018/2019	10.557	MDHHS	20180266	400,736
2019/2020	10.557	MDHHS	20190086	179,800
WIC Breastfeeding Peer Counselor:				
2018/2019	10.557	MDHHS	20180266	21,325
2019/2020	10.557	MDHHS	20190086	731
				<u>602,592</u>
SNAP Cluster -				
State Admin Matching Grants for SNAP:				
2018/2019	10.561	MSF/SEMCA	09-02-0004	96,072
2019/2020	10.561	MSF/SEMCA	09-02-0004	24,066
				<u>120,138</u>
<b>Total U.S. Department of Agriculture</b>				<u>749,647</u>
<b>U.S. Department of Justice</b>				
Edward Byrne Memorial Justice Assistance Grant Program:				
Operation Safe Monroe County	16.738	Direct	2017-DJ-BX-0386	4,402
Justice Assistance Grant-MANTIS	16.738	MSP	72458-MANTIS-2019	54,416
Justice Assistance Grant-MANTIS	16.738	MSP	72458-MANTIS-2020	18,882
				<u>77,700</u>
<b>Total U.S. Department of Justice</b>				<u>77,700</u>
<b>U.S. Department of Labor</b>				
Employment Service Cluster:				
Employment Service:				
2018/2019	17.207	MSF/SEMCA	13-02-0004	141,360
2019/2020	17.207	MSF/SEMCA	13-02-0004	104,329
Wagner-Peyser Infrastructure -				
2019/2020	17.207	MSF/SEMCA	13-02-0004	11,097
Wagner-Peyser E Services -				
2019/2020	17.207	MSF/SEMCA	13-02-0004	1,439
Employment Service TAA/NAFTA -				
2018/2019	17.207	MSF/SEMCA	13-02-0004	145
<b>Total Employment Service Cluster</b>				<u>258,370</u>
WIOA Cluster:				
WIOA Adult Program:				
2018/2019	17.258	MSF/SEMCA	13-02-0004	70,830
2019/2020	17.258	MSF/SEMCA	13-02-0004	64,138
				<u>134,968</u>

continued...

# COUNTY OF MONROE, MICHIGAN

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2019

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
<b>U.S. Department of Labor (concluded)</b>				
RESA:				
2018/2019	17.258	MSF/SEMCA	13-02-0004	\$ 11,823
2019/2020	17.258	MSF/SEMCA	13-02-0004	4,855
				<u>16,678</u>
WIOA Dislocated Formula Grants:				
2018/2019	17.278	MSF/SEMCA	13-02-0004	128,783
2019/2020	17.278	MSF/SEMCA	13-02-0004	86,663
				<u>215,446</u>
Total WIOA Cluster				<u>367,092</u>
H-1B Job Training Grants:				
2018/2019	17.268	MSF/SEMCA	13-02-0004	10,989
2019/2020	17.268	MSF/SEMCA	13-02-0004	436
				<u>11,425</u>
WIA National Emergency Grants - DTW -				
2018/2019	17.277	MSF/SEMCA	13-02-0004	9,105
				<u>9,105</u>
<b>Total U.S Department of Labor</b>				<u>645,992</u>
<b>U.S. Department of Transportation</b>				
Highway Planning and Construction Cluster - Trail Loop	20.205	MSF/SEMCOG	N/A	<u>6,548</u>
Highway Safety Cluster:				
Community Highway Safety	20.600	MOHSP	PT-19-06	21,544
Community Highway Safety	20.600	MOHSP	PT-20-33	7,889
				<u>29,433</u>
<b>Total U.S. Department of Transportation</b>				<u>35,981</u>
<b>U.S. Environmental Protection Agency</b>				
Beach Monitoring and Notification Program Implementation Grants	66.472	MDEQ	N/A	<u>5,000</u>
Drinking Water State Revolving Fund Cluster:				
Capitalization Grants for Drinking Water State Revolving Funds				
Non-Community-Water Supply	66.468	MDEQ	N/A	17,090
Non-Community-Capacity Development	66.468	MDEQ	N/A	400
Non-Community-RTCR	66.468	MDEQ	N/A	1,965
Non-Community-Operator Assistance	66.468	MDEQ	N/A	2,031
				<u>21,486</u>
<b>Total U.S. Environmental Protection Agency</b>				<u>26,486</u>
<b>U.S. Department of Health and Human Services</b>				
Public Health Emergency Preparedness - Bioterrorism:				
2018/2019	93.069	MDHHS	20170266	109,723
2019/2020	93.069	MDHHS	20180086	47,415
				<u>157,138</u>
Project Grants and				
Cooperative Agreements for Tuberculosis Control Programs:				
2018/2019	93.116	MDHHS	20170266	76
2019/2020	93.116	MDHHS	20180086	309
				<u>385</u>

continued...

# COUNTY OF MONROE, MICHIGAN

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2019

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
<b>U.S. Department of Health and Human Services (continued)</b>				
Family Planning Services:				
2018/2019	93.217	MDHHS	20170266	\$ 44,111
2019/2020	93.217	MDHHS	20180086	42,174
				<u>86,285</u>
Immunization Cooperative Agreements:				
VFC AFIX & Nurse Training:				
2018/2019	93.268	MDHHS	20180266	3,750
2019/2020	93.268	MDHHS	20190086	800
				<u>4,550</u>
Federally Supplied Vaccines	93.268	MDHHS	N/A	<u>167,713</u>
Immunization Field Rep	93.268	MDHHS	N/A	<u>2,176</u>
Immunization Assessment:				
2018/2019	93.268	MDHHS	20180266	38,784
2019/2020	93.268	MDHHS	20190266	16,245
				<u>55,029</u>
Total Immunization Cooperative Agreements				<u>229,468</u>
Epidemiology and Laboratory Capacity for Infectious Diseases -				
2018/2019	93.323	MDHHS	20180266	<u>20,000</u>
TANF Cluster -				
Temporary Assistance for Needy Families:				
PATH Program:				
2018/2019	93.558	MSF/SEMCA	09-02-0004	211,774
2019/2020	93.558	MSF/SEMCA	09-02-0004	65,300
Information -				
2018/2019	93.558	MSF/SEMCA	09-02-0004	26,927
Supportive Services -				
2018/2019	93.558	MSF/SEMCA	09-02-0004	9,400
Total TANF Cluster				<u>313,401</u>
Child Support Enforcement:				
Title IV Incentive Payments	93.563	MDHHS	N/A	234,950
Friend of the Court/Prosecutor Combined:				
2018/2019	93.563	MDHHS	CSCOM17-58003	1,004,858
2019/2020	93.563	MDHHS	CSCOM17-58003	363,207
				<u>1,603,015</u>
Medicaid Cluster -				
Medical Assistance Program:				
CSHCS Care Coordination:				
2018/2019	93.778	MDHHS	20180266	3,095
2019/2020	93.778	MDHHS	20190086	1,031
CSHCS Lead:				
2018/2019	93.778	MDHHS	20180266	1,411
2019/2020	93.778	MDHHS	20190086	202
CSHCS Staffing:				
2018/2019	93.778	MDHHS	20180266	31,410
2019/2020	93.778	MDHHS	20190086	11,491
CSHCS Outreach -				
2018/2019	93.778	MDHHS	20180266	13,296
Medicaid Outreach:				
2018/2019	93.778	MDHHS	20180266	15,674
2019/2020	93.778	MDHHS	20190086	3,312
Total Medicaid Cluster				<u>80,922</u>

continued...

# COUNTY OF MONROE, MICHIGAN

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2019

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
<b>U.S. Department of Health and Human Services (concluded)</b>				
Maternal and Child Health Services Block Grant to the States:				
CSHCS Care Coordination:				
2018/2019	93.994	MDHHS	20180266	\$ 9,300
2019/2020	93.994	MDHHS	20190086	3,330
				<u>12,630</u>
MCH:				
2018/2019	93.994	MDHHS	20180266	47,966
2019/2020	93.994	MDHHS	20190086	18,670
				<u>66,636</u>
Local Maternal and Child Health:				
Family Planning Services 2018/2019	93.994	MDHHS	20180266	18,078
Family Planning Services 2019/2020	93.994	MDHHS	20190086	33,078
				<u>51,156</u>
Total Maternal and Child Health Services Block Grant to the States				<u>130,422</u>
Total U.S. Department of Health and Human Services				<u>2,621,036</u>
<b>U.S. Department of Homeland Security</b>				
Boating Safety Financial Assistance	97.012	MDNR	N/A	<u>14,389</u>
Emergency Management Performance Grants -	97.042	MSP	2015-EP-00029-S01	<u>27,897</u>
Homeland Security Grant Program:				
Homeland Security Grant Program - 2016 Operation Stonegarden	97.067	MSP	2016-SS-00010	8,212
Homeland Security Grant Program - 2017 Operation Stonegarden	97.067	MSP	2017-SS-00013	36,645
2016 Homeland Security Grant UASI Region	97.067	MSP, MC	EMW-2016-SS-00010	34,894
2017 Homeland Security Grant UASI Region	97.067	MSP, MC	EMW-2017-SS-00013	219,327
2018 Homeland Security Grant UASI Region	97.067	MSP, MC	EMW-2018-SS-00042	2,278
				<u>301,356</u>
Total U.S. Department of Homeland Security				<u>343,642</u>
Total Expenditures of Federal Awards				<u>\$ 4,500,484</u>
concluded.				

See notes to schedule of expenditures of federal awards.

# COUNTY OF MONROE, MICHIGAN

## Notes to Schedule of Expenditures of Federal Awards

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The County's reporting entity is defined in Note 1 of the County's basic financial statements. The County's financial statements include the operations of the Monroe County Road Commission and Monroe County Community Mental Health Authority discretely presented component units, which received federal awards that are not included in the Schedule for the year ended December 31, 2019, as these entities were separately audited.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

### 2. 10% DE MINIMIS COST RATE

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

### 3. PASS-THROUGH AGENCIES

The County receives certain federal grants as subawards from non-federal entities. Pass-through entity identifying numbers are presented where available. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
MC	Macomb County
MDHHS	Michigan Department of Health and Human Services
MDE	Michigan Department of Education
MDEQ	Michigan Department of Environmental Quality
MDNR	Michigan Department of Natural Resources
MOHSP	Michigan Office of Highway Safety Planning

continued...

COUNTY OF MONROE, MICHIGAN

■ Notes to Schedule of Expenditures of Federal Awards

Pass-through Agency Abbreviation	Pass-through Agency Name
MSP	Michigan State Police
MSF	Michigan Strategic Fund
SEMCA	Southeast Michigan Community Alliance
SEMCOG	Southeast Michigan Council of Governments

concluded.

■ ■ ■ ■ ■



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

August 24, 2020

To the Board of Commissioners  
of Monroe County  
Monroe, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Monroe, Michigan* (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 24, 2020. Our report includes a reference to other auditors who audited the financial statements of the Monroe County Road Commission, Monroe County Community Mental Health Authority, Monroe County Library System, and Monroe County Employees' Retirement System, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Monroe County Library were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we considered to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-004 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2019-002 and 2019-003 to be significant deficiencies.

### Compliance and Other Matters

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

### County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### Purpose of this Report

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

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

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

August 24, 2020

To the Board of Commissioners  
of Monroe County  
Monroe, Michigan

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

We have audited the compliance of the *County of Monroe, Michigan* (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements also include the operations of the Monroe County Community Mental Health Authority and the Monroe County Road Commission, which received certain federal awards that are not included in the schedule of expenditures of federal awards for the year ended December 31, 2019. Our audit, described below, did not include the operations of the Monroe County Community Mental Health Authority or the Monroe County Road Commission because they arranged for a separate financial statement audit and did not meet the criteria for a single audit in accordance with the Uniform Guidance.

***Management's Responsibility***

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

***Independent Auditors' Responsibility***

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

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

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

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

#### **Report on Internal Control Over Compliance**

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

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

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

#### *Purpose of this Report*

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

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

## COUNTY OF MONROE, MICHIGAN

### Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2019

#### SECTION I - SUMMARY OF AUDITORS' RESULTS

##### Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

  X   yes        no

Significant deficiency(ies) identified?

  X   yes        no

Noncompliance material to financial statements noted?

       yes   X   no

##### Federal Awards

Internal control over major programs:

Material weakness(es) identified?

       yes   X   no

Significant deficiency(ies) identified?

       yes   X   none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

       yes   X   no

Identification of major programs:

##### CFDA Number

93.563  
97.067

##### Name of Federal Program or Cluster

Child Support Enforcement  
Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:

  \$      750,000  

Auditee qualified as low-risk auditee?

       yes   X   no

## COUNTY OF MONROE, MICHIGAN

### Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2019

#### SECTION II - FINANCIAL STATEMENT FINDINGS

##### 2019-001 - Drain Commission Accounting Records (repeat)

**Finding Type.** Material Weakness in Internal Control over Financial Reporting.

**Criteria.** Drain Commission management is responsible for maintaining its subsidiary accounting records and reconciling those records to the County's general ledger.

**Condition.** The County provided a subsidiary transaction detail from the Drain Commission's accounting system that is separate from the general ledger kept for the County as whole. The provided detail does not agree to the County's general ledger (control accounts) and there was no reconciliation available to determine the difference.

**Cause.** The Drain Commission does not have a procedure to reconcile the complete subsidiary transaction detail to the general ledger control accounts at the County for the Drain Commission accounts. Additionally, it appears that the Drain Commission was not posting all transactions to its records on a timely basis.

**Effect.** As a result of the condition, the County is exposed to an increased risk that misstatements, whether through error or fraud, may occur and not be prevented, or detected and corrected, on a timely basis. Transactions could have occurred that are not reflected in the County's general ledger.

**Recommendation.** We recommend the County implement procedures to ensure that all Drain Commission transactions are posted in a timely manner and that all accounts are reconciled to the general ledger.

**View of Responsible Officials.** The Drain Commissioner will engage an independent public audit firm to assist in developing reconciliation procedures.

# COUNTY OF MONROE, MICHIGAN

## Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2019

### SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

#### 2019-002 - Restitution Payable (repeat)

**Finding Type.** Significant Deficiency in Internal Control over Financial Reporting.

**Criteria.** The County uses an agency fund to account for court restitution held on behalf of outside parties. Accordingly, the County is required to keep accurate subsidiary records of the amounts held in these liability accounts. These accounts should be analyzed and reconciled on a regular basis (e.g. monthly or quarterly).

**Condition.** We requested detail for the restitution payable accounts in the County's agency fund. The County was able to provide current year reconciliations to the general ledger for the changes in these accounts, however, they were unable to provide a detail of what comprises the ending balance.

**Cause.** The County does not have a policy to reconcile a complete subsidiary detail to the general ledger.

**Effect.** As a result of the condition, the County is exposed to an increased risk that misstatements, whether through error or fraud, may occur and not be prevented, or detected and corrected, on a timely basis. Balances in agency funds are particularly sensitive as this fund type, by its nature, is not subject to the normal budgetary oversight found in other funds. Accordingly, it is especially important that these funds be reconciled regularly to a complete detail. While the related cash balances were reconciled, this only verifies the amounts actually on hand, not the balances that should be on hand.

**Recommendation.** We recommend the County implement procedures to ensure that a detail is maintained to support the balances being reported and that all accounts are reconciled to the general ledger.

**View of Responsible Officials.** Management is working with staff to obtain detail of amounts owed.

# COUNTY OF MONROE, MICHIGAN

## Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2019

### SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

#### 2019-003 - Employment and Training and Homeland Security Grant Accounting

**Finding Type.** Significant Deficiency in Internal Control over Financial Reporting.

**Program.** WIOA Cluster (CFDA# 17.258 and 17.278) ; U.S. Department of Labor; Passed through Michigan Strategic Fund and Southeast Michigan Community Alliance; All Award Numbers and Homeland Security Grant Program (CFDA# 97.067); U.S. Department of Homeland Security; Passed through the Michigan State Police; All Award Numbers.

**Criteria.** Management is responsible for reconciling the general ledger for reimbursement-driven grants as revenues recorded should be equal to the corresponding grant expenditures.

**Condition.** During our audit, we noted that the County is not reconciling the general ledger to have revenues recorded that are equal to the corresponding grant expenditures. The County has made some progress in its accounting and year-end closeout of certain reimbursement-driven grants (including employment and training and homeland security grants), but further work is needed. That is, for grants of this type, the revenues and expenditures (in the respective funds and/or business units) should zero out (meaning they are equal) and appropriate receivables, deferrals and transfers are recorded as part of the closeout and audit preparation process.

**Cause.** The County does not have a policy to reconcile the general ledgers for these grants in a timely manner.

**Effect.** As a result of the condition, the County is recording revenue during the year that are actually for prior year expenditures for these grants.

**Recommendation.** We recommend the County implement procedures to properly reconcile their grants so revenues recorded equal the corresponding grant expenditures.

**View of Responsible Officials.** Due to the amount of time it takes to receive reimbursement for UASI grants, sometimes 9 months after year end, it was decided during a prior year audit that we would record revenue in the year that it is received and not reconcile revenue to expenses. Since these grants normally span over three years, we monitor expenditures and revenues in our Finance system to ensure that we do not go over the program allotted budget and to verify that revenue has been collected for the entire grant.



# COUNTY OF MONROE, MICHIGAN

## Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2019

### SECTION II - FINANCIAL STATEMENT FINDINGS (Concluded)

#### 2019-004 - Review of Data Provided for OPEB Actuarial Valuation

**Finding Type.** Material Weakness in Internal Control over Financial Reporting.

**Criteria.** Management is responsible for the accurate compilation of data necessary for actuarial professionals to process and complete a valuation necessary for the proper reporting of OPEB information in the annual financial statements.

**Condition.** It was determined, subsequent to initial issuance of the County's comprehensive annual financial report, that the amounts provided to the actuary related to the OPEB investments included amounts that belonged to the Monroe County Road Commission, therefore should have been excluded from the investment amount included in the actuarial valuation for the County, causing the net OPEB liability of the County to be understated.

**Cause.** During the current fiscal year, the OPEB assets of the Monroe County Road Commission were rolled into the OPEB trust of the County. When the investment information was provided to the actuary, these assets were inadvertently included as assets belonging to the County.

**Effect.** Once it was determined that the OPEB assets were overstated, a revised actuarial valuation had to be completed and material adjustments were needed to the County's records to reflect the new valuation and calculation of the net OPEB liability and related amounts. This required the CAFR to be re-issued.

**Recommendation.** Accurate reporting of information is important given its impact on the underlying valuations. We recommend that the County implement a review process to determine that data submitted to the actuary is accurate.

**View of Responsible Officials.** The County has implemented a review process to verify that data submitted to the actuary is accurate.

## COUNTY OF MONROE, MICHIGAN

### Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2019

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

None reported.

■ ■ ■ ■ ■

## COUNTY OF MONROE, MICHIGAN

### Summary Schedule of Prior Year Audit Findings

For the Year Ended December 31, 2019

#### Finding 2018-001 - Drain Commission Accounting Records

The County provided a detail from the Drain Commission's accounting system that is separate from the general ledger kept for the County as a whole. This detail did not agree to the County's general ledger and there was no reconciliation available to determine the difference. Corrective action was not sufficient. This finding has been repeated as item 2019-001.

#### Finding 2018-002 - Sheriff's Inmate Money Payables and Bond and Restitution Payables

The County uses an agency fund to account for court bonds and restitution and sheriff's inmate money held on behalf of outside parties. Accordingly, the County is required to keep accurate subsidiary records of the amounts held in these liability accounts. These accounts should be analyzed and reconciled on a regular basis (e.g. monthly or quarterly). The County corrected the subsidiary records for the court bonds payable and sherriff's inmate money payables; however, the subsidiary records for the restitution payable was not. Corrective action was not sufficient. This finding has been repeated as item 2019-002.

■ ■ ■ ■ ■



## MONROE COUNTY

# FINANCE DEPARTMENT

125 East Second Street · Monroe, Michigan 48161-2110

Telephone: (734) 240-7250 · Fax (734) 240-7266

### CORRECTIVE ACTION PLAN

Pursuant to federal regulations, Uniform Administrative Requirements Section 200.511, the following are the findings as noted in the County of Monroe, Michigan's Single Audit report for the year ended December 31, 2019, and corrective actions to be completed.

#### **Finding: 2019-001 - Drain Commission Accounting Records (repeat)**

**Auditor Description of Condition and Effect:** The County provided a subsidiary transaction detail from the Drain Commission's accounting system that is separate from the general ledger kept for the County as whole. The provided detail does not agree to the County's general ledger (control accounts) and there was no reconciliation available to determine the difference. As a result of the condition, the County is exposed to an increased risk that misstatements, whether through error or fraud, may occur and not be prevented, or detected and corrected, on a timely basis. Transactions could have occurred that are not reflected in the County's general ledger.

**Auditor Recommendation:** We recommend the County implement procedures to ensure that all Drain Commission transactions are posted in a timely manner and that all accounts are reconciled to the general ledger.

**Corrective Action:** The accounts have been managed for the last 25+ years by 2 custom programs that have not communicated with FASBE or the previous County accounting programs. The last recollection of anyone in the Drain office of when the accounts were balanced with the Finance Department was in the mid 1990's. We aren't sure if past staff even entered the correct account numbers when the accounts were transferred to the current software. The current software is no longer supported by the company who manufactured it. Rehmann was hired to help reconcile the accounts a few years ago and they determined that it would be best to wait until the County moved to a new financial accounting program. The Central Office staff stated that a search for a new program to replace FASBE was ongoing. Rehmann recommended we move the Drain Accounts in house with that program at that time. Based on the recommendation we are awaiting the new program. After much discussion with the Finance department it would seem a new program is still a few years on the horizon. Rehmann recommends meeting and discussing a path forward in the interim. We will be meeting in a few weeks and making a plan with the Central Office, Auditor, and Drain Department.

**Responsible Person:** Drain Commissioner

**Anticipated Completion Date:** December 31, 2020

#### **Finding: 2019-002 - Restitution Payable**

**Auditor Description of Condition and Effect:** We requested detail for the restitution payable account in the County's agency fund. The County was able to provide current year reconciliations to the general ledger for the changes in these accounts, however, they were unable to provide a detail of what

comprises the ending balance. As a result of the condition, the County is exposed to an increased risk that misstatements, whether through error or fraud, may occur and not be prevented, or detected and corrected, on a timely basis. Balances in agency funds are particularly sensitive as this fund type, by its nature, is not subject to the normal budgetary oversight found in other funds. Accordingly, it is especially important that these funds be reconciled regularly to a complete detail. While the related cash balances were reconciled, this only verifies the amounts actually on hand, not the balances that should be on hand.

**Auditor Recommendation:** We recommend the County implement procedures to ensure that a detail is maintained to support the balances being reported and that all accounts are reconciled to the general ledger.

**Corrective Action:** County Clerk staff continues to work to reconcile the Restitution Payable account so that the report balance matches the balance on hand.

**Responsible Person:** County Clerk

**Anticipated Completion Date:** December 31, 2020

**Finding: 2019-003 - Allowable Costs/Cost Principles (Repeat)**

**Auditor Description of Condition and Effect:** During our audit, we noted that the County is not reconciling the general ledger to have revenues recorded that are equal to the corresponding grant expenditures. The County has made some progress in its accounting and year-end closeout of certain reimbursement-driven grants (including employment and training and homeland security grants), but further work is needed. That is, for grants of this type, the revenues and expenditures (in the respective funds and/or business units) should zero out (meaning they are equal) and appropriate receivables, deferrals and transfers are recorded as part of the closeout and audit preparation process. As a result of the condition, the County is recording revenue during the year that are actually for prior year expenditures for these grants.

**Auditor Recommendation:** We recommend the County implement procedures to ensure that a detail is maintained to support the balances being reported and that all accounts are reconciled to the general ledger.

**Corrective Action:** The County will record revenues equal to the corresponding grant expenditures for reimbursement-driven grants.

**Responsible Person:** Director of Fiscal Services

**Anticipated Completion Date:** December 31, 2020

**Finding: 2019-004 - Review of Data Provided for OPEB Actuarial Valuation**

**Auditor Description of Condition and Effect:** It was determined, subsequent to issuance of the County's comprehensive annual financial report, that the amounts provided to the actuary related to the OPEB investments included amounts that belonged to the Monroe County Road Commission, therefore should have been excluded from the investment amount included in the actuarial valuation for the County, causing the net OPEB liability of the County to be understated. Once it was determined that the OPEB assets were overstated, a revised actuarial valuation had to be completed and material adjustments were needed to the County's records to reflect the new valuation and calculation of the net OPEB liability and related amounts.

**Auditor Recommendation:** Accurate reporting of information is important given its impact on the underlying valuations. We recommend that the County implement a review process to determine that data submitted to the actuary is accurate.

**Corrective Action:** The County has implemented a review process to verify that data submitted to the actuary is accurate.

**Responsible Person:** Director of Fiscal Services

**Anticipated Completion Date:** December 31, 2020

## Independent Auditors' Communication with Those Charged with Governance

August 24, 2020

To the Board of Commissioners  
of the County of Monroe, Michigan  
Monroe, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Monroe, Michigan* (the "County") as of and for the year ended December 31, 2019, and have issued our report thereon dated Augusts 24, 2020. Professional standards require that we advise you of the following matters relating to our audit.

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

As communicated in our engagement letter dated January 6, 2020, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated August 24, 2020 .

## Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on March 16, 2020.

## Compliance with All Ethics Requirements Regarding Independence

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

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

### *Significant Accounting Policies*

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

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

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

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.



- The assumptions used in the actuarial valuations of the pension and other postemployment benefits plans are based on historical trends and industry standards.

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

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

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

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

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

The schedule of adjustments passed is included with management's written representations in Attachment B to this letter, and summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

#### **Disagreements with Management**

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

#### **Representations Requested from Management**

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

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

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

### Other Significant Matters, Findings, or Issues

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

### Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### Upcoming Changes in Accounting Standards

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

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

Very truly yours,

A handwritten signature in black ink that reads "Lehmann Lobman LLC". The signature is written in a cursive, flowing style.

# COUNTY OF MONROE, MICHIGAN

## Attachment A - Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2019 Audit

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

### **GASB 83 ■ Certain Asset Retirement Obligations**

*Effective 06/15/2020 (your FY 2020)*

This standard addresses accounting and financial reporting for certain asset retirement obligations--legally enforceable liabilities associated with the retirement of a tangible capital asset. We do not expect this standard to have any significant effect on the County.

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

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

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

### **GASB 87 ■ Leases**

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

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

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

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

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

# COUNTY OF MONROE, MICHIGAN

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

For the December 31, 2019 Audit

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

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

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

### **GASB 92 ■ Omnibus 2020**

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

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

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

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

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

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

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

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

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

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

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

■ ■ ■ ■ ■

## COUNTY OF MONROE, MICHIGAN

### Attachment B - Management Representations

For the December 31, 2019 Audit

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



## MONROE COUNTY

# FINANCE DEPARTMENT

125 East Second Street · Monroe, Michigan 48161-2110  
Telephone: (734) 240-7250 · Fax (734) 240-7266

August 24, 2020

Rehmann Robson  
675 Robinson Road  
Jackson, Michigan 49203

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Monroe, Michigan*** (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the general fund and each major special revenue fund of the County in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

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

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of August 24, 2020:

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 6, 2020, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
2. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. With regard to items reported at fair value:
  - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
11. All funds and activities are properly classified.
12. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
13. All components of net position and fund balance classifications have been properly reported.
14. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
15. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
16. All interfund and intra-entity transactions and balances have been properly classified and reported.
17. Deposit and investment risks have been properly and fully disclosed.
18. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
19. All required supplementary information is measured and presented within the prescribed guidelines.
20. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
21. In response to the novel coronavirus outbreak (COVID-19), subsequent to year end, the Governor issued various temporary Executive Orders that, among other stipulations, effectively prohibit in-person work activities for most businesses and industries including non-essential government services, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak is disrupting and affecting the government's normal activities. The extent of the ultimate impact of the pandemic on the government's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact

on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the government for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the 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.

#### Information Provided

22. We have provided you with:

- a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
- b. Additional information that you have requested from us for the purpose of the audit; and
- c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

23. All transactions have been recorded in the accounting records and are reflected in the financial statements.

24. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

25. We have disclosed to you all information that we are aware of regarding fraud or suspected fraud that affects the entity and involves:

- a. Management;
- b. Employees who have significant roles in internal control; or
- c. Others where the fraud could have a material effect on the financial statements.

26. We have disclosed to you all information that we are aware of regarding allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.

27. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

28. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

29. We have disclosed to you all communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

30. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

31. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.

32. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

33. There are no:

- a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
- b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.



34. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
35. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
36. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

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

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

#### **Required Supplementary Information**

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

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

39. With respect to federal awards, we represent the following to you:
  - a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
  - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
  - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
  - d. The methods of measurement or presentation have not changed from those used in the prior period.

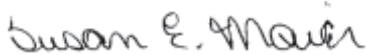
- e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- f. We are responsible for including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

- s. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- t. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- u. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- v. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- w. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- x. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.



---

Michael Bosanac, Administrator/Chief Financial Officer



---

Susan Maier, Director of Fiscal Services

## COUNTY OF MONROE, MICHIGAN

### Schedule of Adjustments Passed (SOAP)

For the December 31, 2019 Audit

In accordance with generally accepted auditing standards, we have prepared the following schedule of proposed audit adjustments, which we believe are immaterial both individually and in the aggregate. We are providing this schedule to both management and those charged with governance to receive their assurance that they agree that the amounts listed below are not material to the financial statements, either individually or in the aggregate, and do not need to be recorded.

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenues	Expenses/ Expenditures
Governmental activities					
Prior year equity understated and revenue overstated	\$ -	\$ -	\$ (55,518)	\$ 55,518	\$ -
Misstatement as a percentage of total assets - governmental activities	0.00%	0.00%	-0.07%	0.07%	0.00%