

MACOMB COUNTY, MICHIGAN ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2021

Macomb County Finance Department
Stephen Smigiel, Director



MACOMB COUNTY, MICHIGAN

Annual Comprehensive Financial Report

Year ended December 31, 2021

Prepared by:

The Macomb County Finance Department

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Macomb County, Michigan

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MARK A. HACKEL
COUNTY EXECUTIVE

MACOMB COUNTY
OFFICE OF COUNTY EXECUTIVE

MARK F. DELDIN
CHIEF DEPUTY COUNTY EXECUTIVE

June 23, 2022

To the citizens of Macomb County,

The Annual Comprehensive Financial Report of Macomb County, Michigan for the fiscal year ended December 31, 2021 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

State law requires that all general purpose local governments publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants within six months of the close of each fiscal year.

This report consists of management's representations concerning the finances of Macomb County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these presentations, County management has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. The cost of internal controls should not outweigh their benefits; therefore, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

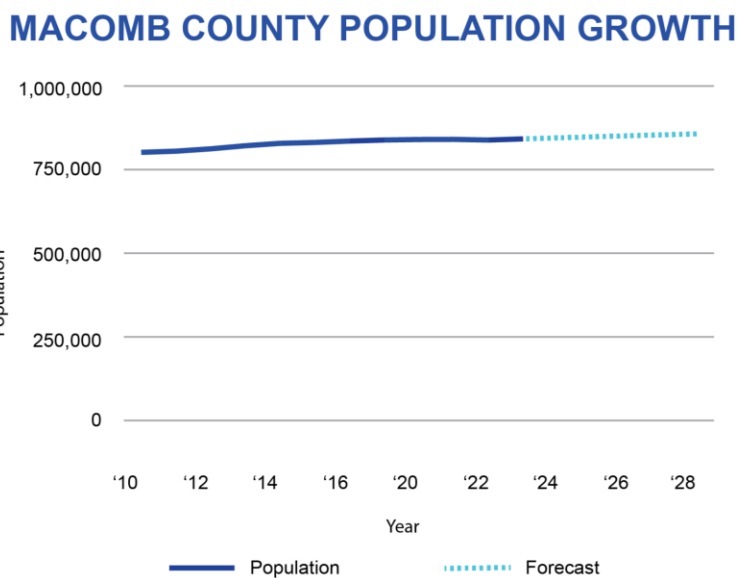
Macomb County's financial statements for the fiscal year ended December 31, 2021 have been audited by Plante Moran, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Plante Moran concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended December 31, 2021 are fairly presented in conformity with GAAP. Plante Moran's report is presented as the first component of the financial section of this report.

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

The 2021 Annual Comprehensive Financial Report is issued pursuant to the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments. Readers of our 2021 Annual Comprehensive Financial Report will notice two statements entitled Government-Wide Statement of Net Position and Government-Wide Statement of Activities. These statements will provide readers with the financial position of Macomb County viewed as a single entity. The GASB statements also require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Macomb County’s MD&A can be found immediately following the report of the independent auditors.

PROFILE OF MACOMB COUNTY

Located in the greater Detroit area, Macomb County is Michigan’s third most populous county, but the ninth smallest in area. Its 482-square-miles include 27 cities, villages and townships with, according to the 2020 Census, a combined population of 881,217 residents.¹ This figure is the result of an almost 70 year population growth trend. In fact, an average of 11 people move into Macomb County each day and the population grew by 4.8 percent from the 2010 Census to the 2020 Census. Additionally, the county is expected to grow by more than 11,750 residents over the next five years.² This increase can be attributed to the county’s dynamic urban clusters, expansive network of industry and commerce, pristine natural features and fruitful agricultural lands. It can also be tied to Macomb’s county charter, which was adopted by voters in 2009. Among other things, the charter created an executive position that would oversee county government. That executive, Mark A. Hackel, was elected in 2010. Over the past twelve years, Hackel has led countless initiatives related to infrastructure, the environment and the economy, while also giving a singular voice to the region. This, plus the area’s wealth of assets, makes Macomb County a desirable place to live, work and play.



Source: EMSI Labor Market Analytics - U.S. Census Bureau

¹ 2020 Census

² EMSI: Labor Market Analytics

LOCATION ADVANTAGE

Macomb County is situated in the Great Lakes region of southeast Michigan, just north of the city of Detroit. The county also borders Lake St. Clair, a 430-square-mile lake that links with Lake Huron and Lake Erie and provides access to the world's busiest waterways.

This strategic location places Macomb County within approximately 500 miles of 165 million people, or one-half of the population of the United States and Canada. The county is also near two international border crossings with Canada, a geographic advantage that is part of the foundation for the area's economic success.

HOUSING

Macomb County's strong economy is best exemplified by its housing market and personal income growth. In 2021, the county had 372,546 housing units with an average home value of \$224,934. In the past two years, the average home value increased by \$19,029 (9.24 percent).³ Additionally, 69 percent of housing units are currently owner-occupied with a 6.9 percent vacancy rate.

This puts Macomb County above the national average for owner-occupied housing, which is at 57.3 percent with an 11.4 percent vacancy rate. Macomb County's average household income in 2020 was \$81,629 and that figure is projected to increase to \$90,961 (11.43 percent) in the next five years.⁴ This income growth rate outpaces the national average. Projected over the next five years, the majority of household income growth will be in the top income brackets: the \$100,000 - \$149,999 bracket is expected to grow nearly 10 percent; \$150,000-\$199,999 and the \$200,000 brackets by nearly 20 percent respectively. Together, these figures demonstrate the major career advancements and wage growth occurring in Macomb County.



INCOME BRACKETS

Income Brackets	2021	2026	Growth
>\$15,000	26,572	23,153	-12.87%
\$15,000-\$24,999	27,164	23,576	-13.21%
\$25,000-\$34,999	33,714	31,714	-7.15%
\$35,000-\$49,999	42,519	40,502	-4.74%
\$50,000-\$74,999	68,031	68,038	0.01%
\$75,000-\$99,999	50,363	53,668	6.56%
\$100,000-\$149,999	59,973	67,606	12.73%
\$150,000-\$199,999	22,665	28,645	26.38%
\$200,000<	15,914	18,547	16.55%

Source: American Community Survey - U.S. Census Bureau

In addition to income, safety is another notable statistic in Macomb County. In 2021, the county experienced 2.83 violent crimes per 1,000 people and 10.18 property crimes per 1,000 people. This puts the area well below the national average of 3.62 violent crimes per 1,000 people and 17.91 property crimes per 1,000 people. It also means Macomb County is a very safe place for residents and visitors alike.

³ ESRI Business Analyst Online

⁴ ESRI Business Analyst: Demographic and Income Profile

ECONOMIC CONDITIONS OF MACOMB COUNTY

ECONOMY

Macomb County is an expanding epicenter of growth and economic vitality, with several figures and reports from 2021 demonstrating the strength of the county's economy. For instance, its gross regional product (GRP) was \$44.8 billion, with \$62.9 billion of imported products and \$70.8 billion of exported goods.⁵ Additionally, in 2021, the total assessed value of its taxable property was \$38.5 billion – a number that marks a nearly \$10 billion increase in the taxable value of real property in Macomb County over the last five years.⁶ Finally, residents of Macomb County had consumer spending power of \$15.8 billion.⁷ This figure has been rising for the last several years and it directly correlates with increasing wages.

HISTORICAL ASSESSED VALUES

Year	Total Real Property Taxable Value
2016	\$28,754,000,000
2017	\$30,511,000,000
2018	\$31,739,000,000
2019	\$34,087,000,000
2020	\$36,629,377,026
2021	\$38,463,388,829

BUSINESSES

There are a total of 19,002 businesses in Macomb County⁸ with, despite the economic challenges of the COVID-19 pandemic, collective earnings of \$21 billion. In 2021, these companies had total sales of \$112.8 billion. Notably, \$42 billion of those sales occurred in-county; the majority of which were within the construction, real estate, health care and retail trade sectors.⁹

Healthy profits have allowed businesses to create new jobs and since the 2009 recession, 42,482 have been added in Macomb County.¹⁰ This figure demonstrates sustainable business growth and helps keep vacancy rates at business facilities low. Presently, vacancy rates are at 2.1 percent in industrial properties, 7 percent in office space and 5.3 percent in retail locations.

WORKFORCE

Macomb County businesses draw from a diverse and highly-skilled workforce that is 437,453 individuals strong. In 2021, the county's unemployment rate stood at 4.1 percent. Macomb County workers earned an annual average salary of \$72,385, an increase of nearly \$5,000 from the previous year, and the total retirement plan value for these individuals was \$32.3 billion. Together, these figures mean that an average resident has a median net worth of \$175,471, higher than the \$143,016 national median net worth.¹¹

A contributing factor to this prosperity could be the overall transition in Macomb County's workforce, with blue collar careers shifting to new collar careers and with the rise of a professional services sector. In 2021, 61 percent of jobs in the

⁵ EMSI: Labor Market Analytics

⁶ Macomb County Equalization

⁷ ESRI Business Analyst: Retail Market Expenditures Report

⁸ ESRI Business Analyst: Business Summary Report

⁹ Collective Earnings, total sales, and in-region sales all pulled from EMSI: Labor Market Analytics Industry data

¹⁰ EMSI: Labor Market Analytics Industry Trends

¹¹ ESRI Business Analyst Online, Net Worth Profile Macomb County & USA.

county were white collar, 24 percent were blue collar and 15 percent were in services.¹² This transition was made possible through an increase in educational attainment. Today, 61 percent of Macomb County residents have had some level of college education and the average number of residents who obtain associate degrees is higher than the national average.¹³ Many individuals receiving these degrees are doing so later in life, showcasing a commitment to lifelong education and career advancement.

Eventually, this workforce will need to be replenished, so ensuring the next generation of talent is ready and prepared to fill jobs is paramount to Macomb County. The Macomb County Department of Planning & Economic Development (MCPED) is tasked with this responsibility and in 2018, the department created the Fueling the Talent Pipeline Initiative. The program allows MCPED to engage directly with young people and the businesses that will one day hire them. Ultimately, MCPED's goal is to expose students to career possibilities and guide them to educational pathways that lead to meaningful employment. This led to the creation of the Academies at Romeo, a school that was designated as the first Ford Next Generation Learning community in Michigan, and the Academies of Center Line, which received its designation in 2021. Other outcomes include successful implementations of Manufacturing Day and career fairs like MiCareerQuest.

PANDEMIC RECOVERY

The Role of Government in a Pandemic

When the Macomb County Charter Commission convened at the will of the electorate in 2009, it was tasked with the purpose of forming a home rule chartered government to replace the existing general law county government. The citizens of Macomb County, exercising their constitutional right to reform their own representative government, sought a better, more efficient governing body to ensure the prosperity of the citizenry and to protect the citizenry in times of crises. And the COVID-19 pandemic has been one of the biggest crises of our lifetime.

The past 24 months have shown that COVID-19 is an existential threat to both the vitality of our communities and the ability of our leaders to carry out their most essential functions. The pandemic has required units of government at every level of the American system to respond with the utmost resourcefulness, diligence and urgency. Macomb County's system of government is no exception.

Over two years, the county leveraged its resources along with federal and state resources in order to help mitigate the devastating effects of the pandemic. Those actions included establishing a public COVID helpline and contact tracing unit staffed with Health Department professionals, creating county-sponsored COVID-19 drive-thru testing sites and vaccination sites, mobilizing the Macomb Food Program to distribute food and resources to local food bank partners, and developing multiple grant programs for local businesses impacted by COVID-19 - initiatives which ultimately awarded more than \$54 million to 8,300 applicants.

Business Investment Continues

2021 saw positive signs of a business recovery. Specifically, Macomb County Planning and Economic Development worked with companies to secure more than \$620 million of investment in new and/or expanded facilities, including a major automotive manufacturer updating and expanding one of its local plants and multiple investments by local hospital systems. On the horizon are two commercial rehabilitation projects which will help revitalize downtown Richmond and a major industrial corridor in the city of Warren. Additionally, an investment of more than \$80 million to construct three

¹² EMSI: Labor Market Analytics Occupation Trends. See Appendix A for details on white collar occupations.

¹³ EMSI: Labor Market Analytics Educational Attainment Snapshot

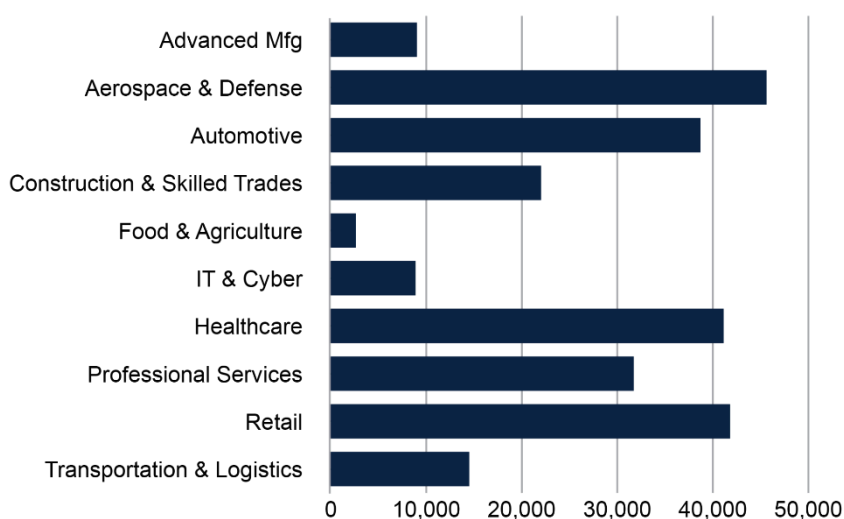
new buildings with more than one-million-square-feet of industrial space will help the county attract new manufacturers. Notably, these investment dollars alone have helped create more than 1,800 new jobs, while retaining nearly 2,800 existing positions. It's clear, the local economy is rebounding from pandemic shutdowns.

INDUSTRIES OF MACOMB COUNTY

TARGETED INDUSTRIES

MCPED has established a core set of industry clusters from the North American Industry Classification System (NAICS) that fit the business environment of Macomb County. The purpose of classifying businesses and the workforce by a set of targeted industries is to track the health of the variety of industries that power the county's business economy. These targeted industries are: advanced manufacturing, automotive, defense, food / agriculture, health care, IT / cyber security, logistics, professional services and retail.

2021 JOBS BY INDUSTRY



Source: EMSI Labor Market Analytics

ADVANCED MANUFACTURING

Manufacturing is one of Macomb County's most important industries, as it annually adds more than \$12 billion to the local economy. In 2021 alone, the sector exported more than \$35.7 billion worth of products and imported nearly \$15 billion in goods. This impressive activity is driven by 1,637 companies that employ more than 65,000 people.¹⁴ Part of this robust manufacturing center is advanced manufacturing. Advanced manufacturing, boasting over 9,000 jobs with an average salary of \$90,910 at nearly 400 companies, is a subsector of manufacturing that uses integrated technology to improve products and processes. This makes Macomb County a

Industry	Jobs	Businesses	Earnings
Advanced Manufacturing	9,811	399	\$88,181
Aerospace and Defense	44,873	2,270	\$101,818
Automotive	35,667	478	\$89,022
Construction & Skilled Trades	21,516	1,996	\$69,770
Food & Agriculture	2,545	122	\$43,485
IT & Cyber	9,088	715	\$98,917
Healthcare	41,462	2,168	\$60,369
Professional Services	30,395	1,611	\$111,179
Retail	40,953	2,710	\$41,328
Transportation & Logistics	12,211	735	\$67,170

Source: EMSI Labor Market Analytics

¹⁴ EMSI: Labor Market Analytics

place where innovation leads to real-world applications in emerging industries like mobility, robotics and aerospace.

NEXT GENERATION MOBILITY & AUTOMOTIVE

Macomb County's automotive industry is made up of a diverse network of 450 companies that have been a driving force of growth within the economy for many years. For instance, since 2010, these companies have invested more than \$13.2 billion and created over 35,254 jobs. In 2020, the sector created a \$12.5 billion demand for products, \$7.95 billion of which was met in-region and \$4.5 billion was imported.¹⁵

A major trend within the automotive industry is the focus on next generation mobility and technology. This is changing the way many in the sector operate, but Macomb County is poised to be a leader in this transformation because of its impressive cluster of assets. For instance, Paslin, a design and build company headquartered in Warren, will play a major role in the creation of new electric vehicles produced by Rivian, an automotive technology company. The county is also home to some of the industry's most advanced facilities, a number of which are owned by the "Big Three" - General Motors, Stellantis (formerly Fiat Chrysler Automobiles) and Ford. General Motors has its GM Tech Center in Warren with over 17,000 employees.¹⁶ Stellantis has a stamping and assembly plant in both Sterling Heights and Warren, both of which employ more than 14,000 people.¹⁷ And Ford has two facilities in Sterling Heights and two in Romeo with a combined workforce of 4,000 individuals.¹⁸ Each of these companies are making major investments into electric, hybrid and autonomous vehicles - including Ford, which recently announced that they would be dividing their company into an electric and gas division,¹⁹ GM, which plans to spend \$35 billion on electric and autonomous vehicles through 2025²⁰ and Stellantis, which is spending \$35.5 billion through 2025.²¹

With the support of these investments and assets, Macomb County will continue to be at the forefront of automotive technology well into the future.

INFRASTRUCTURE & CONNECTED MOBILITY

Macomb County is home to a robust infrastructure and transportation network. These two community characteristics make the county a desirable location for businesses engaged in a variety of industries as well as residents commuting or traveling within the metropolitan Detroit region. From comprehensive sewer and water systems to advanced connected roadways and telecommunications, Macomb County possesses the vital infrastructure needed to service emerging industries and a growing population.

For more than 10 years, Macomb County has been steadily increasing traffic safety and preparing for connected mobility by developing an intelligent transportation system (ITS). This has been realized through the creation of a centralized traffic and communications center (COMTEC). The facility houses traffic operations, E-911 emergency dispatch and the county's information technology services. The resulting synergy has created a high-tech space designed to deploy, enhance and maximize vehicle-to-infrastructure communication technologies. For instance, Macomb County is one of a few dozen locations in the United States to have an ITS powered by a 9.7 gigabit network. The county is also leading the way in the

¹⁵ EMSI: Labor Market Analytics Industry Analysis

¹⁶ Crain's Detroit Business

¹⁷ Crain's Detroit Business

¹⁸ Crain's Detroit Business

¹⁹ New York Times

²⁰ Reuters

²¹ CNBC

installation of operational connected vehicle roadside units (RSU). There are now more than 300 RSUs along Macomb County's 152 miles of connected roadway. Other notable technologies include 900 traffic signals (including advanced traffic signal systems) and over 300 cameras that are linked to COMTEC. The result of all of these advancements is a significant increase in safety.

Another major infrastructure project in Macomb County is Innovate Mound, an initiative focused on rebuilding one of the most important manufacturing and R&D corridors in southeast Michigan, Mound Road. This corridor is a unique and nationally significant industrial area that hosts the General Motors Warren Technical Center, the Sterling Heights Ford Axle Plant, Stellantis' Sterling Assembly and Warren Truck Assembly Plants, the U.S. Army's Tank-Automotive and Armaments Command (TACOM) and the Combat Capabilities Development Command- Ground Vehicle Systems Center (CCDC-GVSC). All told, the Mound Road corridor is responsible for the direct employment of 20,200 people that support 17,720 jobs in Macomb County and an additional 98,100 jobs in the state of Michigan. Therefore, the vision of Innovate Mound is to not only reconstruct the road, but to increase pedestrian friendliness and implement smart transportation technologies. The current estimated cost for the project is \$217 million. Innovative funding solutions, including a federal INFRA grant worth \$130 million, will cover that figure.

ROBOTICS & CYBER SECURITY

Macomb County is home to a large community of core manufacturing operations, supply chain industries and product development facilities that rely on automation and robotics. To ensure the local workforce can understand and meet these technology needs, Macomb County has created the nonprofit Macomb Automation and Robotics Zone (MARZ) aimed at increasing awareness and opportunity within the robotics environment. The new facility launched in January 2020 at the Velocity Collaboration Center in Sterling Heights with the Macomb Intermediate School District and Macomb Community College. Its mission is to partner with businesses, educational organizations, nonprofits and startups to offer tools, programs, co-working space, expert assistance and access to an open and collaborative environment. The facility also features a tooling and fabrication shop, engineering and computer science assistance, business development assistance and mentors from leading automotive, defense, manufacturing and technology firms. Ultimately, it is working to create a pipeline that transports the next generation of the STEM workforce from schools to major employers.

Another important initiative is Macomb Next, a program launched through Macomb County Planning & Economic Development to highlight the importance of Industry 4.0 - otherwise known as the fourth industrial revolution - and to guide businesses looking to implement its practices. Through grant funding from the state of Michigan, the county has hosted workshops and created a marketing campaign to discuss the nine pillars of I.40 - which include the internet of things, cloud computing, autonomous and robotics systems, big data analytics, augmented reality, cyber security, simulation, system integration, and additive manufacturing. By helping local businesses understand and put in place these pillars, the county will ensure its manufacturing base is prepared for the future.

Alongside the push for robotics training and implementation, Macomb County leaders have also stressed the importance of cyber security. Currently, the county has over 700 establishments employing almost 10,000 individuals earning on average \$101,364 a year in the information technology and cybersecurity industry. And since 2010, the area has seen a 64.6 percent increase in cyber operations, while the national average is just above 27.9 percent.²² This led to the creation of the Michigan Automotive and Defense Cyber Assurance Team (MADCAT), an initiative spearheaded by the Macomb County Department of Planning & Economic Development. MADCAT promotes the county and the state of Michigan as a

²² EMSI: Labor Market Analytics Industry Snapshot. 'Industry clusters' created using NAICS codes.

world leader in developing and supporting a cyber ecosystem while leveraging unique regional assets in the defense and automotive industries to drive technology innovation, encourage economic development and create a talented workforce for Michigan. Since its founding in 2014, the organization has facilitated cyber hubs in the region, including the Pinckney Cyber Training Institute and the Wayne State University Advanced Technology Education Center. These hubs allow local companies to test connected products, provide training with industry leaders and offer cyber security certification courses. Notably, MADCAT has been recognized with a National Association of Counties Achievement Award in the Community & Economic Development category.

AEROSPACE AND DEFENSE

In fiscal year 2020, defense companies located in Macomb County were awarded 5,490 contracts, totaling \$3.2 billion.²³ In that same year, the county's industry saw more than \$13.7 billion in purchases, with \$3.2 billion of those met within the region. Driving these numbers is a strategic locational advantage based on a skilled workforce and prime assets. For instance, the county is home to Selfridge Air National Guard Base, which houses all five branches of the armed services, as well as the U.S. Coast Guard and the Department of Homeland Security. Established in 1917, Selfridge is one of the oldest continuously operating military airfields in the nation. It has nearly 7,000 personnel and contributes over \$850 million to the local economy.

QUALITY OF LIFE IN MACOMB COUNTY

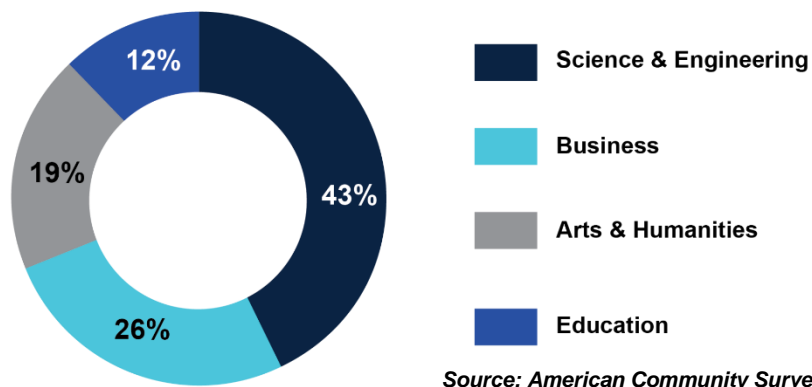
EDUCATION

Macomb County provides a large range of quality educational opportunities for its residents. These options include a model Head Start program, general K-12 education, special needs education programs, career technical education and higher education opportunities.

Head Start

Studies from the National Education Association show that investment in high quality prekindergarten programs generate billions of dollars in economic and other benefits for federal and state governments, while also producing major, long-term benefits for individuals. This is why support of Head Start programs is important and why Macomb County makes theirs a priority. For instance, using local and federal dollars, the county serves more than 1,000 children through Early Head Start and Head Start 0-5 while also providing supportive family services in the areas of health, nutrition, dental care, education and mental health. The result of this investment: The county's Head Start initiative has become a model program.

BACHELORS DEGREE FIELD OF STUDY



²³ USAspending.gov, Department of Defense contract data.

K-12

The Macomb Intermediate School District (MISD) serves the 21 public school districts, charter schools and private/parochial schools in Macomb County. It is the largest ISD in Michigan that provides direct services to students. Its staff help bring best practices to the classroom, impacting some 150,000 students in both public and nonpublic schools. Approximately 19,000 of those students receive special education services.

Career Technical Education

Career Technical Education (CTE) programs provide opportunities for students to learn real world skills, gain practical knowledge on career pathways and prepare for entering the workforce. Macomb County has more than 14,000 students enrolled in its 235 state-approved CTE programs, the second highest CTE population in the state of Michigan. These numbers indicate a positive future for the region, the economy and the workforce in the county.

Higher Education

Affordable higher education is a priority in Macomb County. This is evident in the broad range of degrees and technical certificate programs that are offered through the county's many educational institutions and reflected in the fact that in 2021, the county's average amount owed on student loans is \$6,378 per student. This figure is dramatically lower than the national average of \$37,693 per student and Macomb County's total student debt accounts for merely 0.25% of total national student debt.²⁴ The result: More than 229,000 Macomb County residents have an associate degree or higher.²⁵ Analyzing bachelor's degrees further shows that residents are excelling in a variety of fields, with 43 percent in science and engineering, 26 percent in business, 19 percent in the arts and humanities and 12 percent in education. And while Macomb County has a lower bachelor's degree attainment rate than other counties, it has robust certification programs offered through community colleges and university programs that are recognized by industry in areas of advanced manufacturing and skilled trades. Many of these certifications transition individuals into higher paying and in-demand jobs. Certifications include: Certified nursing assistant, pharmacy technician, dental assistant, robot programmer, robot technician, industrial maintenance technician and controls technician. Notably, in an effort to connect low-income individuals with these high-demand fields and certifications, Macomb County secured a \$1.5 million Regional Talent Innovation Grant from the state of Michigan in 2021. Together with Macomb Community College, the county is working to provide free career training to qualified residents. The program will change the lives of hundreds of individuals who can earn credentials at no cost.

Another option for enrolling at Macomb Community College comes through the state of Michigan's Reconnect and Futures for Frontliners programs, which help make college degrees and skill certificates available and affordable for more residents. Since the programs were launched in the last two years, Macomb Community College has led the state in enrollment and the number of participants who graduated with a certificate or degree.

In addition to affordability, availability is another contributing factor in the attainment of bachelor's degrees. In fact, Macomb County has more opportunities to complete coursework from one of Michigan's 15 public colleges than any other location in the state. For instance, Macomb Community College, the county's leading post-secondary education institution, hosts a University Center that offers access to six satellite campuses with over 60 bachelor's and master's degree programs. Outside of the Center, the college has two main campuses in Warren and Clinton Township that annually serve 50,000 students while providing 200 options for securing degrees and certificates.

²⁴ ESRI: Business Analyst Online Financial Expenditures Report

²⁵ ESRI: Business Analyst Online Community Profile

Beyond Macomb Community College, there are a variety of other higher educational institutions that have established campuses in Macomb County. Oakland University recently opened a satellite campus that provides undergraduate and graduate courses. Wayne State University invested in the Advanced Technology Education Center (ATEC) in Warren. Other stand-alone satellite campuses include Central Michigan University, Michigan State University College of Osteopathic Medicine, Ferris State University and Saginaw Valley State University. Together, these institutions provide Macomb County students with the opportunity to attain bachelor's degrees in marketable academic segments without leaving the area.

HEALTH CARE

The health care industry has grown significantly in Macomb County, with world-renowned facilities investing in various operations throughout the area. Since 2014, these organizations have used MCPED's Business Retention Program to invest over \$600 million into expansion efforts.²⁶ Macomb County now has three general hospitals with capacity for approximately 1,100 beds. Notable health care facilities include:

- The Henry Ford Macomb Hospital in Clinton Township, which includes specialty services like a Heart & Vascular Institute, highly-specialized robotic cardiac surgery, the Josephine Ford Cancer Institute, women's and children's services, orthopedics and neurosciences. The hospital also has a 42-bed inpatient rehabilitation program, an ambulatory and minimally invasive surgery center and leading diagnostic imaging. In 2023, the health system expects to complete construction on a new, five-story 225,000-square-foot addition to the hospital, which will feature 160 private patient rooms that can be converted to manage critically ill patients on par with an intensive care unit. Inpatient units in the existing hospital will also be renovated to create spacious private rooms. The total investment in this project comes to \$318 million.
- McLaren Macomb Hospital in Mount Clemens, which offers several highly-regarded specialty centers within the hospital. Prominent among them are the Mat Gaberty Heart Center and the Ted B. Wahby Cancer Center, both of which offer comprehensive diagnostic and surgical services. McLaren recently opened a corporate services office in Macomb County. This 57,000-square-foot facility consolidates 13 centers from around the state and will improve insurance billing effectiveness that could increase revenue by as much as \$30 million annually for the health care system.
- Ascension, which has established "Centers of Excellence" for a wide range of inpatient and outpatient services at Ascension Macomb-Oakland Hospital in Warren and Ascension St. John Hospital in Macomb. These include behavioral medicine services, cancer care, cardiology services, emergency center, physical medicine and rehabilitation services, surgical services, women's health services and the state-of-the-art Webber Cancer Center. There are also numerous special care facilities and private nursing homes located across the county. Notably, in November 2021, the health system broke ground on the new Ascension St. John Hospital Health Center in Chesterfield Township - a 38,700-square-foot center which will offer primary care, emergency care, specialty and diagnostic services in a multi-level naturally contemporary clinical space. The \$32.5 million project is expected to be complete in 2023.
- Beaumont Health, which in August 2021 opened its new 110,000-square-foot outpatient campus in Lenox Township. The campus offers emergency center care, noninvasive cardiology services, an infusion center, physical

²⁶ Macomb County Planning and Economic Development Business Retention Report, Economic Impact

therapy, diagnostic imaging, breast imaging, pulmonary function testing, a Beaumont outpatient pharmacy and laboratory, affiliated primary and specialty care physician offices and cancer services.

In addition to facilities, Macomb County has a skilled and talented health care workforce that is serviced by an expansive network of universities and colleges. For instance, MSU College of Osteopathic Medicine students have the option of completing their first two years of medical school at the Macomb University Center at Macomb Community College in Clinton Township. Educating these individuals and keeping them in Macomb County communities is a priority as the population continues to age and the demand for health care workers grows. In fact, according to a recent Future of Jobs report from the World Economic Forum, between 2020 and 2023, 40 percent of projected job opportunities in emerging professions will be in the care economy.²⁷

ONEMACOMB

In 2012, Macomb County Executive Mark A. Hackel created the OneMacomb initiative in response to shifting demographics within the county. The effort, which is now led by a diverse executive committee, seeks to promote multiculturalism and inclusiveness, strengthen the economy and identify and implement multicultural best practices.

OneMacomb data shows that more than 116 primary languages are spoken in the county and that 11.5 percent of its residents are foreign born. This immigrant population helps drive the area's economy, demonstrates how the county is a place for all to flourish and proves that anyone can make Macomb their home.

BLUE ECONOMY, NATURAL FEATURES AND ECOLOGICAL INVESTMENT

Macomb County is adjacent to 32 miles of beautiful Lake St. Clair (Great Lakes) shoreline – an area that supports more than 70 active marinas and a world-class recreational boating and fishing industry. Additional water assets include the Clinton River, which meanders for 60 miles across the area, and many other local streams, ponds and waterways. Residents and visitors take advantage of these resources with 53,000 registered boats (2018) and through the area's six public boat launches, 42 ramps and 16,000 boat slips at marinas and private waterfront and canal properties. This activity adds to the \$1.5 billion produced annually by outdoor recreation around the Lake St. Clair region²⁸.

In addition to water assets, Macomb County has incredible green spaces. To support these areas, Macomb County Planning and Economic Development created the Green Macomb initiative, a program that promotes green infrastructure efforts. Through diverse partnerships with local municipalities, businesses, private residents and nonprofit organizations, the initiative enhances our region's land and water resources. For instance, Green Macomb is strategically increasing Macomb County's tree canopy by planting diverse tree species in areas with high population density and high-impacted sub-watersheds. Over the last several years, the initiative has worked to grow the canopy to 26 percent. This is short of the USDA recommendation of a 40 percent cover or better in urban areas. However, along with residents increasing tree plantings on their properties, promotion and education will help the county reach that goal.

All told, Macomb County is home to 215 unique public parks, 32 miles of lakefront shoreline, 155 miles of built bike paths, 32 miles of kayaking space and hundreds of additional miles of streams and tributaries. But in order to protect these assets, communities must invest in projects that build ecological resilience in the face of global warming and climate change. Macomb County is working to do just that through a variety of projects, partnerships and initiatives. For example, the county is involved in important shoreline restoration work along Lake St. Clair - part of Michigan's Great Lakes

²⁷ Jobs of Tomorrow - Mapping Opportunity in the New Economy; World Economic Forum

²⁸ Michigan Boating Industries Association

waterway. In 2021, it was announced that the Ford House, the historic estate of Edsel and Eleanor Ford, had teamed up with the Great Lakes Commission (GLC), the National Oceanic and Atmospheric Administration (NOAA), the Michigan Department of Natural Resources Fisheries Division and Macomb County Planning and Economic Development for a project to restore disappearing wildlife habitats along the shoreline of Ford Cove on Lake St. Clair. Dubbed the Ford Cove Shoreline and Coastal Wetland Restoration Project, the goal is to transform the Ford House's lake shore back to its natural state. The restoration will span roughly a mile of Lake St. Clair's coastline and more than 17 acres of the surrounding coastal marsh, nearshore habitat and adjacent forested wetlands. Plans include removing hard, non-natural coastal features like broken concrete and seawalls and reintroducing native plant species and softer shorelines. This will reduce the heavy waves that disrupt vital habitats that local fish, waterfowl, mussels, turtles, snakes and other wildlife need to raise their young, find cover and forage for food -- all supporting the lake's greater ecosystem.

Another example of building ecological resilience is the work around the Sterling Relief Drain. Several years ago, the Macomb County Public Works Office received funding through the U.S. Environmental Protection Agency's (EPA) Great Lakes Restoration Initiative and the National Fish & Wildlife Foundation's Sustain Our Great Lakes (SOGL) grant program for the Sterling Relief Drain Daylighting project. The primary goal of this project was to redesign and retrofit approximately two miles of open channel drain, force flows out of an underdrain into the green corridor and intercept and daylight lateral storm drains to reduce, slow and filter urban stormwater runoff prior to entering the Red Run Drain and Clinton River. Clean water is not only vital to everyone's quality of life, but it can also serve as a critical component of economic development in the region. Furthermore, the project aimed to create native and resilient habitat and provide accessible recreational opportunities. What once resembled a utility right of way has now turned into an extensive green infrastructure system that not only enhances the water quality for a sizeable drainage district, but also provides park access to a resilient and natural recreation area.

These types of large-scale projects are what is required of communities facing rising water levels, greater weather events and increased temperatures. And it's why Macomb County is making major ecological in-roads through innovative thinking, strategic planning and a variety of investments. Because ultimately, protecting natural assets protects residents and businesses, while also contributing to an overall high quality of life that makes Macomb a great place to call home.

FINANCIAL INFORMATION

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

Budgeting Controls. The County maintains budgetary controls that are designed to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Macomb County Board of Commissioners. Activities of the general fund, special revenue funds, debt service fund and certain enterprise funds are included in the annual county budget. Project length financial plans are adopted for the capital project funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by department within an individual fund. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control on a line item basis.

Pension Trust Fund. The County has a Defined Benefit Pension Plan referred to as the Macomb County Employees' Retirement System (MCERS). A detailed discussion of the performance of Macomb County's pension plan can be found in the notes to the financial statements.

Health Care Trust Fund. The County began to pre-fund Retiree Health Care benefits through the establishment of a trust for that purpose in 1997 and issued bonds in 2015 to fully fund its unfunded liability for retiree health care. Additional information regarding the Retiree Health Care Trust Fund can be found in the notes to the financial statements.

Department of Roads Retiree Health Care Trust Plan. The County's Department of Roads administers its own single employer defined benefit retiree health care plan. Additional information regarding the Department of Roads Retiree Health Care Trust Plan can be found in the notes to the financial statements.

Debt Administration. The general obligation bonds of the County are rated AA+ by Standard & Poors and Aa1 by Moody's Investor Services. Further discussion of Macomb County's long-term debt can be found in the MD&A as well as the notes to the financial statements.

Cash Management. Cash temporarily idle during the year was invested by the County Treasurer. Investments, except those of the Pension, Health Care Trust Funds, and the Intermediate Retiree Medical Benefits Trust are administered by the Treasurer in compliance with the provisions of Public Act 20 of 1943 as amended. Significant policies include:

- Investments of the County are held in the County's name.
- Investments are in U.S. Treasury obligations, banker's acceptances, certificates of deposit, and commercial paper top rated by not less than two of the four rating services: Standard and Poor's, Moody's Investor Services, Fitch Investors Services and Duff and Phelps.
- Only federal and state-chartered banks and savings institutions, which are members of FDIC, are utilized.
- State law requires the use of in-state banks.

The County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Additional data related to investments is listed in the notes to the financial statements. The County's investment policy is reviewed periodically by the Board of Commissioners.

Risk Management. All County agencies and departments except the Martha T. Berry Medical Care Facility are insured for losses of a General Liability nature up to \$11,000,000 in the aggregate, subject to a self-insured retention of \$750,000 per claim. The Martha T. Berry Medical Care Facility has a separate insurance policy and is fully insured for General Liability and Medical Malpractice claims.

The County is a defendant in various lawsuits in which plaintiffs seek damages of an indeterminable amount. The General Liability Internal Service Fund has been established to account for the self-insured aspects of this program. The Risk Management and Contingencies and Commitments notes to the basic financial statements contain additional information concerning risk management. The Statistical Section of the Annual Comprehensive Financial Report includes a complete schedule of insurance coverage maintained by the County.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Macomb County for its ACFR for the fiscal year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Macomb County has received a Certificate of Achievement for the last 36 consecutive years. We believe that our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for consideration.

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contribution made in the preparation of this report.

In closing, we would like to thank the elected officials and county employees for their contribution to the fiscal stability of the County. Macomb County is a great place to live, work and play offering a unique experience that no other place can and that is why so many residents and businesses have made Macomb their home.

We are committed to making Macomb County the best that it can be.

Sincerely,



Mark A. Hackel
County Executive



Stephen L. Smigiel
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Macomb County
Michigan**

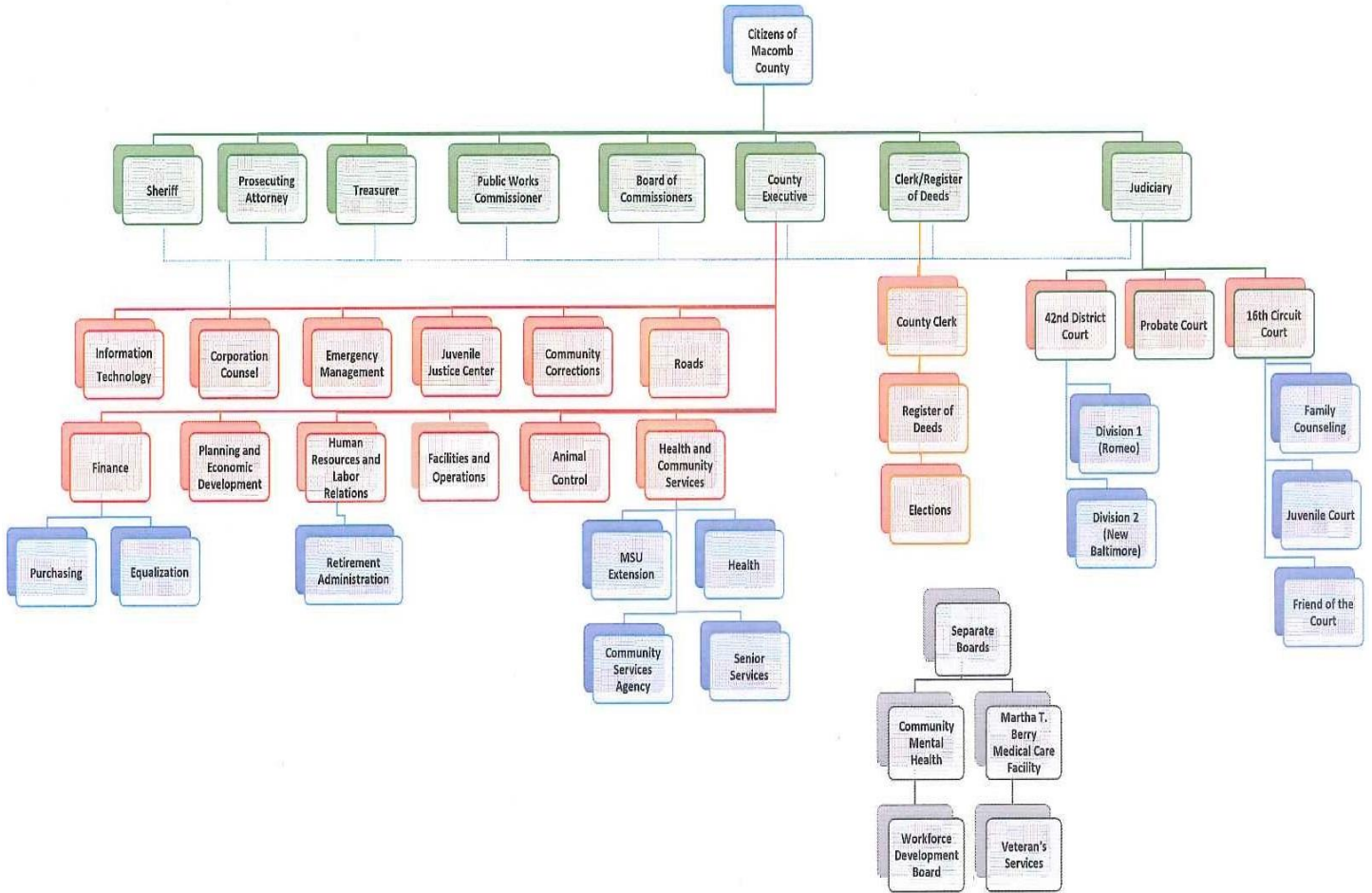
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

Macomb County, Michigan
 ORGANIZATIONAL CHART
 Year Ended December 31, 2021



Macomb County, Michigan

LIST OF ELECTED AND APPOINTED OFFICIALS

Year Ended December 31, 2021

County Executive's Office

County Executive	Mark Hackel
Chief Deputy County Executive	Mark Deldin
Deputy County Executive	John Paul Rea
Deputy County Executive	Vicki Wolber
Deputy County Executive	Vacant

2021-2022 Board of Commissioners

Don Brown, (Chair) District 7	Don VanSyckel, District 5
Harold Haugh, (Vice-Chair) District 11	Jeff Farrington, District 6
Barbara Zinner, (Sergeant-At-Arms) District 10	Phil Kraft, District 8
Michelle Nard, District 1	Antoinette Wallace, District 9
Mai Xiong, District 2	Julie Matuzak, District 12
Veronica Klinefelt, District 3	Joe Sabatini, District 13
Joseph Romano, District 4	

Elected County Officials

16th Judicial Circuit Court/Probate Court/42 nd District	
Court Chief Judge	Honorable James Biernat, Jr.
County Clerk/Register of Deeds	Anthony Forlini
Prosecuting Attorney	Peter Lucido
Public Works Commissioner	Candice Miller
Sheriff	Anthony Wickersham
Treasurer	Lawrence Rocca

County Department Heads

Chief Animal Control Officer	Jeff Randazzo
Community Services Agency Director	Ernest Cawvey
Corporation Counsel	John Schapka
Emergency Management & Communications Director	Brandon Lewis
Facilities & Operations Director	Lynn Arnott-Bryks
Finance Director	Stephen Smigiel
Health & Community Services Director	Vacant
Health Officer	Andrew Cox
Human Resources and Labor Relations Director	Andrew McKinnon
Chief Information Officer	Jako van Blerk
Juvenile Justice Center Director	Rhonda Westphal
Planning & Economic Development Director	Vicky Rowinski
Chief Veterans Service Officer	Laura Rios

Independent Auditor's Report

To the Board of Commissioners
County of Macomb, Michigan

Report on the Audit of the Financial Statements

Opinions

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 Macomb, Michigan (the "County") as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2021 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Board of Commissioners
County of Macomb, Michigan

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis 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 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

To the Board of Commissioners
County of Macomb, Michigan

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Plante & Moran, PLLC

June 23, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

As management of the county, we offer this narrative overview and analysis of the financial activities of the county for the year ended December 31, 2021. Readers are encouraged to read it in conjunction with the letter of transmittal, which is located at the beginning of this report, and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the county exceeded its liabilities and deferred inflows by \$1.6 billion at year- end.

The net position of the county increased by \$248.9 million in fiscal 2021.

The General Fund reported an increase of \$23.9 million for the year. Nonspendable fund balance was \$5.0 million, while Unassigned fund balances were \$91.3 million, or 41.1% of 2021 General Fund expenditures. Total fund balance was \$96.3 million. Nonspendable fund balance represented amounts for prepaid items, advances to other funds, and long-term receivables.

The county's governmental and business-type activities retired a combined \$27,225,265 million in long term debt during fiscal year 2021. At year end, the county is \$2.9 billion below its authorized debt limit.

The county's bond rating is AA+ with Standard & Poor's and Aa1 with Moody's Investor Services.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements: 1) government-wide financial statements, which focus on the county as a whole, 2) fund financial statements, which provide a more detailed view of the county's major funds and 3) notes to the financial statements, which provide additional information that is essential to gain a full understanding of the data presented in the financial statements.

Government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities* which provide readers with a broad overview of the activities of the county as a whole. One of the more important questions citizens and other readers of the financial statements often ask is "Is the county as a whole better or worse off this year than it was a year ago?" In other words, did the financial condition of the county improve or decline over the course of the past year. The government-wide statements report information in a manner that is intended to help answer these questions.

The government-wide statements are prepared using the full accrual basis of accounting, which is similar to that employed by businesses in the private sector.

The *Statement of Net Position* presents information on all of the assets and liabilities of the county, with the difference between the two reported as *net position*. Net position can be thought of as one way of measuring the financial strength of the county. Increases or decreases in net position over time may serve as a useful indicator of whether the financial condition of the county is improving or deteriorating. Non-financial factors such as changes in the property tax base, population and condition of county infrastructure must also be considered when assessing the financial condition of the county.

The *Statement of Activities* presents information showing how the net position of the county has changed over the course of the most recent fiscal year. All changes in net position are recognized as soon as the underlying transactions take place, regardless of the timing of the related cash flows. As a result, certain revenues and expenses reported in these statements are related to items that will only result in cash flows in future years. Examples of such items are uncollected property taxes and earned but unused sick and vacation leave.

The government-wide financial statements segregate the activities of the county into three categories: governmental activities, business-type activities and discretely presented component units. The basic services of the county are classified as **governmental activities** and are financed primarily through property taxes, user fees and intergovernmental revenues. Functions reported in this category include general government, legislative, health and welfare, public safety, public works and judicial. **Business-type activities** operate like private businesses and are intended to recover the majority of their costs through user fees. The business-type activities of the county include the Delinquent Tax Revolving Funds, Community Mental Health and the Freedom Hill Park. **Discretely presented component units** are legally separate entities, the

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

majority of whose governing bodies are appointed by the Board of Commissioners and for which the county is financially accountable. The county reports the Macomb/St. Clair Workforce Development Board, Public Works Drainage Districts and Martha T. Berry Medical Care Facility as discretely presented component units.

The government-wide financial statements begin on page B-1 of this report.

Fund financial statements are separate groupings of related accounts that are used to maintain control over resources that have been segregated for specific purposes. Each fund of the county is considered a separate accounting entity for which a self-balancing set of accounts is maintained. Certain funds are established in accordance with State law while others are required by bond or grant agreements or are established at the discretion of management to enable it to more easily manage and report on the activities of the many programs of the county. All the funds of the county can be divided into one of three categories: governmental, proprietary or fiduciary.

Governmental funds are used to account for most of the basic services provided by the county and report essentially the same functions as those reported as governmental activities in the government-wide financial statements. Governmental funds are accounted for using the *modified accrual* basis of accounting, which focuses on the short-term inflows and outflows of cash and other financial assets that can be readily converted into cash and the balances available for spending at year-end. Because the focus of the governmental fund financial statements is narrower in scope than that of the government-wide financial statements, reconciliations are provided in both the governmental fund balance sheet and operating statement to help the reader better understand the relationship between the two.

All of the governmental funds of the county are categorized as either major or nonmajor for presentation in the financial statements. The purpose of such segregation is to focus the attention of the reader on the more significant funds of the county. A fund is considered major if its assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures meet or exceed certain percentage thresholds in relation to all governmental funds taken as a whole. The thresholds used to determine a fund's status as major or non-major are set forth in GASB Statement No. 34. The governmental funds financial statements begin on page B-3.

Information regarding major funds is presented separately in the basic financial statements while data for all nonmajor funds is combined into a single, aggregated presentation. The General Fund, Roads Special Revenue Fund, Coronavirus Response Special Revenue Fund, Community Action Agency Special Revenue Fund, and American Rescue Plan Act Capital Project Fund are the major governmental funds of the county. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds are classified as either enterprise funds or internal service funds and are accounted for using the full accrual basis of accounting. *Enterprise funds* are used to report the same functions as those presented as business-type activities in the government-wide financial statements and include the Delinquent Tax Revolving Fund, Community Mental Health Fund and the Freedom Hill Park Fund. *Internal service funds*, on the other hand, are used to account centrally for services provided to other county departments and include phone services, fleet management, copier replacement, workers' compensation insurance, general liability insurance, compensated absences, employee fringe benefits, and debt service related to employee fringe benefits. Because the internal service funds predominately benefit governmental rather than business-type functions, most of their activity have been included within the governmental activities in the government-wide financial statements, while some activities related to compensated absences and other postemployment benefits have been allocated to business-type activities. Data regarding the internal service funds has been combined into a single, aggregated presentation in the basic financial statements. Information regarding the individual internal service funds is provided in the form of combining statements elsewhere in this report. The proprietary fund financial statements begin on page B-7 of this report.

Fiduciary funds are used to account for resources held by the county on behalf of others, including those of the Employee Retirement System, the Retiree Health Care Trust, and the Roads Retiree Health Care Investment Trust, as well as custodial funds, including the Current Tax Collection Fund, COMET Fund, and Miscellaneous Custodial Fund. The activities of the fiduciary funds are presented separately in this report but are not reflected in the government-wide financial statements because the resources of those funds are not available to support the operations of the county. Fiduciary funds are accounted for using the full accrual basis of accounting. The fiduciary fund financial statements begin on page B-12 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

Notes to the Financial Statements provide additional information that is essential to gain a full understanding of the data presented in both the government-wide and fund financial statements and begin on page B-16 of this report.

Required Supplementary Information is presented following the notes to the financial statements and includes schedules regarding the progress of the county in funding its pension and retiree health care obligations and a budget to actual comparison for the major governmental funds of the county. Required Supplementary Information begins on page C-1 of this report.

Other Supplementary Information, which includes combining and individual funds statements of the nonmajor funds of the county are presented immediately following the required supplementary information and begin on page D-1 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The financial analysis of the county as a whole focuses on the net position and changes in net position of the governmental and business-type activities of the county. As noted earlier, net position and changes in net position may serve as one indicator of the financial health of the county. The assets and deferred outflows of resources of the county exceeded its liabilities and deferred inflows of resources by \$1.6 billion at December 31, 2021 and increased by approximately \$248.9 million for the year then ended. (See page A-7)

Macomb County Primary Government Net Position

	Governmental Activities		Business-type Activities		Totals	
	2020	2021	2020	2021	2020	2021
Current and other assets	\$ 673,807,975	\$ 825,209,052	\$ 293,414,684	\$ 369,957,322	\$ 967,222,659	\$ 1,195,166,374
Capital assets	1,084,612,441	1,097,316,031	1,405,797	1,330,894	1,086,018,238	1,098,646,925
Net pension asset	77,209,485	218,684,557	7,005,997	16,666,438	84,215,482	235,350,995
Total assets	1,835,629,901	2,141,209,640	301,826,478	387,954,654	2,137,456,379	2,529,164,294
Deferred outflows of resources	44,082,254	79,193,755	7,292,403	15,538,852	51,374,657	94,732,607
Current liabilities	112,880,597	180,327,461	67,933,776	133,020,784	180,814,373	313,348,245
Long-term liabilities						
Due within one year	22,045,739	20,494,513	2,301,843	2,350,018	24,347,582	22,844,531
Due in more than one year	233,991,768	212,960,667	37,332,729	35,258,221	271,324,497	248,218,888
Asset retirement obligations	1,000,000	1,000,000	-	-	1,000,000	1,000,000
Net OPEB liability	93,450,308	37,708,997	17,233,408	7,723,530	110,683,716	45,432,527
Total liabilities	463,368,412	452,491,638	124,801,756	178,352,553	588,170,168	630,844,191
Deferred inflows of resources	198,404,052	329,092,104	29,667,853	42,422,845	228,071,905	371,514,949
Net position						
Net investment in capital assets	1,038,270,450	1,065,824,305	1,405,797	1,330,894	1,039,676,247	1,067,155,199
Restricted	148,169,392	169,758,541	43,979,515	55,314,709	192,148,907	225,073,250
Unrestricted	31,499,849	203,236,807	109,263,960	126,072,505	140,763,809	329,309,312
Total Net Position	\$1,217,939,691	\$1,438,819,653	\$ 154,649,272	\$ 182,718,108	\$ 1,372,588,963	\$ 1,621,537,761

Approximately \$1.1 billion of the county's net position represents its investment in capital assets, net of any outstanding debt used to acquire those assets. These assets are used by the county to provide services to the public; consequently, they are not available for future spending. Although the county's investment in its capital assets is reported net of any related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the assets themselves cannot be used to liquidate the outstanding debt obligations. Another \$226.2 million of the county's net position represents resources that are subject to external restrictions regarding their use. Assets included in this category include funds received in Special Revenue, Capital Projects, and Internal Service funds whose use is restricted by statute as well as cash and investments restricted for the repayment of outstanding debt. The sum of restricted net position and net investment in capital assets was less than total net position, resulting in a positive unrestricted net positions at both

Macomb County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

December 31, 2021 and December 31, 2020. Favorable operating results combined with an increase in the county's net pension asset and decrease in the county's net OPEB liability were the main causes of the positive unrestricted net position at December 31, 2021 and December 31, 2020.

As indicated in the following schedule, the net position of the county increased by \$248.9 million for the year ended December 31, 2021. The components of this change were an increase of \$220.9 million in governmental activities and an increase of \$28.1 million in business-type activities.

The components of these changes are discussed in the following section.

Macomb County Primary Government Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2020	2021	2020	2021	2020	2021
Revenues						
Program revenue						
Charges for services	\$ 77,010,324	\$ 79,214,797	\$ 220,858,281	\$ 222,709,693	\$ 297,868,605	\$ 301,924,490
Operating grants and contributions	198,481,450	121,211,638	16,354,074	17,739,601	214,835,524	138,951,239
Capital grants and contributions	109,189,878	112,126,336	-	-	109,189,878	112,126,336
General revenue						
Property taxes	131,892,370	137,428,348	-	-	131,892,370	137,428,348
Intergovernmental revenues	27,414,291	32,518,306	-	-	27,414,291	32,518,306
Investment earnings	46,777,506	73,747,870	10,524,413	15,349,732	57,301,919	89,097,602
	<u>590,765,819</u>	<u>556,247,295</u>	<u>247,736,768</u>	<u>255,799,026</u>	<u>838,502,587</u>	<u>812,046,321</u>
Expenses						
Legislative	1,334,027	1,239,991	-	-	1,334,027	1,239,991
Judicial	44,386,677	42,028,215	-	-	44,386,677	42,028,215
General government	35,156,964	33,242,396	-	-	35,156,964	33,242,396
Public safety	81,885,126	76,184,493	-	-	81,885,126	76,184,493
Public works	74,621,154	59,761,130	-	-	74,621,154	59,761,130
Health and welfare	121,249,385	108,907,298	-	-	121,249,385	108,907,298
Community and economic development	44,922,005	7,366,368	-	-	44,922,005	7,366,368
Recreation and culture	111,202	123,939	-	-	111,202	123,939
Interest and fees on long-term debt	5,998,231	7,390,195	866,700	1,174,768	6,864,931	8,564,963
Delinquent tax collections	-	-	1,904,565	2,040,066	1,904,565	2,040,066
Community Mental Health	-	-	213,128,953	223,172,225	213,128,953	223,172,225
Freedom Hill Park	-	-	466,620	468,930	466,620	468,930
	<u>409,664,771</u>	<u>336,244,025</u>	<u>216,366,838</u>	<u>226,855,989</u>	<u>626,031,609</u>	<u>563,100,014</u>
Increase (decrease) in net position before transfers	181,101,048	220,003,270	31,369,930	28,943,037	212,470,978	248,946,307
Net transfers	1,073,624	876,692	(972,494)	(874,201)	101,130	2,491
Increase (decrease) in net position	182,174,672	220,879,962	30,397,436	28,068,836	212,572,108	248,948,798
Net position, beginning of year	1,035,765,019	1,217,939,691	124,251,836	154,649,272	1,160,016,855	1,372,588,963
Net position, end of year	<u>\$1,217,939,691</u>	<u>\$1,438,819,653</u>	<u>\$ 154,649,272</u>	<u>\$ 182,718,108</u>	<u>\$1,372,588,963</u>	<u>\$1,621,537,761</u>

As mentioned in Note 1 of the financial statements, the majority of the funds of the county are accounted for on a fiscal year that ends on December 31. However, there are several funds that operate on a fiscal year that ends on either June 30 or September 30, which causes timing differences between operating transfers between the General Fund (a December 31 year-end fund) and Special Revenue Funds that have September 30 and June 30 year-ends.

Governmental activities. The \$220.9 million increase in net position of governmental activities was contrasted by the increase in net position of \$182.1 million in the prior year. The change of \$38.8 million between the prior year's increase and the current year's increase is the result of strong market performance in 2021 in addition to favorable operating results. Because of strong market performance, pension expense was reduced by \$52.4 million because of the effect of deferrals related to pension being recognized in 2021. In the previous year, the impact of deferrals decreased pension expense by \$38 million, a net change between prior year and current year of \$14.4 million. Strong market conditions had similar effects

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

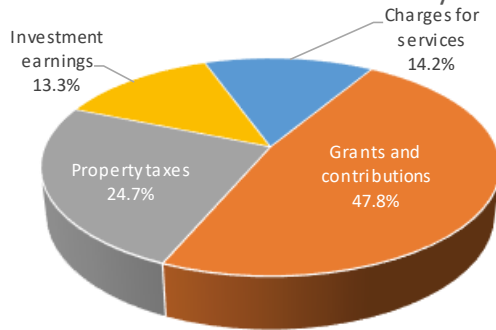
on the county's OPEB expenses, which were reduced by \$34.8 million in 2021 after being reduced by \$19.4 million in 2020, an increase in the reduction of \$15.4 million. Additionally, certain increases in revenues and expenditures also contributed to the change in net position at December 31, 2021 as presented below.

Total revenues decreased \$24.6 million. While structural recurring revenues such as property taxes, intergovernmental revenues, charges for services, and investment earnings saw increases over 2020 results, operating grants fell significantly in 2021, reflecting one-time grants received in 2020 in response to the Coronavirus pandemic.

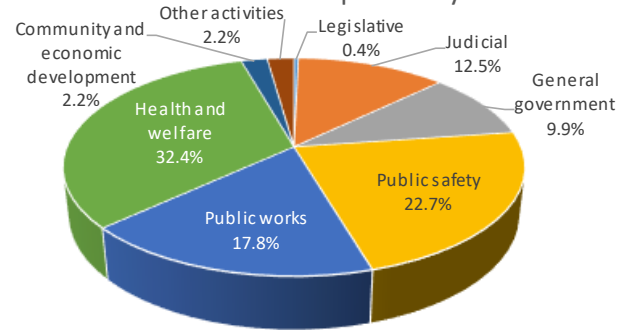
Total expenses decreased \$73.5 million, mainly as a result of a significant drop off in one-time expenses related to the Coronavirus pandemic that had been funded by one-time grants, such as the Coronavirus Relief Funding from the US Treasury. The decrease in expenditures was most notable in the county's Health and Welfare (decrease of \$12.3 million) and Planning and Economic Development expense categories (decrease of \$37.5 million). Decreases in these spending categories were the result of decreases in health department expenses related to the pandemic as well as decreases in planning department grants for business assistance.

The components of the county's governmental revenues and expenses are presented below:

Governmental Activities Revenues By Source



Governmental Activities Expenses By Function



Business-type activities. The net position of the county's business-type activities increased approximately \$28.1 million during the year. The increase in net position was mainly driven by the county's Community Mental Health agency, which experienced a gain of \$11.4 million for the year. The agency's gain was due to a combination of new grants and program reorganizations that led to increased lease expenses along with lower payroll expenses as a result of higher than typical position vacancies.

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR GOVERNMENTAL FUNDS

Governmental funds. As previously mentioned, the focus of governmental funds is to provide information on near-term inflows, outflows and remaining balances of spendable resources. Such information is useful in assessing the county's ability to meet its current financing requirements. The fund balance of governmental funds is segregated into one of five categories: nonspendable, restricted, committed, assigned and unassigned. Restricted fund balance represents that portion of the fund balance that may only be spent for specific restricted purposes and are not available for new spending. Examples of fund balance restrictions include amounts required to pay debt service, bond proceeds that may only be spent on projects for which the bonds were issued, and amounts required to meet long-term contractual commitments and encumbrances. Fund balance assignments are established to represent that portion of fund balance that is intended to be spent for certain purposes and differ from fund balance restrictions in that they can be redirected and used for new spending if necessary. Unassigned fund balance represents the portion of fund balance that is available at year-end for new spending.

The combined ending fund balances of all governmental funds were \$272.8 million at December 31, 2021, an increase of \$31.8 million over the prior year. The increase consists of a \$23.9 million increase in the General Fund, a \$21.9 million increase in the Roads Major Special Revenue Fund, a decrease of \$2.0 million in the Coronavirus Response Fund, an increase of \$0.5 million in the Community Action Agency Fund, and a combined decrease of \$12.4 million in the nonmajor governmental funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

General Fund – The General Fund is the primary operating fund of the county. All revenues and expenditures are recorded in the General Fund unless otherwise required by statute, contractual agreement or policy.

A year-to-year comparison of General Fund revenues by source and expenditures by function is presented below:

General Fund Revenue By Source and Expenditures By Function

	2020	2021	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Property taxes	\$ 130,170,497	\$ 134,142,878	\$ 3,972,381	3.05%
Licenses and permits	1,455,253	1,643,799	188,546	12.96%
Federal and state grants	68,406,321	41,325,217	(27,081,104)	-39.59%
Charges for services	41,391,651	44,535,856	3,144,205	7.60%
Charges to other funds for administrative services	13,289,629	13,275,462	(14,167)	-0.11%
Fines and forfeitures	433,942	496,813	62,871	14.49%
Interest and rents	3,258,385	2,275,205	(983,180)	-30.17%
Other revenue	59,112	112,988	53,876	91.14%
Transfers from other funds	8,000,000	8,151,241	151,241	1.89%
Total revenues	266,464,790	245,959,459	(20,505,331)	-7.70%
Expenditures				
Current				
Legislative	1,515,571	1,476,642	(38,929)	-2.57%
Judicial	29,483,228	29,981,910	498,682	1.69%
General government	44,186,949	43,658,195	(528,754)	-1.20%
Public safety	77,156,919	77,045,562	(111,357)	-0.14%
Public works	6,532,423	6,917,145	384,722	5.89%
Health and welfare	15,018,611	16,057,394	1,038,783	6.92%
Community and economic development	2,972,372	3,114,739	142,367	4.79%
Other / Non-departmental	1,144,930	1,902,318	757,388	66.15%
Capital outlay	2,401,588	1,901,600	(499,988)	-20.82%
Transfers out	75,120,716	40,049,295	(35,071,421)	-46.69%
Total expenditures	255,533,307	222,104,800	(33,428,507)	-13.08%
Net change in fund balance	\$ 10,931,483	\$ 23,854,659	\$ 12,923,176	118.22%

Property tax revenue increased by \$4.0 million, or 3.1%, due to a robust housing market in 2021, which led to increased taxable values and associated property tax revenue collections for the year.

Federal and state grants decreased by \$27.1 million, or 39.6%, mainly due to one-time coronavirus-related grant revenues in 2020 not continuing into 2021.

Charges for services increased by \$3.1 million, or 7.6%, mainly as a result of the real estate market, and the taxes and fees collected by the county related to real estate sales and mortgage refinancing activities. Real estate transfer taxes increased by \$2.3 million, or 52.7%, while recording fees increased by \$0.7 million, or 20.1%.

Interest and rents decreased by \$1.0 million, or 30.2%, because of a combination of lower rent collections from tenants as a result of a lease non-renewal (decrease of \$0.5 million) as well as lower interest rates (decrease of \$0.5 million).

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Expenditures decreased \$33.4 million in 2021. The main cause of the decrease was from transfers out, which decreased \$35.1 million in 2021. In 2020, the general fund transferred \$14.5 million to the debt service fund for the purpose of retiring the Series 2012 Public Works / Warehouse Refunding Bonds, and the Series 2012A 800Mhz / New Baltimore Court Refunding Bonds. Additionally, the general fund transferred \$10.4 million to the county's capital project fund in 2020. No similar transfers were made in 2021.

Expenditures in the Health Department increased by \$1.0 million as a result of a return to more typical operations. Specifically, staff that had been assigned to special programs related to the coronavirus and funded from the Coronavirus Response Fund in 2020 were assigned back to their regular programs within the General Fund in 2021.

Non-Departmental expenditures increased by \$0.8 million because of utilization of the county's COVID-19 contingency funds that were budgeted in 2021. The contingency was established to cover any services deemed necessary as part of the county's response to the coronavirus pandemic that were in excess of grant dollars available. Testing expenditures in excess of available grant dollars represented the largest use of these contingency dollars in 2021.

Roads Special Revenue Fund – The Roads Special Revenue Fund is used to account for the activities at the Department of Roads. A year-to-year comparison of revenues by source and expenditures by function is presented below:

Department of Roads Revenue By Source and Expenditures By Function

	2020	2021	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Licenses and permits	\$ 869,570	\$ 1,026,556	\$ 156,986	18.05%
Federal and state grants	96,323,294	109,151,683	12,828,389	13.32%
Charges for services	12,484,357	13,858,344	1,373,987	11.01%
Interest and rents	1,675,989	351,373	(1,324,616)	-79.03%
Other revenue	694,196	572,656	(121,540)	-17.51%
Total revenues	112,047,406	124,960,612	12,913,206	11.52%
Expenditures				
Current				
Public works	95,566,939	98,675,258	3,108,319	3.25%
Capital outlay	9,944,928	4,252,799	(5,692,129)	-57.24%
Debt service				
Principal	154,612	160,265	5,653	3.66%
Interest and fees	18,962	15,728	(3,234)	-17.06%
Total expenditures	105,685,441	103,104,050	(2,581,391)	-2.44%
Net change in fund balance	\$ 6,361,965	\$ 21,856,562	\$ 15,494,597	243.55%

Revenues increased by \$12.9 million, or 11.5%, as a result of increased federal and state grant revenues. Michigan Transportation Fund distributions were \$5.4 million higher in 2021, mainly as a result of more gas tax collections around the state as a result of increased gasoline usage as compared to 2020. The Roads department also received \$7.0 million in additional federal funding related to the Innovate Mound and 23 Mile Road Widening projects. Expenditures decreased by \$2.6 million, mainly because of less capital outlay expenditures in 2021 (a decrease of \$5.7 million). The Roads Department completed its Vehicle Maintenance Facility in 2020, and no similar projects occurred in 2021.

Coronavirus Response Special Revenue Fund – The Coronavirus Response Special Revenue Fund is used to account for the revenues and expenditures related to the county's use of federal and state grant programs related to coronavirus

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

response activities, such as small business grant programs, COVID testing and vaccination efforts, as well as county building retrofits and purchasing of personal protective equipment.

The majority of spending in this fund was funded with direct funding from the Federal government's Coronavirus Relief Fund, as enabled by the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The county received \$152,501,374 under the CARES Act, which was spent mostly from the Coronavirus Response Fund as well as the General Fund. Under the CARES Act, funding may only be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020, and (3) were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021. The county also accounted for two COVID-related grants received from the state in the Coronavirus Relief Fund. The county received \$7,188,976 from the Michigan Economic Development Corporation for the purpose of issuing grants to small businesses with increased costs incurred as a result of the COVID-19 pandemic. The county also received \$537,000 from the Michigan Treasury under the First Responder Hazard Pay Premiums Program (FRHPPP).

At December 31, 2021, all funding under these programs was either expended or obligated. A year-to-year comparison of General Fund revenues by source and expenditures by function is presented below:

Coronavirus Response Fund Revenue By Source and Expenditures By Function

	2020	2021	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Federal and state grants	\$ 111,858,464	\$ 25,787,212	\$ (86,071,252)	-76.95%
Charges for services	464,500	22,986	(441,514)	-95.05%
Interest and rents	177,665	18,791	(158,874)	-89.42%
Other revenue	-	3,036	3,036	100.00%
Total revenues	112,500,629	25,832,025	(86,668,604)	-77.04%
Expenditures				
Current				
Health and welfare	52,217,012	20,185,049	(32,031,963)	-61.34%
Community and economic development	45,506,382	5,081,313	(40,425,069)	-88.83%
Capital outlay	9,139,672	2,579,918	(6,559,754)	-71.77%
Total expenditures	106,863,066	27,846,280	(38,591,717)	-36.11%
Net change in fund balance	\$ 5,637,563	\$ (2,014,255)	\$ (48,076,887)	-852.80%

Revenues decreased by \$86.0 million, or 77.0%, in 2021 as the Coronavirus Relief Fund award was fully spent, liquidating funding not yet obligated at the end of 2020. Expenditures decreased by \$38.6 million, or 36.1%, as there was less funding available for eligible activities. The remaining fund balance at December 31, 2021 of \$3,623,308 is nonspendable fund balance and represents the fund's remaining personal protective equipment (PPE) inventory.

Community Action Agency Special Revenue Fund – The Community Action Agency Special Revenue Fund is used to account for a wide array of services to residents of the county, including, but not limited to, the Emergency Rental Assistance program, Meals on Wheels, senior citizens nutrition, income tax preparation for the elderly, transportation services, home injury control, household weatherization improvements and Head Start.

The fund became a major fund in 2021 because it is used to account for the county's Emergency Rental Assistance (ERA) award from the United States Treasury. The county received two awards from the United States Treasury, commonly referred to as ERA1 and ERA2. ERA1 was established under the Consolidated Appropriations Act of 2021 enacted on December 27, 2020, while ERA2 was established as part of the American Rescue Plan Act of 2021, enacted on March 11,

Macomb County, Michigan

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2021. Additionally, the county received pass-thru funding from the Michigan State Housing Development Authority (MSHDA).

The table below details the financial status of each program as of September 30, 2021:

	ERA1	ERA2	MSHDA	Total, All ERA Programs
Funding Received	\$ 26,077,994	\$ 10,422,557	\$ 8,278,383	\$ 44,778,934
Expended	14,923,017	-	4,560,435	19,483,452
Unearned / Unspent as of September 30, 2021	\$ 11,154,977	\$ 10,422,557	\$ 3,717,948	\$ 25,295,482

A year-to-year comparison of General Fund revenues by source and expenditures by function is presented below:

Community Action Agency Revenue By Source and Expenditures By Function

	2020	2021	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Federal and state grants	\$ 22,765,558	\$ 46,216,981	\$ 23,451,423	103.01%
Other grants	-	100,000	100,000	100.00%
Charges for services	2,028,708	2,864,414	835,706	41.19%
Other revenue	403,826	145,120	(258,706)	-64.06%
Transfers in	3,710,401	3,883,457	173,056	4.66%
Total revenues	28,908,493	53,209,972	24,301,479	84.06%
Expenditures				
Current				
Health and welfare	27,744,389	51,777,051	24,032,662	86.62%
Capital outlay	733,389	947,031	213,642	29.13%
Transfers out	-	2,075	2,075	100.00%
Total expenditures	28,477,778	52,726,157	24,248,379	85.15%
Net change in fund balance	\$ 430,715	\$ 483,815	\$ 53,100	12.33%

As noted previously, both revenues and expenditures significantly increased in 2021 because of the addition of the Emergency Rental Assistance program.

American Rescue Plan Act Fund – The American Rescue Plan Act Capital Project Fund is used to account for the revenues and expenditures related to the county's use of its allocation of funding from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan. Under this program, governments are provided with resources needed to fight the pandemic and support families and businesses struggling with its public health and economic impacts, maintain vital public services, even amid declines in revenue resulting from the crisis, and build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

SLFRF funds may be spent to (1) replace lost public sector revenue, (2) respond to the far-reaching public health and negative economic impacts of the pandemic, (3) provide premium pay for essential workers, and (4) invest in water, sewer,

MANAGEMENT'S DISCUSSION AND ANALYSIS

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and broadband infrastructure. Funds distributed under the program must be obligated by December 31, 2024 and expended by December 31, 2026.

Under this program, the county received \$84,879,408 in August 2021 and will receive a second tranche in August 2022 for an equal amount, bringing the anticipated award to \$169,758,816. As of December 31, 2021, no funding under this program was expended.

FINANCIAL ANALYSIS OF THE COUNTY'S NON-MAJOR GOVERNMENTAL FUNDS

The fund balances of the county's nonmajor governmental funds were approximately \$44.9 million at year-end, a decrease of approximately \$12.4 million over the prior year. The decrease consists of an increase of \$2.3 million in the special revenue funds, a decrease of \$12.3 million in the debt service fund, and a decrease of \$2.4 million in the capital projects funds.

While the objective of many of the special revenue funds is to break even on an annual basis or over the period of a multi-year grant, the small increases or decreases experienced in these funds are often the result of the timing of payments from grant agencies, such as the state or federal government. The capital project funds experienced a decrease of \$2.4 million in 2021 because of planned capital projects reducing the General County Capital Projects Fund by \$3.4 million, offset by increases in fund balance in other capital project funds. The fund balance of the debt service fund decreased by \$12.3 million, which was mainly driven by the early retirement of the Series 2012 Public Works / Warehouse Refunding Bonds, and the Series 2012A 800Mhz / New Baltimore Court Refunding Bonds.

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR PROPRIETARY FUNDS

Delinquent Tax Revolving Fund – Virtually all of the local units of government in the county, including the county itself, levy their property taxes on July 1 of each year and unpaid taxes are considered delinquent March 1 of the following year. The county, through its Delinquent Tax Revolving Fund, purchases the delinquent taxes from the local units each year and thus becomes entitled to the interest and penalties on the delinquent balances. A year-to-year comparison of Delinquent Tax Revolving Fund revenues and expenses is presented below:

Delinquent Tax Revolving Fund Revenue By Source and Expenditures By Function

	2020	2021	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Charges for services	\$ 10,184,271	\$ 10,313,922	\$ 129,651	1.27%
Investment income	981,758	194,591	(787,167)	-80.18%
Total revenues	11,166,029	10,508,513	(657,516)	-5.89%
Expenses				
Wages and fringe benefits	467,756	488,092	20,336	4.35%
Contractual services	107,124	111,954	4,830	4.51%
Supplies and services	1,329,685	1,440,020	110,335	8.30%
Transfers out	8,000,000	8,001,402	1,402	0.02%
Total expenditures	9,904,565	10,041,468	136,903	1.38%
Change in net position	\$ 1,261,464	\$ 467,045	\$ (794,419)	-62.98%

Revenues decreased by \$0.7 million, or 5.9% mainly as a result of a \$0.8 million decrease in investment income, which was the result of decreasing interest rates in 2021 as compared to 2020. Expenses increased by \$0.1 million, or 1.4%, as a result of supplies and services increasing by \$0.1 million. In 2020, there were fewer foreclosures, which resulted in fewer expenditures.

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Community Mental Health – The Community Mental Health Department delivers a variety of services to residents and their families throughout the county.

A year-to-year comparison of Community Mental Health revenues and expenses is presented below.

Community Mental Health Fund Revenue By Source and Expenditures By Function

	2020	2021	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Federal and state grants	\$ 16,354,074	\$ 17,739,601	\$ 1,385,527	8.47%
Charges for services	206,228,830	208,960,642	2,731,812	1.32%
Other	385,207	107,477	(277,730)	-72.10%
Investment income	518,472	190,731	(327,741)	-63.21%
Transfers in	6,906,868	7,074,279	167,411	2.42%
Total revenues	230,393,451	234,072,730	3,679,279	1.60%
Expenses				
Wages and fringe benefits	21,131,339	20,455,305	(676,034)	-3.20%
Contractual services	177,890,585	185,620,565	7,729,980	4.35%
Utilities	376,358	443,021	66,663	17.71%
Repairs and maintenance	18,011	17,264	(747)	-4.15%
Supplies and services	13,699,644	16,120,137	2,420,493	17.67%
Depreciation	1,885	18,810	16,925	897.88%
Total expenditures	213,117,822	222,675,102	9,557,280	4.48%
Change in net position	\$ 17,275,629	\$ 11,397,628	\$ (5,878,001)	-34.02%

Community Mental Health is funded primarily by Medicare and Medicaid. Revenues increased by \$3.7 million as a result of additional expenses, specifically, contractual services. Expenses increased by \$9.6 million, mainly as a result of additional services provided via contractual services and supplies and services.

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Freedom Hill Park – The Freedom Hill Park serves as a recreational facility for use by all county residents and is used as a concert and festival venue. A year-to-year comparison of Freedom Hill Park revenues is presented below.

Freedom Hill Park Fund Revenue By Source and Expenditures By Function

	2020	2021	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Charges for services	\$ 208,951	\$ 273,649	\$ 64,698	30.96%
Other	-	4,280	4,280	100.00%
Transfers in	120,638	52,922	(67,716)	-56.13%
Total revenues	329,589	330,851	1,262	0.38%
Expenses				
Wages and fringe benefits	84,260	87,892	3,632	4.31%
Contractual services	64,350	-	(64,350)	-100.00%
Utilities	59,590	98,974	39,384	66.09%
Repairs and maintenance	74,541	68,088	(6,453)	-8.66%
Supplies and services	45,896	75,897	30,001	65.37%
Depreciation	137,333	137,333	-	0.00%
Total expenditures	465,970	468,184	2,214	0.48%
Change in net position	<u>\$ (136,381)</u>	<u>\$ (137,333)</u>	<u>\$ (952)</u>	<u>0.70%</u>

Total revenue increased by \$1,262. The nearly identical total revenues compared to 2020 was caused by an increase in charges for services as a result of increased events held at Freedom Hill in 2021. Offsetting the increase, the General Fund sent the Freedom Hill Park fund less funding.

Expenses increased by \$2,214. Utilities, along with supplies and services, increased as a result of the park being used for more events in 2021. In 2020, the county had reconciled accounts payable activity between the park and a vendor, which was not repeated in 2021, resulting in the \$64,350 decrease to contractual services.

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GENERAL FUND BUDGETARY HIGHLIGHTS

The budget for the General Fund has historically been adopted by the Board of Commissioners in December of the prior year but may be adopted earlier if so desired. It may be amended from time to time throughout the year to reflect changing operational circumstances. A comparison of budgeted and actual revenues is presented below:

General Fund Revenues - Budgetary Comparison Schedule

	Original Budget	Final Amended Budget	Actual	Variance, Favorable (Unfavorable)	
				\$ Difference	% Difference
Revenues					
Property taxes	\$ 133,919,000	\$ 133,919,000	\$ 134,142,878	\$ 223,878	0.17%
Licenses and permits	1,394,800	1,394,800	1,643,799	248,999	17.85%
Federal and state grants	37,113,100	37,115,842	41,325,217	4,209,375	11.34%
Charges for services	42,484,100	42,584,100	44,535,856	1,951,756	4.58%
Charges to other funds for administrative services	13,414,300	13,577,481	13,275,462	(302,019)	-2.22%
Fines and forfeitures	590,000	590,000	496,813	(93,187)	-15.79%
Interest and rents	2,426,500	2,426,500	2,275,205	(151,295)	-6.24%
Other revenue	78,600	78,600	112,988	34,388	43.75%
Transfers in	8,000,000	8,151,241	8,151,241	-	0.00%
Total revenues	\$ 239,420,400	\$ 239,837,564	\$ 245,959,459	\$ 6,121,895	2.55%

The federal and state grants favorable variance of \$4.2 million was primarily the result of higher than budgeted personal property tax reimbursement distributions from the Local Community Stabilization Authority (LCSA). The LCSA distributes funds based on use tax collections and is required to send the county an amount equal to the county's qualified loss as calculated under Public Act 86 of 2014, as amended. When use tax collections allow, the LCSA distributes qualified loss reimbursements in excess of 100% of the calculated PPT reimbursement. In 2021, this amounted to \$4.7 million. Because these payments are not statutorily guaranteed, the county only budgets for 100% of its qualified loss, so the \$4.7 million excess amount was not budgeted and is instead utilized in one-time capital project funding plans in subsequent years' budgets.

The charges for services favorable variance of \$2.0 million was primarily the result of higher than budgeted real estate transfer tax collections (\$2.9 million more than budgeted) and recording fees (\$1.2 million more than budgeted). Collections exceeded budget because of a robust housing market, which produced higher sales numbers and higher prices on homes sold, which favorably impacted real estate transfer tax collections. Additionally, a still favorable interest rate environment meant a surge in mortgage refinances, which favorably impacted recording fees. Offsetting this were decreases in road patrol in the amount of \$0.7 million, which was because of a delayed payment from a local community that was not received until far after the county's 60-day revenue recognition rule. Additionally, certain charges for services still performed lower than budgeted because of the partial year operational impacts of COVID-19 in 2021. Examples of such services were inmate housing in the county jail (\$0.5 million lower than budgeted), and fees charged by the circuit court (\$0.4 million lower than budgeted).

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A comparison of budgeted and actual expenditures is presented below and on the following pages.

General Fund Expenditures - Budgetary Comparison Schedule

Expenditures	Original Budget	Final Amended Budget	Actual	\$ Unused	% Utilized
Current					
Legislative					
Board of commissioners	\$ 1,756,400	\$ 1,664,364	\$ 1,476,642	\$ 187,722	88.72%
Judicial					
Circuit court	8,705,300	8,438,038	7,634,299	803,739	90.47%
District court - 3rd class	19,000	19,000	2,185	16,815	11.50%
District court - New Baltimore	1,451,700	1,402,867	1,357,589	45,278	96.77%
District court - Romeo	1,325,700	1,277,361	1,173,134	104,227	91.84%
Family counseling	70,300	69,754	44,894	24,860	64.36%
Family court - Juvenile division	6,036,200	5,916,415	5,828,740	87,675	98.52%
Jury commission	160,900	160,900	158,158	2,742	98.30%
Law library	9,600	9,600	8,131	1,469	84.70%
Probate court	3,349,700	3,257,464	3,233,716	23,748	99.27%
Probation - Circuit court	135,300	135,300	94,399	40,901	69.77%
Prosecuting attorney	10,964,500	10,680,053	10,446,665	233,388	97.81%
Total judicial	32,228,200	31,366,752	29,981,910	1,384,842	95.59%
General government					
Building authority	500	500	210	290	42.00%
County clerk	5,209,900	5,140,747	4,876,018	264,729	94.85%
County executive	1,790,800	1,744,693	1,593,499	151,194	91.33%
Corporation counsel	1,179,600	1,168,296	1,164,711	3,585	99.69%
Elections	328,500	585,022	384,371	200,651	65.70%
Ethics board	4,700	4,700	470	4,230	10.00%
Equalization	1,029,700	1,003,818	972,546	31,272	96.88%
Facilities and operations	17,239,700	16,916,227	14,612,829	2,303,398	86.38%
Finance	2,362,100	2,324,625	2,243,107	81,518	96.49%
Human resources	2,665,400	2,606,686	2,499,183	107,503	95.88%
Information technology	11,016,700	10,886,125	9,255,329	1,630,796	85.02%
MSU extension	989,700	959,029	919,135	39,894	95.84%
Purchasing	1,400,900	1,348,825	1,203,298	145,527	89.21%
Register of deeds	1,921,200	1,837,546	1,715,970	121,576	93.38%
Treasurer	2,348,700	2,283,459	2,217,519	65,940	97.11%
Total general government	49,488,100	48,810,298	43,658,195	5,152,103	89.44%
Public safety					
Civil service commission	48,500	48,500	22,571	25,929	46.54%
Emergency management	1,351,500	1,314,982	1,258,075	56,907	95.67%
Sheriff department	78,596,600	76,623,174	75,764,916	858,258	98.88%
Total public safety	79,996,600	77,986,656	77,045,562	941,094	98.79%

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General Fund Expenditures - Budgetary Comparison Schedule (concluded)

Expenditures (concluded)	Original Budget	Final Amended Budget	Actual	\$ Unused	% Utilized
Current (concluded)					
Public works	\$ 7,071,800	\$ 6,810,084	\$ 6,917,145	\$ (107,061)	101.57%
Health and welfare					
Animal shelter	2,068,000	1,983,941	1,830,213	153,728	92.25%
Health & community services	281,800	214,319	111,922	102,397	52.22%
Health department	16,935,800	15,904,204	14,066,050	1,838,154	88.44%
Social services	56,500	56,500	49,209	7,291	87.10%
Total health and welfare	19,342,100	18,158,964	16,057,394	2,101,570	88.43%
Community and economic development					
Planning and economic development	3,588,000	3,455,155	3,114,739	340,416	90.15%
Other current operations					
Non-departmental appropriations	3,435,600	3,547,942	1,902,318	1,645,624	53.62%
Vacant position turnover factor	(5,107,400)	-	-	-	0.00%
Total other current operations	(1,671,800)	3,547,942	1,902,318	1,645,624	53.62%
Capital outlay	10,860,200	8,112,454	1,901,600	6,210,854	23.44%
Transfers out	36,557,100	40,123,995	40,049,295	74,700	99.81%
Total expenditures	<u>\$ 239,216,700</u>	<u>\$ 240,036,664</u>	<u>\$ 222,104,800</u>	<u>\$ 17,931,864</u>	<u>92.53%</u>

The total budget for the General Fund was increased by \$0.8 million during the year, and the fund experienced a \$17.9 million favorable variance between the final amended budget (\$240.0 million) and actual expenditures (\$222.1 million).

Budget amendments spreading the \$5.1 million vacant position turnover factor had a small impact on most department budgets.

The \$6.2 million favorable variance in the capital outlay budget was the result of fewer capital projects being started than planned in 2021. The \$1.8 million favorable variance in the Health Department budget was the result of budgeting for normal operations, and while non-COVID-19 service levels increased over 2020, they did not return to pre-pandemic levels in 2021. The \$1.6 million favorable variance in the facilities and operations budget was mainly the result of utility budgets in excess of actual usage as many departments worked remotely on at least a hybrid basis during 2021. The \$1.6 million favorable variance in the information technology budget was mainly the result of the department using \$1.3 million less than budgeted for equipment maintenance agreements.

GENERAL FUND BUDGET PERFORMANCE

The county's administration benchmarks budget performance with the following goals. For revenues, the county seeks final collections of revenues to be within five percent of the final amended revenue budget. For expenditures, the county seeks final utilization of the expenditure budget to be equal to or no less than 95 percent of the final amended expenditure budget, excluding capital outlay and related transfers out. General Fund budgetary performance was strong in 2021, with revenue within desired county benchmarks, and expenditures just off desired county benchmarks.

When evaluating expenditure budget performance of the General Fund, it is necessary to exclude capital outlay and related transfers out as these line items vary significantly from the budget depending the status of capital projects being funded from these budgets. Since 2019, the county has funded the entire capital project in the year the project is approved by the Board of Commissioners. Prior to 2019, transfers from the General Fund to the Capital Project funds were requested as work was completed and invoices came due. Both methods have historically created large variances between budgeted expenditures in capital outlay and transfers out as compared to actual expenditures, which has been driven historically by

MANAGEMENT'S DISCUSSION AND ANALYSIS

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the timing of projects, and the availability of contractors to perform the projects, which can delay the start date and the progress of the capital projects.

Based on county administration benchmarks and expenditure definitions described above, the county has achieved its budget performance goals in each of the past six years for revenues and in four out of the past six years for expenditures.

Excluding capital outlay and capital-related transfers out, the General Fund experienced total expenditures that were \$11.7 million less than the final amended General Fund Budget. This represented total budget utilization of 94.88%. The General Fund experienced total revenue collections, excluding transfers in, that were \$6.1 million more than the final amended General Fund Budget. This represented a total collection of budgeted revenues equal to 102.64%.

Below is a chart showing the budget performance of the General Fund since 2015, measured by utilization of budgeted expenditures (less capital outlay and related transfers out) and collection of budgeted revenues.

General Fund Budget Performance, 2015 - 2021

Year	Collection of Budgeted Revenues	Utilization of Budgeted Expenditures
2021	102.64%	94.88%
2020	97.32%	94.87%
2019	100.11%	98.28%
2018	102.48%	99.93%
2017	103.48%	98.64%
2016	102.67%	98.24%
2015	100.00%	92.04%

Finally, General Fund revenues exceeded expenditures by \$23.9 million for the year ended December 31, 2021, and actual expenditures, when including capital outlay and related transfers out, were \$17.9 million less than final budgeted expenditures. Unassigned fund balance was \$91.3 million or 41.1% of 2021 General Fund expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The county categorizes its capital assets as follows: land, land improvements, buildings and improvements, machinery, equipment and vehicles, infrastructure and construction in progress. At year-end, the county's investment in capital assets, net of accumulated depreciation, was \$1.1 billion for governmental activities and \$1.3 million for business-type activities as shown on the following page.

Macomb County Capital Assets Summary Schedule
(reported net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2020	2021	2020	2021	2020	2021
Land	\$ 206,518,693	\$ 206,270,896	\$ 50,000	\$ 50,000	\$ 206,568,693	\$ 206,320,896
Land improvements	4,516,576	4,048,694	299,050	274,484	4,815,626	4,323,178
Buildings and improvements	211,350,559	200,189,431	1,020,798	916,198	212,371,357	201,105,629
Machinery, equipment and vehicles	19,427,330	21,592,645	35,949	90,212	19,463,279	21,682,857
Infrastructure	625,227,171	644,107,801	-	-	625,227,171	644,107,801
Construction in progress	17,572,112	21,106,564	-	-	17,572,112	21,106,564
Total assets	\$ 1,084,612,441	\$ 1,097,316,031	\$ 1,405,797	\$ 1,330,894	\$ 1,086,018,238	\$ 1,098,646,925

Additional information regarding the county's capital assets can be found in Note 5 to the basic financial statements.

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Long-term debt. The county's total long-term debt was \$244.1 million at December 31, 2021. All outstanding obligations are backed by the full faith and credit of the county. The components of the total liability are presented below.

Macomb County Long-Term Debt - Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Total bonded debt and loans					
Governmental activities	\$ 233,104,371	\$ -	\$ 25,123,600	\$ 207,980,771	\$ 15,480,669
Business-type activities	38,207,620	-	2,101,665	36,105,955	2,150,018
Total bonded debt and loans	<u>\$ 271,311,991</u>	<u>\$ -</u>	<u>\$ 27,225,265</u>	<u>\$ 244,086,726</u>	<u>\$ 17,630,687</u>

The general obligation bonds of the county are rated **AA+** by Standard & Poor's and **Aa1** by Moody's Investor Services. State statute limits the total amount of general obligation debt of the county to 10% of the assessed value of all property in the county. Assessed value is generally 50% of true market value. Management, however, believes that the taxable value of all property in the county is a more practical and conservative base on which to base the calculation of the county's debt limit. The taxable value of all property in the county as of December 31, 2021 was \$31.0 billion. After adjustments as shown on page E-16, the county's debt limitation was \$2.9 billion at year-end. The county's outstanding debt of \$244.1 million at year end, of which \$241.8 million was subject to the debt limit, was well below the limit based on either assessed or taxable value.

Additional information regarding the long-term obligations of the county may be found in Note 6 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered when developing the 2022 budget:

Property values were projected to increase 5% in 2022.

Wage cost increases, as an average across the county, of approximately 2% were factored into the 2022 budget.

Health care costs are anticipated to increase 4% for employees and 8% for retirees in 2022.

Market interest rates in 2022 are expected to increase from 2021 levels.

CONTACTING THE COUNTY FINANCE DEPARTMENT

This financial report is designed to provide citizens, taxpayers, investors, creditors and others with a general overview of the finances of the county. Questions concerning any information contained in this report or requests for additional information should be addressed to the attention of the Finance Director at the following address: Macomb County Finance Department, 120 North Main Street, 2nd Floor, Mount Clemens, Michigan 48043. Requests can also be made by phone at 586-469-5250.

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STATEMENT OF NET POSITION

December 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and pooled investments	\$ 438,969,417	\$ 272,962,000	\$ 711,931,417	\$ 76,310,374
Restricted cash	-	-	-	2,883,084
Investments, at fair value	257,731,997	54,136,476	311,868,473	-
Receivables				
Property taxes, net	5,883,599	25,412,755	31,296,354	-
Accrued interest	301,260	105,485	406,745	-
Trade accounts, net	17,988,820	5,296,869	23,285,689	12,508,024
Special assessments	-	-	-	291,728,161
Inventories	8,162,553	-	8,162,553	-
Due from other governments	35,618,643	7,949,865	43,568,508	9,955,012
Due from component units	16,738,238	-	16,738,238	-
Internal balances	(1,572,729)	2,350,424	777,695	-
Due from fiduciary funds	10,534,973	-	10,534,973	-
Other assets	6,524,305	1,743,448	8,267,753	1,978,485
Capital assets, net				
Assets not being depreciated	227,377,460	50,000	227,427,460	22,155,481
Assets being depreciated	869,938,571	1,280,894	871,219,465	336,204,728
Net pension asset	218,684,557	16,666,438	235,350,995	9,669,160
Net other post-employment benefits asset	28,327,976	-	28,327,976	-
TOTAL ASSETS	2,141,209,640	387,954,654	2,529,164,294	763,392,509
DEFERRED OUTFLOWS OF RESOURCES				
Related to asset retirement obligations	655,237	-	655,237	-
Related to pension	2,282,544	174,436	2,456,980	86,357
Related to other post-employment benefits	57,750,003	11,574,036	69,324,039	3,817,915
Related to refunded debt	18,505,971	3,790,380	22,296,351	728,725
TOTAL DEFERRED OUTFLOWS OF RESOURCES	79,193,755	15,538,852	94,732,607	4,632,997
LIABILITIES				
Accounts payable and accrued liabilities	59,216,431	42,708,049	101,924,480	15,588,644
Accrued wages payable	3,887,098	605,954	4,493,052	540,668
Accrued interest payable	1,081,621	149,106	1,230,727	3,658,960
Due to other governments	2,661,652	89,557,675	92,219,327	1,244,208
Unearned revenue	113,480,659	-	113,480,659	6,520,779
Long-term liabilities				
Due within one year	20,494,513	2,350,018	22,844,531	21,400,047
Due within more than one year	212,960,667	35,258,221	248,218,888	317,311,359
Asset retirement obligations	1,000,000	-	1,000,000	-
Net other post-employment benefits liability	37,708,997	7,723,530	45,432,527	2,547,753
TOTAL LIABILITIES	452,491,638	178,352,553	630,844,191	368,812,418
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	2,027,037	-	2,027,037	-
Related to pension	158,703,052	12,128,372	170,831,424	6,004,309
Related to other post-employment benefits	168,362,015	30,294,473	198,656,488	9,993,207
TOTAL DEFERRED INFLOWS OF RESOURCES	329,092,104	42,422,845	371,514,949	15,997,516
NET POSITION				
Net investment in capital assets	1,065,824,305	1,330,894	1,067,155,199	139,246,974
Restricted for:				
Capital projects	131,438,511	-	131,438,511	26,456,150
Debt service	128,273	-	128,273	188,787,189
General government	4,141,507	-	4,141,507	-
Health and welfare	15,381,754	-	15,381,754	3,751,208
Planning and economic development	329,777	-	329,777	-
Judicial	1,403,692	-	1,403,692	-
Housing rehabilitation loans	8,091,889	-	8,091,889	-
Mental health and substance abuse	-	55,314,709	55,314,709	-
Public safety	2,535,381	-	2,535,381	-
Public works	-	-	-	39,413,198
Department of Roads liability insurance	6,307,757	-	6,307,757	-
Unrestricted (deficit)	203,236,807	126,072,505	329,309,312	(14,439,147)
TOTAL NET POSITION	\$ 1,438,819,653	\$ 182,718,108	\$ 1,621,537,761	\$ 383,215,572

See accompanying notes to the financial statements.

Macomb County, Michigan

STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
Legislative	\$ 1,239,991	\$ 53,275	\$ -	\$ -	\$ (1,186,716)
Judicial	42,028,215	5,529,322	17,360,239	-	(19,138,654)
General government	33,242,396	17,048,676	219,338	59,995	(15,914,387)
Public safety	76,184,493	23,889,724	4,309,813	2,914,658	(45,070,298)
Public works	59,761,130	18,635,119	-	109,151,683	68,025,672
Health and welfare	108,907,298	12,716,702	93,676,363	-	(2,514,233)
Community and economic development	7,366,368	1,301,396	5,645,885	-	(419,087)
Recreation and culture	123,939	40,583	-	-	(83,356)
Interest and fees on long-term debt	7,390,195	-	-	-	(7,390,195)
Total governmental activities	336,244,025	79,214,797	121,211,638	112,126,336	(23,691,254)
Business-type activities					
Delinquent tax collections	2,040,066	10,313,922	-	-	8,273,856
Community mental health	223,172,225	212,111,438	17,739,601	-	6,678,814
Freedom hill park	468,930	284,333	-	-	(184,597)
Interest and fees on long-term debt	1,174,768	-	-	-	(1,174,768)
Total business-type activities	226,855,989	222,709,693	17,739,601	-	13,593,305
Total primary government	\$ 563,100,014	\$ 301,924,490	\$ 138,951,239	\$ 112,126,336	\$ (10,097,949)
Component units					
Drainage districts	\$ 82,852,495	\$ 76,435,429	\$ -	\$ 1,896,751	\$ (4,520,315)
Martha T. Berry medical care facility	30,958,636	27,401,330	12,119,517	-	8,562,211
Workforce development board	24,069,651	12,168	24,084,537	-	27,054
Total component units	\$ 137,880,782	\$ 103,848,927	\$ 36,204,054	\$ 1,896,751	\$ 4,068,950
		Governmental Activities	Business-Type Activities	Total	Component Units
Changes in net position					
Net (expense) revenue from above		\$ (23,691,254)	\$ 13,593,305	\$ (10,097,949)	\$ 4,068,950
General revenues					
Property taxes		137,428,348	-	137,428,348	-
Intergovernmental revenues - unrestricted		32,518,306	-	32,518,306	-
Investment earnings		73,747,870	15,349,732	89,097,602	11,273,465
Transfers - internal activities		876,692	(874,201)	2,491	-
Extraordinary item - 2016 MIDD sinkhole settlement		-	-	-	-
Total general revenues and transfers		244,571,216	14,475,531	259,046,747	11,273,465
CHANGE IN NET POSITION		220,879,962	28,068,836	248,948,798	15,342,415
Net position, beginning of year		1,217,939,691	154,649,272	1,372,588,963	367,873,157
Net position, end of year		\$ 1,438,819,653	\$ 182,718,108	\$ 1,621,537,761	\$ 383,215,572

See accompanying notes to the financial statements.

Macomb County, Michigan

BALANCE SHEET – GOVERNMENTAL FUNDS

December 31, 2021

	Major Governmental Funds						
	General Fund	Special Revenue Funds			Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
		Road Fund (1)	Coronavirus Response Fund	Community Action Agency (1)	American Rescue Plan Act		
ASSETS							
Cash and pooled investments	\$ 71,410,717	\$ 151,734,544	\$ 1,705,369	\$ 26,032,740	\$ 84,879,408	\$ 48,776,173	\$ 384,538,951
Receivables							
Property taxes, net	3,967,180	-	-	-	-	1,916,419	5,883,599
Accrued interest	94,210	96,204	-	-	-	-	190,414
Trade accounts, net	4,884,408	2,755,889	-	1,530,861	-	8,470,992	17,642,150
Inventories	-	4,309,317	3,623,308	-	-	-	7,932,625
Due from other governments	13,372,292	9,020,795	213,730	1,951,030	-	10,667,960	35,225,807
Due from governmental funds	1,005,533	-	-	-	-	-	1,005,533
Due from proprietary funds	6,188,878	-	-	-	-	-	6,188,878
Due from component units	2,743,500	-	-	-	-	-	2,743,500
Due from fiduciary funds	10,534,973	-	-	-	-	-	10,534,973
Other assets	2,276,267	824,343	-	93,064	-	74,553	3,268,227
TOTAL ASSETS	\$ 116,477,958	\$ 168,741,092	\$ 5,542,407	\$ 29,607,695	\$ 84,879,408	\$ 69,906,097	\$ 475,154,657
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 3,472,255	\$ 40,255,244	\$ 1,912,582	\$ 1,497,706	\$ -	\$ 6,078,341	\$ 53,216,128
Accrued liabilities	729,836	-	-	-	-	52,472	782,308
Accrued compensation and benefits	2,053,471	716,414	6,517	216,142	-	894,554	3,887,098
Due to other governments	26,588	-	-	-	-	2,534,046	2,560,634
Due to governmental funds	-	-	-	-	-	1,683,843	1,683,843
Accrued workers compensation claims	-	70,274	-	-	-	-	70,274
Unearned revenue	-	-	-	25,296,182	84,879,408	3,305,069	113,480,659
TOTAL LIABILITIES	6,282,150	41,041,932	1,919,099	27,010,030	84,879,408	14,548,325	175,680,944
DEFERRED INFLOWS OF RESOURCES							
Property taxes levied in advance	-	-	-	-	-	2,027,037	2,027,037
Unavailable property taxes	2,251,677	-	-	-	-	-	2,251,677
Unavailable grants and other charges	11,658,482	1,938,808	-	353,795	-	8,432,443	22,383,528
TOTAL DEFERRED INFLOWS OF RESOURCES	13,910,159	1,938,808	-	353,795	-	10,459,480	26,662,242
FUND BALANCES							
Nonspendable	5,019,767	5,133,660	3,623,308	93,064	-	74,553	13,944,352
Restricted	-	120,626,692	-	2,150,806	-	26,618,590	149,396,088
Assigned	-	-	-	-	-	23,537,623	23,537,623
Unassigned	91,265,882	-	-	-	-	(5,332,474)	85,933,408
TOTAL FUND BALANCES	96,285,649	125,760,352	3,623,308	2,243,870	-	44,898,292	272,811,471
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 116,477,958	\$ 168,741,092	\$ 5,542,407	\$ 29,607,695	\$ 84,879,408	\$ 69,906,097	\$ 475,154,657

(1) - Balance Sheet as of September 30, 2021

See accompanying notes to the financial statements.

Macomb County, Michigan

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

December 31, 2021

Total fund balances for governmental funds \$ 272,811,471

Amounts reported for governmental activities in the government-wide statement of net position are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives.

Capital assets	
Land	\$ 206,270,896
Land improvements	11,691,774
Buildings and improvements	379,532,734
Machinery, equipment, and vehicles	105,303,412
Infrastructure	1,554,600,691
Construction in progress	21,106,564
Accumulated depreciation	<u>(1,181,915,899)</u>

Capital assets, net of accumulated depreciation 1,096,590,172

Internal service funds are used by management to charge the costs of certain activities such as insurance, compensated absences, workers' compensation, certain benefit-related debt service, and central inventory to individual governmental funds and business-type units. The assets and liabilities of the internal service funds that pertain to governmental funds are included in the governmental activities in the government-wide statement of net position. 7,411,474

Receivables not available to pay for current year expenditures are not recognized as revenue in the governmental funds but are recognized as revenue in the statement of net position. 24,635,205

Certain changes in pension plan net position are reported as deferred outflows and deferred inflows in the statement of net position, while reported as expenditures and revenues in the governmental funds.

Deferred inflows related to pension	(158,703,052)
Deferred outflows related to pension	2,282,544

Certain changes in net position related to asset retirement obligations are reported as deferred outflows in the statement of net position, but not reported within the governmental funds 655,237

Net pension asset is not available for use in the current year and is not reported in the governmental funds. 218,684,557

Certain changes in the Department of Roads' OPEB plan net position are reported as deferred outflows and deferred inflows in the statement of net position, while reported as expenditures and revenues in the governmental funds.

Deferred inflows related to other post-employment benefits	(20,453,707)
Deferred outflows related to other post-employment benefits	1,241,475

Net OPEB liability is not due and payable in the current year and is not reported in the governmental funds. 28,327,976

Asset retirement obligations are not due and payable in the current year and are not reported in the governmental funds. (1,000,000)

Long-term bonded debt is not due and payable in the current period and, therefore, is not reported in the governmental funds. However, bonded debt is recorded as long-term liabilities in the government-wide statement of net position. (31,491,726)

Accrued interest payable on long-term debt at year-end is not recorded in the governmental funds, but is recorded as a liability in the statement of net position. (352,789)

Accrued compensated absences not funded at year-end are not recorded in the governmental funds, but are recorded as a liability in the statement of net position. (1,788,272)

The noncurrent portion of accrued workers compensation losses are not recorded in the governmental funds, but are recorded as a liability in the statement of net position. (30,912)

Net position of governmental activities \$ 1,438,819,653

See accompanying notes to the financial statements.

Macomb County, Michigan

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Year Ended December 31, 2021

	Major Governmental Funds						Total Governmental Funds
	General Fund	Special Revenue Funds			Capital Project Fund	Nonmajor Governmental Funds	
		Road Fund (1)	Coronavirus Response Fund	Community Action Agency (1)	American Rescue Plan Act		
REVENUES							
Property taxes	\$ 134,142,878	\$ -	\$ -	\$ -	\$ -	\$ 2,859,495	\$ 137,002,373
Licenses and permits	1,643,799	1,026,556	-	-	-	493,074	3,163,429
Federal and state grants	41,325,217	109,151,683	25,787,212	46,216,981	-	41,899,825	264,380,918
Other grants	-	-	-	100,000	-	477,366	577,366
Charges for services	44,535,856	13,858,344	22,986	2,864,414	-	9,006,621	70,288,221
Charges to other funds for administrative services	13,275,462	-	-	-	-	-	13,275,462
Fines and forfeitures	496,813	-	-	-	-	312,740	809,553
Interest and rents	2,275,205	351,373	18,791	-	-	6,060	2,651,429
Other revenue	112,988	572,656	3,036	145,120	-	2,532,474	3,366,274
TOTAL REVENUES	237,808,218	124,960,612	25,832,025	49,326,515	-	57,587,655	495,515,025
EXPENDITURES							
Current							
Legislative	1,476,642	-	-	-	-	-	1,476,642
Judicial	29,981,910	-	-	-	-	19,071,138	49,053,048
General government	43,658,195	-	-	-	-	1,198,242	44,856,437
Public safety	77,045,562	-	-	-	-	8,764,986	85,810,548
Public works	6,917,145	98,675,258	-	-	-	27,474	105,619,877
Health and welfare	16,057,394	-	20,185,049	51,777,051	-	38,777,698	126,797,192
Community and economic development	3,114,739	-	5,081,313	-	-	594,966	8,791,018
Recreational and cultural	-	-	-	-	-	75,120	75,120
Other	1,902,318	-	-	-	-	-	1,902,318
Capital outlay	1,901,600	4,252,799	2,579,918	947,031	-	7,447,606	17,128,954
Debt service							
Principal	-	160,265	-	-	-	14,690,000	14,850,265
Interest and fees	-	15,728	-	-	-	1,359,399	1,375,127
TOTAL EXPENDITURES	182,055,505	103,104,050	27,846,280	52,724,082	-	92,006,629	457,736,546
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	55,752,713	21,856,562	(2,014,255)	(3,397,567)	-	(34,418,974)	37,778,479
OTHER FINANCING SOURCES (USES)							
Transfers in	8,151,241	-	-	3,883,457	-	23,214,474	35,249,172
Transfers out	(40,049,295)	-	-	(2,075)	-	(1,209,548)	(41,260,918)
TOTAL OTHER FINANCING SOURCES (USES)	(31,898,054)	-	-	3,881,382	-	22,004,926	(6,011,746)
NET CHANGE IN FUND BALANCES	23,854,659	21,856,562	(2,014,255)	483,815	-	(12,414,048)	31,766,733
Fund balances, beginning of year	72,430,990	103,903,790	5,637,563	1,760,055	-	57,312,340	241,044,738
Fund balances, end of year	<u>\$ 96,285,649</u>	<u>\$ 125,760,352</u>	<u>\$ 3,623,308</u>	<u>\$ 2,243,870</u>	<u>\$ -</u>	<u>\$ 44,898,292</u>	<u>\$ 272,811,471</u>

(1) - Year ended September 30, 2021

See accompanying notes to the financial statements.

Macomb County, Michigan

RECONCILIATION OF THE CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

Net change in fund balances - total governmental funds	\$ 31,766,733
Amounts reported for governmental activities 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 capitalized and allocated over their estimated useful lives.	
Expenditures for capital assets	\$ 73,130,101
Current year depreciation expense	(60,162,952)
Net book value of assets disposed	<u>(52,984)</u>
	12,914,165
Revenues in the statement of activities that do not provide current financial resources are not recorded in the funds. In the current period these amounts consist of changes in unavailable resources.	1,320,936
Repayment of debt principal is recorded as an expenditure in the governmental funds, but is recorded as a reduction of long-term liabilities in the statement of net position.	14,850,265
Net pension asset and deferred inflows and outflows related to pension are reported in the statement of activities at the time it is earned or incurred, but not in the governmental funds until paid.	63,522,580
Net OPEB liability and deferred inflows and outflows related to the Department of Roads' OPEB plan are reported in the statement of activities at the time it is earned or incurred, but not in the governmental funds until paid.	18,834,183
Asset retirement obligations and deferred outflows related to those obligations are reported in the statement of activities at the time they are earned or incurred, but not in the governmental funds until paid.	(114,921)
Internal service funds are used by management to charge the costs of certain activities such as insurance, compensated absences, workers' compensation, certain benefit-related debt service, and central inventory to individual governmental funds and business-type units. The net income (loss) in those funds that is attributable to governmental funds is excluded from the statement of activities.	77,845,194
Some items 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. These activities consist of:	
(Increase) in compensated absences	(12,031)
Decrease in workers' compensation claims	24,417
(Increase) in accrued interest payable	<u>(71,559)</u>
	<u>(59,173)</u>
Change in net position of governmental activities	<u>\$ 220,879,962</u>

See accompanying notes to the financial statements.

Macomb County, Michigan

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

December 31, 2021

	Major Business-Type Activities - Enterprise Funds		Nonmajor Enterprise Fund	Enterprise Fund Totals	Internal Service Funds
	Delinquent Tax Revolving	Community Mental Health (1)	Freedom Hill Park		
ASSETS					
Current Assets					
Cash and pooled investments	\$ 100,467,064	\$ 171,467,271	\$ 429,317	\$ 272,363,652	\$ 55,028,814
Investments, at fair value	-	-	-	-	311,868,473
Receivables					
Property taxes, net	25,412,755	-	-	25,412,755	-
Accrued interest	82,782	-	-	82,782	133,549
Trade accounts, net	4,625,716	566,099	50,760	5,242,575	400,964
Inventories	-	-	-	-	229,928
Due from other governments	-	7,949,865	-	7,949,865	392,836
Due from component unit	-	-	-	-	13,994,738
Due from governmental funds	-	-	-	-	1,456,005
Due from fiduciary funds	-	-	-	-	-
Other assets	-	1,743,448	-	1,743,448	3,256,078
Total current assets	130,588,317	181,726,683	480,077	312,795,077	386,761,385
Noncurrent assets					
Capital assets, net					
Assets not being depreciated	-	-	50,000	50,000	-
Assets being depreciated	-	65,576	1,215,318	1,280,894	725,867
Net pension asset	-	16,666,438	-	16,666,438	-
Total noncurrent assets	-	16,732,014	1,265,318	17,997,332	725,867
TOTAL ASSETS	130,588,317	198,458,697	1,745,395	330,792,409	387,487,252
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	-	174,436	-	174,436	-
Related to other post-employment benefits	-	-	-	-	68,082,564
Related to refunded debt	-	-	-	-	22,296,351
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	174,436	-	174,436	90,378,915
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	1,571,150	41,017,607	87,406	42,676,163	5,249,881
Accrued wages payable	6,930	597,755	1,269	605,954	-
Accrued interest payable	-	-	-	-	877,946
Due to other governments	48,561	89,509,114	-	89,557,675	101,018
Due to governmental funds	-	-	-	-	6,188,878
Unearned revenue	-	-	-	-	-
Long-term liabilities due within one year	-	-	-	-	16,328,498
Total current liabilities	1,626,641	131,124,476	88,675	132,839,792	28,746,221
Noncurrent liabilities					
Long-term liabilities due in more than one year	-	-	-	-	221,353,737
Net other post-employment benefits liability	-	-	-	-	45,432,527
Total noncurrent liabilities	-	-	-	-	266,786,264
TOTAL LIABILITIES	1,626,641	131,124,476	88,675	132,839,792	295,532,485
DEFERRED INFLOWS OF RESOURCES					
Related to pension	-	12,128,372	-	12,128,372	-
Related to other post-employment benefits	-	-	-	-	178,202,781
TOTAL DEFERRED INFLOWS OF RESOURCES	-	12,128,372	-	12,128,372	178,202,781
NET POSITION					
Net investment in capital assets	-	65,576	1,265,318	1,330,894	725,867
Restricted for:					
Mental health and substance abuse	-	55,314,709	-	55,314,709	-
Department of Roads liability insurance	-	-	-	-	6,307,757
Unrestricted (deficit)	128,961,676	-	391,402	129,353,078	(2,902,723)
TOTAL NET POSITION	\$ 128,961,676	\$ 55,380,285	\$ 1,656,720	\$ 185,998,681	\$ 4,130,901
RECONCILIATION OF THE STATEMENT OF NET POSITION FOR PROPRIETARY FUNDS					
Total net position of enterprise funds / internal service funds				\$ 185,998,681	\$ 4,130,901
Add (subtract): Business-type equity in the net position of internal service funds				(3,280,573)	3,280,573
(1) - Year ended September 30, 2021				\$ 182,718,108	\$ 7,411,474
Net position reported in the government-wide statement of net position				\$ 182,718,108	\$ 7,411,474

See accompanying notes to the financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION – PROPRIETARY FUNDS

Year Ended December 31, 2021

	Major Business-Type Activities - Enterprise Funds	
	Delinquent Tax Revolving	Community Mental Health (1)
OPERATING REVENUES		
Federal and state grants	\$ -	\$ 17,739,601
Charges for services	10,313,922	208,960,642
Other	-	107,477
TOTAL OPERATING REVENUES	10,313,922	226,807,720
OPERATING EXPENSES		
Wages and fringe benefits	488,092	20,455,305
Contractual services	111,954	185,620,565
Utilities	-	443,021
Repairs and maintenance	-	17,264
Benefits and claims expenses	-	-
Supplies and services	1,440,020	16,120,137
Depreciation	-	18,810
TOTAL OPERATING EXPENSES	2,040,066	222,675,102
OPERATING INCOME (LOSS)	8,273,856	4,132,618
NONOPERATING REVENUES (EXPENSES)		
Investment income (expense)	194,591	190,731
Interest expense	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	194,591	190,731
NET INCOME (LOSS) BEFORE TRANSFERS	8,468,447	4,323,349
TRANSFERS		
Transfers in	-	7,074,279
Transfers out	(8,001,402)	-
NET TRANSFERS	(8,001,402)	7,074,279
CHANGE IN NET POSITION	467,045	11,397,628
Net position, beginning of year	128,494,631	43,982,657
Net position, end of year	<u>\$ 128,961,676</u>	<u>\$ 55,380,285</u>

(1) - Year ended September 30, 2021

Macomb County, Michigan

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION – PROPRIETARY FUNDS (CONCLUDED)

Year Ended December 31, 2021

	Nonmajor	Enterprise Fund	Internal Service
	Enterprise Fund		
	Freedom Hill Park	Totals	
OPERATING REVENUES			
Federal and state grants	\$ -	\$ 17,739,601	\$ -
Charges for services	273,649	219,548,213	85,336,631
Other	4,280	111,757	-
TOTAL OPERATING REVENUES	277,929	237,399,571	85,336,631
OPERATING EXPENSES			
Wages and fringe benefits	87,892	21,031,289	-
Contractual services	-	185,732,519	-
Utilities	98,974	541,995	-
Repairs and maintenance	68,088	85,352	-
Benefits and claims expenses	-	-	73,857,262
Supplies and services	75,897	17,636,054	4,787,120
Depreciation	137,333	156,143	318,280
TOTAL OPERATING EXPENSES	468,184	225,183,352	78,962,662
OPERATING INCOME (LOSS)	(190,255)	12,216,219	6,373,969
NONOPERATING REVENUES (EXPENSES)			
Investment income (expense)	-	385,322	88,042,568
Interest expense	-	-	(7,118,285)
TOTAL NONOPERATING REVENUES (EXPENSES)	-	385,322	80,924,283
NET INCOME (LOSS) BEFORE TRANSFERS	(190,255)	12,601,541	87,298,252
TRANSFERS			
Transfers in	52,922	7,127,201	8,216,881
Transfers out	-	(8,001,402)	(1,328,443)
NET TRANSFERS	52,922	(874,201)	6,888,438
CHANGE IN NET POSITION	(137,333)	11,727,340	94,186,690
Net position, beginning of year	1,794,053	174,271,341	(90,055,789)
Net position, end of year	<u>\$ 1,656,720</u>	<u>\$ 185,998,681</u>	<u>\$ 4,130,901</u>
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION TO THE STATEMENT OF ACTIVITIES OF BUSINESS-TYPE ACTIVITIES			
Change in net position		\$ 11,727,340	\$ 94,186,690
Add (subtract): Increase (decrease) in business-type activities' equity of internal service funds		16,341,496	(16,341,496)
Net income (loss) in the government-wide statement of activities		<u>\$ 28,068,836</u>	<u>\$ 77,845,194</u>

See accompanying notes to the financial statements.

Macomb County, Michigan

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

Year Ended December 31, 2021

	Major Business-Type Activities - Enterprise Funds	
	Delinquent Tax Revolving	Community Mental Health (1)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 58,797,853	\$ 229,369,591
Cash received from interfund services	-	-
Cash payments for delinquent taxes	(48,650,690)	-
Cash payments to employees and employee trusts	(615,532)	(25,248,469)
Cash payments to suppliers	(1,081,621)	(137,446,150)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	8,450,010	66,674,972
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal and interest paid on long-term debt	-	-
Transfers in	-	7,074,279
Transfers out	(8,001,402)	-
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	(8,001,402)	7,074,279
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	-	(81,240)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	234,618	212,922
Proceeds from sale and maturities of investment securities	-	-
Change in fair value of cash equivalents	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	234,618	212,922
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	683,226	73,880,933
Cash and pooled investments, beginning of year	99,783,838	97,586,338
Cash and pooled investments, end of year	<u>\$ 100,467,064</u>	<u>\$ 171,467,271</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 8,273,856	\$ 4,132,618
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	-	18,810
Changes in deferrals related to pension or OPEB	-	4,785,712
Changes in assets and liabilities:		
Taxes receivable	(50,729)	-
Accounts receivable	(66,294)	580,645
Inventory	-	-
Due from other governments	-	2,043,934
Due from component unit	-	-
Due from other funds	-	-
Due from fiduciary funds	-	-
Other assets	-	(100,128)
Accounts payable	358,399	692,198
Accrued employee benefits	(15,486)	81,565
Due to other governments	(49,736)	64,162,767
Due to other funds	-	-
Unearned revenue	-	(62,708)
Long term liabilities	-	-
Net pension or net OPEB liability	-	(9,660,441)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 8,450,010	\$ 66,674,972

(1) - Year ended September 30, 2021

See accompanying notes to the financial statements.

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Macomb County, Michigan

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONCLUDED)

Year Ended December 31, 2021

	Nonmajor Enterprise Fund		Internal Service Funds
	Freedom Hill Park	Enterprise Fund Totals	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 331,333	\$ 288,498,777	\$ -
Cash received from interfund services	-	-	83,021,548
Cash payments for delinquent taxes	-	(48,650,690)	-
Cash payments to employees and employee trusts	(91,311)	(25,955,312)	(61,920,753)
Cash payments to suppliers	(252,413)	(138,780,184)	(69,576,602)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(12,391)	75,112,591	(48,475,807)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Principal and interest paid on long-term debt	-	-	(17,957,592)
Transfers in	52,922	7,127,201	8,216,881
Transfers out	-	(8,001,402)	(1,328,443)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	52,922	(874,201)	(11,069,154)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(81,240)	(107,713)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	-	447,540	4,962,106
Proceeds from sale and maturities of investment securities	-	-	56,878,924
Change in fair value of cash equivalents	-	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	-	447,540	61,841,030
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	40,531	74,604,690	2,188,356
Cash and pooled investments, beginning of year	388,786	197,758,962	52,840,458
Cash and pooled investments, end of year	<u>\$ 429,317</u>	<u>\$ 272,363,652</u>	<u>\$ 55,028,814</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (190,255)	\$ 12,216,219	\$ 6,373,969
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	137,333	156,143	318,280
Changes in deferrals related to pension or OPEB	-	4,785,712	(3,223,004)
Changes in assets and liabilities:			
Taxes receivable	-	(50,729)	-
Accounts receivable	53,404	567,755	134,588
Inventory	-	-	(36,555)
Due from other governments	-	2,043,934	1,557,145
Due from component unit	-	-	891,650
Due from other funds	-	-	(935,116)
Due from fiduciary funds	-	-	4,400,951
Other assets	-	(100,128)	188,746
Accounts payable	(9,454)	1,041,143	1,716,253
Accrued employee benefits	(3,419)	62,660	-
Due to other governments	-	64,113,031	101,018
Due to other funds	-	-	(6,613,851)
Unearned revenue	-	(62,708)	-
Long term liabilities	-	-	2,590,578
Net pension or net OPEB liability	-	(9,660,441)	(55,940,459)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (12,391)	\$ 75,112,591	\$ (48,475,807)

See accompanying notes to the financial statements.

Macomb County, Michigan

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ASSETS		
Cash and pooled investments	\$ 89,723,601	\$ 9,644,295
Investments, at fair value		
Common stock	607,420,599	-
Preferred stock	1,563,755	-
Foreign stock	122,410,558	-
Limited partnership	343,102,412	-
Real estate investment trusts	49,314,150	-
Fixed income common collective trusts	161,847,888	-
Equity common collective trusts	427,963,626	-
Interest in pooled investment	102,683,701	-
	<hr/>	<hr/>
Total investments, at fair value	1,816,306,689	-
Receivables		
Accrued interest	5,844,732	-
Other	367,672	221,375
Due from primary government	5,700	-
Due from other governments	-	1,162,186
Other assets	70,610	-
	<hr/>	<hr/>
TOTAL ASSETS	1,912,319,004	11,027,856
LIABILITIES		
Accounts payable	1,808,183	2,612,945
Accrued compensation and benefits	5,478,865	-
Due to other governments	-	7,072,876
Due to primary government	10,534,973	-
	<hr/>	<hr/>
TOTAL LIABILITIES	17,822,021	9,685,821
NET POSITION		
Restricted for:		
Pension benefits	1,317,355,983	-
Other postemployment benefits	577,141,000	-
Individuals, organizations, and other governments	-	1,342,035
	<hr/>	<hr/>
	\$ 1,894,496,983	\$ 1,342,035
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See accompanying notes to the financial statements.

Macomb County, Michigan

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ADDITIONS		
Investment income (loss):		
Interest and dividends	\$ 33,168,187	\$ 798
Net change in fair value of investments	290,917,027	-
Less investment expenses	(10,697,821)	-
Net investment income (loss)	313,387,393	798
Contributions		
Employer	22,217,044	-
Employee	3,015,289	-
Contribution from Retiree Healthcare Intermediate Trust Fund	25,000,000	-
Total contributions	50,232,333	-
Tax collections for other governments	-	219,568,989
Tax adjustments collected from other governments	-	4,810,762
State funds collected for other governments	-	229,719
Forfeitures collected for other governments	-	406,664
Fee and fine collections for other governments	-	824,960
Real estate transfer taxes collected for other governments	-	48,044,318
Payments collected on behalf on others	-	4,524,322
Other collections	-	620,311
TOTAL ADDITIONS	363,619,726	279,030,843
DEDUCTIONS		
Benefit payments	94,164,900	-
Withdrawals and refunds of contributions	396,355	-
Tax collections disbursed to other governments	-	219,568,989
Tax adjustments disbursed to individuals	-	4,810,762
Forfeiture grants disbursed to other governments	-	76,610
Forfeiture proceeds disbursed to other governments	-	305,267
Fees and fines disbursed to other governments	-	824,960
Real estate transfer taxes disbursed to other governments	-	48,044,318
Payments disbursed to others	-	4,524,441
Administrative expenses	877,688	3,000
Other disbursements	-	502,984
TOTAL DEDUCTIONS	95,438,943	278,661,331
CHANGE IN NET POSITION	268,180,783	369,512
Net Position - beginning of year	1,626,316,200	972,523
Net Position - end of year	<u>\$ 1,894,496,983</u>	<u>\$ 1,342,035</u>

See accompanying notes to the financial statements.

Macomb County, Michigan

COMBINING STATEMENT OF NET POSITION – COMPONENT UNITS

December 31, 2021

	Drainage Districts (1)	Martha T. Berry Medical Care Facility	Workforce Development Board (2)	Total
ASSETS				
Cash and pooled investments	\$ 72,527,000	\$ 3,783,374	\$ -	\$ 76,310,374
Restricted cash	2,830,703	52,381	-	2,883,084
Receivables				
Trade accounts, net	9,465,332	3,042,467	225	12,508,024
Special assessments	291,728,161	-	-	291,728,161
Due from other governments	-	6,364,890	3,590,122	9,955,012
Other assets	1,365,461	425,170	187,854	1,978,485
Capital assets, net				
Assets not being depreciated	22,155,481	-	-	22,155,481
Assets being depreciated	330,662,182	5,542,546	-	336,204,728
Net pension asset	-	9,669,160	-	9,669,160
TOTAL ASSETS	730,734,320	28,879,988	3,778,201	763,392,509
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	-	86,357	-	86,357
Related to other post-employment benefits	-	3,817,915	-	3,817,915
Related to refunded debt	728,725	-	-	728,725
TOTAL DEFERRED OUTFLOWS OF RESOURCES	728,725	3,904,272	-	4,632,997
LIABILITIES				
Accounts payable and accrued liabilities	11,155,209	879,656	3,553,779	15,588,644
Accrued wages payable	-	403,109	137,559	540,668
Accrued interest payable	3,604,345	54,615	-	3,658,960
Due to other governments	-	1,213,914	30,294	1,244,208
Unearned revenue	6,520,779	-	-	6,520,779
Long-term liabilities				
Due within one year	20,038,134	1,361,913	-	21,400,047
Due within more than one year	301,783,613	15,527,746	-	317,311,359
Net other post-employment benefits liability	-	2,547,753	-	2,547,753
TOTAL LIABILITIES	343,102,080	21,988,706	3,721,632	368,812,418
DEFERRED INFLOWS OF RESOURCES				
Related to pension	-	6,004,309	-	6,004,309
Related to other post-employment benefits	-	9,993,207	-	9,993,207
TOTAL DEFERRED INFLOWS OF RESOURCES	-	15,997,516	-	15,997,516
NET POSITION				
Net investment in capital assets	133,704,428	5,542,546	-	139,246,974
Restricted for:				
Capital projects	26,456,150	-	-	26,456,150
Debt service	188,787,189	-	-	188,787,189
Public works	39,413,198	-	-	39,413,198
Health and welfare	-	3,751,208	-	3,751,208
Unrestricted (deficit)	-	(14,495,716)	56,569	(14,439,147)
TOTAL NET POSITION	\$ 388,360,965	\$ (5,201,962)	\$ 56,569	\$ 383,215,572

(1) - Balance Sheet as of September 30, 2021

(2) - Balance Sheet as of June 30, 2021

See accompanying notes to the financial statements.

Macomb County, Michigan

COMBINING STATEMENT OF ACTIVITIES – COMPONENT UNITS

Year Ended December 31, 2021

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Drainage Districts (1)					
Governmental activities					
Public works	\$ 72,505,006	\$ 76,435,429	\$ -	\$ 1,896,751	\$ 5,827,174
Interest and fees on long-term debt	10,347,489	-	-	-	(10,347,489)
Total Drainage Districts	82,852,495	76,435,429	-	1,896,751	(4,520,315)
Martha T. Berry Medical Care Facility					
Governmental activities					
Health and welfare	30,638,050	27,401,330	12,119,517	-	8,882,797
Interest and fees on long-term debt	320,586	-	-	-	(320,586)
Total Martha T. Berry Medical Care Facility	30,958,636	27,401,330	12,119,517	-	8,562,211
Workforce Development Board (2)					
Governmental activities					
Health and welfare	24,069,651	12,168	24,084,537	-	27,054
Total component units	\$ 137,880,782	\$ 103,848,927	\$ 36,204,054	\$ 1,896,751	\$ 4,068,950
		Drainage Districts (1)	Martha T. Berry Medical Care Facility	Workforce Development Board (2)	Total
Changes in net position					
Net (expense) revenue from above		\$ (4,520,315)	\$ 8,562,211	\$ 27,054	\$ 4,068,950
General revenues					
Investment earnings		11,273,465	-	-	11,273,465
CHANGE IN NET POSITION		6,753,150	8,562,211	27,054	15,342,415
Net position, beginning of year		381,607,815	(13,764,173)	29,515	367,873,157
Net position, end of year		\$ 388,360,965	\$ (5,201,962)	\$ 56,569	\$ 383,215,572

(1) - Year ended September 30, 2021

(2) - Year ended June 30, 2021

See accompanying notes to the financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Macomb County (the county) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing such principles. All financial statements are for the year ended December 31, 2021, except as follows: the financial statements of the Circuit Court Programs, Child Care, Department of Roads, Friend of the Court, Veterans' Services, Community Corrections, Community Services, Health Grants, MSU Extension, Prosecuting Attorney, and Sheriff Grants Special Revenue Funds, the Community Mental Health Enterprise Fund, and the Drainage Districts Component Unit, which are reported as of and for the year ended September 30, 2021. The Macomb / St. Clair Employment and Training special revenue fund as well as the Work Force Development Board component unit are reported as of and for the year ended June 30, 2021.

A. Financial Reporting Entity

Macomb County was incorporated in 1818 and includes a land area of 479 square miles with the county seat located in the City of Mt. Clemens. The county operates under a Home Rule Charter that provides for both executive and legislative branches of government. The executive branch is directed by an elected County Executive, who serves as the Chief Administrative Officer of the county and directs the operations of all departments except the Sheriff, Prosecuting Attorney, Treasurer, Public Works, County Clerk/Register of Deeds, the Circuit and District Courts and the Board of Commissioners, which are all operated by separately elected officials. The legislative branch is directed by a 13 member elected Board of Commissioners. The county provides many services to residents, including law enforcement, administration of justice, community development and enrichment, parks and recreation and human services.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county. In conformity with generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity either as blended component units or as discretely presented component units.

Blended Component Units

Blended component units are legally separate from the county, but are so intertwined with the county that they are, in substance, the same as the county. They are reported as part of the county and blended into the appropriate funds.

The **Macomb County Criminal Justice Building Authority** (MCCJBA) is governed by a three-member board appointed by the County's Board of Commissioners. Although legally separate from the county, the MCCJBA is reported as if it were part of the primary government because its sole purpose is to finance and construct certain county buildings.

The **Macomb County Building Authority** is governed by a seven-member board appointed by the County Board of Commissioners. Although legally separate from the county, the Building Authority is presented as a blended component unit because its sole purpose is to finance and construct certain county buildings.

Discretely Presented Component Units

Component units are legally separate organizations for which the Board of Commissioners appoints a majority of the organization's policy board and there is a degree of financial accountability to the county.

The **Macomb/St. Clair Workforce Development Board** is governed by a separate board, consisting of 37 members, the majority of which is appointed by the Chair of the Macomb County Board of Commissioners. The Workforce Development Board receives federal funding under the Workforce Innovation and Opportunity Act to operate employment and training programs that lead to unsubsidized employment for unskilled adults and youth. Its activities are included in the county's financial statements because a financial benefit/burden relationship exists between the two organizations. Separate independently audited financial statements of the Workforce Development Board are not prepared.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (concluded)

Discretely Presented Component Units (concluded)

All of the funds of the Workforce Development Board are Special Revenue Funds and there are no adjustments necessary to convert their activities from the modified basis of accounting to the full accrual basis of accounting. Therefore, fund level financial statements are not presented herein.

The **Drainage Districts** are governed by separate boards composed of the Public Works Commissioner, the Chair of the County Board of Commissioners and Chair of the Finance Committee of the Board of Commissioners. Each Drainage District is a separate legal entity with the power to contract, sue and be sued and hold, dispose of and manage real property. The primary function of the Drainage Districts is to direct the construction and maintenance of drains, sewers and water supply systems within the county. The activities of the Drainage Districts are included in the county's financial statements because a financial benefit/burden relationship exists between the two organizations. Separate independently audited financial statements of the Drainage Districts are not prepared.

The **Martha T. Berry Medical Care Facility** is governed by a separate board consisting of 3 members, the majority of which are appointed by the Macomb County Board of Commissioners. Its activities are included in the county's financial statements since the Macomb County Board of Commissioners not only appoints a majority of the facility's board, but also because the facility's budget is approved by the Board of Commissioners. All of the funds of the Martha T. Berry Medical Care Facility are Enterprise Funds and as such, there are no adjustments necessary to convert their activities from the modified basis of accounting to the full accrual basis of accounting. Therefore, fund level financial statements are not presented herein. Separate independently audited financial statements of the Martha T. Berry Medical Care Facility are available and can be obtained by contacting the Controller's Office at the Martha T. Berry Medical Care Facility, located at 43533 Elizabeth St, Mt Clemens, MI 48043.

The **Macomb County Employees' Retirement System** is governed by a separate board consisting of seven members, composed of the County Executive or their designee, the Chair of the Board of Commissioners or their designee, the County Treasurer or their designee, the Director of the Department of Roads, and three active employees elected by the active members of the system on three year staggered terms. Although it is legally separate from the county, it is reported as a fiduciary component unit because county officials comprise of a voting majority of the board and the system imposes a financial burden on the county. Separate independently audited financial statements of the system are not prepared.

The **Macomb County Retiree Health Care Trust** is governed by a separate board consisting of five members, composed of the County Executive or their designee, the Chair of the Board of Commissioners or their designee, a member of the Board of Commissioners, the County Treasurer or their designee, and the County Finance Director. Although it is legally separate from the county, it is reported as a fiduciary component unit because county officials comprise of a voting majority of the board and the trust imposes a financial burden on the county. Separate independently audited financial statements of the trust are not prepared.

The **Macomb County Roads Department Retiree Health Care Investment Trust** is governed by a separate board of the Department of Roads administration, composed of the Department of Roads Director and the Department of Roads Assistant Finance Director. Although it is legally separate from the county, it is reported as a fiduciary component unit because county officials comprise of a voting majority of the board and the trust imposes a financial burden on the county. Separate independently audited financial statements of the trust are not prepared.

Related Organization

The **County of Macomb Hospital Finance Authority** is governed by a five-member board appointed by the Macomb County Board of Commissioners. The Authority was created pursuant to Public Act 38 of 1969 for the purpose of providing hospitals within the county the opportunity to finance capital projects at favorable interest rates. Public Act 38 allows hospitals to finance capital projects through the Authority, which enjoys the county's excellent credit rating. Because the Authority does not provide a financial benefit or burden to the county, it is not reported as a component unit of the county.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic (Government-Wide) and Fund Financial Statements

The activities of the county are categorized as either governmental or business-type in both the government-wide and fund financial statements. The majority of the county's activities are governmental activities and are supported primarily by property taxes, charges for services and intergovernmental revenues while business-type activities are supported by fees and charges for services.

For the most part, the effect of inter-fund activity has been eliminated from these statements. However, inter-fund activity between governmental activities and business-type activities has not been eliminated so as to not distort the direct costs and program revenues of the various functions.

The basic (government-wide) financial statements report information on the county as a whole. These statements focus on the sustainability of the county as an entity and the change in aggregate financial position resulting from the activities of the fiscal period and consist of the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of the assets, liabilities, deferred inflows and deferred outflows of the county, with the net of these items reported as net position. Net position is classified into one of three categories for accounting and financial reporting purposes:

- Net Investment in Capital Assets - This category represents the cost of the county's capital assets, net of accumulated depreciation and reduced by any outstanding debt used to acquire those assets.
- Restricted - Assets are considered restricted when constraints are placed on their use by external sources such as creditors and grantors, or imposed by statute.
- Unrestricted - Net position that does not meet the definition of the two preceding categories is considered unrestricted and can be used for new spending. Assignments are often placed on unrestricted net position to indicate that internal restrictions have been placed upon their use. However, assignments differ from restrictions in that they may be subsequently removed or modified by management or the Board of Commissioners.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are segregated into three categories: charges for services, operating grants and capital grants. Charges for services are those revenues generated from charges to customers or applicants who purchase, use or directly benefit from the goods and services provided by a given function or segment. Operating and capital grants are those restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not specifically associated with a particular program are reported as general revenues in the Statement of Activities.

Fund financial statements report information at the individual fund level and are, in substance, very similar to the financial statements presented in the previous financial reporting model. The focus of the fund financial statements is on the major funds of both governmental and business-type activities. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the basic financial statements and are detailed in the supplementary information. Funds are classified as governmental, proprietary or fiduciary. The fiduciary funds are included in the fund financial statements but are excluded from the government-wide financial statements since these assets are being held for the benefit of third parties and are not available to support the activities or obligations of the county.

The county reports the following major governmental funds:

- The *General Fund* is the chief operating fund of the county. It accounts for all financial resources except those required to be accounted for in another fund.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic (Government-Wide) and Fund Financial Statements (continued)

- The *Department of Roads Fund* accounts for the revenues and expenditures related to construction and maintenance of roads throughout the county. These activities are funded primarily by the Federal government, the State of Michigan and local units of government within the county.
- The *Coronavirus Response Fund* accounts for the revenues and expenditures related to the county's use of federal and state grant programs related to coronavirus response activities not budgeted elsewhere, such as small business grant programs, COVID testing and vaccination efforts, as well as county building retrofits and purchasing of personal protective equipment. These activities are funded primarily by the Federal Government, and the State of Michigan.
- The *Community Action Agency Fund* accounts for a wide array of services to residents of the county, including, but not limited to, the Emergency Rental Assistance program, Meals on Wheels, senior citizens nutrition, income tax preparation for the elderly, transportation services, home injury control, household weatherization improvements and Head Start. Approximately 93% of the funding comes from State and Federal grants.
- The *American Rescue Plan Act Fund* accounts for the revenues and expenditures related to the county's use of its allocation of funding from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan.

The county reports the following major enterprise funds:

- The *Delinquent Tax Revolving Fund* accounts for the county's annual purchase of delinquent real property taxes from each of the local taxing jurisdictions in the county and their subsequent collection. In addition, the operations of the personal property tax collection division of the Treasurer's Office are reported here.
- The *Community Mental Health Fund* accounts for the activities of delivering an array of mental health services to county residents.

Financial information regarding the county's internal service funds is presented in summary form as part of the proprietary fund financial statements.

The financial statements of the internal service funds are consolidated into the governmental and business-type activities in the entity-wide financial statements. Surpluses or deficits of the internal service funds are allocated back to the governmental activities and business-type activities within the government-wide financial statements.

The accounts of the county are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds of the county are classified into three broad categories: governmental, proprietary and fiduciary.

Governmental Funds

General Fund – The General Fund is the general operating fund of the county. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, principal, interest and related costs of general long-term debt not being accounted for in proprietary funds.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic (Government-Wide) and Fund Financial Statements (concluded)

Capital Projects Funds – Capital projects funds are used to account for the acquisition, construction or renovation of major capital facilities other than those accounted for in proprietary funds.

Proprietary Funds

Enterprise Funds – Enterprise funds are used to account for the activities of the county’s business-type activities. The operations of these funds are financed primarily through user fees that are intended to recover the cost of services provided.

Internal Service Funds – Internal service funds are used to account for goods and services provided to other departments and governmental agencies on a cost-reimbursement basis. The county utilizes separate internal service funds to account for compensated absences, workers’ compensation insurance, liability insurance, certain benefit-related debt service, and central services such as inventory and telephone.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the principal ongoing operations of any particular proprietary fund. Operating expenses for proprietary funds include cost of sales and services, administrative expenses and depreciation of capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds

Employees’ Retirement Fund – The Employees’ Retirement Fund is used to account for the accumulation of resources for pension benefit payments to qualified employees.

Retiree Health Care Trust Fund – The Retiree Health Care Trust Fund is used to account for the accumulation of resources to provide health care benefits to county retirees.

Roads Department Retiree Health Care Investment Trust – The Roads Department Retiree Health Care Investment Trust is used to account for the accumulation of resources to provide health care benefits to Roads Department retirees.

Custodial Funds – Custodial funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The county reports the following custodial funds: the COMET fund, which accounts for the activities of the COMET forfeiture unit, the Tax Administration Fund, which accounts for the collection and disbursement of taxes payable to various jurisdictions, and the Miscellaneous Custodial Fund, which accounts for a variety of items collected on behalf of and disbursed to other jurisdictions. For example, the Miscellaneous Custodial Fund accounts for state-mandated court fees collected and passed through to the State of Michigan.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements as well as the financial statements of the proprietary funds, fiduciary trust funds, and custodial funds are accounted for using the economic resources measurement focus and the full accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred without regard to the receipt or payment of cash or its equivalent.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues of governmental funds are recognized when they become both measurable and available. “Measurable” means that the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the county considers revenues to be available if they are collected within 60 days of year-end.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (concluded)

Property taxes are recognized as revenue in the period for which they are levied. Federal grants, state distributions and grants and interest earned are recognized as revenue in the period they become both measurable and available. Special assessments are recognized as revenues only to the extent that individual installments are received within the period of availability. Licenses and permits, fines and forfeitures and other revenues are recorded when received in cash because they are generally not measurable until actually received. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, with the exception of principal and interest on general long-term debt, which is recognized when due.

The majority of the funds of the county are accounted for using the modified accrual basis of accounting. Because the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is provided after each governmental fund financial statement that briefly explains the adjustments necessary to reconcile the fund financial statements to the government-wide financial statements.

D. Bank Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Commercial paper is valued at amortized cost. Pooled investment income from the relevant funds is generally allocated to each fund using a weighted average.

E. Receivables and Payables

In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds”. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Trade receivables of the primary government totaled \$23,285,689 at year-end, net of an allowance of \$2,348,858 for the special revenue Community Action Agency Fund.

F. Inventories

Inventories consist of expendable items held for consumption and are valued at cost using the weighted average value method. The expenditure related to utilization of inventory items is recorded at the time individual items are consumed.

G. Other Assets

Other assets represent deposits and prepaid items. Prepaid items are accounted for under the consumption method.

H. Budgetary Accounting

The annual operating budget includes proposed expenditures and the means of financing them for the General Fund, Special Revenue Funds and the Debt Service Fund, as well as Community Mental Health and Parks business-type activities and the Martha T. Berry Medical Care Facility Discretely Presented Component Unit. A public hearing is conducted to obtain taxpayer comments and the budget is legally enacted through passage of a resolution by the Board of Commissioners no later than December 31.

As required by the county charter, the County Finance Director submits to the Board of Commissioners a proposed operating budget by October 1 each year for the fiscal year beginning the following January 1. The annual operating budget includes proposed expenditures and the means of financing them for the General Fund, Special Revenue Funds and the Debt Service Fund, as well as Community Mental Health and Parks business-type activities. A public hearing is conducted to obtain taxpayer comments and the budget is legally enacted through passage of a resolution by the Board of Commissioners no later than December 31.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Budgetary Accounting (concluded)

Formal budgetary integration is employed as a management control device during the year for all funds. Expenditures may not legally exceed budgeted appropriations at the department level in the General Fund and the fund level in all other funds. The County Executive is authorized to transfer funds between budgeted line items within a department within a fund as long as the amount being transferred does not exceed the lesser of \$35,000 or 5% of the department budget. Budget amendments that exceed these limits must be approved by the Finance Committee of the Board of Commissioners.

During the year, supplemental budgetary appropriations were not significant in relation to the original appropriations as adopted. Unexpended appropriations lapse at year-end. Encumbrances open at year-end are re-appropriated in the following year. Budgets are adopted on a basis consistent with generally accepted accounting principles and budgeted amounts presented in the financial statements represent final budget authorization, including all amendments approved during the year.

More information regarding budget matters can be found in the Required Supplementary Information section of this report.

I. Capital Assets

Capital assets of the primary government, including land, land improvements, buildings, equipment, vehicles, and infrastructure, are reported in the government-wide financial statements and the applicable proprietary fund financial statements. Capital assets utilized for governmental activities are only capitalized in the government-wide financial statements and are fully expensed in the governmental funds. Capital assets of the component units are reported in the Drainage Districts and the Martha T. Berry Medical Care Facility. The county capitalizes assets whose initial purchase price equals or exceeds \$5,000 and whose estimated useful life exceeds one year. Capital assets are valued at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. Depreciation of all exhaustible capital assets is allocated against the various functions in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation has been provided over the following estimated useful lives using the straight-line method: land improvements - 20 years, buildings and improvements – 20-40 years, equipment - 3-15 years, vehicles – 3-5 years and infrastructure 8-40 years.

J. Compensated Absences

County employees earn vacation and sick leave benefits based on length of service. Both are fully available for use upon completion of a probationary period of six months.

Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement or termination). Certain limitations have been placed on the number of hours of vacation and sick leave that may be accumulated and carried over for payment at separation of service. Unused hours exceeding these limitations are forfeited. Accumulated unpaid vacation, sick pay and other employee benefit liabilities have been accrued in the Compensated Absences Internal Service Fund.

K. Long Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long Term Obligations (concluded)

Bond premiums and discounts and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are expensed as incurred. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

L. Pension and Other Postemployment Benefit Costs (OPEB)

Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Each county fund with participants in the plan contribute towards the liquidation of the net pension liability. Investments are reported at fair value.

OPEB – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plan fiduciary net positions have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The OPEB Internal Services Fund, which is funded by each county fund with participants in the plan, contributes toward the liquidation of the net OPEB liability. Investments are reported at fair value.

M. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. Encumbrances outstanding at year-end lapse and are re-appropriated and spent under authorization of a new budget in the following year.

N. Property Taxes

The county property tax is levied July 1 of each year based on the taxable value of property as of the preceding December 31. Taxes are billed and collected for the county by the local units within the county and are payable in one installment no later than February 28 of the following year, at which time they become delinquent and subject to penalty.

Taxable value is established annually by the local units, accepted by the county and equalized by the State of Michigan to approximate 50% of market value (SEV). The annual increase in taxable value is limited by State statute to the rate of inflation or 5%, whichever is less. Taxable value reverts to SEV when a property is sold or when SEV drops below taxable value. The taxable value of real and personal property in Macomb County for the July 1, 2021 levy (calendar 2021 revenue) was \$30,941,343,810.

The county operating tax rate for the 2021 levy was 4.3721 mills, and the Veteran's rate was .0667 mills. The county records an allowance of 0.25% for assessment appeals and personal property tax delinquencies. The amount recorded in 2021 was \$341,619.

The county, through its Delinquent Tax Revolving Fund, purchases annually from the municipalities within the county, at face value, the delinquent real property taxes receivable, as certified to the county as not collected as of March 1. The Delinquent Tax Revolving Fund is self-supporting at this time. Collection of these delinquent property taxes will be used to purchase future delinquent real property taxes from municipalities within the county.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Unearned Revenue

Governmental funds, the governmental activities, and business type activities defer revenue recognition in connection with resources that have been received but not yet earned.

P. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from such estimates.

Q. Fund Equity

Governmental funds report fund balance as either nonspendable, restricted, committed, assigned or unassigned.

- Nonspendable - Amounts that are not expected to be converted into cash, such as inventories and prepaid items, and amounts that are legally required to be maintained intact, such as the corpus of a permanent fund.
- Restricted – Amounts whose use are restricted by constraints imposed by outside parties such as creditors, grantors, laws and regulations of other governments, constitutional provisions or enabling legislation.
- Committed – Amounts that have been designated for specific purposes established by formal action of the government's highest level of decision-making authority. Fund balance commitments require a formal resolution of the Board of Commissioners. Once committed, these amounts cannot be used for any other purpose unless the restrictions are removed or changed through the same type of action used to make the original commitment.
- Assigned – Amounts that are intended to be used for specific purposes, but are not restricted or committed. Specific fund balance assignments, such as use of fund balance in a subsequent budget, require formal approval by the Board of Commissioners. Other assignments of fund balances do not require board approval. Fund balances in governmental funds other than the General Fund, which are not classified as nonspendable, restricted or committed are classified as assigned in accordance with GASB Statement No. 54, even though specific intended uses may not have been declared by the government.
- Unassigned – The residual amount of fund balance remaining in the General Fund after all other classifications have been made and negative amounts in other governmental funds.

The balances by function within the above categories as each funds' year end are presented on the following page.

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Equity (continued)

	Major Governmental Funds				Nonmajor Governmental Funds	Total
	General Fund	Road Fund	Coronavirus Response Fund	Community Action Agency (1)		
Nonspendable for:						
Inventories	\$ -	\$ 4,309,317	\$ 3,623,308	\$ -	\$ -	\$ 7,932,625
Long-term receivables	2,743,500	-	-	-	-	2,743,500
Prepaid items	2,276,267	824,343	-	93,064	74,553	3,268,227
TOTAL NONSPENDABLE	5,019,767	5,133,660	3,623,308	93,064	74,553	13,944,352
Restricted for:						
Capital projects	-	120,626,692	-	-	3,716,231	124,342,923
Circuit Court	-	-	-	-	10,743	10,743
Community Action Agency	-	-	-	2,150,806	687,487	2,838,293
Community Corrections	-	-	-	-	1,737	1,737
Concealed Pistol License	-	-	-	-	1,970,715	1,970,715
Debt service	-	-	-	-	128,273	128,273
Friend of the Court	-	-	-	-	1,095,602	1,095,602
Health Department	-	-	-	-	4,083,683	4,083,683
Housing rehabilitation loans	-	-	-	-	8,091,889	8,091,889
Macomb / St. Clair Employment and Training	-	-	-	-	29,998	29,998
MSU Extension	-	-	-	-	119,242	119,242
Prosecuting Attorney	-	-	-	-	199,909	199,909
Sheriff Department	-	-	-	-	1,746,214	1,746,214
Technology	-	-	-	-	2,170,617	2,170,617
Urban County Block Grant	-	-	-	-	133,587	133,587
Veterans Affairs	-	-	-	-	2,432,663	2,432,663
TOTAL RESTRICTED	-	120,626,692	-	2,150,806	26,618,590	149,396,088
Assigned for:						
Capital projects	-	-	-	-	19,096,957	19,096,957
MSU Extension	-	-	-	-	161,368	161,368
Health Department	-	-	-	-	900	900
Debt service	-	-	-	-	2,147,925	2,147,925
Prosecuting Attorney	-	-	-	-	8,103	8,103
Sheriff Department	-	-	-	-	16,338	16,338
Urban Block Grant	-	-	-	-	2,106,032	2,106,032
TOTAL ASSIGNED	-	-	-	-	23,537,623	23,537,623
Unassigned	91,265,882	-	-	-	(5,332,474)	85,933,408
TOTAL FUND BALANCES	\$ 96,285,649	\$ 125,760,352	\$ 3,623,308	\$ 2,243,870	\$ 44,898,292	\$ 272,811,471

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. Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Q. Fund Equity (concluded)

In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or governmental funds balance sheet 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The county had deferred outflows at year-end related to pension, asset retirement obligations, refunded debt, and other post-employment benefits in its governmental activities, business-type activities, and the Martha T. Berry component unit. Explanations of the pension-related deferred outflows can be found in Note 13 of the notes to the basic financial statements. Explanations of asset retirement obligation-related deferred outflows can be found in Note 8 of the notes to the basic financial statements. Explanations of refunded debt-related deferred outflows can be found in Note 6 of the notes to the basic financial statements. Explanations of the other post-employment benefit-related deferred outflows can be found in Notes 14 and 15 of the notes to the basic financial statements.

In addition to liabilities, the statement of net position and/or 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 the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has five types of items that qualify for reporting in this category.

The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and State and Federal grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition to these items, the primary government also reports deferred inflows for property taxes received before the period for which they were levied. These property taxes are shown as deferred inflows of resources on both the governmental funds balance sheet as well as the statement of net position. Those property taxes will be recognized as revenue in the subsequent fiscal year. Finally, the county had deferred inflows at year-end related to pension and other post-employment benefits in its governmental activities, business-type activities, and the Martha T. Berry component unit. Explanations of the pension-related deferred outflows can be found in Note 13 of the notes to the basic financial statements. Explanations of the other post-employment benefit-related deferred outflows can be found in Notes 14 and 15 of the notes to the basic financial statements.

S. Comparative Data

Comparative data has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2 – DEPOSITS AND INVESTMENTS

Primary Government and Component Unit Deposits and Investments

The county maintains a cash and investment pool that is available for use by all funds. In addition to their participation in the pool, certain funds also maintain separate investment accounts, consisting primarily of certificates of deposit and money market accounts. Each fund's portion of the pool as well as any amounts in separate accounts is reported as "Cash and Pooled Investments". Public Act 20 of 1943, as amended, authorizes local units of government to make deposits and invest in the accounts of federally insured banks, credit unions and savings and loan associations that maintain locations in the State of Michigan. The law also allows investments outside the State of Michigan if fully insured.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Primary Government and Component Unit Deposits and Investments (continued)

Public Act 20 authorizes local units to invest in bonds, securities and other direct obligations of the United States government, repurchase agreements, bankers' acceptances of United States banks, commercial paper rated within the two highest classifications by not less than two standard rating services and maturing not more than 270 days after the date of purchase, investment grade obligations of the State of Michigan or any of its political subdivisions and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Board of Commissioners adopts a depository resolution, including a list of authorized institutions, each year as recommended by the County Treasurer. The provisions of the depository resolution are as follows:

- Certificates of deposit must be with institutions with locations in the State of Michigan, shall not exceed 75% of the portfolio and the amount with any one institution may not exceed 25% of the total portfolio.
- Commercial paper must be rated A-1 by Standard & Poors and P-1 by Moodys and may not exceed 75% of the total portfolio.
- Banker's acceptances with any one institution may not exceed 20% of the total portfolio.
- Government investment pools may not exceed 50% of the total portfolio.
- The total of deposits and investments with any one institution may not exceed 50% of the capitalization of that institution.

In 2017, the county implemented Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which required the county to change how it accounts for the county's Intermediate Retirement Medical Benefits Trust (the "Trust"). The Trust's assets are now accounted for in the Other Postemployment Benefits Fund, an internal service fund. As a result of this, the Trust's assets are now included below in primary government cash and investments. In addition to the instruments authorized by Public Act 20 of 1943, the Trust is authorized by Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks and bonds, diversified investment companies, real estate, annuity investment contracts, mortgages and certain other specified investment vehicles. The investments of the Trust are held in a bank-administered trust fund.

The deposits and investments of the primary government and component units, excluding the pension and other postemployment benefit trust funds, at December 31, 2021 and September 30, 2021 respectively, are presented on the following page.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**Primary Government and Component Unit Deposits and Investments (continued)**

	Primary Government	Component Units	Percent of Total
Cash on hand	\$ 43,558	\$ 5,125	0.00%
Bank and money market accounts	168,422,668	30,580,811	18.72%
Certificates of deposit	234,359,588	25,775,192	24.47%
Subtotal - deposits	402,825,814	56,361,128	43.19%
Commercial paper	85,690,994	-	8.06%
US Government securities	183,669,997	22,832,330	19.42%
Common stock	153,894,225	-	14.47%
Foreign stock	32,421,189	-	3.05%
Real estate investment trusts	67,078,159	-	6.31%
Fixed income common collective trusts	36,351,847	-	3.42%
Equity common collective trusts	22,123,053	-	2.08%
Subtotal - investments	581,229,464	22,832,330	56.81%
Total deposits and investments	984,055,278	79,193,458	100.00%
Timing effect of different year ends	49,388,907	-	
Amount reported at December 31, 2021	<u>\$ 1,033,444,185</u>	<u>\$ 79,193,458</u>	
Amount reported in primary government	\$ 1,023,799,890		
Amount reported in custodial funds	<u>9,644,295</u>		
	<u>\$ 1,033,444,185</u>		

The following summarizes the restricted cash and cash equivalents as of December 31, 2021:

	Component Units (Total)
Restricted cash and cash equivalents	
Unspent bond proceeds	\$ 2,830,703
Residents' Trust	52,381
	<u>\$ 2,883,084</u>

Deposits – The deposits of the primary government and its component units are subject to custodial credit risk, which is the risk that the deposits may not be returned in the event of a bank failure. The custodial credit risk assumed by the county is measured by categorizing deposits in one of three categories: 1) insured or collateralized with securities held by the county or its agent in the county's name, 2) collateralized with securities held by the counter-party's trust department or agent in the county's name and 3) uninsured and uncollateralized. At year-end, the book value of the deposits was \$504,740,094, with corresponding bank balances of \$465,778,496. Qualifying deposits are insured by the FDIC up to \$250,000. Of the bank balances, \$3,673,596 was insured and the remaining \$462,104,900 was uninsured and uncollateralized.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**Primary Government and Component Unit Deposits and Investments (continued)**

The county believes that it is impractical to insure all deposits given the size of the portfolio and the limits of insurance established by the FDIC. As a result, the county evaluates each institution with which it deposits funds and assesses the level of risk associated with each institution and adjusts its deposits accordingly.

Investments – Investments of the primary government and component units are subject to various types of risks as defined below:

Custodial Credit Risk exists when securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. All investments of the primary government are held in the name of the county and are evidenced by a safekeeping receipt and, therefore, are not exposed to custodial credit risk.

Credit Risk is a measure of the creditworthiness of the issuers of the instruments being held and represents the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Statutes of the State of Michigan authorize the county to invest in the following instruments: obligations of the U.S. Treasury and its agencies and instrumentalities, commercial paper rated within the two highest classifications established by not less than two standard rating services, bankers' acceptances, investment pools of the Treasurer of the State of Michigan, and repurchase agreements.

Additionally, statutes of the State of Michigan authorize the county's Intermediate Retiree Medical Benefits Trust to invest in the following instruments: obligations of the U.S. Treasury and its agencies and instrumentalities, commercial paper rated within the two highest classifications established by not less than two standard rating services, bankers' acceptances, investment pools of the Treasurer of the State of Michigan, repurchase agreements and corporate bonds rated in the top four major grades as determined by at least two national ratings agencies. The entire portfolio of debt securities of the Fund is held in one bond index mutual fund that consists of a mix of corporate, US Treasury and US Agency securities. At December 31, 2019, the Fund's investments in debt securities were rated by Standard & Poor's as presented on the following page:

<u>Quality Rating</u>	<u>US Treasury</u>	<u>US Agency</u>	<u>Corporate and Municipal Bonds</u>	<u>Total</u>	<u>Percent of Total</u>	<u>Breakdown of Corporate Portfolio</u>
AAA	\$ 10,760,147	\$ 7,161,314	\$ 3,125,794	\$ 21,047,255	57.90%	16.96%
AA	-	-	1,162,957	1,162,957	3.20%	6.31%
A	-	-	5,307,951	5,307,951	14.60%	28.80%
BBB	-	-	8,505,623	8,505,623	23.40%	46.15%
BB	-	-	328,061	328,061	0.90%	1.78%
	<u>\$ 10,760,147</u>	<u>\$ 7,161,314</u>	<u>\$ 18,430,386</u>	<u>\$ 36,351,847</u>	<u>100.00%</u>	<u>100.00%</u>

Concentration of Credit Risk is the risk of loss measured by the magnitude of investments in a single issuer. As defined by GASB Statement No. 40, the county is exposed to concentration of credit risk if more than 5% of its portfolio is invested in instruments issued by a single issuer. Investments in instruments issued by the US Government, as well as those held in mutual funds and investment pools are exempt from this requirement. None of the investments in common or foreign stock exceeded the 5% threshold at December 31, 2021.

Interest Rate Risk is the risk that the fair value of the county's investments will be adversely affected by changes in market interest rates and is measured primarily by average days to maturity. Although the county investment policy does not limit investment maturities as a means of limiting its exposure to interest rate risk, the county manages this risk by purchasing a mix of short and longer-term investments. The county's entire portfolio of debt securities of the Fund is held in one bond index mutual fund that consists of a mix of corporate, US Treasury and US Agency securities and is therefore not subject to interest rate risk. The maturities of this fund have an average weighted life of 8.5 years.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**Retiree Health Care Trust Fund Deposits and Investments**

In addition to the instruments authorized by Public Act 20 of 1943, the Retiree Health Care Trust Fund is authorized by Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks and bonds, diversified investment companies, real estate, annuity investment contracts, mortgages and certain other specified investment vehicles. The investments of the Retiree Health Care Trust Fund (the "Fund") are held in a bank-administered trust fund.

Deposits – The Retiree Health Care Trust Fund has no deposits as of December 31, 2021. All reported cash and pooled investments are held by the Fund's bank-administered investment custodian and is invested in short term holdings, such as money market accounts.

Investments – A summary of the investments of the Retiree Health Care Trust Fund at December 31, 2021 are presented below:

	<u>Amount</u>	<u>Percent of Total</u>
Cash and pooled investments	\$ 30,936,283	6.44%
Common stock	114,045,635	23.75%
Foreign stock	27,440,504	5.71%
Limited partnerships	5,342	0.00%
Real estate investment trusts	49,314,150	10.27%
Fixed income common collective trusts	53,868,454	11.22%
Equity common collective trusts	204,661,480	42.61%
	<u>\$ 480,271,848</u>	<u>100.00%</u>

Credit Risk is a measure of the creditworthiness of the issuers of the instruments being held and represents the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Statutes of the State of Michigan authorize the Retiree Health Care Trust Fund to invest in the following instruments: obligations of the U.S. Treasury and its agencies and instrumentalities, commercial paper rated within the two highest classifications established by not less than two standard rating services, bankers' acceptances, investment pools of the Treasurer of the State of Michigan, repurchase agreements and corporate bonds rated in the top four major grades as determined by at least two national ratings agencies. The entire portfolio of debt securities of the Retiree Health Care Trust Fund is held in one bond index mutual fund that consists of a mix of corporate, US Treasury and US Agency securities.

At December 31, 2021, the Fund's investments in debt securities were rated by Standard & Poor's as follows:

<u>Quality Rating</u>	<u>US Treasury</u>	<u>US Agency</u>	<u>Corporate Bonds</u>	<u>Total</u>	<u>Percent of Total</u>	<u>Breakdown of Corporate Portfolio</u>
AAA	\$ 20,577,750	\$ 1,077,369	\$ 21,851,003	\$ 43,506,122	80.77%	67.82%
AA	-	-	1,287,246	1,287,246	2.39%	4.00%
A	-	-	4,344,456	4,344,456	8.06%	13.49%
BAA	-	-	4,730,630	4,730,630	8.78%	14.69%
	<u>\$ 20,577,750</u>	<u>\$ 1,077,369</u>	<u>\$ 32,213,335</u>	<u>\$ 53,868,454</u>	<u>100.00%</u>	<u>100.00%</u>

Custodial Credit Risk exists when securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. All investments of the Retiree Health Care Trust Fund are held in trust by a third party institution in the name of the Fund and, therefore, are not exposed to custodial credit risk.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**Retiree Health Care Trust Fund Deposits and Investments (continued)**

Concentration of Credit Risk is the risk of loss measured by the magnitude of investments in a single issuer. The county is exposed to concentration of credit risk if more than 5% of its portfolio is invested in instruments issued by a single issuer. Investments in instruments issued by the US Government, as well as those held in mutual funds and investment pools are exempt from this requirement. None of the investments in common or foreign stock exceeded the 5% threshold at December 31, 2021.

Interest Rate Risk is the risk that the fair value of investments in debt securities will be adversely affected by changes in market interest rates and is measured primarily by average days to maturity. The entire portfolio of debt securities of the Retiree Health Care Trust Fund is held in one bond index mutual fund that consists of a mix of corporate, US Treasury and US Agency securities and is therefore not subject to interest rate risk. The maturities of this fund have an average weighted life of 8.5 years.

Employees' Retirement System Deposits and Investments

In addition to the instruments authorized by Public Act 20 of 1943 the Macomb County Employees' Retirement System is authorized by Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks and bonds, diversified investment companies, real estate, annuity investment contracts, mortgages and certain other specified investment vehicles.

Deposits – The deposits of the Macomb County Employees' Retirement System (the "System") are subject to custodial credit risk, which is the risk that the deposits may not be returned in the event of a bank failure. The custodial credit risk assumed by the System is measured by categorizing deposits as previously described. At year-end, the book value of the deposits of the System was \$58,787,693 with corresponding bank balances of \$58,787,318. Qualifying deposits are insured by the FDIC up to \$250,000. Of the bank balances of the System, \$250,000 was insured and the remaining \$58,537,693 was uninsured and uncollateralized.

Investments – A summary of the investments of the System at December 31, 2021 is presented below:

	<u>Amount</u>	<u>Percent of Total</u>
Cash and pooled investments	\$ 58,787,318	4.44%
Common stock	493,374,964	37.29%
Preferred stock	1,563,755	0.12%
Foreign stock	94,970,054	7.18%
Limited partnerships	343,097,070	25.93%
Fixed income common collective trusts	107,979,434	8.16%
Equity common collective trusts	223,302,146	16.88%
	<u>\$ 1,323,074,741</u>	<u>100.00%</u>

The investments of the System are subject to various types of risks as defined below:

Custodial Credit Risk exists when securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. All investments of the System are held in trust by a third party institution in the name of the System and therefore, are not exposed to custodial credit risk.

Credit Risk is a measure of the creditworthiness of the issuers of the instruments being held and represents the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Statutes of the State of Michigan authorize

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**Employees' Retirement System Deposits and Investments (concluded)**

the System to invest in the following instruments: obligations of the U.S. Treasury and its agencies and instrumentalities, commercial paper rated within the two highest classifications established by not less than two standard rating services, bankers' acceptances, investment pools of the Treasurer of the State of Michigan, repurchase agreements, corporate stocks and corporate bonds rated in the top four major grades as determined by at least two national ratings agencies. Corporate stock cannot exceed seventy percent (70%) of the total portfolio. At December 31, 2021, the System's investments in debt securities were rated by Standard & Poor's as presented below:

Quality Rating	US Treasury	US Agency	Corporate Bonds	Total	Percent of Total	Breakdown of Corporate Portfolio
AAA	\$ 40,642,637	\$ 10,816,107	\$ 13,459,560	\$ 64,918,304	60.11%	23.81%
AA	-	-	3,943,140	3,943,140	3.65%	6.98%
A+	-	-	601,309	601,309	0.56%	1.06%
A	-	-	13,698,102	13,698,102	12.69%	24.24%
BBB+	-	-	654,758	654,758	0.61%	1.16%
BBB	-	-	23,552,243	23,552,243	21.81%	41.67%
BB	-	-	602,486	602,486	0.56%	1.07%
CC	-	-	6,980	6,980	0.01%	0.01%
Not Rated	-	-	2,112	2,112	0.00%	0.00%
	<u>\$ 40,642,637</u>	<u>\$ 10,816,107</u>	<u>\$ 56,520,690</u>	<u>\$ 107,979,434</u>	<u>100.00%</u>	<u>100.00%</u>

Interest Rate Risk is the risk that the fair value of investments in debt securities will be adversely affected by changes in market interest rates and is measured primarily by average days to maturity. The maturities of the System have an average weighted life of 4.6 years.

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Investments that do not have an established market value are reported at estimated fair value as determined by county management. Approximately 27.1 percent of the Employees' Retirement System assets and 27.4 percent of the Intermediate Retiree Medical Benefits Trust assets are not publicly traded and therefore do not have a readily determinable market value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ significantly from the values that would have been used had a ready market for these securities existed. The difference could be material.

NOTE 3 – FAIR VALUE MEASUREMENTS

The county categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy as reported on the following page.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)**Primary Government**

The primary government of the county had recurring fair value measurements as of December 31, 2021 as presented below:

<u>Assets Measured at Fair Value on a Recurring Basis - Primary Government</u>				
	<u>Ending Balance</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equity securities				
Common stock	\$ 153,894,225	\$ 153,894,225	\$ -	\$ -
Foreign stock	32,421,189	32,421,189	-	-
Total equity securities	186,315,414	186,315,414	-	-
Fixed income common collective trusts	36,351,847	-	36,351,847	-
Equity common collective trusts	22,123,053	-	22,123,053	-
Real estate investment trust funds	27,056,795	-	27,056,795	-
Total investments by fair value level	271,847,109	<u>\$ 186,315,414</u>	<u>\$ 85,531,695</u>	<u>\$ -</u>
Investments measured at net asset value (NAV)				
Hedge funds	12,803,610			
Private equity	10,530,487			
Real estate funds	16,687,267			
Total investments measured at NAV	<u>40,021,364</u>			
Total investments measured at fair value	<u>\$ 311,868,473</u>			

Equity securities classified in level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in level 2 are valued using the following approaches: Fixed income investments are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors.

The county holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At the year ended December 31, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as presented on the following page:

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)**Primary Government (concluded)**

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Hedge funds	\$ 12,803,610	\$ -	None	N/A
Private equity funds	10,530,487	23,373,226	None	N/A
Real estate funds	<u>16,687,267</u>	<u>5,171,646</u>	None	N/A
Total investments measured at NAV	<u>\$ 40,021,364</u>	<u>\$ 28,544,872</u>		

Multiple funds are held in the hedge funds category reported above. For reporting purposes, the redemption frequency and redemption notice period provided are the most restrictive in the category.

The hedge funds class includes investments in funds that achieve capital appreciation through multimanager and/or multistrategy investments. Within this group of funds, there is exposure to investment strategies including, but not limited to, credit, event-driven, equity, and relative value. The funds have the ability to invest across all markets and across all asset classes to implement their various strategies. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. Distributions from each fund will be received as the underlying investments of the fund are liquidated. It is estimated that the underlying investments of the fund will be liquidated over the next month to 5 years.

The private equity funds class is comprised of multiple funds with portfolios including investments in funds that achieve capital appreciation through leveraged buyouts and venture and growth equity. The fair value of the investments in this class have been estimated using the net asset value per share of the investments. None of the value of the investments in the private equity funds are in the process of being liquidated by fund manager. Distributions from each fund will be received as the underlying investments of the fund are liquidated. It is estimated that the underlying investments of the fund will be liquidated over the next 1 to 6 years.

The real estate funds class is comprised of multiple funds with portfolios including investments in commercial real estate that provide current cash flow yield and upside through future appreciation. The fair value of the investments in this class have been estimated using the net asset value per share of the investments. None of the value of the investments in the real estate funds are in the process of being liquidated by fund managers. Distributions from each fund will be received as the underlying investments of the fund are liquidated. It is estimated that the underlying investments of the funds will be liquidated over the next 2 to 6 years.

Disclosures Regarding Redemption Only Upon Liquidation

The investments in hedge funds, international equity funds, private equity funds, and real estate funds can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next 1 to 6 years.

Fiduciary Trust Funds

The county's fiduciary trust funds, which comprise of the Macomb County Employees' Retirement System, the Retiree Health Care Trust Fund, and the Roads' Retiree Health Care Investment Trust had recurring fair value measurements as of December 31, 2021 as presented on the following page.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)**Fiduciary Trust Funds (continued)**

Assets Measured at Fair Value on a Recurring Basis - Fiduciary Trust Funds				
	Ending Balance	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities				
Common stock	607,420,599	607,420,599	-	-
Foreign stock	122,410,558	122,410,558	-	-
Preferred stock	1,563,755	1,563,755	-	-
Total equity securities	731,394,912	731,394,912	-	-
Limited Partnership investments	5,342	5,342	-	-
Fixed income common collective trusts	161,847,888	49,700,022	112,147,866	-
Equity common collective trusts	427,963,626	86,322,085	341,641,541	-
Real estate investment trust funds	49,314,150	49,314,150	-	-
Total investments by fair value level	1,370,525,918	<u>\$ 916,736,511</u>	<u>\$ 453,789,407</u>	<u>\$ -</u>
Investments measured at net asset value (NAV)				
Hedge funds	133,696,051			
Infrastructure funds	18,166,636			
Private equity funds	95,721,321			
Real estate funds	92,956,376			
International real estate funds	2,556,686			
Interest in pooled investment	102,683,701			
Total investments measured at NAV	445,780,771			
Total investments measured at fair value	<u>\$ 1,816,306,689</u>			

Equity securities classified in level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in level 2 are valued using the following approaches: Fixed income investments are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors. Preferred stocks classified in level 2 are normally valued based on previous observed pricing and other similar offerings from the same institution. Debt securities classified in level 3 are based upon unobservable inputs.

The county holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)**Fiduciary Trust Funds (continued)**

At the year ended December 31, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Hedge funds	\$ 133,696,051	\$ 593,847	None	N/A
Infrastructure funds	18,166,636	9,958,931	None	N/A
Private equity funds	95,721,321	86,714,090	None	N/A
Real estate funds	92,956,376	21,885,860	None	N/A
International real estate funds	2,556,686	9,240,000	None	N/A
Interest in pooled investment	102,683,701	-	Daily	None
	<u>\$ 445,780,771</u>	<u>\$ 128,392,728</u>		
Total investments measured at NAV	<u>\$ 445,780,771</u>	<u>\$ 128,392,728</u>		

Multiple funds are held in most of the categories reported above. For reporting purposes, the redemption frequency and redemption notice period provided are the most restrictive of any of the funds in the category.

The hedge funds class includes investments in funds that achieve capital appreciation through multimanager and/or multistrategy investments. Within this group of funds, there is exposure to investment strategies including, but not limited to, credit, event-driven, equity, and relative value. The funds have the ability to invest across all markets and across all asset classes to implement their various strategies. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. Distributions from each fund will be received as the underlying investments of the fund are liquidated. It is estimated that the underlying investments of the fund will be liquidated over the next month to 5 years.

The infrastructure funds class is comprised of the McMorgan Infrastructure Fund. The fund is comprised of various infrastructure projects, typically constructed by governmental entities. Many of these projects are subject to regulatory establishment of rates, service delivery levels, or both. The objective of the fund is to own a portfolio of high quality infrastructure assets with the potential to generate strong, consistent cash returns over long periods of time. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. Distributions from each fund will be received as the underlying investments of the fund are liquidated. It is estimated that the underlying investments of the fund will be liquidated over the next month to 20 years.

The private equity funds class includes investments in funds that achieve capital appreciation in a variety of different ways depending on the individual funds' objectives. Objectives include investments in emerging technologies, and mortgage recovery, while other funds eschew traditional sector-oriented goals in favor of flexibility in order to capitalize on opportunities that are time-sensitive, complex, or in dislocated markets. The fair value of the investments in this class have been estimated using the net asset value per share of the investments. Distributions from each fund will be received as the underlying investments of the fund are liquidated. It is estimated that the underlying investments of the fund will be liquidated over the next month to 6 years.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (CONCLUDED)

Fiduciary Trust Funds (concluded)

The real estate funds class includes investments in funds whose objective is to operate a core portfolio of real estate investments predominately located in the U.S. The funds acquire ownership in underlying investments either through direct real estate ownership or ownership in real estate companies or the equity of real estate investment trusts. The funds predominately target purchases in office, industrial, retail, or multifamily real estate classes. The fair value of the investments in this class have been estimated using the net asset value per share of the investments. Distributions from each fund will be received as the underlying investments of the fund are liquidated. It is estimated that the underlying investments of the fund will be liquidated over the next month to 7 years.

The interest in pooled investment is comprised of the Municipal Employees' Retirement System of Michigan (MERS) Total Market Fund, which is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers of the MERS Total Market Fund.

Disclosures Regarding Redemption Only Upon Liquidation

The investments in hedge funds, infrastructure funds, international equity funds, private equity funds, real estate funds, and international real estate funds can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the month to 20 years.

NOTE 4 – DUE FROM COMPONENT UNIT

The county issued general obligation bonds in the amount of \$263,555,000 in March 2015 for the purpose of defraying the county's unfunded retiree health care liability. The net proceeds were placed into the Macomb County Retiree Health Care Intermediate Trust Fund. The employees of the Martha T. Berry Medical Care Facility Discretely Presented Component Unit participate in the retiree health care plan. Consequently, \$16,395,000 of the bond issue was allocated to Martha T. Berry based on actuarial analysis.

In October 2020, the county issued refunding general obligation bonds in the amount of \$131,015,000. The partial refunding retired \$108,810,000 of the 2015 bonds. The same actuarial analysis from 2015 was used to allocate the 2015 and 2020 bonds to Martha T. Berry. As a result, \$6,802,082 of Martha T. Berry's allocation of the 2015 Bonds was considered refunded, and \$8,150,067 of the 2020 refunding bonds were allocated to Martha T. Berry. Remaining amounts due from Martha T. Berry for the 2015 bonds will be paid back to the county with installment payments each May 1 and November 1 of each year through 2028. Remaining amounts due from Martha T. Berry for the 2020 refunding bonds will be paid back to the county with installment payments each May 1 and November 1 of each year through 2035. Both amounts were recorded in the governmental activities of the county as a due from component unit (a long-term receivable).

In addition, the county made an additional contribution of \$59,000,000 to its Retiree Health Care Intermediate Trust Fund in 2015 to pre-fund a portion of the county's other postemployment benefits liability. The Martha T. Berry Medical Care Facility (a discretely-presented component unit of the county) participates in the system and as such, \$3,658,000 of the \$59,000,000 contribution was deemed to be attributable to their portion of the amount of the pre-funding contribution. Remaining amounts due from Martha T. Berry will be paid back to the county with installment payments due each May 1 and November 1 of each year through 2035.

As of December 31, 2021, Martha T. Berry had only paid the 2020 payment due to the county on the 2015 OPEB bonds, and had not remitted payment to the county on its portion of the 2020 OPEB refunding bonds, the 2021 general fund loan repayment, or the 2021 payment due to the county on the 2020 OPEB refunding bonds. The county has recorded a due from component unit on the governmental activities statement of net position as shown in the table on the following page:

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 4 – DUE FROM COMPONENT UNIT (CONCLUDED)

	Balance, January 1, 2021	Increases	Decreases	Balance, December 31, 2021
2015 OPEB Bonds	\$ 6,736,321	\$ -	\$ 891,650	\$ 5,844,671
2020 OPEB Refunding Bonds	8,150,067	-	-	8,150,067
General Fund Loan Repayment	2,743,500	-	-	2,743,500
Total, Due from Component Unit	\$ 17,629,888	\$ -	\$ 891,650	\$ 16,738,238

NOTE 5 – CAPITAL ASSETS

The following is a summary of capital asset activity of the governmental activities of the county for the year ended December 31, 2021:

	Beginning Balance	Increases	Decreases and Transfers	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 206,518,693	\$ -	\$ 247,797	\$ 206,270,896
Construction in progress	17,572,112	5,167,731	1,633,279	21,106,564
Total capital assets not being depreciated	224,090,805	5,167,731	1,881,076	227,377,460
Capital assets being depreciated:				
Land improvements	11,691,774	-	-	11,691,774
Buildings and building improvements	379,113,054	451,619	31,939	379,532,734
Machinery, equipment, and vehicles	109,142,478	9,803,474	7,238,028	111,707,924
Infrastructure	1,494,823,384	59,777,307	-	1,554,600,691
Total capital assets being depreciated	1,994,770,690	70,032,400	7,269,967	2,057,533,123
Less accumulated depreciation for:				
Land Improvements	7,175,198	467,882	-	7,643,080
Buildings and building improvements	167,762,495	11,601,867	21,059	179,343,303
Machinery, equipment, and vehicles	89,715,148	7,514,806	7,114,675	90,115,279
Infrastructure	869,596,213	40,896,677	-	910,492,890
Total accumulated depreciation	1,134,249,054	60,481,232	7,135,734	1,187,594,552
Net capital assets being depreciated	860,521,636	9,551,168	134,233	869,938,571
Net governmental capital assets	\$ 1,084,612,441	\$ 14,718,899	\$ 2,015,309	\$ 1,097,316,031

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the functions of the governmental activities as follows:

	Governmental Assets	Internal Service Assets	Total
Judicial	\$ 913,603	\$ -	\$ 913,603
General government	6,853,922	318,280	7,172,202
Health and welfare	2,859,120	-	2,859,120
Recreation and culture	62,452	-	62,452
Public safety	4,168,940	-	4,168,940
Public works	45,304,915	-	45,304,915
	<u>\$ 60,162,952</u>	<u>\$ 318,280</u>	<u>\$ 60,481,232</u>

A summary of capital asset activity of the business-type activities of the county for the year ended December 31, 2021 is presented below:

	Beginning Balance	Increases and Transfers	Decreases	Ending Balance
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Capital assets being depreciated:				
Land improvements	491,310	-	-	491,310
Buildings and building improvements	2,449,173	-	-	2,449,173
Machinery, equipment, and vehicles	453,294	81,240	46,505	488,029
Total capital assets being depreciated	3,393,777	81,240	46,505	3,428,512
Less accumulated depreciation for:				
Land Improvements	192,260	24,566	-	216,826
Buildings and building improvements	1,428,375	104,600	-	1,532,975
Machinery, equipment, and vehicles	417,345	26,977	46,505	397,817
Total accumulated depreciation	2,037,980	156,143	46,505	2,147,618
Net capital assets being depreciated	1,355,797	(74,903)	-	1,280,894
Net business-type capital assets	<u>\$ 1,405,797</u>	<u>\$ (74,903)</u>	<u>\$ -</u>	<u>\$ 1,330,894</u>

Depreciation expense of the business-type activities by function totaled \$137,333 for recreation and culture and \$18,810 for health and welfare, for a total reported increase in accumulated depreciation in business-type activities of \$156,143.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 5 – CAPITAL ASSETS (CONCLUDED)

The following is a summary of changes in the Drainage Districts Component Unit capital assets for the year ended September 30, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component Unit - Drainage Districts				
Capital assets not being depreciated:				
Land	\$ 1,862,000	\$ -	\$ 377,940	\$ 1,484,060
Construction in progress	11,986,789	13,561,515	4,876,883	20,671,421
Total capital assets not being depreciated	13,848,789	13,561,515	5,254,823	22,155,481
Capital assets being depreciated:				
Machinery, equipment, and vehicles	1,832,003	320,130	-	2,152,133
Infrastructure	496,656,219	4,876,883	-	501,533,102
Total capital assets being depreciated	498,488,222	5,197,013	-	503,685,235
Less accumulated depreciation for:				
Machinery, equipment, and vehicles	510,297	217,104	-	727,401
Infrastructure	162,313,754	9,981,898	-	172,295,652
Total accumulated depreciation	162,824,051	10,199,002	-	173,023,053
Net capital assets being depreciated	335,664,171	(5,001,989)	-	330,662,182
Net drainage district capital assets	<u>\$ 349,512,960</u>	<u>\$ 8,559,526</u>	<u>\$ 5,254,823</u>	<u>\$ 352,817,663</u>

The following is a summary of changes in the Martha T. Berry Medical Care Facility (MCF) Component Unit capital assets for the year ended December 31, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component Unit - Martha T. Berry MCF				
Capital assets being depreciated:				
Buildings and building improvements	5,839,080	207,960	-	6,047,040
Machinery, equipment, and vehicles	2,162,688	38,822	-	2,201,510
Total capital assets being depreciated	8,001,768	246,782	-	8,248,550
Less accumulated depreciation for:				
Buildings and building improvements	1,082,163	468,593	-	1,550,756
Machinery, equipment, and vehicles	883,133	272,115	-	1,155,248
Total accumulated depreciation	1,965,296	740,708	-	2,706,004
Net capital assets being depreciated	6,036,472	(493,926)	-	5,542,546
Net Martha T. Berry capital assets	<u>\$ 6,036,472</u>	<u>\$ (493,926)</u>	<u>\$ -</u>	<u>\$ 5,542,546</u>

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 6 – LONG-TERM DEBT

The following is a summary of the long-term liability transactions for the year ended December 31, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
PRIMARY GOVERNMENT					
Governmental Activities					
<i>General obligation bonds</i>					
Building Authority					
Series 2012 Public Works / Warehouse Refunding	\$ 2,300,000	\$ -	\$ 2,300,000	\$ -	\$ -
Series 2012A 800Mhz/NB Court Refunding	7,565,000	-	7,565,000	-	-
Series 2014 MTB / Youth Home Refunding	4,225,000	-	2,120,000	2,105,000	2,105,000
General County					
Series 2015 Capital Improvement Bonds	31,630,000	-	2,705,000	28,925,000	2,770,000
Series 2015 Retiree Health Care Bonds	77,998,219	-	8,754,102	69,244,117	8,990,749
Series 2020 Refunding Retiree Health Care Bonds	108,764,161	-	1,519,233	107,244,928	1,544,161
<i>Notes from direct borrowings and direct placements</i>					
Department of Roads					
2010 MDOT Infrastructure Loan	37,967	-	37,967	-	-
2010 MDOT Infrastructure Loan	53,418	-	53,418	-	-
2014 MDOT Infrastructure Loan	202,906	-	31,369	171,537	32,310
2017 MDOT Infrastructure Loan	327,700	-	37,511	290,189	38,449
Total bonded debt and loans	233,104,371	-	25,123,600	207,980,771	15,480,669
<i>Other liabilities</i>					
Compensated absences					
General County	13,967,924	3,591,692	3,171,384	14,388,232	2,000,000
Department of Roads	1,776,241	1,611,009	1,598,978	1,788,272	1,500,000
General liability claims					
General County	4,715,422	4,280,430	2,958,987	6,036,865	939,294
Department of Roads	273,267	1,001,561	46,939	1,227,889	21,285
Workers' compensation claims					
General County	2,113,092	829,655	1,010,782	1,931,965	482,991
Department of Roads	87,190	41,597	27,601	101,186	70,274
Total other liabilities	22,933,136	11,355,944	8,814,671	25,474,409	5,013,844
Total governmental activities	256,037,507	11,355,944	33,938,271	233,455,180	20,494,513
Business-Type Activities					
<i>General obligation bonds</i>					
Series 2015 Retiree Health Care Bonds	15,956,781	-	1,790,898	14,165,883	1,839,251
Series 2020 Refunding Retiree Health Care Bonds	22,250,839	-	310,767	21,940,072	310,767
<i>Other liabilities</i>					
Compensated absences	1,426,952	387,439	312,107	1,502,284	200,000
Total business-type activities	39,634,572	387,439	2,413,772	37,608,239	2,350,018
TOTAL PRIMARY GOVERNMENT	\$ 295,672,079	\$ 11,743,383	\$ 36,352,043	\$ 271,063,419	\$ 22,844,531
DISCRETELY PRESENTED COMPONENT UNITS					
Martha T. Berry Medical Care Facility					
<i>Notes from direct borrowings and direct placements</i>					
Notes payable to Macomb County	\$ 17,629,888	\$ -	\$ 891,650	\$ 16,738,238	\$ 1,925,800
<i>Other liabilities</i>					
Compensated absences	856,093	277,280	29,052	1,104,321	389,013
Total Martha T. Berry Medical Care Facility	18,485,981	277,280	920,702	17,842,559	2,314,813
Drainage Districts					
<i>General obligation bonds</i>					
Special assessment debt	238,443,278	7,225,000	17,714,508	227,953,770	11,596,947
Unamortized premiums	31,672,022	-	1,540,838	30,131,184	1,540,838
Unamortized discounts	(42,297)	-	(4,699)	(37,598)	(4,699)
<i>Notes from direct borrowings and direct placements</i>					
Special assessment debt	68,067,920	2,505,992	6,799,521	63,774,391	6,905,048
Total Drainage Districts	338,140,923	9,730,992	26,050,168	321,821,747	20,038,134
TOTAL COMPONENT UNITS	\$ 356,626,904	\$ 10,008,272	\$ 26,970,870	\$ 339,664,306	\$ 22,352,947

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 6 – LONG-TERM DEBT (CONTINUED)

Long-term bonded debt of the Primary Government and Component Units are presented below:

	Interest Rate	Date of Issue	Maturity Date	Original Issue Amount	Balance, End of Year
PRIMARY GOVERNMENT					
Governmental Activities					
<i>General Obligation Bonds</i>					
<i>Building Authority</i>					
Series 2012 Public Works / Warehouse Refunding	2.50	03/01/12	05/01/24	6,550,000	\$ -
Series 2012A 800Mhz/NB Court Refunding	2.00 - 2.50	10/01/12	11/01/25	14,160,000	-
Series 2014 MTB / Youth Home Refunding	4.00	09/01/14	03/01/22	15,155,000	2,105,000
<i>General County</i>					
Series 2015 Capital Improvement Bonds	2.00 - 4.00	06/23/15	05/01/30	44,210,000	28,925,000
Series 2015 Retiree Health Care Bonds	2.688 - 4.416	03/10/15	11/01/35	218,794,324	69,244,117
Series 2020 Refunding Retiree Health Care Bonds	0.25 - 2.24	10/27/20	11/01/35	108,764,161	107,244,928
Subtotal, general obligation bonds				407,633,485	207,519,045
<i>Notes from direct borrowings and direct placements</i>					
<i>Department of Roads</i>					
2010 MDOT Infrastructure Loan	1.00	10/29/10	10/29/20	334,405	-
2010 MDOT Infrastructure Loan	2.00	12/22/10	12/22/20	495,000	-
2014 MDOT Infrastructure Loan	3.00	07/01/14	07/01/26	472,500	171,537
2017 MDOT Infrastructure Loan	2.50	11/09/17	11/09/27	400,000	290,189
Subtotal, notes from direct borrowings and direct placements				1,701,905	461,726
Total governmental activities				409,335,390	207,980,771
Business-Type Activities					
<i>General Obligation Bonds</i>					
Series 2015 Retiree Health Care Bonds	2.688 - 4.416	03/10/15	11/01/35	44,760,676	14,165,883
Series 2020 Refunding Retiree Health Care Bonds	0.25 - 2.24	10/27/20	11/01/35	22,250,839	21,940,072
Total business-type activities				67,011,515	36,105,955
TOTAL PRIMARY GOVERNMENT				476,346,905	244,086,726
DISCRETELY PRESENTED COMPONENT UNIT					
Drainage District					
<i>Special assessment debt with governmental commitment</i>					
<i>General Obligation Bonds</i>					
<i>Lake St. Clair Clean Water Initiative</i>					
Series 2013 refunding	5.00	12/19/13	10/01/29	13,725,000	1,740,000
Series 2019 refunding	1.918 - 2.59	12/27/19	10/01/29	7,355,000	6,505,000
Series 2020 refunding	0.375 - 1.810	12/10/20	12/31/29	7,225,000	7,055,000
<i>Macomb Interceptor Drain Drainage District</i>					
Series 2017A refunding	3.00 - 5.00	06/07/17	05/01/42	126,425,000	110,500,000
Series 2020	2.00	02/19/20	05/01/26	15,435,000	14,385,000
<i>North Gratiot Interceptor</i>					
Series 2010	5.50 - 6.35	05/11/10	05/01/35	16,965,000	11,065,000
Series 2015 refunding	3.50 - 5.00	08/06/15	05/01/33	16,990,000	12,680,000
Series 2018 refunding	5.00	08/09/15	11/01/31	8,890,000	7,100,000
Series 2020	5.00	02/19/20	05/01/26	1,745,000	1,645,000
<i>Oakland-Macomb Interceptor</i>					
Series 2014	2.00 - 3.125	10/15/14	10/01/34	5,150,335	3,658,980
Series 2019A	1.85	12/19/19	04/01/30	2,322,650	1,998,200
Series 2019B	1.55	12/19/19	10/01/25	4,566,195	1,728,224
Series 2020	2.00	08/19/20	07/01/40	48,723,665	47,893,366
Subtotal, general obligation bonds				275,517,845	227,953,770
<i>Notes from direct borrowings and direct placements</i>					
<i>8.5 Mile Relief</i>					
State Revolving Fund Loan (5306-01)	2.50	Various	10/01/29	4,025,000	1,850,000
State Revolving Fund Loan (5393-01)	2.50	Various	10/01/30	1,246,579	633,579
State Revolving Fund Loan (5460-01)	2.50	Various	04/01/31	418,488	240,345
State Revolving Fund Loan (5579-01)	2.50	Various	10/01/34	445,000	288,366
<i>Lake St. Clair Clean Water Initiative</i>					
State Revolving Fund Series #1 (5186-01)	2.50	Various	10/01/22	20,670,000	1,300,000
State Revolving Fund Series #2 (5186-02)	2.50	Various	04/01/22	13,630,000	855,000
State Revolving Fund Series #3 (5186-03)	2.50	Various	04/08/22	2,640,000	165,000
State Revolving Fund Series #4 (5186-04)	2.50	Various	10/01/22	5,550,000	350,000
State Revolving Fund Series #5 (5186-05)	2.50	Various	10/01/23	975,000	120,000
<i>Macomb Interceptor Drain Drainage District</i>					
State Revolving Fund Loan (5487-01)	2.50	Various	04/01/34	8,565,000	6,000,780
State Revolving Fund Loan (5540-01)	2.00	Various	10/01/33	2,250,000	1,454,999
State Revolving Fund Loan (5605-01)	2.50	Various	03/30/16	3,145,000	2,500,000
State Revolving Fund Loan (5624-01)	2.50	Various	10/01/35	3,675,000	2,042,439
State Revolving Fund Loan (5639-03)	2.00	Various	07/22/20	26,000,000	2,505,992
<i>Oakland-Macomb Interceptor</i>					
State Revolving Fund Loan (5368-01)	2.50	Various	04/01/31	13,429,140	7,549,900
State Revolving Fund Loan (5368-02)	2.50	Various	10/01/20	12,532,062	8,244,256
State Revolving Fund Loan (5368-03)	2.00	Various	10/01/34	31,966,690	22,186,280
SAW Program Loan 2001-01	2.50	Various	04/01/36	6,907,116	5,487,455
Richmond-Columbus - Series 2010	4.70	11/23/10	06/01/21	547,778	-
Subtotal, notes from direct borrowings and direct placements				158,617,853	63,774,391
TOTAL DISCRETELY PRESENTED COMPONENT UNIT				434,135,698	291,728,161
TOTAL REPORTING ENTITY				\$ 910,482,603	\$ 535,814,887

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 6 – LONG-TERM DEBT (CONTINUED)

All long-term obligations are presented as of December 31, 2021 except for the Special Assessment Debt with Governmental Commitment and Department of Road obligations, which are presented as of September 30, 2021. Special assessments receivable have been pledged by various local units of government for the payment of principal and interest on the Special Assessment Debt with Governmental Commitment. The county has also pledged its full faith and credit as additional security for the payment of the principal and interest on the Special Assessment Debt with Governmental Commitment in the event that the monies required to pay the principal and interest on the bonds are not collected by the aforementioned special assessments.

A difference of \$952,900 exists between the balance the Martha T. Berry Medical Care Facility reported as due to the county (\$15,785,338) and what the county has recorded as outstanding at December 31, 2021 (\$16,738,238). The difference was caused by the facility reclassifying past due balances on the note payable to the county as current liabilities on their financial statements.

The annual requirements necessary to pay principal and interest on the obligations of the Primary Government and Component Units outstanding at year-end, exclusive of the compensated absences, general liability and workers' compensation accruals, are presented below.

Year	Governmental Activities				Business-Type Activities	
	Bonds		Notes from Direct Borrowings and Direct Placements		Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 15,409,910	\$ 5,379,619	\$ 70,759	\$ 12,401	\$ 2,155,090	\$ 894,633
2023	13,670,399	4,973,528	72,689	10,470	2,209,601	840,411
2024	14,080,998	4,564,161	74,672	8,487	2,269,002	780,639
2025	14,524,897	4,124,010	76,711	6,449	2,335,103	715,552
2026	14,971,079	3,673,033	78,805	4,354	2,403,921	645,899
2027 - 2031	78,290,486	11,186,665	88,090	3,317	13,159,514	2,088,788
2032 - 2036	56,571,276	3,061,332	-	-	11,573,724	626,283
2037 - 2041	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-
	<u>\$ 207,519,045</u>	<u>\$ 36,962,348</u>	<u>\$ 461,726</u>	<u>\$ 45,478</u>	<u>\$ 36,105,955</u>	<u>\$ 6,592,205</u>

Year	Primary Government				Discretely Presented Component Units			
	Bonds		Notes from Direct Borrowings and Direct Placements		Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 17,565,000	\$ 6,274,252	\$ 70,759	\$ 12,401	\$ 11,596,947	\$ 9,687,903	\$ 8,830,848	\$ 1,773,910
2023	15,880,000	5,813,939	72,689	10,470	12,045,917	9,161,886	6,534,733	1,576,927
2024	16,350,000	5,344,800	74,672	8,487	12,528,031	8,613,612	6,634,518	1,430,028
2025	16,860,000	4,839,562	76,711	6,449	13,030,517	8,086,911	5,565,840	1,291,748
2026	17,375,000	4,318,932	78,805	4,354	13,824,555	7,533,470	5,647,542	1,161,899
2027 - 2031	91,450,000	13,275,453	88,090	3,317	74,361,582	27,989,090	29,609,230	3,757,612
2032 - 2036	68,145,000	3,687,615	-	-	56,066,434	12,196,539	17,689,918	827,893
2037 - 2041	-	-	-	-	30,524,787	4,299,847	-	-
2042 - 2046	-	-	-	-	3,975,000	198,750	-	-
	<u>\$ 243,625,000</u>	<u>\$ 43,554,553</u>	<u>\$ 461,726</u>	<u>\$ 45,478</u>	<u>\$ 227,953,770</u>	<u>\$ 87,768,008</u>	<u>\$ 80,512,629</u>	<u>\$ 11,820,017</u>

New Advance Refunding Debt Issued

On December 10, 2020, the Lake St. Clair Clean Water Initiative (St Clair Shores – Roseville - Eastpointe) Drain Drainage District (the "Drainage District") issued \$7,225,000 of Series 2020 Drainage District Refunding Bonds for the purpose of partially refunding the 2013 St. Clair Clean Water Initiative Bonds. The Bonds were issued under the provisions of Section 476 of Public Act 40 of 1956, as amended, Public Act 34 of 2001, as amended, and by a resolution of the Board of the Drainage District dated September 14, 2020. The net proceeds of the bonds, less issuance costs, were \$7,189,816, and

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 6 – LONG-TERM DEBT (CONTINUED)

New Advance Refunding Debt Issued (concluded)

were placed in an irrevocable trust with an escrow agent and used to purchase treasury securities (SLGS). The Drainage District used the proceeds of the refunding bonds to defease the 2013 St. Clair Clean Water Initiative Bonds which were due and payable October 1, 2024 through October 1, 2029, but not callable until October 1, 2023. This was accomplished by establishing an irrevocable trust with an escrow agent comprised of treasury securities (SLGS) sufficient to meet the applicable principal and interest obligations.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the drainage district's financial statements. At September 30, 2021, bonds due and payable October 1, 2024 through October 1, 2029 in the amount of \$6,370,000 are considered defeased. The refunding was undertaken to reduce the debt service payment from 2021 to 2029, with a net savings of \$288,908 and to obtain an economic (present value) gain of \$270,946. The bonds bear interest between 0.375% and 1.810% and are due semiannually each April 1 and October 1, commencing on April 1, 2021 and concluding on October 1, 2029. The bonds will be payable from installments of special assessments from district member communities, which includes the cities of St. Clair Shores, Roseville, and Eastpointe. Additionally, Macomb County pledged its full faith and credit as additional security for the bonds.

NOTE 7 – CONDUIT DEBT

The City of Utica partnered with GS Entertainment, LLC, to redevelop property located north of Auburn Road and East of Moscone Drive, which was the site of a former waste disposal facility, into a community activity complex which includes a 2,000-seat ballpark and entertainment complex. The City of Utica and its Downtown Development Authority own the properties and lease them to GS Entertainment, LLC.

On August 11, 2015, Macomb County entered into a brownfield redevelopment loan agreement with the Michigan Department of Environmental Quality, Remediation and Redevelopment Division to borrow \$1,000,000 for the purpose of environmental remediation activities at the site. The loan agreement was amended on August 27, 2020, allowing a one year deferral, interest free, on the original loan repayment schedule. Loan repayments began on July 6, 2021, and will continue through July 6, 2031. The interest rate established on the loan is 1.50%. The county may pay off a portion or the entire amount of the loan within the first 5 years without interest or penalty.

As collateral for this loan Huntington Bank issued an Irrevocable Standby Letter of Credit from GS Entertainment, LLC to the county in the amount of \$1,000,000. GS Entertainment also executed a Promissory Note and a loan guaranty agreement with the county in the amount of \$300,000 to be applied toward the environmental clean-up response action costs on the property.

As the debt has been issued on behalf of GS Entertainment and is fully secured by GS Entertainment, the debt is classified as conduit debt and has not been recorded on the county's financial statements. The county will recognize payments as they are received from GS Entertainment in the governmental funds as a liability equal to the amounts collected but not yet remitted to debt holders.

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 8 – ASSET RETIREMENT OBLIGATIONS

The county reports asset retirement obligations related to a total of 10 underground gas tanks ranging in size from 8,000 gallons to 20,000 gallons as detailed below.

<u>Location and Size</u>	<u>Year Installed</u>	<u>Useful Life</u>	<u>Remaining Useful Life</u>	<u>Asset Retirement Obligation</u>	<u>Beginning Deferred Outflow</u>	<u>Current Year Amortization</u>	<u>Ending Deferred Outflow</u>
Washington Township							
20,000 gallon tank - Diesel	2000	40 years	18 years	\$ 100,000	\$ 90,476	\$ 4,762	\$ 85,714
12,000 gallon tank - Unleaded	2000	40 years	18 years	100,000	90,476	4,762	85,714
New Haven							
20,000 gallon tank - Diesel	1997	40 years	15 years	100,000	88,888	5,556	83,332
12,000 gallon tank - Unleaded	1997	40 years	15 years	100,000	88,888	5,556	83,332
Clinton Township							
20,000 gallon tank - Diesel	1979	45 years	2 years	100,000	60,000	20,000	40,000
10,000 gallon tank - Diesel	1979	45 years	2 years	100,000	60,000	20,000	40,000
20,000 gallon tank - Unleaded	1979	45 years	2 years	100,000	60,000	20,000	40,000
8,000 gallon tank - Unleaded	1979	45 years	2 years	100,000	60,000	20,000	40,000
Shelby Township							
20,000 gallon tank - Diesel	1993	40 years	11 years	100,000	85,714	7,143	78,571
12,000 gallon tank - Unleaded	1993	40 years	11 years	100,000	85,716	7,142	78,574
				<u>\$ 1,000,000</u>	<u>\$ 770,158</u>	<u>\$ 114,921</u>	<u>\$ 655,237</u>

Michigan Underground Storage Tank Rules, enforced by the Michigan Department of Licensing and Regulatory Affairs, holds owners of underground gas tanks financially responsible for any and all pollution and remediation expenditures as result of failure of the underground tank or as a result of removal of the underground tank.

The estimate of potential liability was determined by seeking quotes from contractors qualified to remove underground tanks and perform pollution remediation work if required. The liability is offset by available fund balance in the Roads Special Revenue Fund.

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The majority of the outstanding interfund receivables and payables represent interfund reimbursements that were not settled at year-end, as well as short-term working capital loans for funds with negative cash balances in the county’s cash and investment pool at year-end.

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. Interfund transfers are used to (1) account for the movement of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization and (2) move restricted revenues from the funds that are allowed to collect them to funds that are allowed to expend them.

Interfund receivables, payables, and transfers are reported below.

	Due From			
	Major Governmental Fund		Nonmajor Governmental Funds	
	Roads Fund	Internal Service Funds	Internal Service Funds	Total
Due to				
General Fund	\$ -	\$ 1,005,533	\$ 6,188,878	\$ 7,194,411
Internal Service	1,456,005	-	-	1,456,005
	1,456,005	1,005,533	6,188,878	8,650,416
Timing differences as a result of interfund transactions occurring in funds with different fiscal year ends	(1,456,005)	678,310	-	(777,695)
	<u>\$ -</u>	<u>\$ 1,683,843</u>	<u>\$ 6,188,878</u>	<u>\$ 7,872,721</u>

Interfund transfers are reported below.

	Transfers In						Total
	Major Governmental Fund			Major Enterprise Fund			
	General Fund	Community Action Agency	Nonmajor Governmental Funds	Internal Service	Community Mental Health	Nonmajor Enterprise Funds	
Transfers Out							
Major governmental funds							
General Fund	\$ -	\$ 3,855,022	\$ 22,014,275	\$ 7,039,679	\$ 7,087,397	\$ 52,922	\$ 40,049,295
Community Action Agency	-	-	2,075	-	-	-	2,075
Nonmajor governmental funds	-	-	1,209,548	-	-	-	1,209,548
Internal service funds	151,241	-	-	1,177,202	-	-	1,328,443
Major enterprise fund							
Delinquent Tax Revolving	8,000,000	-	1,402	-	-	-	8,001,402
Subtotal	8,151,241	3,855,022	23,227,300	8,216,881	7,087,397	52,922	50,590,763
Timing differences as a result of interfund transactions occurring in funds with different fiscal year ends	-	28,435	(12,826)	-	(13,118)	-	2,491
	<u>\$ 8,151,241</u>	<u>\$ 3,883,457</u>	<u>\$ 23,214,474</u>	<u>\$ 8,216,881</u>	<u>\$ 7,074,279</u>	<u>\$ 52,922</u>	<u>\$ 50,593,254</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 10 – LEASES

The county has commitments under operating lease agreements, which provide for minimum annual lease payments as follows:

Year	Primary Government	Component Units	Total
2022	\$ 3,218,383	\$ 987,370	\$ 4,205,753
2023	1,723,706	882,742	2,606,448
2024	1,014,865	882,742	1,897,607
2025	479,945	882,742	1,362,687
2026	352,431	407,933	760,364
	<u>\$ 6,789,330</u>	<u>\$ 4,043,529</u>	<u>\$ 10,832,859</u>

Rental expense for the year ended December 31, 2021 in the primary government totaled \$3,806,884 and totaled \$987,370 for component units, for a grand total of \$4,794,254.

NOTE 11 – DEFERRED COMPENSATION

The county offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, Macomb County Deferred Compensation Plan & Trust, administered by Vanguard, is available to all county employees, and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts are held in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets of the plan are not reported as assets of the employer.

NOTE 12 – DEFINED CONTRIBUTION PENSION PLAN

The county provides pension benefits to all new full-time employees hired on or after January 1, 2016 through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Eligible employees participate as of their date of employment, contributing three percent of their base wages annually, while the county contributes six percent of the employees' base wages annually plus a flat amount per eligible employee of \$2,600 annually. County contributions vest with the eligible employees at a rate of 20% per year of employment with the county until they are 100% vested at five years of employment with the county.

In accordance with plan requirements, the county contributed \$4,278,217 during the current year. Additionally, eligible employees contributed \$1,232,514 during the current year.

NOTE 13 – EMPLOYEES' RETIREMENT SYSTEM

Pension Plan Description

Plan Administration

The county sponsors the Macomb County Employees' Retirement System (the "System"), a single employer defined benefit plan covering substantially all of the county's employees. The System was established in accordance with state statutes to provide retirement benefits for the employees of the county and its several offices, boards and departments, including the Department of Roads. The system is administered by a seven member Board of Trustees (the "Pension Board") consisting of the County Executive or his/her designee, the Chair of the Board of Commissioners or his/her designee, the County Treasurer or his/her designee, the Director of the Department of Roads and three (3) active employees elected by the active members of the System on three year staggered terms.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)**Plan Membership**

At December 31, 2020 (date of the most recent actuarial valuation), the System’s membership consisted of:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits	2,876	188	3,064
Deferred members entitled to benefits but not yet receiving them	470	85	555
Active employees accruing retirement benefits	1,362	78	1,440
Active employees accruing termination benefits	1,141	381	1,522
	<u>5,849</u>	<u>732</u>	<u>6,581</u>

The plan is closed to new entrants effective January 1, 2016.

Benefits Provided

The System provides retirement, disability and death benefits. Benefit levels and employee contribution rates for union employees are granted through collective bargaining agreements and benefit levels for non-union employees are awarded by the County Executive in accordance with county charter. The Board of Trustees does not have the authority to determine benefit levels. However, the Board of Trustees does have the authority to grant disability retirements. Members become vested in the System after 8 or 15 years of service, depending on their date of hire. The System does not provide for automatic postemployment benefit changes such as cost-of-living adjustments. The following is a summary of the normal retirement benefits provided to the members of the system.

General County – Virtually all employees hired on or before December 21, 2001 may retire if their age plus years of service equals or exceeds 70 and they have attained a minimum age of 50. The annual retirement benefit, payable monthly for life, is computed at 2.4% of final average compensation for the first 26 years of service and 1% for every year thereafter, with a maximum employer pension of 65%. Employees hired on or after January 1, 2002 and certain employees hired before that date not covered by the provisions described above may retire at age 55 with 25 or more years of service or age 60 with 8 years of service. The annual retirement benefit, payable monthly for life, for these employees is computed at 2.2% of final average compensation for each year of service, with a maximum employer pension of 66% of final average compensation.

Sheriff Department – Employees may retire at any age with 25 or more years of service or age 60 with 8 years of service. The annual retirement benefit for the Sheriff and deputies, payable monthly for life, is computed at 2.64% of final average compensation multiplied by credited years of service with a maximum employer pension of 66%. The factor for the undersheriff, captains, jail administrator, command officers, corrections officers and dispatchers is 2.4% for the first 26 years of service and 1% for every year thereafter, with a maximum employer pension of 66% of final average compensation.

Department of Roads – Employees may retire at age 55 with 25 or more years of service, at age 60 with 8 years of service or at age 55 if their age plus years of service equals or exceeds 70. The annual retirement benefit, payable monthly for life, is computed at 2.4% of final average compensation for the first 26 years of service and 1% for every year thereafter, with a maximum employer pension of 65% of final average compensation.

The System also provides death and disability benefits. If an employee leaves covered employment or dies before they are vested, accumulated employee contributions plus interest at the rate of 3.5% per year is refunded to the employee or designated beneficiary.

The System also provides a termination benefit of \$1,000 to all employees hired after January 1, 2016. The benefit is fully vested following five years of service with the county.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)**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 funded 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 by collective bargaining agreement for union members. Contribution rates for nonunion members mirror those of union members with the same benefit levels. The county is required to contribute the difference between the actuarially determined rate and the contribution rate for employees. General county employees contribute 2.5% or 3.5% of their annual salary to the System depending upon classification. Department of Roads employees contribute 3.5% of their annual salary. Sheriff employees contribute 4.0% of their annual salary. The county’s required contribution for 2021 was \$13,892,354. The county contributed \$15,560,031 for the year ended December 31, 2021, which represents an excess contribution of \$1,667,677.

Deferred Retirement Option Program (DROP)

The county offers employees the ability to continue employment and be paid a salary after they are fully vested and also receive credits for the retirement benefit payments that would have been paid to them had they left county employment. Employees may receive up to 60 months of DROP credits. The accumulated credits are paid out, including interest at 3.5%, after the employee has fully retired (discontinued providing employee services to the county). The Plan had \$20,132,130 accumulated in DROP accounts at December 31, 2021.

Pension Plan Investments – Policy and Rate of Return**Investment Policy**

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

The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The Board’s adopted asset allocation policy as of December 31, 2021 is presented below.

	<u>Target Allocation</u>
Cash and cash equivalents	2%
Domestic equity	36%
International equity	15%
Domestic fixed income	16%
Real estate	10%
Alternative assets	<u>21%</u>
	<u><u>100%</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)**Pension Plan Investments – Policy and Rate of Return (continued)**Rate of Return

The annual money-weighted rate of return on pension plan investments for the year ended December 31, 2021 was 19.51%. The money-weighted rate of return expressed investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Reserves

In accordance with the provisions of the Plan document, the following reserves are required to be set aside within the pension plan:

The **retiree reserve** account is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The **employee reserve** account is credited as employee contributions are received throughout the year; the Plan maintains a record of the amount contributed by each employee, and credits interest annually at a rate of 3.5%. For any employee who terminates before vesting in the pension plan, their balance is returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

The **employer reserve** account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

The balances of the reserve accounts at December 31, 2021 are as follows:

Primary Government Reserves

	<u>Required</u>	<u>Actual</u>	<u>Over (Under) Funded</u>
Retiree reserve	\$ 721,811,544	\$ 721,811,544	\$ -
Employee reserve	46,584,095	46,584,095	-
Employer reserve	N/A	520,908,708	N/A

Component Unit Reserves

	<u>Required</u>	<u>Actual</u>	<u>Over (Under) Funded</u>
Retiree reserve	\$ 26,195,313	\$ 26,195,313	\$ -
Employee reserve	1,856,323	1,856,323	-
Employer reserve	N/A	-	N/A

Total Reserves, Employees' Retirement System

	<u>Required</u>	<u>Actual</u>	<u>Over (Under) Funded</u>
Retiree reserve	\$ 748,006,857	\$ 748,006,857	\$ -
Employee reserve	48,440,418	48,440,418	-
Employer reserve	N/A	520,908,708	N/A

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)**Pension Plan Investments – Policy and Rate of Return (concluded)****Net Pension Asset of the County**

The December 31, 2021 total pension asset was determined by an actuarial valuation dated December 31, 2020 and rolled forward to the measurement date. Changes in the net pension asset during the year are presented on the following page:

	Primary Government	Component Unit	Total
Total Pension Liability			
Service cost	\$ 12,192,446	\$ 428,535	\$ 12,620,981
Interest	70,089,505	2,760,176	72,849,681
Difference between expected and actual experience of the total pension liability	(3,726,172)	(130,966)	(3,857,138)
Benefit payments, including refunds of member contributions	<u>(70,752,222)</u>	<u>(2,737,735)</u>	<u>(73,489,957)</u>
Net change in total pension liability	7,803,557	320,010	8,123,567
Total pension liability - beginning of year	<u>1,048,874,183</u>	<u>15,338,078</u>	<u>1,064,212,261</u>
Total pension liability - end of year (a)	<u>\$ 1,056,677,740</u>	<u>\$ 15,658,088</u>	<u>\$ 1,072,335,828</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 15,560,031	\$ -	\$ 15,560,031
Contributions - employee	2,915,294	99,995	3,015,289
Net investment income	211,922,131	7,448,548	219,370,679
Benefit payments, including refunds of member contributions	(70,752,222)	(2,737,735)	(73,489,957)
Administrative expense	<u>(706,164)</u>	<u>(24,820)</u>	<u>(730,984)</u>
Net change in plan fiduciary net position	158,939,070	4,785,988	163,725,058
Plan fiduciary net position - beginning of year	<u>1,133,089,665</u>	<u>20,541,260</u>	<u>1,153,630,925</u>
Plan fiduciary net position - end of year (b)	<u>\$ 1,292,028,735</u>	<u>\$ 25,327,248</u>	<u>\$ 1,317,355,983</u>
County's net pension (asset) - end of year (a) - (b)	<u>\$ (235,350,995)</u>	<u>\$ (9,669,160)</u>	<u>\$ (245,020,155)</u>
Plan fiduciary net position as a percent of total pension liability	122.27%	161.75%	122.85%
Covered payroll	\$ 93,332,920	\$ 4,257,005	\$ 97,589,925
County's net pension liability (asset) as a percent of covered payroll	-252.16%	-227.14%	-251.07%

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2021, the county recognized a reduction in pension expense of \$52,360,746 and reported deferred outflows and inflows of resources related to pensions from the following sources:

Primary Government	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ 2,456,980	\$ 7,613,972
Differences between projected and actual earnings on pension plan investments	-	<u>163,217,452</u>
Totals, Primary Government	<u>\$ 2,456,980</u>	<u>\$ 170,831,424</u>
Component Unit	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ 86,357	\$ 267,613
Differences between projected and actual earnings on pension plan investments	-	<u>5,736,696</u>
Totals, Component Unit	<u>\$ 86,357</u>	<u>\$ 6,004,309</u>
Totals, Employees' Retirement System	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ 2,543,337	\$ 7,881,585
Differences between projected and actual earnings on pension plan investments	-	<u>168,954,148</u>
Totals	<u>\$ 2,543,337</u>	<u>\$ 176,835,733</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (concluded)**

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as a reduction (or increase) of pension expense as follows:

<u>Year Ending December 31,</u>	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total Reduction (Increase) in Pension Expense</u>
2022	\$ 38,457,043	\$ 1,351,672	\$ 39,808,715
2023	64,266,340	2,258,806	66,525,146
2024	37,541,395	1,319,489	38,860,884
2025	27,652,064	971,903	28,623,967
2026	457,602	16,082	473,684
Totals	<u>\$ 168,374,444</u>	<u>\$ 5,917,952</u>	<u>\$ 174,292,396</u>

Actuarial Assumptions

The December 31, 2021 total pension liability was determined by an actuarial valuation as of December 31, 2020, which was then rolled forward to December 31, 2021. The actuarial valuation used the following assumptions, applied to all periods included in the measurement: (a) inflation of 3.0%, (b) salary increases of 3.0% to 18.0% including inflation and (c) investment rate of return of 7.00%, net of pension plan investment expense and adjusted for inflation. Mortality rates were based on the RP-2014 (Base 2006) for all divisions. All divisions used the MP-2018 mortality improvement scale. The actuarial assumptions in the roll forward of the December 31, 2020 valuation were based on the results of an actuarial experience study for the period from December 31, 2012 to December 31, 2017.

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the employee rates.

Projected Cash Flows

Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Had there been a point where assets were projected to be depleted, a municipal bond rate of 2.25% would have been used in the development of the blended GASB discount rate after that point. The 2.25% is based on the S&P Municipal Bond 20 Year High Grade Rate Index.

The long-term expected rate of return on pension 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 pension plan 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 real rates of return as of December 31, 2021 for each major asset class included in the System’s target asset allocation, are summarized in the table on the following page and are presented as geometric means.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

Projected Cash Flows (concluded)

	<u>Long-Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.00%
Domestic equity	7.50%
International equity	8.50%
Domestic fixed income	2.50%
Real estate investment trusts	4.50%
Alternative assets	6.27%

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the county, calculated using the discount rate of 7.00% percent, as well as what that same liability or asset would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Primary Government Net Pension Liability (Asset)	\$ (123,325,628)	\$ (235,350,995)	\$ (329,850,466)
Component Unit Net Pension Liability (Asset)	<u>(5,004,890)</u>	<u>(9,669,160)</u>	<u>(13,386,231)</u>
Total Net Pension Liability (Asset)	<u>\$ (128,330,518)</u>	<u>\$ (245,020,155)</u>	<u>\$ (343,236,697)</u>

Accounting Principles and Financial Reporting

The System follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The financial statements of the System are included in these financial statements as Employee Retirement and Other Postemployment Benefits Trust funds.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONCLUDED)**Accounting Principles and Financial Reporting (concluded)**

The System does not issue separate independently audited financial statements; therefore, financial statements as of and for the year ended December 31, 2021 are presented below.

<u>Statement of Fiduciary Net Position</u>		<u>Statement of Changes in Fiduciary Net Position</u>	
ASSETS		ADDITIONS	
Cash and pooled investments	\$ 58,787,318	Investment income (loss):	
Investments, at fair value		Interest and dividends	\$ 9,568,493
Common stock	493,374,964	Net change in fair value of investments	218,197,417
Preferred stock	1,563,755	Less investment expenses	<u>(8,395,231)</u>
Foreign stock	94,970,054	Net investment income (loss)	219,370,679
Limited partnership	343,097,070	Contributions	
Fixed income common collective trusts	107,979,434	Employer	15,560,031
Equity common collective trusts	<u>223,302,146</u>	Employee	<u>3,015,289</u>
Total investments	1,264,287,423	Total contributions	<u>18,575,320</u>
Receivables		TOTAL ADDITIONS	237,945,999
Accrued interest	411,577		
Other	280,557	DEDUCTIONS	
Due from primary government	-	Benefit payments	73,093,602
Other assets	<u>40,196</u>	Withdrawals and refunds of contributions	396,355
TOTAL ASSETS	1,323,807,071	Administrative expenses	<u>730,984</u>
LIABILITIES		TOTAL DEDUCTIONS	<u>74,220,941</u>
Accounts payable	934,832		
Accrued compensation and benefits	5,478,865	CHANGE IN NET POSITION	163,725,058
Due to primary government	<u>37,391</u>	Net position - beginning of year	<u>1,153,630,925</u>
TOTAL LIABILITIES	<u>6,451,088</u>	Net position - end of year	<u>\$ 1,317,355,983</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 1,317,355,983</u>		

NOTE 14 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – GENERAL AND SHERIFF EMPLOYEES**Plan Description**

The county sponsors and administers a single employer defined benefit postretirement healthcare plan (the “Plan”) that provides certain health care benefits for general county (including the Martha T. Berry Medical Care Facility) and sheriff department retirees and their spouses so long as the retiree is currently receiving a pension from the Macomb County Employees Retirement System.

The Plan does not cover employees and retirees of the Department of Roads as the department participates in a separate plan disclosed in Note 15.

Plan assets are held in the Retiree Health Care Trust Fund. Benefit provisions are established by the County Board of Commissioners and may be amended in accordance with county policy. Hospitalization insurance is provided through insurance companies, whose premiums are based on the benefits paid during the year.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 14 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – GENERAL AND SHERIFF EMPLOYEES (CONTINUED)**Plan Description (concluded)**

The county finances these expenditures for general county and sheriff department retirees through the Retiree Health Care Trust Fund of the primary government. At December 31, 2019 (date of the most recent actuarial valuation), membership consisted of:

	Primary Government	Component Unit	Total
Retirees and beneficiaries currently receiving benefits	2,304	180	2,484
Deferred members entitled to benefits but not yet receiving them	225	12	237
Active employees covered by the plan	1,297	29	1,326
	<u>3,826</u>	<u>221</u>	<u>4,047</u>

Funding Policy

Plan members are required to contribute 25% of the cost of vision and dental coverage as well as co-pays for prescription drugs.

On March 10, 2015, Macomb County issued retiree health care bonds for the purpose of defraying the unfunded portion of the county's retiree health care obligations. The net proceeds of \$262,636,883 (after payment of \$589,161 of issuance costs, underwriters' discount of \$328,956) were placed in the Retiree Health Care Intermediate Trust (the "Intermediate Trust"), which was established in conjunction with the Macomb County Retiree Health Care Trust Fund to fund other postemployment benefits (OPEB). In addition, the county used General Fund balance of \$29,000,000 and \$30,000,000 contributed to the General Fund by the Delinquent Tax Revolving Fund in 2015 to contribute a total of \$59,000,000 to the Intermediate Trust. It is the policy of the county to fund the annual required contribution (ARC) to the Macomb County Retiree Health Care Trust Fund each year via a transfer from the Intermediate Trust. In 2017, as a result of the county's implementation of Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, the county moved the Intermediate Trust into the Other Postemployment Benefits Internal Service Fund.

County departments fully fund each debt service payment annually in lieu of contributing the OPEB ARC. Allocation of the debt service payment responsibility is determined based on the unfunded actuarial accrued liability as of December 31, 2015 by county department. As mandated in the county's intermediate trust agreement, the county contributes to the Macomb County Retiree Healthcare Trust an amount equal to at least the annual actuarially determined contribution each year. The county makes the annual contribution from its Other Postemployment Benefits Internal Service Fund.

The county contributed \$25,000,000 to the Macomb County Retiree Health Care Trust Fund for the year ended December 31, 2021. Employee contributions for the year totaled \$1,035,383, for total contributions to the Macomb County Retiree Health Care Trust Fund in the amount of \$26,035,383. The total cost of retiree health care benefits, administrative expenses of the plan and investment management fees for the year ended December 31, 2021 was \$20,690,494.

Net OPEB Liability

The December 31, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2021 measurement date. The December 31, 2021 measurement date total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019.

Changes in the net OPEB liability during the measurement year were as presented on the following page:

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 14 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – GENERAL AND SHERIFF EMPLOYEES (CONTINUED)**Net OPEB Liability (concluded)**

	Primary Government	Component Unit	Total
Total OPEB Liability			
Service cost	\$ 5,454,483	\$ 305,267	\$ 5,759,750
Interest	33,867,745	1,895,449	35,763,194
Difference between expected and actual experience of the total OPEB liability	(80,437,774)	(4,501,797)	(84,939,571)
Changes of assumptions	79,999,419	4,477,264	84,476,683
Benefit payments	(17,099,098)	(956,972)	(18,056,070)
Net change in total OPEB liability	21,784,775	1,219,211	23,003,986
Total OPEB liability - beginning of year	470,800,290	28,633,303	499,433,593
Total OPEB liability - end of year (a)	<u>\$ 492,585,065</u>	<u>\$ 29,852,514</u>	<u>\$ 522,437,579</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 23,675,000	\$ 1,325,000	\$ 25,000,000
Contributions - member	980,508	54,875	1,035,383
Net investment income	71,563,351	4,060,045	75,623,396
Employer paid benefits	(17,438,328)	(975,957)	(18,414,285)
Member paid benefits	(980,508)	(54,875)	(1,035,383)
Administrative expense	(74,789)	(4,186)	(78,975)
Net change in plan fiduciary net position	77,725,234	4,404,902	82,130,136
Plan fiduciary net position - beginning of year	369,427,304	22,899,859	392,327,163
Plan fiduciary net position - end of year (b)	<u>\$ 447,152,538</u>	<u>\$ 27,304,761</u>	<u>\$ 474,457,299</u>
County's net OPEB liability - end of year (a) - (b)	<u>\$ 45,432,527</u>	<u>\$ 2,547,753</u>	<u>\$ 47,980,280</u>
Plan fiduciary net position as a percent of total OPEB liability	90.78%	91.47%	90.82%
Covered employee payroll	\$ 84,133,063	\$ 4,257,005	88,390,068
County's net OPEB liability as a percent of covered employee payroll	54.00%	59.85%	54.28%

The following changes in assumptions impacted the calculation of the net OPEB liability as of December 31, 2021: New mortality tables were used, replacing assumptions based on RP-2014 and MP-2014 with a series of assumptions based on PUB-2010 and MP-2019. Additionally, the health care trend rates were lowered by 0.75 percent, from 8.25 percent to 7.5 percent, as well as the introduction of a Medicare trend rate at an initial rate of 6.25 percent, decreasing 0.25 percent per year to a 3.5 percent long-term rate. Also, the long term rate of return assumption for investments was lowered from 7.25 percent to 7.00 percent.

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

For the year ended December 31, 2021, the county recognized a reduction in OPEB expense of \$36,772,295 and reported deferred outflows and inflows of resources related to OPEB from the sources on the following page:

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 14 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – GENERAL AND SHERIFF EMPLOYEES (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Primary Government	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ -	\$ 117,976,939
Differences between projected and actual earnings on OPEB plan investments	-	60,225,842
Changes in assumptions	<u>68,082,565</u>	<u>-</u>
Totals, Primary Government	<u>\$ 68,082,565</u>	<u>\$ 178,202,781</u>
Component Unit	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ -	6,615,879
Differences between projected and actual earnings on OPEB plan investments	-	3,377,328
Changes in assumptions	<u>3,817,915</u>	<u>-</u>
Totals, Component Unit	<u>\$ 3,817,915</u>	<u>\$ 9,993,207</u>
Plan Totals	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ -	\$ 124,592,818
Differences between projected and actual earnings on OPEB plan investments	-	63,603,170
Changes in assumptions	<u>71,900,480</u>	<u>-</u>
Totals	<u>\$ 71,900,480</u>	<u>\$ 188,195,988</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 14 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – GENERAL AND SHERIFF EMPLOYEES (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (concluded)

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

<u>Year Ending December 31,</u>	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total Reduction in OPEB Expense</u>
2022	\$ (46,516,809)	\$ (2,608,557)	\$ (49,125,366)
2023	(41,382,755)	(2,320,651)	(43,703,406)
2024	(13,330,435)	(747,540)	(14,077,975)
2025	(8,890,218)	(498,543)	(9,388,761)
Total	<u>\$ (110,120,217)</u>	<u>\$ (6,175,291)</u>	<u>\$ (116,295,508)</u>

Actuarial Assumptions for Determining the Total OPEB Liability

The total OPEB liability was calculated as of December 31, 2021 using the County Retiree Health Care Plan valuation as of December 31, 2019 rolled forward to December 31, 2021. Key actuarial assumptions are as follows:

Expected Point in Time at Which Benefit Payments will Begin to be Made	All groups: Age-based table of rates specific to the type of eligibility condition. Sheriff: Experienced-based table of rates specific to the type of eligibility condition.
Marital Status and Dependency Status	Marital status of members at the calculation date was assumed to continue throughout retirement. Aging factors were based on the 2013 SOA study "Health Care Costs – From Birth to Death"
Mortality General and Martha T. Berry Members	Pub-2010 amount-weighted, general, employee (pre-retirement, retiree (post-retirement), disabled retiree (disability retirement), male and female, with mortality improvements projected to 2030 using MP-2019
Sheriff Members	Pub-2010 headcount-weighted, safety, employee (pre-retirement, retiree (post-retirement), disabled retiree (disability retirement), male and female, with mortality improvements projected to 2030 using MP-2019.
Turnover / Withdrawal Rates	Experienced-based table of rates. Assumed turnover rates are based on years of service for members with less than 5 years' service and are based on age for members with more than 5 years' service.
Healthcare Cost Trend Rate	Non-Medicare: Initial rate of 7.50%, reduced by 0.25% per year to a 3.50% long-term rate. Medicare: Initial rate of 6.25%, reduced by 0.25% per year to a 3.50% long-term rate.
Coverage Options	Determined by union membership and original date of hire at the date of retirement. 60% of general members, 70% of sheriff, and 50% of Martha T. Berry members were assumed to elect two-person coverage at retirement.
Inflation Rate	3.50%

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 14 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – GENERAL AND SHERIFF EMPLOYEES (CONTINUED)

Actuarial Assumptions for Determining the Total OPEB Liability (concluded)

Payroll Growth Rate	General County (including Martha T. Berry) – 4.50% to 6.50% Sheriff – 4.50% to 10.50% All percentages include inflation
Investment Rate of Return	7.00%, net of OPEB plan expenses

Inactive plan members do not share in the cost of OPEB. The actuarial assumptions in the December 31, 2019 valuation were based on historical trends as well as the results of an actuarial experience study for the period from December 31, 2014 to December 31, 2018.

Discount Rate

A single discount rate of 7.00% was used to measure the total OPEB liability. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the actuarially determined contribution rates.

Based on these assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return and Investment Policy

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 or return (expected returns, net of plan 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.

The Retiree Health Care Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Retiree Health Care Plan's board by a majority vote of its members. For the year ended December 31, 2021, there were changes to targeted asset allocation as shown in the table below.

Best estimates of arithmetic real rates of return for each major asset class as well as the board's adopted asset allocation policy as of December 31, 2021 are summarized in the following table.

	<u>Long-Term Expected Real Rate of Return</u>
Domestic fixed income	2.50%
Domestic equity	7.50%
International equity	8.50%
Real estate investment trusts	4.50%
Alternative assets	6.27%

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 14 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – GENERAL AND SHERIFF EMPLOYEES (CONTINUED)**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The table on the following page presents the net OPEB liability of the county, calculated using the discount rate of 7.00% percent, as well as what that same liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Primary Government Net OPEB Liability	\$ 104,487,462	\$ 45,432,527	\$ (3,783,131)
Component Unit Net OPEB Liability	5,859,420	2,547,753	(212,149)
Total Net OPEB Liability	<u>\$ 110,346,882</u>	<u>\$ 47,980,280</u>	<u>\$ (3,995,280)</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend

The following table presents the net OPEB liability of the county, calculated using the healthcare cost trend rate of 7.50% percent, as well as what that same liability would be if it were calculated using a healthcare trend rate that is one percentage-point lower (6.50%) or one percentage-point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
Primary Government Net OPEB Liability	\$ (14,633,258)	\$ 45,432,527	\$ 118,305,601
Component Unit Net OPEB Liability	(820,600)	2,547,753	6,634,310
Total Net OPEB Liability	<u>\$ (15,453,858)</u>	<u>\$ 47,980,280</u>	<u>\$ 124,939,911</u>

Rate of Return

The annual money-weighted rate of return on Plan investments for the year ended December 31, 2021 was 19.51%. The money-weighted rate of return expressed investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Basis of Accounting and Financial Reporting

The financial statements of the Retiree Health Care Trust Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable according to the terms of the plan.

Separate independently audited financial statements are not issued for the Plan. Therefore, financial statements as of and for the year ended December 31, 2021 are presented below and on the following page.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 14 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – GENERAL AND SHERIFF EMPLOYEES (CONCLUDED)**Basis of Accounting and Financial Reporting (concluded)**

<u>Statement of Fiduciary Net Position</u>		<u>Statement of Changes in Fiduciary Net Position</u>	
	<u>Retiree Health Care Trust Fund</u>		<u>Retiree Health Care Trust Fund</u>
ASSETS		ADDITIONS	
Cash and pooled investments	<u>\$ 30,936,283</u>	Investment income (loss):	
Investments, at fair value		Interest and dividends	\$ 23,599,694
Common stock	114,045,635	Net change in fair value of investments	54,220,936
Foreign stock	27,440,504	Less investment expenses	<u>(2,197,234)</u>
Limited partnership	5,342		
Real estate investment trusts	49,314,150	Net investment income (loss)	75,623,396
Fixed income common collective trusts	53,868,454		
Equity common collective trusts	<u>204,661,480</u>	Contributions	
		Contribution from Retiree Health Care Intermediate Trust Fund	<u>25,000,000</u>
Total investments, at fair value	449,335,565		
		TOTAL ADDITIONS	100,623,396
Receivables		DEDUCTIONS	
Accrued interest	5,433,155	Benefit payments	18,414,285
Other	87,115	Administrative expenses	<u>78,975</u>
Due from primary government	5,700		
Other assets	<u>30,414</u>	TOTAL DEDUCTIONS	<u>18,493,260</u>
TOTAL ASSETS	485,828,232	CHANGE IN NET POSITION	82,130,136
		Net position - beginning of year	<u>392,327,163</u>
LIABILITIES		Net position - end of year	<u>\$ 474,457,299</u>
Accounts payable	873,351		
Due to primary government	<u>10,497,582</u>		
TOTAL LIABILITIES	<u>11,370,933</u>		
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	<u>\$ 474,457,299</u>		

NOTE 15 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – DEPARTMENT OF ROADS**Plan Description**

The county's Department of Roads sponsors a defined benefit postretirement healthcare plan (the "Plan") that provides certain health care benefits for department of roads retirees and their spouses so long as the retiree is currently receiving a pension from the Macomb County Employees' Retirement System. The Plan is a single employer defined benefit plan administered by the Municipal Employees' Retirement System (MERS). Assets of the Plan are held by MERS.

Benefit provisions are established by the County Board of Commissioners and may be amended in accordance with county policy. Hospitalization insurance is provided through insurance companies, whose premiums are based on the benefits paid during the year.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 15 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – DEPARTMENT OF ROADS (CONTINUED)**Plan Description (concluded)**

The county Department of Roads finances these expenditures through the Department of Roads Special Revenue Fund. At December 31, 2020 (date of the most recent actuarial valuation), membership consisted of:

Retirees and beneficiaries currently receiving benefits	327
Deferred members entitled to benefits but not yet receiving them	19
Active employees covered by the plan	<u>124</u>
	<u><u>470</u></u>

Funding Policy

It is the policy of the Department of Roads to fund the annual required contribution (ARC) to the Plan each year. There are no employee contributions to the Plan. The Department of Roads contributed \$6,657,013 to the Plan for the year ended September 30, 2021. Of this amount, \$2,657,013 was for payment of current healthcare invoices, while \$4,000,000 was a contribution to MERS. The total cost of retiree health care benefits, administrative expenses of the plan and investment management fees for the year ended September 30, 2021 was \$2,830,098.

Net OPEB Liability

The September 30, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the September 30, 2021 measurement date. The September 30, 2021 measurement date total OPEB liability was determined by an actuarial valuation performed as of December 31, 2020.

Changes in the net OPEB liability during the measurement year were as presented below:

<u>Changes in Net OPEB Liability (Asset)</u>	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Net Position</u>	<u>Net OPEB Liability</u>
Balance, beginning of year	\$ 89,668,842	\$ 80,358,112	\$ 9,310,730
Changes for the year:			
Service cost	727,413	-	727,413
Interest	5,987,523	-	5,987,523
Difference between expected and actual experience of the total OPEB liability	(21,851,634)	-	(21,851,634)
Contributions - employer	-	6,657,013	(6,657,013)
Net investment income	-	18,393,318	(18,393,318)
Employer paid benefits	-	(2,657,013)	2,657,013
Administrative expense	-	(67,729)	67,729
Changes of assumptions	2,480,594	-	2,480,594
Benefit payments	<u>(2,657,013)</u>	<u>-</u>	<u>(2,657,013)</u>
Net changes	<u>(15,313,117)</u>	<u>22,325,589</u>	<u>(37,638,706)</u>
Balance, end of year	<u>\$ 74,355,725</u>	<u>\$ 102,683,701</u>	<u>\$ (28,327,976)</u>

The following changes in assumptions impacted the calculation of the net OPEB liability as of September 30, 2021: The health care trend rates were lowered by 0.75 percent, from 8.25 percent to 7.5 percent, as well as the introduction of a Medicare trend rate at an initial rate of 6.25 percent, decreasing 0.25 percent per year to a 3.5 percent long-term rate.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 15 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – DEPARTMENT OF ROADS (CONTINUED)**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2021, the Department of Roads recognized a reduction in OPEB expense of \$12,177,169 and reported deferred outflows and inflows of resources related to OPEB from the sources on the following page:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ -	\$ 11,243,805
Differences between projected and actual earnings on OPEB plan investments	-	9,209,902
Changes in assumptions	<u>1,241,474</u>	<u>-</u>
Totals	<u>\$ 1,241,474</u>	<u>\$ 20,453,707</u>

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

<u>Year Ending September 30,</u>	<u>Total OPEB Expense (Reduction in Expense)</u>
2022	\$ (11,867,117)
2023	(2,147,587)
2024	(2,644,245)
2025	<u>(2,553,284)</u>
Total	<u>\$ (19,212,233)</u>

Actuarial Assumptions for Determining the Total OPEB Liability

The total OPEB liability was calculated as of September 30, 2021 using the Department of Roads Retiree Health Care Plan valuation as of December 31, 2020. Key actuarial assumptions are as follows:

Expected Point in Time at Which Benefit Payments will Begin to be Made	Age-based table of rates specific to the type of eligibility condition.
Marital Status and Dependency Status	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
Mortality	
Healthy Pre-Retirement	RP-2014 Healthy Annuitant Mortality Table, adjusted for mortality improvements with MP-2018.
Healthy Post-Retirement	105% of the male and 110% of the female RP-2014 Healthy Annuitant Mortality Table, adjusted for mortality improvements with MP-2018.
Disability Retirement	106% of the male and 114% of the female RP-2014 disabled mortality table, adjusted for mortality improvements with MP-2018.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 15 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – DEPARTMENT OF ROADS (CONTINUED)**Actuarial Assumptions for Determining the Total OPEB Liability (concluded)**

Turnover / Withdrawal Rates	Experienced-based table of rates. Assumed turnover rates are based on years of service for members with less than 5 years' service and are based on age for members with more than 5 years' service.
Healthcare Cost Trend Rate	Non-Medicare: Initial rate of 7.50%, reduced by 0.25% per year to a 3.50% long-term rate after 12 years. Medicare: Initial rate of 6.25%, reduced by 0.25% per year to a 3.50% long-term rate after 12 years.
Coverage Options	Determined by union membership and original date of hire at the date of retirement. 80% of retirees were assumed to elect two-person health care coverage at retirement.
Inflation Rate	2.50%
Payroll Growth Rate	3% - 15%
	Percentages include inflation
Investment Rate of Return	6.75%, net of OPEB plan expenses

Inactive plan members do not share in the cost of OPEB. The actuarial assumptions in the roll forward of the December 31, 2020 valuation were based on the results of an actuarial experience study for the period from December 31, 2012 to December 31, 2017.

Discount Rate

A single discount rate of 6.75% was used to measure the total OPEB liability. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the actuarially determined contribution rates.

Based on these assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return and Investment Policy

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 or return (expected returns, net of plan 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.

The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by amending the agreement with MERS, which requires approval by the County Executive and a majority vote of the Board of Commissioners. For the year ended September 30, 2021, there were no changes to the Plan's investment policy.

Best estimates of arithmetic real rates of return for each major asset class as well as the board's adopted asset allocation policy as of September 30, 2021 are summarized in the following table.

	Long-Term Expected Real Rate of Return	Targeted Asset Allocation Policy
International fixed income	0.48%	20.00%
International equities	2.97%	60.00%
Real assets	1.40%	20.00%

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 15 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – DEPARTMENT OF ROADS (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the county related to the Department of Roads OPEB plan, calculated using the discount rate of 6.75% percent, as well as what that same liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability (asset) \$	(19,369,548)	(28,327,976)	(35,780,360)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend

The table on the following page presents the net OPEB liability of the county related to the Department of Roads OPEB plan, calculated using the healthcare cost trend rate of 9% percent, as well as what that same liability would be if it were calculated using a healthcare trend rate that is one percentage-point lower (8%) or one percentage-point higher (10%) than the current rate.

	1% Decrease (7.25%)	Current Rate (8.25%)	1% Increase (9.25%)
Net OPEB liability (asset) \$	(36,415,207)	(28,327,976)	(18,568,473)

Rate of Return

The annual money-weighted rate of return on Plan investments for the year ended September 30, 2021 was 20.30%. The money-weighted rate of return expressed investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Basis of Accounting and Financial Reporting

The financial statements of the Roads Retiree Health Care Trust Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable according to the terms of the plan.

Separate independently audited financial statements are not issued for the Plan. Therefore, financial statements as of and for the year ended September 30, 2021 are presented on the following page.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 15 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – DEPARTMENT OF ROADS (CONCLUDED)

Basis of Accounting and Financial Reporting (concluded)

<u>Statement of Fiduciary Net Position</u>		<u>Statement of Changes in Fiduciary Net Position</u>	
	<u>Roads Retiree Health Care Investment Trust Fund</u>		<u>Roads Retiree Health Care Investment Trust Fund</u>
ASSETS		ADDITIONS	
Investments, at fair value		Investment income (loss):	
Interest in pooled investment	\$ 102,683,701	Net change in fair value of investments	\$ 18,498,674
		Less investment expenses	(105,356)
		Net investment income (loss)	18,393,318
		Contributions	
		Employer	6,657,013
		TOTAL ADDITIONS	25,050,331
		DEDUCTIONS	
		Benefit payments	2,657,013
		Administrative expenses	67,729
		TOTAL DEDUCTIONS	2,724,742
		CHANGE IN NET POSITION	22,325,589
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	\$ 102,683,701	Net position - beginning of year	80,358,112
		Net position - end of year	\$ 102,683,701

NOTE 16 – AGGREGATE PRIMARY GOVERNMENT POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS INFORMATION

The county reported primary government totals related to its OPEB plans as detailed below:

	<u>Footnote 14 General and Sheriff OPEB Plan</u>	<u>Footnote 15 Department of Roads OPEB Plan</u>	<u>Primary Government Totals</u>
Net OPEB Asset	\$ -	\$ 28,327,976	\$ 28,327,976
Net OPEB Liability	45,432,527	-	45,432,527
Deferred inflows	178,202,781	20,453,707	198,656,488
Deferred outflows	68,082,565	1,241,474	69,324,039
OPEB expense	(34,819,686)	(12,177,169)	(46,996,855)

NOTE 17 – CONTINGENCIES AND COMMITMENTS

Grants

The county receives funds from various Federal and State units to finance specific activities. The final determination of revenue is subject to the acceptance of project costs by the granting agency, usually after a compliance audit. To the extent that costs are disallowed by the granting agency, county monies would be required to reimburse the grant fund. The county does not believe that any disallowed costs would be material to the financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 17 – CONTINGENCIES AND COMMITMENTS (CONCLUDED)

Construction Commitments

The Department of Roads had several significant active projects in progress at September 30, 2021, with estimated total project costs of \$63,205,819. Of the total, \$12,572,399 represents amount previously expended and \$50,633,420 represents remaining commitments pursuant to construction contracts on those projects. In addition, the Drainage District Component Units had several active construction projects in progress at year-end, with outstanding commitments of \$2,830,703.

NOTE 18 – RISK MANAGEMENT

The county is exposed to various risks of loss related to property damage and loss, torts, errors and omissions, employee injury (workers' compensation) and medical benefits provided to employees and retirees. The county has purchased commercial insurance for property damage coverage and certain medical benefits, but is self-insured for workers' compensation and auto liability claims up to certain retention amounts, at which time insurance coverage begins. The county also self-funds certain medical benefits of employees and retirees.

There were no significant reductions in insurance coverage in 2021 from the prior year. Claims settled during the past three years have not exceeded the retention amounts. Liabilities include estimates of claims incurred but not reported and are calculated considering the effects of inflation, recent claim settlement trends and other economic and social factors.

Workers' Compensation

Since December 1, 1978, the county has been partially self-insured against workers' compensation claims. Under the plan, the county is obligated to pay the first \$750,000 of each law enforcement-related settlement or award and \$600,000 of all other individual settlements or awards with commercial insurance covering claims in excess of the retention to an aggregate of \$1,000,000 annually. General County claims and related activities to this self-insured program are funded from the Workers' Compensation Internal Service Fund while Roads claims are funded by the Roads Special Revenue Fund.

Changes in the estimated liabilities for unsolved workers' compensation claims for the past two fiscal years were as follows:

	General County		Department of Roads	
	Year Ended December 31,		Year Ended September 30,	
	2020	2021	2020	2021
Estimated liability - beginning of year	\$ 1,859,245	\$ 2,113,092	\$ 159,351	\$ 87,190
Estimated claims incurred, including changes in estimates	1,202,639	829,655	(22,760)	41,597
Claims payments	(948,792)	(1,010,782)	(49,401)	(27,601)
Estimated liability - end of year	<u>\$ 2,113,092</u>	<u>\$ 1,931,965</u>	<u>\$ 87,190</u>	<u>\$ 101,186</u>

General Liability

The county is a defendant in various lawsuits in which plaintiffs seek damages of an indeterminable amount. Since December 1, 1977, the primary government has been partially self-insured for losses of a general liability nature. The county (excluding the Martha T. Berry Medical Care Facility and the Department of Roads) is currently self-insured for losses of a general liability nature up to \$750,000 per claim, with commercial insurance covering claims in excess of the retention amount to an aggregate of \$10,000,000 annually. The Martha T. Berry Medical Care Facility is insured for losses of up to \$3,000,000 per occurrence and \$5,000,000 in the aggregate. The Department of Roads is self-insured, within certain limits, for general liability claims arising prior to February 18, 1986 and subsequent to January 17, 1993 and is completely self-insured for claims arising within those dates. The General Liability Insurance Internal Service Fund has been established to account for the self-insured aspects of this program for the county, while the Roads General Liability Internal Service Fund is used to account for claims and activities related to the Department of Roads.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 18 – RISK MANAGEMENT (CONTINUED)

General Liability (concluded)

Changes in the estimated liabilities for general liability claims for the past two fiscal years were as follows:

	General County		Department of Roads	
	Year Ended December 31,		Year Ended September 30,	
	2020	2021	2020	2021
Estimated liability - beginning of year	\$ 4,462,414	\$ 4,715,422	\$ 279,082	\$ 273,267
Estimated claims incurred, including changes in estimates	2,577,899	4,280,430	15,996	1,001,561
Claims payments	(2,324,891)	(2,958,987)	(21,811)	(46,939)
Estimated liability - end of year	<u>\$ 4,715,422</u>	<u>\$ 6,036,865</u>	<u>\$ 273,267</u>	<u>\$ 1,227,889</u>

Health Insurance

Since January 1, 2018, the county has been self-insured for all three of its health care plans offered to employees and retirees. Two of the plans are administered by Blue Cross/Blue Shield of Michigan and one is administered by Health Alliance Plan. For all three plans, the county deposits a weekly amount based on estimated claims and settles these deposits against actual claims incurred on a quarterly basis. Medical claims for active employees are funded by the Fringe Benefits Internal Service Fund, while medical claims for retirees are funded by the County Retiree Health Care Trust Fund.

Changes in the estimated liabilities for health care claims for the past two fiscal years were as follows:

	General County	
	Year Ended December 31,	
	2020	2021
Estimated liability (asset) - beginning of year	\$ (840,980)	\$ 2,352,075
Estimated claims incurred, including changes in estimates	35,894,545	45,366,802
Claims payments	(32,701,490)	(47,122,149)
Estimated liability (asset) - end of year	<u>\$ 2,352,075</u>	<u>\$ 596,728</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 19 – NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of December 31, 2021 is presented below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Component Units</u>
CAPITAL ASSETS			
Capital assets not being depreciated	\$ 227,377,460	\$ 50,000	\$ 22,155,481
Capital assets being depreciated	<u>869,938,571</u>	<u>1,280,894</u>	<u>336,204,728</u>
	1,097,316,031	1,330,894	358,360,209
RELATED DEBT			
Total bonds payable related to capital assets	31,491,726	-	291,728,161
Net bond discounts and premiums	-	-	30,093,586
Less:			
Unspent bond proceeds	-	-	(2,830,703)
Bond proceeds not capitalized	<u>-</u>	<u>-</u>	<u>(99,877,809)</u>
	<u>31,491,726</u>	<u>-</u>	<u>219,113,235</u>
NET INVESTMENT IN CAPITAL ASSETS	<u><u>\$ 1,065,824,305</u></u>	<u><u>\$ 1,330,894</u></u>	<u><u>\$ 139,246,974</u></u>

NOTE 20 – TAX ABATEMENTS

The county receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by cities, villages, and townships within the county. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties.

For the fiscal year ended December 31, 2021, the county's property tax revenues were reduced by \$979,792 under these programs.

There were no significant abatements made by the county.

NOTE 21 – SUBSEQUENT EVENT

Subsequent to year-end, the fair value of the investment portfolios in the county's pension and retiree health care related trusts declined by 12.2 percent as of May 31, 2022. Specifically, the Macomb County Employees' Retirement System investment portfolio declined by 12.5 percent, the Macomb County Retiree Health Care Trust investment portfolio declined by 12.8 percent, and the County's Intermediate Retiree Medical Benefit Trust investment portfolio declined by 10.1 percent. These declines in fair value were consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

NOTE 22 – UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The county is currently evaluating the impact this standard will have on the financial statements when adopted, during the county's 2022 fiscal year.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 22 – UPCOMING ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The county is currently evaluating the impact this standard will have on the financial statements when adopted, during the county's 2022 fiscal year.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation of certain GASB statements. The guidance that will be most significant to the county will be related to GASB 83 (Certain Asset Retirement Obligations) and GASB 84 (Fiduciary Activities). The county is currently evaluating the impact this standard will have on the financial statements when adopted, during the county's 2022 fiscal year.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to provide guidance regarding the replacement of the London Interbank Offered Rate (LIBOR), which will cease to exist on December 31, 2021. The county is currently evaluating the impact this standard will have on the financial statements when adopted, during the county's 2022 fiscal year.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The Statement will improve financial reporting by establishing the definitions of PPPs and APAs, along with uniform accounting rules for both. The county is currently evaluating the impact this standard will have on the financial statements when adopted, during the county's 2023 fiscal year.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement (1) defines a subscription-based information technology arrangement (SBITA), (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) requires notes disclosures regarding a SBITA. The county is currently evaluating the impact this standard will have on the financial statements when adopted, during the county's 2023 fiscal year.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The objectives of this statement are (1) to increase consistency and comparability related to the reporting of fiduciary component units, (2) mitigate costs associated with reporting of certain defined contribution pension plans and other retirement plans as fiduciary component units in fiduciary fund financial statements, and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. Paragraphs 4 and 5 of this statement were effective for the county's 2020 fiscal year, while the remainder of the statement is effective for the county's 2022 fiscal year. The county is currently evaluating the impact this standard will have on the financial statements when adopted.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The Omnibus will provide clarification of provisions in Statement No. 87, Leases; Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements; and Statement No. 96, Subscription-Based Information Technology Arrangements. The county is currently evaluating the impact this standard will have on the financial statements when adopted, during the county's 2023 fiscal year.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2021

NOTE 21 – UPCOMING ACCOUNTING PRONOUNCEMENTS (CONCLUDED)

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The county is currently evaluating the impact this standard will have on the financial statements when adopted, during the county's 2024 fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective will be achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The county is currently evaluating the impact this standard will have on the financial statements when adopted, during the county's 2024 fiscal year.

Macomb County, Michigan

General Fund

REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)

Year Ended December 31, 2021

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 133,919,000	\$ 133,919,000	\$ 134,142,878	\$ 223,878
Licenses and permits	1,394,800	1,394,800	1,643,799	248,999
Federal grants	1,400,000	1,400,000	1,079,743	(320,257)
State grants				
Revenue sharing	17,182,000	17,182,000	17,335,671	153,671
Court financing	4,759,100	4,759,100	4,608,849	(150,251)
Liquor tax	6,400,000	6,400,000	6,465,101	65,101
Health department	2,783,200	2,783,200	2,783,126	(74)
Personal property tax stabilization	4,000,000	4,000,000	8,717,534	4,717,534
Other	588,800	591,542	335,193	(256,349)
Total state grants	35,713,100	35,715,842	40,245,474	4,529,632
Charges for services				
Attorney fees	250,000	250,000	208,091	(41,909)
Certified copies	1,019,600	1,019,600	1,200,744	181,144
Commissions	930,500	930,500	1,231,836	301,336
Court costs and fees	2,070,400	2,070,400	1,697,922	(372,478)
Foster care	280,000	280,000	154,745	(125,255)
Health department	742,500	742,500	919,221	176,721
Housing inmates	1,605,000	1,605,000	1,125,153	(479,847)
Land transfer tax	3,607,000	3,607,000	6,556,718	2,949,718
Medicare / Medicaid	555,000	555,000	233,841	(321,159)
Other sheriff services	5,723,000	5,723,000	5,618,460	(104,540)
Probation oversight fees	350,500	350,500	174,882	(175,618)
Public works - pumping station	3,881,600	3,881,600	3,736,931	(144,669)
Recording fees	3,171,500	3,171,500	4,355,908	1,184,408
Sheriff road patrol	14,292,300	14,292,300	13,563,153	(729,147)
Soil erosion fees	697,500	697,500	949,398	251,898
Miscellaneous	3,307,700	3,407,700	2,808,853	(598,847)
Total charges for services	42,484,100	42,584,100	44,535,856	1,951,756
Charges to other funds for				
administrative services	13,414,300	13,577,481	13,275,462	(302,019)
Fines and forfeitures	590,000	590,000	496,813	(93,187)
Interest and rents	2,426,500	2,426,500	2,275,205	(151,295)
Other revenue	78,600	78,600	112,988	34,388
TOTAL REVENUES	231,420,400	231,686,323	237,808,218	6,121,895

Macomb County, Michigan

General Fund

REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) (CONTINUED)

Year Ended December 31, 2021

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Current				
Legislative - Board of commissioners	\$ 1,756,400	\$ 1,664,364	\$ 1,476,642	\$ 187,722
Judicial				
Circuit court	8,705,300	8,438,038	7,634,299	803,739
District court - 3rd class	19,000	19,000	2,185	16,815
District court - New Baltimore	1,451,700	1,402,867	1,357,589	45,278
District court - Romeo	1,325,700	1,277,361	1,173,134	104,227
Family counseling	70,300	69,754	44,894	24,860
Family court - Juvenile division	6,036,200	5,916,415	5,828,740	87,675
Jury commission	160,900	160,900	158,158	2,742
Law library	9,600	9,600	8,131	1,469
Probate court	3,349,700	3,257,464	3,233,716	23,748
Probation - Circuit court	135,300	135,300	94,399	40,901
Prosecuting attorney	10,964,500	10,680,053	10,446,665	233,388
Total judicial	32,228,200	31,366,752	29,981,910	1,384,842
General government				
Building authority	500	500	210	290
County clerk	5,209,900	5,140,747	4,876,018	264,729
County executive	1,790,800	1,744,693	1,593,499	151,194
Corporation counsel	1,179,600	1,168,296	1,164,711	3,585
Elections	328,500	585,022	384,371	200,651
Ethics board	4,700	4,700	470	4,230
Equalization	1,029,700	1,003,818	972,546	31,272
Facilities and operations	17,239,700	16,916,227	14,612,829	2,303,398
Finance	2,362,100	2,324,625	2,243,107	81,518
Human resources	2,665,400	2,606,686	2,499,183	107,503
Information technology	11,016,700	10,886,125	9,255,329	1,630,796
MSU extension	989,700	959,029	919,135	39,894
Purchasing	1,400,900	1,348,825	1,203,298	145,527
Register of deeds	1,921,200	1,837,546	1,715,970	121,576
Treasurer	2,348,700	2,283,459	2,217,519	65,940
Total general government	49,488,100	48,810,298	43,658,195	5,152,103
Public safety				
Civil service commission	48,500	48,500	22,571	25,929
Emergency management	1,351,500	1,314,982	1,258,075	56,907
Sheriff department	78,596,600	76,623,174	75,764,916	858,258
Total public safety	79,996,600	77,986,656	77,045,562	941,094

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Macomb County, Michigan

General Fund

REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) (CONCLUDED)

Year Ended December 31, 2021

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (CONCLUDED)				
Current				
Public works	\$ 7,071,800	\$ 6,810,084	\$ 6,917,145	\$ (107,061)
Health and welfare				
Animal shelter	2,068,000	1,983,941	1,830,213	153,728
Health & community services	281,800	214,319	111,922	102,397
Health department	16,935,800	15,904,204	14,066,050	1,838,154
Social services	56,500	56,500	49,209	7,291
Total health and welfare	19,342,100	18,158,964	16,057,394	2,101,570
Community and economic development				
Planning and economic development	3,588,000	3,455,155	3,114,739	340,416
Other current operations				
Non-departmental appropriations	3,435,600	3,547,942	1,902,318	1,645,624
Vacant position turnover factor	(5,107,400)	-	-	-
Total other current operations	(1,671,800)	3,547,942	1,902,318	1,645,624
Capital outlay	10,860,200	8,112,454	1,901,600	6,210,854
TOTAL EXPENDITURES	202,659,600	199,912,669	182,055,505	17,857,164
EXCESS OF REVENUES OVER EXPENDITURES	28,760,800	31,773,654	55,752,713	23,979,059
OTHER FINANCING SOURCES (USES)				
Transfers in	8,000,000	8,151,241	8,151,241	-
Transfers out	(36,557,100)	(40,123,995)	(40,049,295)	74,700
TOTAL OTHER FINANCING SOURCES (USES)	(28,557,100)	(31,972,754)	(31,898,054)	74,700
NET CHANGE IN FUND BALANCES	203,700	(199,100)	23,854,659	24,053,759
Fund balances, beginning of year	72,430,990	72,430,990	72,430,990	-
Fund balances, end of year	<u>\$ 72,634,690</u>	<u>\$ 72,231,890</u>	<u>\$ 96,285,649</u>	<u>\$ 24,053,759</u>

Macomb County, Michigan

Department of Roads Special Revenue Fund

REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)

Year Ended September 30, 2021

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ 867,200	\$ 867,200	\$ 1,026,556	\$ 159,356
Federal & state grants	132,536,104	132,536,104	109,151,683	(23,384,421)
Charges for services	25,945,818	25,945,818	13,858,344	(12,087,474)
Interest and rents	1,115,017	1,115,017	351,373	(763,644)
Other revenue	272,200	272,200	572,656	300,456
TOTAL REVENUES	160,736,339	160,736,339	124,960,612	(35,775,727)
EXPENDITURES				
Current				
Public works	161,340,718	161,346,718	98,675,258	62,671,460
Capital outlay	5,581,630	5,710,630	4,252,799	1,457,831
Debt service				
Principal	-	-	160,265	(160,265)
Interest and fees	-	-	15,728	(15,728)
TOTAL EXPENDITURES	166,922,348	167,057,348	103,104,050	63,953,298
EXCESS OF REVENUES OVER EXPENDITURES	(6,186,009)	(6,321,009)	21,856,562	28,177,571
Fund balances, beginning of year	103,903,790	103,903,790	103,903,790	-
Fund balances, end of year	<u>\$ 97,717,781</u>	<u>\$ 97,582,781</u>	<u>\$ 125,760,352</u>	<u>\$ 28,177,571</u>

Macomb County, Michigan

Coronavirus Response Special Revenue Fund

REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)

Year Ended December 31, 2021

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Federal & state grants	\$ 48,739,366	\$ 52,889,366	\$ 25,787,212	\$ (27,102,154)
Charges for services	-	-	22,986	22,986
Interest and rents	-	-	18,791	18,791
Other revenue	-	-	3,036	3,036
TOTAL REVENUES	48,739,366	52,889,366	25,832,025	(27,057,341)
EXPENDITURES				
Current				
Health and welfare	16,745,125	16,745,125	20,185,049	(3,439,924)
Community and economic development	33,849,073	37,999,073	5,081,313	32,917,760
Capital outlay	3,140,566	3,140,566	2,579,918	560,648
TOTAL EXPENDITURES	53,734,764	57,884,764	27,846,280	30,038,484
EXCESS OF REVENUES OVER EXPENDITURES	(4,995,398)	(4,995,398)	(2,014,255)	2,981,143
Fund balances, beginning of year	5,637,563	5,637,563	5,637,563	-
Fund balances, end of year	<u>\$ 642,165</u>	<u>\$ 642,165</u>	<u>\$ 3,623,308</u>	<u>\$ 2,981,143</u>

Macomb County, Michigan

Community Action Agency Special Revenue Fund

REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)

Year Ended September 30, 2021

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Federal & state grants	\$ 25,344,356	\$ 66,563,077	\$ 46,216,981	\$ (20,346,096)
Other grants	-	100,000	100,000	-
Charges for services	3,637,021	4,324,302	2,864,414	(1,459,888)
Other revenue	170,500	220,000	145,120	(74,880)
TOTAL REVENUES	29,151,877	71,207,379	49,326,515	(21,880,864)
EXPENDITURES				
Current				
Health and welfare	33,414,115	74,820,520	51,777,051	23,043,469
Capital outlay	226,202	1,111,640	947,031	164,609
TOTAL EXPENDITURES	33,640,317	75,932,160	52,724,082	23,208,078
EXCESS OF REVENUES OVER EXPENDITURES	(4,488,440)	(4,724,781)	(3,397,567)	1,327,214
OTHER FINANCING SOURCES (USES)				
Transfers in	4,231,500	4,414,773	3,883,457	(531,316)
Transfers out	-	-	(2,075)	(2,075)
TOTAL OTHER FINANCING SOURCES (USES)	4,231,500	4,414,773	3,881,382	(533,391)
NET CHANGE IN FUND BALANCES	(256,940)	(310,008)	483,815	793,823
Fund balances, beginning of year	1,760,055	1,760,055	1,760,055	-
Fund balances, end of year	<u>\$ 1,503,115</u>	<u>\$ 1,450,047</u>	<u>\$ 2,243,870</u>	<u>\$ 793,823</u>

Macomb County, Michigan

Employees' Retirement System

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

December 31, 2021

PRIMARY GOVERNMENT

	2021	2020	2019	2018	2017
Total Pension Liability					
Service cost	\$ 12,192,446	\$ 13,389,327	\$ 14,200,758	\$ 16,747,246	\$ 18,253,702
Interest	70,089,505	70,655,515	70,993,434	73,394,794	69,818,491
Benefit changes	-	-	-	4,350,654	-
Difference between expected and actual experience of the total pension liability	(3,726,172)	4,086,379	(11,079,005)	(33,332,894)	18,650,468
Changes of assumptions	-	-	-	647,150	-
Benefit payments, including refunds of member contributions	(70,752,222)	(69,380,267)	(65,434,879)	(63,964,080)	(63,450,584)
Net change in total pension liability	7,803,557	18,750,954	8,680,308	(2,157,130)	43,272,077
Total pension liability - beginning of year	1,048,874,183	1,030,123,229	1,021,442,921	1,023,600,051	980,327,974
Total pension liability - end of year (a)	<u>\$ 1,056,677,740</u>	<u>\$ 1,048,874,183</u>	<u>\$ 1,030,123,229</u>	<u>\$ 1,021,442,921</u>	<u>\$ 1,023,600,051</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 15,560,031	\$ 15,146,875	\$ 16,949,388	\$ 23,143,088	\$ 21,228,348
Contributions - employee	2,915,294	3,034,911	3,101,502	3,134,653	3,305,129
Net investment income	211,922,131	124,674,313	187,250,752	(59,091,267)	146,248,922
Benefit payments, including refunds of member contributions	(70,752,222)	(69,380,267)	(65,434,879)	(63,964,080)	(63,450,584)
Administrative expense	(706,164)	(659,154)	(712,786)	(702,478)	(655,261)
Net change in plan fiduciary net position	158,939,070	72,816,678	141,153,977	(97,480,084)	106,676,554
Plan fiduciary net position - beginning of year	1,133,089,665	1,060,272,987	919,119,010	1,016,599,094	909,922,540
Plan fiduciary net position - end of year (b)	<u>\$ 1,292,028,735</u>	<u>\$ 1,133,089,665</u>	<u>\$ 1,060,272,987</u>	<u>\$ 919,119,010</u>	<u>\$ 1,016,599,094</u>
County's net pension liability - end of year (a) - (b)	<u>\$ (235,350,995)</u>	<u>\$ (84,215,482)</u>	<u>\$ (30,149,758)</u>	<u>\$ 102,323,911</u>	<u>\$ 7,000,957</u>
Plan fiduciary net position as a percent of total pension liability	122.27%	108.03%	102.93%	89.98%	99.32%
Covered payroll	\$ 93,332,920	\$ 97,980,010	\$ 102,783,404	\$ 110,599,464	\$ 99,396,859
County's net pension liability (asset) as a percent of covered employee payroll	-252.16%	-85.95%	-29.33%	92.52%	7.04%

See accompanying notes to the required supplementary information.

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Macomb County, Michigan

Employees' Retirement System

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)

December 31, 2021

PRIMARY GOVERNMENT

	2016	2015	2014
Total Pension Liability			
Service cost	\$ 16,707,110	\$ 17,035,507	\$ 18,289,395
Interest	60,533,328	62,303,941	63,471,122
Benefit changes	-	-	1,716,085
Difference between expected and actual experience of the total pension liability	29,559,285	(6,274,414)	-
Changes of assumptions	31,223,761	-	-
Benefit payments, including refunds of member contributions	<u>(60,781,867)</u>	<u>(61,931,585)</u>	<u>(55,421,776)</u>
Net change in total pension liability	77,241,617	11,133,449	28,054,826
Total pension liability - beginning of year	<u>903,086,357</u>	<u>891,952,908</u>	<u>863,898,082</u>
Total pension liability - end of year (a)	<u>\$ 980,327,974</u>	<u>\$ 903,086,357</u>	<u>\$ 891,952,908</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 20,465,070	\$ 20,829,238	\$ 21,354,411
Contributions - employee	3,482,800	3,589,742	3,427,754
Net investment income	80,861,322	(15,609,781)	63,060,743
Benefit payments, including refunds of member contributions	(60,781,867)	(61,931,585)	(55,421,663)
Administrative expense	<u>(735,605)</u>	<u>(516,333)</u>	<u>(512,644)</u>
Net change in plan fiduciary net position	43,291,720	(53,638,719)	31,908,601
Plan fiduciary net position - beginning of year	<u>866,630,820</u>	<u>920,269,539</u>	<u>888,360,938</u>
Plan fiduciary net position - end of year (b)	<u>\$ 909,922,540</u>	<u>\$ 866,630,820</u>	<u>\$ 920,269,539</u>
County's net pension liability - end of year (a) - (b)	<u>\$ 70,405,434</u>	<u>\$ 36,455,537</u>	<u>\$ (28,316,631)</u>
Plan fiduciary net position as a percent of total pension liability	92.82%	95.96%	103.17%
Covered payroll	\$ 104,678,022	\$ 99,786,490	\$ 100,593,159
County's net pension liability (asset) as a percent of covered employee payroll	67.26%	36.53%	-28.15%

NOTE: Governmental Accounting Standards Board Statement No. 67 was implemented beginning with fiscal year 2014. Therefore, ten year trend information is not yet available.

Macomb County, Michigan

Employees' Retirement System

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)

December 31, 2021

COMPONENT UNIT	2021	2020	2019	2018	2017
Total Pension Liability					
Service cost	\$ 428,535	\$ 152,511	\$ 42,013	\$ 204,843	\$ 511,202
Interest	2,760,176	1,094,693	497,512	1,187,857	1,774,841
Benefit changes	-	-	-	53,215	-
Difference between expected and actual experience of the total pension liability	(130,966)	46,546	(32,778)	(407,710)	522,314
Changes of assumptions	-	-	-	7,916	-
Benefit payments, including refunds of member contributions	(2,737,735)	(2,747,524)	(2,935,388)	(2,795,463)	(2,771,686)
Net change in total pension liability	320,010	(1,453,774)	(2,428,641)	(1,749,342)	36,671
Total pension liability - beginning of year	15,338,078	16,791,852	19,220,493	20,969,835	20,933,164
Total pension liability - end of year (a)	\$ 15,658,088	\$ 15,338,078	\$ 16,791,852	\$ 19,220,493	\$ 20,969,835
Plan Fiduciary Net Position					
Contributions - employer	\$ -	\$ -	\$ 194,998	\$ 603,959	\$ 444,465
Contributions - employee	99,995	107,376	100,255	118,020	146,508
Net investment income	7,448,548	1,420,104	6,442,134	(722,773)	4,095,757
Benefit payments, including refunds of member contributions	(2,737,735)	(2,747,524)	(2,935,388)	(2,795,463)	(2,771,686)
Administrative expense	(24,820)	(7,508)	(2,109)	(8,592)	(18,351)
Net change in plan fiduciary net position	4,785,988	(1,227,552)	3,799,890	(2,804,849)	1,896,693
Plan fiduciary net position - beginning of year	20,541,260	21,768,812	17,968,922	20,773,771	18,877,078
Plan fiduciary net position - end of year (b)	\$ 25,327,248	\$ 20,541,260	\$ 21,768,812	\$ 17,968,922	\$ 20,773,771
County's net pension liability - end of year (a) - (b)	\$ (9,669,160)	\$ (5,203,182)	\$ (4,976,960)	\$ 1,251,571	\$ 196,064
Plan fiduciary net position as a percent of total pension liability	161.75%	133.92%	129.64%	93.49%	99.07%
Covered payroll	\$ 4,257,005	\$ 5,022,962	\$ 4,709,328	\$ 5,974,925	\$ 5,857,665
County's net pension liability (asset) as a percent of covered payroll	-227.14%	-103.59%	-105.68%	20.95%	3.35%

See accompanying notes to the required supplementary information.

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Macomb County, Michigan

Employees' Retirement System

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)

December 31, 2021

COMPONENT UNIT	2016	2015	2014
Total Pension Liability			
Service cost	\$ 487,906	\$ 369,981	\$ 392,316
Interest	1,723,528	1,353,130	1,361,485
Benefit changes	-	-	36,811
Difference between expected and actual experience of the total pension liability	863,235	(136,269)	-
Changes of assumptions	826,993	-	-
Benefit payments, including refunds of member contributions	(2,581,930)	(1,345,044)	(2,651,364)
Net change in total pension liability	1,319,732	241,798	(860,752)
Total pension liability - beginning of year	19,613,432	19,371,634	20,232,386
Total pension liability - end of year (a)	\$ 20,933,164	\$ 19,613,432	\$ 19,371,634
Plan Fiduciary Net Position			
Contributions - employer	\$ 444,465	\$ 452,374	\$ 798,409
Contributions - employee	145,968	77,963	169,309
Net investment income	2,068,374	(339,017)	1,352,682
Benefit payments, including refunds of member contributions	(2,581,930)	(1,345,044)	(2,651,364)
Administrative expense	(21,482)	(11,214)	(10,996)
Net change in plan fiduciary net position	55,395	(1,164,938)	(341,960)
Plan fiduciary net position - beginning of year	18,821,683	19,986,621	20,328,581
Plan fiduciary net position - end of year (b)	\$ 18,877,078	\$ 18,821,683	\$ 19,986,621
County's net pension liability - end of year (a) - (b)	\$ 2,056,086	\$ 791,749	\$ (614,987)
Plan fiduciary net position as a percent of total pension liability	90.18%	95.96%	103.17%
Covered payroll	\$ 5,481,022	\$ 2,466,385	\$ 6,772,360
County's net pension liability (asset) as a percent of covered payroll	37.51%	32.10%	-9.08%

NOTE: Governmental Accounting Standards Board Statement No. 67 was implemented beginning with fiscal year 2014. Therefore, ten year trend information is not yet available.

Macomb County, Michigan

Employees' Retirement System

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)

December 31, 2021

TOTAL, EMPLOYEES' RETIREMENT SYSTEM

	2021	2020	2019	2018	2017
Total Pension Liability					
Service cost	\$ 12,620,981	\$ 13,541,838	\$ 14,242,771	\$ 16,952,089	\$ 18,764,904
Interest	72,849,681	71,750,208	71,490,946	74,582,651	71,593,332
Benefit changes	-	-	-	4,403,869	-
Difference between expected and actual experience of the total pension liability	(3,857,138)	4,132,925	(11,111,783)	(33,740,604)	19,172,782
Changes of assumptions	-	-	-	655,066	-
Benefit payments, including refunds of member contributions	<u>(73,489,957)</u>	<u>(72,127,791)</u>	<u>(68,370,267)</u>	<u>(66,759,543)</u>	<u>(66,222,270)</u>
Net change in total pension liability	8,123,567	17,297,180	6,251,667	(3,906,472)	43,308,748
Total pension liability - beginning of year	<u>1,064,212,261</u>	<u>1,046,915,081</u>	<u>1,040,663,414</u>	<u>1,044,569,886</u>	<u>1,001,261,138</u>
Total pension liability - end of year (a)	<u>\$ 1,072,335,828</u>	<u>\$ 1,064,212,261</u>	<u>\$ 1,046,915,081</u>	<u>\$ 1,040,663,414</u>	<u>\$ 1,044,569,886</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 15,560,031	\$ 15,146,875	\$ 17,144,386	\$ 23,747,047	\$ 21,672,813
Contributions - employee	3,015,289	3,142,287	3,201,757	3,252,673	3,451,637
Net investment income	219,370,679	126,094,417	193,692,886	(59,814,040)	150,344,679
Benefit payments, including refunds of member contributions	(73,489,957)	(72,127,791)	(68,370,267)	(66,759,543)	(66,222,270)
Administrative expense	<u>(730,984)</u>	<u>(666,662)</u>	<u>(714,895)</u>	<u>(711,070)</u>	<u>(673,612)</u>
Net change in plan fiduciary net position	163,725,058	71,589,126	144,953,867	(100,284,933)	108,573,247
Plan fiduciary net position - beginning of year	<u>1,153,630,925</u>	<u>1,082,041,799</u>	<u>937,087,932</u>	<u>1,037,372,865</u>	<u>928,799,618</u>
Plan fiduciary net position - end of year (b)	<u>\$ 1,317,355,983</u>	<u>\$ 1,153,630,925</u>	<u>\$ 1,082,041,799</u>	<u>\$ 937,087,932</u>	<u>\$ 1,037,372,865</u>
County's net pension liability - end of year (a) - (b)	<u>\$ (245,020,155)</u>	<u>\$ (89,418,664)</u>	<u>\$ (35,126,718)</u>	<u>\$ 103,575,482</u>	<u>\$ 7,197,021</u>
Plan fiduciary net position as a percent of total pension liability	122.85%	108.40%	103.36%	90.05%	99.31%
Covered payroll	\$ 97,589,925	\$ 103,002,972	\$ 107,492,732	\$ 116,574,389	\$ 105,254,524
County's net pension liability (asset) as a percent of covered payroll	-251.07%	-86.81%	-32.68%	88.85%	6.17%

See accompanying notes to the required supplementary information.

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Macomb County, Michigan

Employees' Retirement System

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONCLUDED)

December 31, 2021

TOTAL, EMPLOYEES' RETIREMENT SYSTEM

	2016	2015	2014
Total Pension Liability			
Service cost	\$ 17,195,016	\$ 17,405,488	\$ 18,681,711
Interest	62,256,856	63,657,071	64,832,607
Benefit changes	-	-	1,752,896
Difference between expected and actual experience of the total pension liability	30,422,520	(6,410,683)	-
Changes of assumptions	32,050,754	-	-
Benefit payments, including refunds of member contributions	<u>(63,363,797)</u>	<u>(63,276,629)</u>	<u>(58,073,140)</u>
Net change in total pension liability	78,561,349	11,375,247	27,194,074
Total pension liability - beginning of year	<u>922,699,789</u>	<u>911,324,542</u>	<u>884,130,468</u>
Total pension liability - end of year (a)	<u>\$ 1,001,261,138</u>	<u>\$ 922,699,789</u>	<u>\$ 911,324,542</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 20,909,535	\$ 21,281,612	\$ 22,152,820
Contributions - employee	3,628,768	3,667,705	3,597,063
Net investment income	82,929,696	(15,948,798)	64,413,425
Benefit payments, including refunds of member contributions	(63,363,797)	(63,276,629)	(58,073,027)
Administrative expense	<u>(757,087)</u>	<u>(527,547)</u>	<u>(523,640)</u>
Net change in plan fiduciary net position	43,347,115	(54,803,657)	31,566,641
Plan fiduciary net position - beginning of year	<u>885,452,503</u>	<u>940,256,160</u>	<u>908,689,519</u>
Plan fiduciary net position - end of year (b)	<u>\$ 928,799,618</u>	<u>\$ 885,452,503</u>	<u>\$ 940,256,160</u>
County's net pension liability - end of year (a) - (b)	<u>\$ 72,461,520</u>	<u>\$ 37,247,286</u>	<u>\$ (28,931,618)</u>
Plan fiduciary net position as a percent of total pension liability	92.76%	95.96%	103.17%
Covered payroll	\$ 110,159,044	\$ 102,252,875	\$ 107,365,519
County's net pension liability (asset) as a percent of covered payroll	68.84%	33.81%	-26.95%

NOTE: Governmental Accounting Standards Board Statement No. 67 was implemented beginning with fiscal year 2014. Therefore, ten year trend information is not yet available.

See accompanying notes to the required supplementary information.

Macomb County, Michigan

Employees' Retirement System

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF EMPLOYER CONTRIBUTIONS
AND SCHEDULE OF MONEY WEIGHTED INVESTMENT RATE OF RETURN

December 31, 2021

Schedule of Employer Contributions, Primary Government

Year Ended December 31,	Actuarially Determined Contribution	Actual Contributions	Covered Payroll	Contribution as % of Covered Payroll
2012	\$ 15,912,883	\$ 15,912,883	\$ 98,550,099	16.15%
2013	19,163,081	19,163,081	95,696,324	20.02%
2014	21,354,411	21,354,411	101,248,699	21.09%
2015	20,610,979	20,610,989	96,521,906	21.35%
2016	20,465,070	20,465,070	104,678,022	19.55%
2017	19,355,242	21,228,348	99,396,859	21.36%
2018	21,565,818	23,143,088	110,599,464	20.93%
2019	15,942,330	16,949,388	102,783,404	16.49%
2020	14,304,020	15,146,875	97,980,010	15.46%
2021	13,892,354	15,560,031	93,332,920	16.67%

Schedule of Employer Contributions, Component Unit

Year Ended December 31,	Actuarially Determined Contribution	Actual Contributions	Covered Payroll	Contribution as % of Covered Payroll
2012	\$ 691,958	\$ 691,958	\$ 6,841,775	10.11%
2013	769,661	769,661	6,556,551	11.74%
2014	798,409	798,409	6,116,820	13.05%
2015	670,623	670,623	5,730,969	11.70%
2016	444,465	444,465	5,481,022	8.11%
2017	565,241	444,465	5,857,665	7.59%
2018	603,959	603,959	5,974,925	10.11%
2019	194,998	194,998	4,709,328	4.14%
2020	-	-	5,022,962	0.00%
2021	-	-	4,257,005	0.00%

See accompanying notes to the required supplementary information.

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Macomb County, Michigan

Employees' Retirement System

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF EMPLOYER CONTRIBUTIONS
AND SCHEDULE OF MONEY WEIGHTED INVESTMENT RATE OF RETURN (CONCLUDED)

December 31, 2021

Schedule of Employer Contributions, Total, Employees' Retirement System					Schedule of Money Weighted Investment Rate of Return
Year Ended December 31,	Actuarially Determined Contribution	Actual Contributions	Covered Payroll	Contribution as % of Covered Payroll	Investment Rate of Return
2012	\$ 16,604,841	\$ 16,604,841	\$ 105,391,874	15.76%	11.48%
2013	19,932,742	19,932,742	102,252,875	19.49%	21.42%
2014	22,152,820	22,152,820	107,365,519	20.63%	7.42%
2015	21,281,602	21,281,612	102,252,875	20.81%	-0.59%
2016	20,909,535	20,909,535	110,159,044	18.98%	10.19%
2017	19,920,483	21,672,813	105,254,524	20.59%	17.44%
2018	22,169,777	23,747,047	116,574,389	20.37%	-5.01%
2019	16,137,328	17,144,386	107,492,732	15.95%	20.79%
2020	14,304,020	15,146,875	103,002,972	14.71%	11.97%
2021	13,892,354	15,560,031	97,589,925	15.94%	19.51%

Significant Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The December 31, 2021 contribution was determined by the December 31, 2019 valuation. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Amortization period	14 years, closed
Asset valuation method	Five year smoothed fair value
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	3.0% - 18.0%, including inflation of 3.0%
Retirement age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	
Retired and survivor members	RP-2014 (Base 2006) adjusted by 105% for males and 110% for females, projected with MP-2018 on a fully generational basis.
Active and deferred members	RP-2014 (Base 2006) projected with MP-2018 on a fully generational basis.
Disabled members	RP-2014 (Base 2006) disabled tables adjusted by 106% for males and 114% for females, projected with MP-2018 on a fully generational basis.

See accompanying notes to the required supplementary information.

Macomb County, Michigan

Retiree Health Care Trust Fund

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

December 31, 2021

PRIMARY GOVERNMENT

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 5,454,483	\$ 6,364,945	\$ 7,155,215	\$ 7,682,105	\$ 8,164,058
Interest	33,867,745	37,898,477	37,573,430	38,441,385	36,672,615
Benefit changes	-	-	(1,052,315)	-	-
Difference between expected and actual experience of the total OPEB liability	(80,437,774)	(100,570,025)	(28,860,788)	(24,823,350)	(3,200,142)
Changes of assumptions	79,999,419	17,274,440	6,742,370	2,948,992	-
Benefit payments	(17,099,098)	(17,116,441)	(18,021,077)	(18,545,452)	(20,828,811)
Net change in total OPEB liability	21,784,775	(56,148,604)	3,536,835	5,703,680	20,807,720
Total OPEB liability - beginning of year	470,800,290	526,948,894	523,412,059	517,708,379	496,900,659
Total OPEB liability - end of year (a)	<u>\$ 492,585,065</u>	<u>\$ 470,800,290</u>	<u>\$ 526,948,894</u>	<u>\$ 523,412,059</u>	<u>\$ 517,708,379</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 23,675,000	\$ 22,738,176	\$ 28,849,963	\$ 36,121,454	\$ 34,335,823
Contributions - member	980,508	962,211	979,778	1,000,191	745,968
Net investment income	71,563,351	44,447,947	62,061,925	(10,260,977)	31,220,986
Employer paid benefits	(17,438,328)	(17,442,802)	(18,339,626)	(19,039,328)	(20,828,811)
Member paid benefits	(980,508)	(962,211)	(979,778)	(1,000,191)	(745,968)
Administrative expense	(74,789)	(45,360)	(21,654)	(58,634)	(20,406)
Net change in plan fiduciary net position	77,725,234	49,697,961	72,550,608	6,762,515	44,707,592
Plan fiduciary net position - beginning of year	369,427,304	319,729,343	247,178,735	240,416,220	195,708,628
Plan fiduciary net position - end of year (b)	<u>\$ 447,152,538</u>	<u>\$ 369,427,304</u>	<u>\$ 319,729,343</u>	<u>\$ 247,178,735</u>	<u>\$ 240,416,220</u>
County's net OPEB liability - end of year (a) - (b)	<u>\$ 45,432,527</u>	<u>\$ 101,372,986</u>	<u>\$ 207,219,551</u>	<u>\$ 276,233,324</u>	<u>\$ 277,292,159</u>
Plan fiduciary net position as a percent of total OPEB liability	90.78%	78.47%	60.68%	47.22%	46.44%
Covered employee payroll	\$ 84,133,063	\$ 88,372,880	\$ 92,630,400	\$ 98,813,225	\$ 87,479,044
County's net OPEB liability as a percent of covered employee payroll	54.00%	114.71%	223.71%	279.55%	316.98%

NOTE: Governmental Accounting Standards Board Statement No. 74 was implemented beginning with fiscal year 2017. Therefore, ten year trend information is not yet available.

See accompanying notes to the required supplementary information.

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Macomb County, Michigan

Retiree Health Care Trust Fund

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (CONTINUED)

December 31, 2021

COMPONENT UNIT

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 305,267	\$ 370,447	\$ 444,589	\$ 477,327	\$ 511,880
Interest	1,895,449	2,205,731	2,334,621	2,388,551	2,299,346
Benefit changes	-	-	(65,386)	-	-
Difference between expected and actual experience of the total OPEB liability	(4,501,797)	(5,853,282)	(2,926,139)	(1,542,396)	(200,646)
Changes of assumptions	4,477,264	1,005,391	418,936	183,235	-
Benefit payments	(956,972)	(996,195)	(1,119,738)	(1,152,320)	(1,305,951)
Net change in total OPEB liability	1,219,211	(3,267,908)	(913,117)	354,397	1,304,629
Total OPEB liability - beginning of year	28,633,303	31,901,211	32,814,328	32,459,931	31,155,302
Total OPEB liability - end of year (a)	\$ 29,852,514	\$ 28,633,303	\$ 31,901,211	\$ 32,814,328	\$ 32,459,931
Plan Fiduciary Net Position					
Contributions - employer	\$ 1,325,000	\$ 1,323,386	\$ 1,428,041	\$ 2,244,403	\$ 2,152,831
Contributions - member	54,875	56,002	60,878	62,147	46,772
Net investment income	4,060,045	3,412,842	3,243,696	(637,565)	1,957,532
Employer paid benefits	(975,957)	(1,015,190)	(1,139,531)	(1,026,512)	(1,305,951)
Member paid benefits	(54,875)	(56,002)	(60,878)	(62,147)	(46,772)
Administrative expense	(4,186)	(2,640)	(1,346)	(3,643)	(1,279)
Net change in plan fiduciary net position	4,404,902	3,718,398	3,530,860	576,683	2,803,133
Plan fiduciary net position - beginning of year	22,899,859	19,181,461	15,650,601	15,073,918	12,270,785
Plan fiduciary net position - end of year (b)	\$ 27,304,761	\$ 22,899,859	\$ 19,181,461	\$ 15,650,601	\$ 15,073,918
County's net OPEB liability - end of year (a) - (b)	\$ 2,547,753	\$ 5,733,444	\$ 12,719,750	\$ 17,163,727	\$ 17,386,013
Plan fiduciary net position as a percent of total OPEB liability	91.47%	79.98%	60.13%	47.69%	46.44%
Covered employee payroll	\$ 4,257,005	\$ 5,022,962	\$ 4,709,328	\$ 5,974,925	\$ 5,857,665
County's net OPEB liability as a percent of covered employee payroll	59.85%	114.14%	270.10%	287.26%	296.81%

NOTE: Governmental Accounting Standards Board Statement No. 74 was implemented beginning with fiscal year 2017. Therefore, ten year trend information is not yet available.

See accompanying notes to the required supplementary information.

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Macomb County, Michigan

Retiree Health Care Trust Fund

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (CONCLUDED)

December 31, 2021

TOTAL, RETIREE HEALTH CARE TRUST

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 5,759,750	\$ 6,735,392	\$ 7,599,804	\$ 8,159,432	\$ 8,675,938
Interest	35,763,194	40,104,208	39,908,051	40,829,936	38,971,961
Benefit changes	-	-	(1,117,701)	-	-
Difference between expected and actual experience of the total OPEB liability	(84,939,571)	(106,423,307)	(31,786,927)	(26,365,746)	(3,400,788)
Changes of assumptions	84,476,683	18,279,831	7,161,306	3,132,227	-
Benefit payments	(18,056,070)	(18,112,636)	(19,140,815)	(19,697,772)	(22,134,762)
Net change in total OPEB liability	23,003,986	(59,416,512)	2,623,718	6,058,077	22,112,349
Total OPEB liability - beginning of year	499,433,593	558,850,105	556,226,387	550,168,310	528,055,961
Total OPEB liability - end of year (a)	<u>\$ 522,437,579</u>	<u>\$ 499,433,593</u>	<u>\$ 558,850,105</u>	<u>\$ 556,226,387</u>	<u>\$ 550,168,310</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 25,000,000	\$ 24,061,562	\$ 30,278,004	\$ 38,365,857	\$ 36,488,654
Contributions - member	1,035,383	1,018,213	1,040,656	1,062,338	792,740
Net investment income	75,623,396	47,860,789	65,305,621	(10,898,542)	33,178,518
Employer paid benefits	(18,414,285)	(18,457,992)	(19,479,157)	(20,065,840)	(22,134,762)
Member paid benefits	(1,035,383)	(1,018,213)	(1,040,656)	(1,062,338)	(792,740)
Administrative expense	(78,975)	(48,000)	(23,000)	(62,277)	(21,685)
Net change in plan fiduciary net position	82,130,136	53,416,359	76,081,468	7,339,198	47,510,725
Plan fiduciary net position - beginning of year	392,327,163	338,910,804	262,829,336	255,490,138	207,979,413
Plan fiduciary net position - end of year (b)	<u>\$ 474,457,299</u>	<u>\$ 392,327,163</u>	<u>\$ 338,910,804</u>	<u>\$ 262,829,336</u>	<u>\$ 255,490,138</u>
County's net OPEB liability - end of year (a) - (b)	<u>\$ 47,980,280</u>	<u>\$ 107,106,430</u>	<u>\$ 219,939,301</u>	<u>\$ 293,397,051</u>	<u>\$ 294,678,172</u>
Plan fiduciary net position as a percent of total OPEB liability	90.82%	78.55%	60.64%	47.25%	46.44%
Covered employee payroll	\$ 88,390,068	\$ 93,395,842	\$ 97,339,728	\$ 104,788,150	\$ 93,336,709
County's net OPEB liability as a percent of covered employee payroll	54.28%	114.68%	225.95%	279.99%	315.72%

NOTE: Governmental Accounting Standards Board Statement No. 74 was implemented beginning with fiscal year 2017. Therefore, ten year trend information is not yet available.

See accompanying notes to the required supplementary information.

Macomb County, Michigan

Retiree Health Care Trust Fund

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF EMPLOYER CONTRIBUTIONS
AND SCHEDULE OF MONEY WEIGHTED INVESTMENT RATE OF RETURN

December 31, 2021

Schedule of Employer Contributions, Primary Government

Year Ended December 31,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as % of Covered Employee Payroll
2012	\$ 46,421,010	\$ 12,890,354	\$ 33,530,656	\$ 90,808,718	14.20%
2013	41,517,446	14,175,282	27,342,164	89,729,665	15.80%
2014	43,055,147	15,834,200	27,220,947	86,851,093	18.23%
2015	20,901,825	20,901,825	-	84,836,709	24.64%
2016	28,500,810	28,500,810	-	92,249,490	30.90%
2017	34,335,823	34,335,823	-	87,479,044	39.25%
2018	31,910,228	36,121,454	(4,211,226)	98,813,225	36.56%
2019	28,849,963	28,849,963	-	92,630,400	31.15%
2020	22,738,176	22,738,176	-	88,372,880	25.73%
2021	19,345,699	23,675,000	(4,329,301)	84,133,063	28.14%

Schedule of Employer Contributions, Component Unit

Year Ended December 31,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as % of Covered Employee Payroll
2012	\$ 3,121,157	\$ 866,694	\$ 2,254,463	\$ 6,841,775	12.67%
2013	2,650,050	904,805	1,745,245	6,556,551	13.80%
2014	2,748,201	1,010,694	1,737,507	6,116,820	16.52%
2015	1,381,570	1,381,570	-	5,730,969	24.11%
2016	1,890,329	1,890,329	-	5,481,022	34.49%
2017	2,152,831	2,152,831	-	5,857,665	36.75%
2018	1,982,739	2,244,403	(261,664)	5,974,925	37.56%
2019	1,428,041	1,428,041	-	4,709,328	30.32%
2020	1,323,386	1,323,386	-	5,022,962	26.35%
2021	1,084,863	1,325,000	(240,137)	4,257,005	31.13%

See accompanying notes to the required supplementary information.

-CONTINUED-

Macomb County, Michigan

Retiree Health Care Trust Fund

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF EMPLOYER CONTRIBUTIONS
AND SCHEDULE OF MONEY WEIGHTED INVESTMENT RATE OF RETURN (CONCLUDED)

December 31, 2021

Schedule of Employer Contributions, Total, Retiree Health Care Trust						Schedule of Money Weighted Investment Rate of Return
Year Ended December 31,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as % of Covered Employee Payroll	
2012	\$ 49,542,167	\$ 13,757,048	\$ 35,785,119	\$ 97,650,493	14.09%	13.96%
2013	44,167,496	15,080,087	29,087,409	96,286,216	15.66%	8.32%
2014	45,803,348	16,844,894	28,958,454	92,967,913	18.12%	11.25%
2015	22,283,395	22,283,395	-	90,567,678	24.60%	0.17%
2016	30,391,139	30,391,139	-	97,730,512	31.10%	15.72%
2017	36,488,654	36,488,654	-	93,336,709	39.09%	19.09%
2018	33,892,967	38,365,857	(4,472,890)	104,788,150	36.61%	-1.24%
2019	30,278,004	30,278,004	-	97,339,728	31.11%	20.79%
2020	24,061,562	24,061,562	-	93,395,842	25.76%	11.97%
2021	20,430,562	25,000,000	(4,569,438)	88,390,068	28.28%	19.51%

Significant Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The December 31, 2021 actuarially determined contributions to the fund were based on the December 31, 2019 valuation. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Amortization period	23 years, closed
Asset valuation method	Five-year smoothed fair value
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	4.50% - 14%, including inflation of 3.50%
Health care cost inflation	Non-Medicare: Initial rate of 7.50%, reduced by 0.25% per year to a 3.50% long-term rate. Medicare: Initial rate of 6.25%, reduced by 0.25% per year to a 3.50% long-term rate.
Retirement age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	
General and Martha T Berry members	Pub-2010 amount-weighted, general, employee (pre-retirement, retiree (post-retirement), disabled retiree (disability retirement), male and female, with mortality improvements projected to 2030 using MP-2019.
Sheriff members	Pub-2010 headcount-weighted, safety, employee (pre-retirement, retiree (post-retirement), disabled retiree (disability retirement), male and female, with mortality improvements projected to 2030 using MP-2019.

See accompanying notes to the required supplementary information.

Macomb County, Michigan

Department of Roads Retiree Health Care Trust Plan

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

September 30, 2021

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 727,413	\$ 1,018,742	\$ 1,234,992	\$ 1,214,302	\$ 1,219,920
Interest	5,987,523	5,842,514	6,044,124	5,960,794	5,749,886
Difference between expected and actual experience of the total OPEB liability	(21,851,634)	(1,872,708)	(16,664,471)	(1,390,288)	(929,177)
Changes of assumptions	2,480,594	-	9,312,252	7,268,838	-
Benefit payments	(2,657,013)	(2,732,209)	(2,878,957)	(3,118,373)	(3,333,061)
Net change in total OPEB liability	(15,313,117)	2,256,339	(2,952,060)	9,935,273	2,707,568
Total OPEB liability - beginning of year	89,668,842	87,412,503	90,364,563	80,429,290	77,721,722
Total OPEB liability - end of year (a)	<u>\$ 74,355,725</u>	<u>\$ 89,668,842</u>	<u>\$ 87,412,503</u>	<u>\$ 90,364,563</u>	<u>\$ 80,429,290</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 6,657,013	\$ 7,732,209	\$ 8,378,957	\$ 6,118,373	\$ 6,333,061
Net investment income	18,393,318	5,353,489	1,853,092	3,145,994	6,040,085
Employer paid benefits	(2,657,013)	(2,732,209)	(2,878,957)	(3,118,373)	(3,333,061)
Administrative expense	(67,729)	(136,929)	(132,056)	(148,333)	(128,747)
Net change in plan fiduciary net position	22,325,589	10,216,560	7,221,036	5,997,661	8,911,338
Plan fiduciary net position - beginning of year	80,358,112	70,141,552	62,920,516	56,922,855	48,011,517
Plan fiduciary net position - end of year (b)	<u>\$ 102,683,701</u>	<u>\$ 80,358,112</u>	<u>\$ 70,141,552</u>	<u>\$ 62,920,516</u>	<u>\$ 56,922,855</u>
County Roads' net OPEB liability (asset) - end of year (a) - (b)	<u>\$ (28,327,976)</u>	<u>\$ 9,310,730</u>	<u>\$ 17,270,951</u>	<u>\$ 27,444,047</u>	<u>\$ 23,506,435</u>
Plan fiduciary net position as a percent of total OPEB liability	138.10%	89.62%	80.24%	69.63%	70.77%
Covered employee payroll	\$ 9,199,857	\$ 9,607,130	\$ 10,153,004	\$ 11,786,239	\$ 11,917,815
County Roads' net OPEB liability as a percent of covered employee payroll	-307.92%	96.91%	170.11%	232.85%	197.24%

NOTE: Governmental Accounting Standards Board Statement No. 74 was implemented beginning with fiscal year 2017. Therefore, ten year trend information is not yet available.

See accompanying notes to the required supplementary information.

Macomb County, Michigan

Department of Roads Retiree Health Care Trust Plan

REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF EMPLOYER CONTRIBUTIONS
AND SCHEDULE OF MONEY WEIGHTED INVESTMENT RATE OF RETURN

September 30, 2021

Schedule of Employer Contributions							Schedule of Money Weighted Investment Rate of Return
Year Ended September 30,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as % of Covered Employee Payroll		
2012	\$ 6,054,090	\$ 7,566,212	\$ (1,512,122)	\$ 13,144,747	57.56%		N/A
2013	5,805,250	6,087,979	(282,729)	12,613,964	48.26%		N/A
2014	6,095,512	5,884,329	211,183	12,423,961	47.36%		N/A
2015	3,376,175	6,024,655	(2,648,480)	11,685,197	51.56%		N/A
2016	3,511,223	6,365,929	(2,854,706)	12,428,532	51.22%		N/A
2017	4,006,707	6,333,061	(2,326,354)	11,917,815	53.14%		N/A
2018	3,869,893	6,118,373	(2,248,480)	11,786,239	51.91%		1.27%
2019	3,846,713	8,378,957	(4,532,244)	10,153,004	82.53%		2.52%
2020	3,157,657	7,732,209	(4,574,552)	9,607,130	80.48%		6.94%
2021	3,039,942	6,657,013	(3,617,071)	9,199,857	72.36%		20.30%

N/A – Not available

Significant Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The September 30, 2021 actuarially determined contributions to the fund were based on the December 31, 2018 valuation. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Amortization period	18 years, closed
Asset valuation method	Fair value of assets
Actuarial assumptions:	
Investment rate of return	6.75%
Inflation rate	3.0% - 15.0%, including inflation of 3.0%
Projected salary increases	2.5%
Health care cost inflation	8.25% in year one, reduced by 0.75% in year two, and 0.5% each year thereafter until an ultimate rate of 3.5% is reached in the tenth year and beyond
Retirement age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Healthy Life Mortality Table, adjusted backwards to 2006 with the MP-2014 scale, resulting in a base year of 2006 with future mortality improvements assumed each year using scale MP-2018

See accompanying notes to the required supplementary information.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021

NOTE 1 – BUDGETARY ACCOUNTING

By no later than October 1, the county finance director submits to the board of commissioners a proposed operating budget for the year commencing January 1. The annual operating budget includes proposed expenditures and the means of financing them for the General Fund, special revenue funds, and the debt service fund, as well as Community Mental Health and Parks business-type activities and the Martha T. Berry Medical Care Facility discretely-presented component unit. A public hearing is conducted to obtain taxpayer comments and the budget is legally enacted through passage of a resolution by the board of commissioners no later than December 31.

Formal budgetary integration is employed as a management control device during the year for all funds. Expenditures may not legally exceed budgeted appropriations at the department level in the General Fund and the fund level in all other funds. The county executive is authorized to transfer funds between budgeted line items within a department within a fund as long as the amount being transferred does not exceed the lesser of \$35,000 or 5% of the department budget. Budget amendments that exceed these limits must be approved by the finance committee of the board of commissioners. During the year, supplemental budgetary appropriations were not significant in relation to the original appropriations adopted. Unexpended appropriations lapse at year-end. Encumbrances open at year-end are re-appropriated in the following year. Budgets are adopted on a basis consistent with generally accepted accounting principles and budgeted amounts presented in the financial statements represent final budget authorization, including all amendments approved during the year.

State statutes provide that actual expenditures of a local unit of government shall not exceed the amounts appropriated. Actual amounts exceeded budget amounts at the legal level of control as indicated below. The excess expenditures were funded by either additional unbudgeted revenues or available fund balance.

	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
GENERAL FUND			
Public works	\$ 6,810,084	\$ 6,917,145	\$ (107,061)

Additionally, while the Child Care Fund, Emergency Management Grants Fund, Friend of the Court Fund, Prosecuting Attorney Grants Fund, Register of Deeds Remonumentation Fund, Sheriff Grants Funds (both the 9/30 and 12/31 year end funds), and the Veterans' Grants Fund remained under budget and not in a deficit position, net of deferred inflows for grants, these funds were budgeted to either maintain or increase their deficit fund balance in the 2021 budget, which is a violation of Michigan Public Act 2 of 1968.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021

NOTE 2 – FACTORS THAT SIGNIFICANTLY AFFECT TRENDS IN PENSION AND OPEB PLANS

Employees' Retirement System

The determination of the total pension liability as of December 31, 2018 was based on the December 31, 2017 actuarial valuation with the following exceptions. The valuation of the deferred retirement option plan (DROP) was based on the method prescribed in governmental accounting standards board statement No. 67. 75% of eligible participants were assumed to enter DROP when eligible and remain in DROP for 4 years. The discount rate was assumed to be 7.00%. Finally, all divisions were changed to the RP-2014 (Base 2006) Mortality Tables and MP-2018 mortality improvement scales.

The total pension liability as of December 31, 2018 was impacted as a result of benefit changes. The medical benefit waiver election upon retirement was reflected in the Net Pension Liability of the system as of December 31, 2018.

The determination of the total pension liability as of December 31, 2016 was based on the December 31, 2015 actuarial valuation with the following exceptions: The discount rate was lowered from 7.5% to 7.25%. The mortality tables were changed to RP2014 Blue Collar for Road Commission and Sheriff divisions and RP2014 for all other divisions, both with the MP2016 mortality improvement scale. Previous valuations had used the RP-2000 tables with improvements to 2015. Base pay projections and inflation were reduced from 5% to 3%. Administrative expense load was changed from 0.10% of payroll to the previous year's administrative expense increased by the inflation assumption.

Throughout all years shown in the Changes in Net Pension Liability and Related Ratios, the System experienced changes in its total pension liability as a result of differences between actual and expected experience. The most significant changes represented in these differences in experience were related to mortality rates, census populations, and turnover rates.

Retiree Health Care Trust Fund

The following events impacted the actual experience of the total OPEB liability as of December 31, 2021: Lower than projected health care costs as a result of the coronavirus pandemic, and lower prescription drug costs.

The following changes in assumptions impacted the calculation of the net OPEB liability as of December 31, 2021: Multiple changes in assumptions regarding the Plan liabilities were made. New mortality tables were used, replacing assumptions based on RP-2014 and MP-2014 with a series of assumptions based on PUB-2010 and MP-2019. Additionally, the health care trend rates were modified, lowering the rate in year one, but also decreasing the rate the trend rate is forecasted to drop each year. Also, a Medicare trend rate was introduced, with an initial rate of 6.25 percent, decreasing 0.25 percent per year to a 3.5 percent long-term rate. The investment long term rate of return assumption was decreased from 7.25 percent to 7.00 percent.

The following events impacted the actual experience of the total OPEB liability as of December 31, 2020: Lower than projected health care costs as a result of the coronavirus pandemic, lower prescription drug costs, and changes in plan structures resulting in lowered costs associated with certain coverages being changed from fully-insured to self-insured.

The following changes in assumptions impacted the calculation of the net OPEB liability as of December 31, 2020: For 2020, a change in assumption regarding the Plan liabilities was made. The range of salary increases was increased by 1.0 percent, from 3.5 percent to 4.5 percent.

The following changes in assumptions impacted the calculation of the net OPEB liability as of December 31, 2019: For 2019, a change in assumption regarding the Plan liabilities was made. The beginning health inflation assumption was lowered by 0.75 percent, from 9 percent to 8.25 percent. Additionally, the excise tax under the Affordable Care Act (ACA) was removed from the Plan's liabilities.

The determination of the total OPEB liabilities as of December 31, 2019 was based on the December 31, 2017 actuarial valuation, however, the system experienced lower than expected rises in health care rates, which lowered the actuarial accrued liability for benefits.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021

NOTE 2 – FACTORS THAT SIGNIFICANTLY AFFECT TRENDS IN PENSION AND OPEB PLANS (CONCLUDED)

Retiree Health Care Trust Fund (concluded)

The following changes in assumptions impacted the calculation of the net OPEB liability as of December 31, 2018: For 2018, a change in assumption regarding the Plan liabilities was made. Plan liabilities were loaded by 0.2% to reflect the expected future liability for the excise tax under the Affordable Care Act (ACA).

Reductions in the census population of the Plan as well as actual healthcare costs as experienced were greater than calculated expectation, which resulted a net reduction in the total OPEB liability due to a difference between expected an actual experience in the total OPEB liability as of December 31, 2018.

Benefit provisions did not change for the periods shown in the required supplementary information schedules.

Department of Roads Retiree Health Care Trust Plan

The following events impacted the actual experience of the total OPEB liability as of September 30, 2021: Lower than projected health care costs as a result of the coronavirus pandemic, and lower prescription drug costs.

The following changes in assumptions impacted the calculation of the net OPEB liability as of September 30, 2021: The health care trend rates were modified, lowering the rate in year one, but also decreasing the rate the trend rate is forecasted to drop each year. Additionally, a Medicare trend rate was introduced, with an initial rate of 6.25 percent, decreasing 0.25 percent per year to a 3.5 percent long-term rate.

The following changes in assumptions impacted the calculation of the net OPEB liability as of September 30, 2019: changes to certain demographical assumptions, such as rates of mortality, retirement, disability, and withdrawal rates.

The determination of the total OPEB liabilities as of September 30, 2019 was based on the December 31, 2018 actuarial valuation, however, the system experienced lower than expected rises in health care rates, which lowered the actuarial accrued liability for benefits.

The determination of the total OPEB liabilities as of September 30, 2018 was based on the December 31, 2016 actuarial valuation with the exception of the discount rate, which was modified from 7.50% per the December 31, 2016 valuation to 6.75% per the September 30, 2018 report.

Benefit provisions did not change for the periods shown in the required supplementary information schedules.

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and pooled investments	\$ 23,142,187	\$ 2,276,198	\$ 23,357,788	\$ 48,776,173
Receivables				
Property taxes, net	1,916,419	-	-	1,916,419
Trade accounts, net	8,406,502	-	64,490	8,470,992
Due from other governments	9,502,464	-	1,165,496	10,667,960
Other assets	36,212	-	38,341	74,553
TOTAL ASSETS	<u>\$ 43,003,784</u>	<u>\$ 2,276,198</u>	<u>\$ 24,626,115</u>	<u>\$ 69,906,097</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 5,844,752	\$ -	\$ 233,589	\$ 6,078,341
Accrued liabilities	46,218	-	6,254	52,472
Accrued compensation and benefits	894,554	-	-	894,554
Due to other governments	1,841,669	-	692,377	2,534,046
Due to governmental funds	1,683,843	-	-	1,683,843
Unearned revenue	3,305,069	-	-	3,305,069
TOTAL LIABILITIES	13,616,105	-	932,220	14,548,325
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	2,027,037	-	-	2,027,037
Unavailable grants and other charges	7,590,077	-	842,366	8,432,443
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>9,617,114</u>	<u>-</u>	<u>842,366</u>	<u>10,459,480</u>
FUND BALANCES				
Nonspendable	36,212	-	38,341	74,553
Restricted	22,774,086	128,273	3,716,231	26,618,590
Assigned	2,292,741	2,147,925	19,096,957	23,537,623
Unassigned	(5,332,474)	-	-	(5,332,474)
TOTAL FUND BALANCES	<u>19,770,565</u>	<u>2,276,198</u>	<u>22,851,529</u>	<u>44,898,292</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 43,003,784</u>	<u>\$ 2,276,198</u>	<u>\$ 24,626,115</u>	<u>\$ 69,906,097</u>

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2021

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 2,859,495	\$ -	\$ -	\$ 2,859,495
Licenses and permits	493,074	-	-	493,074
Federal and state grants	41,190,843	-	708,982	41,899,825
Other grants	435,183	-	42,183	477,366
Charges for services	8,403,611	-	603,010	9,006,621
Fines and forfeitures	312,740	-	-	312,740
Interest and rents	5,671	-	389	6,060
Other revenue	2,532,474	-	-	2,532,474
TOTAL REVENUES	56,233,091	-	1,354,564	57,587,655
EXPENDITURES				
Current				
Judicial	19,071,138	-	-	19,071,138
General government	1,198,242	-	-	1,198,242
Public safety	8,264,217	-	500,769	8,764,986
Public works	-	27,474	-	27,474
Health and welfare	38,777,698	-	-	38,777,698
Community and economic development	594,966	-	-	594,966
Recreational and cultural	-	-	75,120	75,120
Capital outlay	878,816	-	6,568,790	7,447,606
Debt service				
Principal	-	14,690,000	-	14,690,000
Interest and fees	-	1,359,399	-	1,359,399
TOTAL EXPENDITURES	68,785,077	16,076,873	7,144,679	92,006,629
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,551,986)	(16,076,873)	(5,790,115)	(34,418,974)
OTHER FINANCING SOURCES (USES)				
Transfers in	14,870,561	3,738,324	4,605,589	23,214,474
Transfers out	-	-	(1,209,548)	(1,209,548)
TOTAL OTHER FINANCING SOURCES (USES)	14,870,561	3,738,324	3,396,041	22,004,926
NET CHANGE IN FUND BALANCES	2,318,575	(12,338,549)	(2,394,074)	(12,414,048)
Fund balances, beginning of year	17,451,990	14,614,747	25,245,603	57,312,340
Fund balances, end of year	<u>\$ 19,770,565</u>	<u>\$ 2,276,198</u>	<u>\$ 22,851,529</u>	<u>\$ 44,898,292</u>

FUND DESCRIPTIONS – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2021

SPECIAL REVENUE FUNDS are used to account for the proceeds of specific revenue sources that are legally restricted, committed, or assigned for specific purposes other than debt service or capital projects.

Circuit Court Programs Fund – This fund accounts for the activities of the Adult Drug Court, Mental Health Court, and Veterans Treatment Court, which provide intensive probation and treatment to low-risk offenders in an effort to reduce jail and prison bed days. This fund receives restricted revenues from the state as well as contributions from the General Fund.

Child Care Fund – This fund is used to account for expenditures and related restricted revenues from the state related to the detention and treatment of individuals under the age of 18 convicted of criminal offenses.

Community Corrections Funds – The Community Corrections department administers these funds, which accounts for programs that provide alternatives to incarceration. Both the September 30 and the December 31 fund accounts for related grants. The December 31 fund receives approximately 50% of its support from Federal and State grants and 50% of its support from the General Fund, while the September 30 fund receives approximately 75% of its support from Federal and State grants and approximately 25% of its support from the General Fund.

Community Action Agency Funds – The December 31 year-end fund accounts for the federally-funded Community Development Block Grant, which is funded almost entirely by Federal funds and receives no financial support from the General Fund. Macomb Community Action Agency is responsible for administering the programs accounted for within these funds.

Concealed Pistol License Fund – This fund was established in compliance with Michigan Public Act 3 of 2015, which requires the county to account for the deposit of concealed pistol licensing fees collected by the county clerk as well as the allowable expenditures related to the cost of administering this public act. This fund receives no general fund support and is funded solely from deposits received under this public act.

Emergency Management Grants Fund – This fund is supported entirely by Federal and local grants for the purpose of purchasing emergency response equipment and creating emergency response plans for the county and local municipalities.

Friend of the Court Fund – This fund is used to account for the costs of operation of the Macomb County Friend of the Court, whose mission is to fairly and efficiently enforce court orders relating to child support, health care, spousal support, parenting time and custody. A majority of funding for this fund is provided through a grant from the Federal government, although approximately 20% of the fund's support is from the General Fund.

Health Grants Funds – The Health Grants Fund that operates on a September 30 year-end represents approximately 20% of the total budget of the Health Department and provides a variety of health-related services to the community. Funding for these programs is provided primarily through State and Federal grants, and approximately 15% of funding is provided by the General Fund. The December 31 year-end fund is supported entirely by State grants primarily for the purpose of administering a variety of water quality monitoring programs. Both funds are administered by the County Health Department.

Macomb / St. Clair Employment and Training Fund – This fund is supported entirely by State and Federal funds utilized for the purpose of integrating those facing barriers to employment into the labor force through training and employment support services. The fund receives no General Fund support.

MSU Extension Fund – Both the September 30 and December 31 funds are used to account for costs associated with the operation of educational programs run by Michigan State University, such as programs for foreclosure mitigation, financial literacy, and master gardener certifications. These funds are supported entirely by reimbursements from local communities and residents that utilize services and receive no General Fund support.

Prosecuting Attorney Grants Funds – The September 30 year-end fund is used to account for the costs associated with prosecuting cases involving child support enforcement, domestic violence, auto theft and drug-related offenses. The fund is supported by Federal and State grants as well as General Fund support equal to approximately 36% of total funding. The December 31 year-end fund is supported entirely by Federal Equitable Sharing and state forfeiture funds used primarily for employee training. Both funds are administered by the Prosecuting Attorney's Office.

FUND DESCRIPTIONS – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2021

Public Defender's Office Fund – The September 30 year-end fund is used to account for the costs of providing public defenders to low income individuals in accordance with the Michigan Indigent Defense Commission (MIDC). Based on the department's approved spending plan for 2019, the state provided roughly half of the funding for program, while charges for services accounted for roughly a quarter of total funding for the program. The General Fund is required to maintain funding levels that were in place before the MIDC standards were created, which represents the remaining quarter of the total funding for the program.

Register of Deeds Remonumentation Fund – This fund was established pursuant to Section 2567a of the Revised Judicature Act, and the State Resurvey and Remonumentation Act, MCL 54.261 et seq. This legislation authorizes the Register of Deeds in each county to collect additional recording fees which are turned over to the State and used to provide grants to counties to fund the Remonumentation Grant Program. The purpose of this grant program is to survey and verify the location of corner markers, or "monuments", of all township sections within the county with satellite technology to assure accurate property boundaries, road alignments, subdivision layouts and plat descriptions. The fund is administered by the Register of Deeds department and receives no General Fund support.

Register of Deeds Technology Fund – The Register of Deeds Technology Fund was created in 2003 pursuant to Public Act 698 of 2002, which authorizes the Clerk/Register of Deeds to collect additional recording fees solely for use and expenditure by the Clerk/Register of Deeds Office for the purpose of technology improvements in those offices. The revenue generated from the increased fees is administered by the Clerk/Register of Deeds. The fund receives no General Fund support.

Sheriff Grants Funds – The September 30 year-end fund is used to account for the costs associated with Federal and State funded purchases of specialized units involved in traffic safety enforcement, auto theft and drug-related crimes. As these grants typically require a General Fund match, approximately 20% of total funding is from the General Fund. The December 31 year-end fund, which receives no General Fund support, is used to account for forfeitures, charges for services and various other grants. Both funds are administered by the County Sheriff's Department.

Social Welfare Fund – This fund was established in accordance with MCL 400.58b to account for the collection and disbursements of the Martha T. Berry Medical Care Facility special tax levied in 2020. The fund is administered by the County Treasurer and receives no General Fund support.

Urban County Block Grant Fund – This fund is administered by the Planning and Economic Development Department and receives grants from Federal agencies for coastal water and marshland restoration, brownfield development and small business development. In addition to Federal funding, this fund is used to account for the proceeds from the sale of aerial maps. The fund receives no General Fund support.

Veterans' Affairs Fund – This fund is used to account for the activities of the Department of Veterans' Services, which provides service to all veterans and their families by providing aid for the process of completing the necessary federal paperwork to receive the maximum level of veteran's benefits possible. The fund receives its funding from an extra-voted property tax millage of .04 mills, levied county-wide. The fund receives no General Fund support.

Veterans' Grants Fund – This fund is used to account for the activities of the County Veterans' Service Fund Grant. The grant program goal is to inform veterans in the county of their VA benefits and to provide educational and outreach programs. The fund receives no General Fund support.

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2021

	Circuit Court Programs (1)	Child Care (1)	Community Corrections	Community Corrections (1)
ASSETS				
Cash and pooled investments	\$ -	\$ -	\$ -	\$ -
Receivables				
Property taxes, net	-	-	-	-
Trade accounts, net	-	75,985	-	-
Due from other governments	82,829	586,930	20,435	150,988
Other assets	-	-	-	-
TOTAL ASSETS	\$ 82,829	\$ 662,915	\$ 20,435	\$ 150,988
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 23,454	\$ 65,847	\$ 6,834	\$ 41,777
Accrued liabilities	-	-	-	-
Accrued compensation and benefits	-	165,943	3,178	23,349
Due to other governments	-	-	-	-
Due to governmental funds	19,439	372,017	6,107	84,125
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	42,893	603,807	16,119	149,251
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	-	-	-	-
Unavailable grants and other charges	29,193	484,110	20,435	-
TOTAL DEFERRED INFLOWS OF RESOURCES	29,193	484,110	20,435	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	10,743	-	-	1,737
Assigned	-	-	-	-
Unassigned	-	(425,002)	(16,119)	-
TOTAL FUND BALANCES	10,743	(425,002)	(16,119)	1,737
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 82,829	\$ 662,915	\$ 20,435	\$ 150,988

(1) - Balance Sheet as of September 30, 2021

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2021

	Community Action Agency	Concealed Pistol License	Emergency Management Grants
ASSETS			
Cash and pooled investments	\$ 878,522	\$ 2,055,826	\$ 10,922
Receivables			
Property taxes, net	-	-	-
Trade accounts, net	8,091,889	-	-
Due from other governments	1,169,046	-	3,508,572
Other assets	-	-	11,091
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 10,139,457</u>	<u>\$ 2,055,826</u>	<u>\$ 3,530,585</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,054,122	\$ 343	\$ 2,793,962
Accrued liabilities	-	-	-
Accrued compensation and benefits	9,155	3,379	5,447
Due to other governments	-	81,389	-
Due to governmental funds	-	-	720,085
Unearned revenue	2,453	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	1,065,730	85,111	3,519,494
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied in advance	-	-	-
Unavailable grants and other charges	294,351	-	3,253,079
	<u> </u>	<u> </u>	<u> </u>
TOTAL DEFERRED INFLOWS OF RESOURCES	294,351	-	3,253,079
FUND BALANCES			
Nonspendable	-	-	11,091
Restricted	8,779,376	1,970,715	-
Assigned	-	-	-
Unassigned	-	-	(3,253,079)
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	8,779,376	1,970,715	(3,241,988)
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 10,139,457</u>	<u>\$ 2,055,826</u>	<u>\$ 3,530,585</u>

(1) - Balance Sheet as of September 30, 2021

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2021

	Friend of the Court (1)	Health Grants	Health Grants (1)	Macomb / St. Clair Employment and Training (2)
ASSETS				
Cash and pooled investments	\$ 158,730	\$ 2,085,282	\$ 4,713,030	\$ 166,656
Receivables				
Property taxes, net	-	-	-	-
Trade accounts, net	1,120	-	11,160	-
Due from other governments	1,156,605	59,401	1,535,150	-
Other assets	13,173	-	-	-
TOTAL ASSETS	\$ 1,329,628	\$ 2,144,683	\$ 6,259,340	\$ 166,656
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 4,087	\$ 12,100	\$ 967,789	\$ 2,554
Accrued liabilities	-	-	-	-
Accrued compensation and benefits	198,256	-	248,596	134,104
Due to other governments	-	-	1,554,605	-
Due to governmental funds	-	-	-	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	202,343	12,100	2,770,990	136,658
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	-	-	-	-
Unavailable grants and other charges	1,156,606	1,200	1,535,150	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,156,606	1,200	1,535,150	-
FUND BALANCES				
Nonspendable	13,173	-	-	-
Restricted	1,095,602	2,130,483	1,953,200	29,998
Assigned	-	900	-	-
Unassigned	(1,138,096)	-	-	-
TOTAL FUND BALANCES	(29,321)	2,131,383	1,953,200	29,998
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,329,628	\$ 2,144,683	\$ 6,259,340	\$ 166,656

(1) - Balance Sheet as of September 30, 2021

(2) - Balance Sheet as of June 30, 2021

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2021

	MSU Extension	MSU Extension (1)	Prosecuting Attorney Grants	Prosecuting Attorney Grants (1)
ASSETS				
Cash and pooled investments	\$ 122,327	\$ 168,449	\$ 200,714	\$ -
Receivables				
Property taxes, net	-	-	-	-
Trade accounts, net	-	-	74	-
Due from other governments	-	-	81,335	380,536
Other assets	-	-	-	945
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 122,327</u>	<u>\$ 168,449</u>	<u>\$ 282,123</u>	<u>\$ 381,481</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 3,085	\$ 7,081	\$ 947	\$ 9,012
Accrued liabilities	-	-	-	-
Accrued compensation and benefits	-	-	-	61,393
Due to other governments	-	-	-	-
Due to governmental funds	-	-	73,164	281,569
Unearned revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	3,085	7,081	74,111	351,974
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	-	-	-	-
Unavailable grants and other charges	-	-	-	353,478
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	353,478
FUND BALANCES				
Nonspendable	-	-	-	945
Restricted	119,242	-	199,909	-
Assigned	-	161,368	8,103	-
Unassigned	-	-	-	(324,916)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>119,242</u>	<u>161,368</u>	<u>208,012</u>	<u>(323,971)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 122,327</u>	<u>\$ 168,449</u>	<u>\$ 282,123</u>	<u>\$ 381,481</u>

(1) - Balance Sheet as of September 30, 2021

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2021

	Public Defender's Office Fund (1)	Register of Deeds Remonumentation Fund	Register of Deeds Technology Fund	Sheriff Grants
ASSETS				
Cash and pooled investments	\$ 3,613,915	\$ 21,676	\$ 2,257,669	\$ 1,663,331
Receivables	-	-	-	-
Property taxes, net	-	-	-	-
Trade accounts, net	8,725	-	-	14,854
Due from other governments	-	129,918	-	-
Other assets	-	-	175	8,713
TOTAL ASSETS	\$ 3,622,640	\$ 151,594	\$ 2,257,844	\$ 1,686,898
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 265,806	\$ 149,037	\$ 82,450	\$ 49,049
Accrued liabilities	46,218	-	-	-
Accrued compensation and benefits	-	-	4,602	-
Due to other governments	-	2,557	-	-
Due to governmental funds	-	-	-	-
Unearned revenue	3,302,616	-	-	-
TOTAL LIABILITIES	3,614,640	151,594	87,052	49,049
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	-	-	-	-
Unavailable grants and other charges	8,000	129,918	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	8,000	129,918	-	-
FUND BALANCES				
Nonspendable	-	-	175	8,713
Restricted	-	-	2,170,617	1,612,798
Assigned	-	-	-	16,338
Unassigned	-	(129,918)	-	-
TOTAL FUND BALANCES	-	(129,918)	2,170,792	1,637,849
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,622,640	\$ 151,594	\$ 2,257,844	\$ 1,686,898

(1) - Balance Sheet as of September 30, 2021

-CONTINUED-

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2021

	Sheriff Grants (1)	Social Welfare Fund	Urban County Block Grant
ASSETS			
Cash and pooled investments	\$ 1,835	\$ -	\$ 2,454,389
Receivables			
Property taxes, net	-	-	-
Trade accounts, net	6,901	-	195,000
Due from other governments	523,582	-	59,755
Other assets	-	-	1,190
TOTAL ASSETS	\$ 532,318	\$ -	\$ 2,710,334
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 22,421	\$ -	\$ 274,525
Accrued liabilities	-	-	-
Accrued compensation and benefits	21,270	-	-
Due to other governments	201,118	-	-
Due to governmental funds	79,918	-	-
Unearned revenue	-	-	-
TOTAL LIABILITIES	324,727	-	274,525
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied in advance	-	-	-
Unavailable grants and other charges	74,175	-	195,000
TOTAL DEFERRED INFLOWS OF RESOURCES	74,175	-	195,000
FUND BALANCES			
Nonspendable	-	-	1,190
Restricted	133,416	-	133,587
Assigned	-	-	2,106,032
Unassigned	-	-	-
TOTAL FUND BALANCES	133,416	-	2,240,809
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 532,318	\$ -	\$ 2,710,334

(1) - Balance Sheet as of September 30, 2021

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)

December 31, 2021

	Veterans' Affairs	Veterans' Grants (1)	Total Nonmajor Special Revenue Funds
ASSETS			
Cash and pooled investments	\$ 2,566,839	\$ 2,075	\$ 23,142,187
Receivables			
Property taxes, net	1,916,419	-	1,916,419
Trade accounts, net	794	-	8,406,502
Due from other governments	-	57,382	9,502,464
Other assets	925	-	36,212
TOTAL ASSETS	\$ 4,484,977	\$ 59,457	\$ 43,003,784
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 8,470	\$ -	\$ 5,844,752
Accrued liabilities	-	-	46,218
Accrued compensation and benefits	15,882	-	894,554
Due to other governments	-	2,000	1,841,669
Due to governmental funds	-	47,419	1,683,843
Unearned revenue	-	-	3,305,069
TOTAL LIABILITIES	24,352	49,419	13,616,105
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied in advance	2,027,037	-	2,027,037
Unavailable grants and other charges	-	55,382	7,590,077
TOTAL DEFERRED INFLOWS OF RESOURCES	2,027,037	55,382	9,617,114
FUND BALANCES			
Nonspendable	925	-	36,212
Restricted	2,432,663	-	22,774,086
Assigned	-	-	2,292,741
Unassigned	-	(45,344)	(5,332,474)
TOTAL FUND BALANCES	2,433,588	(45,344)	19,770,565
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,484,977	\$ 59,457	\$ 43,003,784

(1) - Balance Sheet as of September 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS

Year Ended December 31, 2021

	Circuit Court Programs (1)	Child Care (1)	Community Corrections	Community Corrections (1)
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Federal and state grants	413,387	4,797,735	-	1,370,800
Other grants	-	-	-	-
Charges for services	6,978	696,339	13,167	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	388,296	-	-
TOTAL REVENUES	420,365	5,882,370	13,167	1,370,800
EXPENDITURES				
Current				
Judicial	435,490	-	-	-
General government	-	-	-	-
Public safety	-	-	219,055	1,618,374
Health and welfare	-	13,196,202	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	3,100
TOTAL EXPENDITURES	435,490	13,196,202	219,055	1,621,474
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,125)	(7,313,832)	(205,888)	(250,674)
OTHER FINANCING SOURCES (USES)				
Transfers in	25,780	7,359,907	185,453	250,674
NET CHANGE IN FUND BALANCE	10,655	46,075	(20,435)	-
Fund balances, beginning of year	88	(471,077)	4,316	1,737
Fund balances, end of year	<u>\$ 10,743</u>	<u>\$ (425,002)</u>	<u>\$ (16,119)</u>	<u>\$ 1,737</u>

(1) - Year ended September 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Year Ended December 31, 2021

	Community Action Agency	Concealed Pistol License	Emergency Management Grants
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	493,074	-
Federal and state grants	4,535,625	-	2,391,564
Other grants	-	-	11,638
Charges for services	143,953	-	-
Fines and forfeitures	-	-	-
Interest and rents	-	-	-
Other revenue	4,265	-	-
TOTAL REVENUES	4,683,843	493,074	2,403,202
EXPENDITURES			
Current			
Judicial	-	-	-
General government	-	275,629	-
Public safety	-	-	3,761,568
Health and welfare	4,573,054	-	-
Community and economic development	-	-	-
Capital outlay	9,457	12,181	308,056
TOTAL EXPENDITURES	4,582,511	287,810	4,069,624
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	101,332	205,264	(1,666,422)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
NET CHANGE IN FUND BALANCE	101,332	205,264	(1,666,422)
Fund balances, beginning of year	8,678,044	1,765,451	(1,575,566)
Fund balances, end of year	<u>\$ 8,779,376</u>	<u>\$ 1,970,715</u>	<u>\$ (3,241,988)</u>

(1) - Year ended September 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Year Ended December 31, 2021

	Friend of the Court (1)	Health Grants	Health Grants (1)	Macomb / St. Clair Employment and Training (2)
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Federal and state grants	7,892,145	611,315	11,651,654	-
Other grants	-	-	-	-
Charges for services	890,878	54,018	39,030	4,184,304
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	6,647	-	844,901	-
TOTAL REVENUES	8,789,670	665,333	12,535,585	4,184,304
EXPENDITURES				
Current				
Judicial	11,441,493	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	85,309	14,544,020	4,208,198
Community and economic development	-	-	-	-
Capital outlay	10,632	-	158,584	61,300
TOTAL EXPENDITURES	11,452,125	85,309	14,702,604	4,269,498
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,662,455)	580,024	(2,167,019)	(85,194)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,803,991	-	1,950,251	-
NET CHANGE IN FUND BALANCE	141,536	580,024	(216,768)	(85,194)
Fund balances, beginning of year	(170,857)	1,551,359	2,169,968	115,192
Fund balances, end of year	<u>\$ (29,321)</u>	<u>\$ 2,131,383</u>	<u>\$ 1,953,200</u>	<u>\$ 29,998</u>

(1) - Year ended September 30, 2021

(2) - Year ended June 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Year Ended December 31, 2021

	<u>MSU Extension</u>	<u>MSU Extension (1)</u>	<u>Prosecuting Attorney Grants</u>	<u>Prosecuting Attorney Grants (1)</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Federal and state grants	-	-	81,336	2,114,718
Other grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	36,388	-
Interest and rents	-	-	262	-
Other revenue	-	-	-	-
TOTAL REVENUES	-	-	117,986	2,114,718
EXPENDITURES				
Current				
Judicial	-	-	99,851	2,840,543
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	16,568	21,755	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	27,272	4,433
TOTAL EXPENDITURES	16,568	21,755	127,123	2,844,976
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,568)	(21,755)	(9,137)	(730,258)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	6,454	763,393
NET CHANGE IN FUND BALANCE	(16,568)	(21,755)	(2,683)	33,135
Fund balances, beginning of year	135,810	183,123	210,695	(357,106)
Fund balances, end of year	<u>\$ 119,242</u>	<u>\$ 161,368</u>	<u>\$ 208,012</u>	<u>\$ (323,971)</u>

(1) - Year ended September 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Year Ended December 31, 2021

	Public Defender's Office Fund (1)	Register of Deeds Remonumentation Fund	Register of Deeds Technology Fund	Sheriff Grants
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Federal and state grants	2,014,358	216,510	-	119,203
Other grants	-	-	-	-
Charges for services	1,118,142	-	1,174,494	67,308
Fines and forfeitures	-	-	-	269,137
Interest and rents	-	-	2,596	-
Other revenue	-	-	-	-
TOTAL REVENUES	3,132,500	216,510	1,177,090	455,648
EXPENDITURES				
Current				
Judicial	4,253,761	-	-	-
General government	-	216,616	705,997	-
Public safety	-	-	-	346,720
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	15,524	-	11,735	221,940
TOTAL EXPENDITURES	4,269,285	216,616	717,732	568,660
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,136,785)	(106)	459,358	(113,012)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,136,785	-	-	-
NET CHANGE IN FUND BALANCE	-	(106)	459,358	(113,012)
Fund balances, beginning of year	-	(129,812)	1,711,434	1,750,861
Fund balances, end of year	\$ -	\$ (129,918)	\$ 2,170,792	\$ 1,637,849

(1) - Year ended September 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Year Ended December 31, 2021

	Sheriff Grants (1)	Social Welfare Fund	Urban County Block Grant
REVENUES			
Property taxes	\$ -	\$ 874,213	\$ -
Licenses and permits	-	-	-
Federal and state grants	2,008,554	-	522,886
Other grants	387,361	-	-
Charges for services	-	-	15,000
Fines and forfeitures	7,215	-	-
Interest and rents	-	-	2,813
Other revenue	-	-	1,286,396
TOTAL REVENUES	2,403,130	874,213	1,827,095
EXPENDITURES			
Current			
Judicial	-	-	-
General government	-	-	-
Public safety	2,318,500	-	-
Health and welfare	-	-	241,946
Community and economic development	-	-	594,966
Capital outlay	5,931	-	-
TOTAL EXPENDITURES	2,324,431	-	836,912
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	78,699	874,213	990,183
OTHER FINANCING SOURCES (USES)			
Transfers in	384,396	1,402	-
NET CHANGE IN FUND BALANCES	463,095	875,615	990,183
Fund balances, beginning of year	(329,679)	(875,615)	1,250,626
Fund balances, end of year	<u>\$ 133,416</u>	<u>\$ -</u>	<u>\$ 2,240,809</u>

(1) - Year ended September 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)

Year Ended December 31, 2021

	Veterans' Affairs	Veteran's Grants (1)	Total Nonmajor Special Revenue Funds
REVENUES			
Property taxes	\$ 1,985,282	\$ -	\$ 2,859,495
Licenses and permits	-	-	493,074
Federal and state grants	171,412	277,641	41,190,843
Other grants	-	36,184	435,183
Charges for services	-	-	8,403,611
Fines and forfeitures	-	-	312,740
Interest and rents	-	-	5,671
Other revenue	-	1,969	2,532,474
TOTAL REVENUES	2,156,694	315,794	56,233,091
EXPENDITURES			
Current			
Judicial	-	-	19,071,138
General government	-	-	1,198,242
Public safety	-	-	8,264,217
Health and welfare	1,751,949	138,697	38,777,698
Community and economic development	-	-	594,966
Capital outlay	21,691	6,980	878,816
TOTAL EXPENDITURES	1,773,640	145,677	68,785,077
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	383,054	170,117	(12,551,986)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,075	14,870,561
NET CHANGE IN FUND BALANCES	383,054	172,192	2,318,575
Fund balances, beginning of year	2,050,534	(217,536)	17,451,990
Fund balances, end of year	<u>\$ 2,433,588</u>	<u>\$ (45,344)</u>	<u>\$ 19,770,565</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS

Circuit Court Programs
Year Ended September 30, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 465,600	\$ 413,387	\$ (52,213)
Charges for services	5,000	6,978	1,978
TOTAL REVENUES	470,600	420,365	(50,235)
EXPENDITURES			
Current			
Judicial	578,700	435,490	143,210
EXCESS OF REVENUES OVER EXPENDITURES	(108,100)	(15,125)	92,975
OTHER FINANCING SOURCES			
Transfers in	108,100	25,780	(82,320)
NET CHANGE IN FUND BALANCES	-	10,655	10,655
Fund balances, beginning of year	88	88	-
Fund balances, end of year	\$ 88	\$ 10,743	\$ 10,655

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Child Care Fund
Year Ended September 30, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 6,388,000	\$ 4,797,735	\$ (1,590,265)
Charges for services	481,000	696,339	215,339
Other revenue	385,000	388,296	3,296
TOTAL REVENUES	7,254,000	5,882,370	(1,371,630)
EXPENDITURES			
Current			
Health and welfare	18,482,049	13,196,202	5,285,847
EXCESS OF REVENUES OVER EXPENDITURES	(11,228,049)	(7,313,832)	3,914,217
OTHER FINANCING SOURCES			
Transfers in	11,213,300	7,359,907	(3,853,393)
NET CHANGE IN FUND BALANCES	(14,749)	46,075	60,824
Fund balances, beginning of year	(471,077)	(471,077)	-
Fund balances, end of year	<u>\$ (485,826)</u>	<u>\$ (425,002)</u>	<u>\$ 60,824</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Community Corrections
Year Ended December 31, 2021

	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Federal and state grants	\$ 32,447	\$ -	\$ (32,447)
Charges for services	18,000	13,167	(4,833)
TOTAL REVENUES	50,447	13,167	(37,280)
EXPENDITURES			
Current			
Public safety	248,547	219,055	29,492
EXCESS OF REVENUES OVER EXPENDITURES	(198,100)	(205,888)	(7,788)
OTHER FINANCING SOURCES			
Transfers in	198,100	185,453	(12,647)
NET CHANGE IN FUND BALANCES	-	(20,435)	(20,435)
Fund balances, beginning of year	4,316	4,316	-
Fund balances, end of year	<u>\$ 4,316</u>	<u>\$ (16,119)</u>	<u>\$ (20,435)</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Community Corrections
Year Ended September 30, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 1,520,000	\$ 1,370,800	\$ (149,200)
EXPENDITURES			
Current			
Public safety	1,786,600	1,618,374	168,226
Capital outlay	3,100	3,100	-
TOTAL EXPENDITURES	<u>1,789,700</u>	<u>1,621,474</u>	<u>168,226</u>
EXCESS OF REVENUES OVER EXPENDITURES	(269,700)	(250,674)	19,026
OTHER FINANCING SOURCES			
Transfers in	<u>269,700</u>	<u>250,674</u>	<u>(19,026)</u>
NET CHANGE IN FUND BALANCES	-	-	-
Fund balances, beginning of year	<u>1,737</u>	<u>1,737</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,737</u>	<u>\$ 1,737</u>	<u>\$ -</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Community Action Agency
Year Ended December 31, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 16,767,605	\$ 4,535,625	\$ (12,231,980)
Charges for services	903,276	143,953	(759,323)
Other revenue	10,000	4,265	(5,735)
TOTAL REVENUES	17,680,881	4,683,843	(12,997,038)
EXPENDITURES			
Current			
Health and welfare	17,917,928	4,573,054	13,344,874
Capital outlay	10,398	9,457	941
TOTAL EXPENDITURES	17,928,326	4,582,511	13,345,815
EXCESS OF REVENUES OVER EXPENDITURES	(247,445)	101,332	348,777
Fund balances, beginning of year	8,678,044	8,678,044	-
Fund balances, end of year	<u>\$ 8,430,599</u>	<u>\$ 8,779,376</u>	<u>\$ 348,777</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Concealed Pistol License
Year Ended December 31, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses and permits	\$ 350,000	\$ 493,074	\$ 143,074
EXPENDITURES			
Current			
General government	370,400	275,629	94,771
Capital outlay	25,000	12,181	12,819
TOTAL EXPENDITURES	<u>395,400</u>	<u>287,810</u>	<u>107,590</u>
EXCESS OF REVENUES OVER EXPENDITURES	(45,400)	205,264	250,664
Fund balances, beginning of year	<u>1,765,451</u>	<u>1,765,451</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,720,051</u>	<u>\$ 1,970,715</u>	<u>\$ 250,664</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Emergency Management Grants
Year Ended December 31, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 8,046,200	\$ 2,391,564	\$ (5,654,636)
Other grants	-	11,638	11,638
TOTAL REVENUES	8,046,200	2,403,202	(5,642,998)
EXPENDITURES			
Current			
Public safety	7,671,100	3,761,568	3,909,532
Capital outlay	375,100	308,056	67,044
TOTAL EXPENDITURES	8,046,200	4,069,624	3,976,576
EXCESS OF REVENUES OVER EXPENDITURES	-	(1,666,422)	(1,666,422)
Fund balances, beginning of year	(1,575,566)	(1,575,566)	-
Fund balances, end of year	<u>\$ (1,575,566)</u>	<u>\$ (3,241,988)</u>	<u>\$ (1,666,422)</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Friend of the Court
Year Ended September 30, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 8,104,500	\$ 7,892,145	\$ (212,355)
Charges for services	765,000	890,878	125,878
Other revenue	-	6,647	6,647
TOTAL REVENUES	8,869,500	8,789,670	(79,830)
EXPENDITURES			
Current			
Judicial	12,201,800	11,441,493	760,307
Capital outlay	32,400	10,632	21,768
TOTAL EXPENDITURES	12,234,200	11,452,125	782,075
EXCESS OF REVENUES OVER EXPENDITURES	(3,364,700)	(2,662,455)	702,245
OTHER FINANCING SOURCES			
Transfers in	3,364,700	2,803,991	(560,709)
NET CHANGE IN FUND BALANCES	-	141,536	141,536
Fund balances, beginning of year	(170,857)	(170,857)	-
Fund balances, end of year	<u>\$ (170,857)</u>	<u>\$ (29,321)</u>	<u>\$ 141,536</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

	<u>Health Grants</u>		
	<u>Year Ended December 31, 2021</u>		
	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 72,302	\$ 611,315	\$ 539,013
Charges for services	67,578	54,018	(13,560)
TOTAL REVENUES	139,880	665,333	525,453
EXPENDITURES			
Current			
Health and welfare	164,080	85,309	78,771
Capital outlay	20,748	-	20,748
TOTAL EXPENDITURES	184,828	85,309	99,519
EXCESS OF REVENUES OVER EXPENDITURES	(44,948)	580,024	624,972
Fund balances, beginning of year	1,551,359	1,551,359	-
Fund balances, end of year	<u>\$ 1,506,411</u>	<u>\$ 2,131,383</u>	<u>\$ 624,972</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Health Grants
Year Ended September 30, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 15,140,521	\$ 11,651,654	\$ (3,488,867)
Charges for services	50,000	39,030	(10,970)
Other revenues	570,700	844,901	274,201
TOTAL REVENUES	15,761,221	12,535,585	(3,225,636)
EXPENDITURES			
Current			
Health and welfare	18,784,974	14,544,020	4,240,954
Capital outlay	271,347	158,584	112,763
TOTAL EXPENDITURES	19,056,321	14,702,604	4,353,717
EXCESS OF REVENUES OVER EXPENDITURES	(3,295,100)	(2,167,019)	1,128,081
OTHER FINANCING SOURCES			
Transfers in	3,095,600	1,950,251	(1,145,349)
NET CHANGE IN FUND BALANCES	(199,500)	(216,768)	(17,268)
Fund balances, beginning of year	2,169,968	2,169,968	-
Fund balances, end of year	\$ 1,970,468	\$ 1,953,200	\$ (17,268)

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Macomb / St. Clair Employment and Training
Year Ended June 30, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 4,657,500	\$ 4,184,304	\$ (473,196)
EXPENDITURES			
Current			
Health and welfare	4,678,500	4,208,198	470,302
Capital outlay	77,881	61,300	16,581
TOTAL EXPENDITURES	4,756,381	4,269,498	486,883
EXCESS OF REVENUES OVER EXPENDITURES	(98,881)	(85,194)	13,687
Fund balances, beginning of year	115,192	115,192	-
Fund balances, end of year	\$ 16,311	\$ 29,998	\$ 13,687

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

	<u>MSU Extension</u>		
	<u>Year Ended December 31, 2021</u>		
	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Charges for services	\$ 3,000	\$ -	\$ (3,000)
EXPENDITURES			
Current			
Health and welfare	<u>33,700</u>	<u>16,568</u>	<u>17,132</u>
EXCESS OF REVENUES OVER EXPENDITURES	(30,700)	(16,568)	14,132
Fund balances, beginning of year	<u>135,810</u>	<u>135,810</u>	<u>-</u>
Fund balances, end of year	<u>\$ 105,110</u>	<u>\$ 119,242</u>	<u>\$ 14,132</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

	<u>MSU Extension</u>		
	<u>Year Ended September 30, 2021</u>		
	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES			
Current			
Health and welfare	\$ 31,100	\$ 21,755	\$ 9,345
EXCESS OF REVENUES OVER EXPENDITURES	(31,100)	(21,755)	9,345
Fund balances, beginning of year	183,123	183,123	-
Fund balances, end of year	<u>\$ 152,023</u>	<u>\$ 161,368</u>	<u>\$ 9,345</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Prosecuting Attorney Grants
Year Ended December 31, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 97,726	\$ 81,336	\$ (16,390)
Fines and forfeitures	-	36,388	36,388
Interest and rents	-	262	262
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	97,726	117,986	20,260
EXPENDITURES			
Current			
Judicial	184,598	99,851	84,747
Capital outlay	25,600	27,272	(1,672)
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES	(112,472)	(9,137)	103,335
OTHER FINANCING SOURCES			
Transfers in	7,672	6,454	(1,218)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(104,800)	(2,683)	102,117
Fund balances, beginning of year	210,695	210,695	-
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 105,895</u>	<u>\$ 208,012</u>	<u>\$ 102,117</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Prosecuting Attorney Grants
Year Ended September 30, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 2,205,300	\$ 2,114,718	\$ (90,582)
EXPENDITURES			
Current			
Judicial	2,929,600	2,840,543	89,057
Capital outlay	4,500	4,433	67
TOTAL EXPENDITURES	<u>2,934,100</u>	<u>2,844,976</u>	<u>89,124</u>
EXCESS OF REVENUES OVER EXPENDITURES	(728,800)	(730,258)	(1,458)
OTHER FINANCING SOURCES			
Transfers in	<u>728,800</u>	<u>763,393</u>	<u>34,593</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>728,800</u>	<u>763,393</u>	<u>34,593</u>
NET CHANGE IN FUND BALANCES	-	33,135	33,135
Fund balances, beginning of year	<u>(357,106)</u>	<u>(357,106)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (357,106)</u>	<u>\$ (323,971)</u>	<u>\$ 33,135</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Public Defender's Office Fund
Year Ended September 30, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 4,106,000	\$ 2,014,358	\$ (2,091,642)
Charges for services	1,211,000	1,118,142	(92,858)
TOTAL REVENUES	5,317,000	3,132,500	(2,184,500)
EXPENDITURES			
Current			
Judicial	7,523,800	4,253,761	3,270,039
Capital outlay	33,100	15,524	17,576
TOTAL EXPENDITURES	7,556,900	4,269,285	3,287,615
EXCESS OF REVENUES OVER EXPENDITURES	(2,239,900)	(1,136,785)	1,103,115
OTHER FINANCING SOURCES			
Transfers in	2,239,900	1,136,785	(1,103,115)
NET CHANGE IN FUND BALANCES	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

-CONTINUED-

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Register of Deeds Remonumentation Fund
Year Ended December 31, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 241,463	\$ 216,510	\$ (24,953)
EXPENDITURES			
Current			
General government	<u>223,038</u>	<u>216,616</u>	<u>6,422</u>
EXCESS OF REVENUES OVER EXPENDITURES	18,425	(106)	(18,531)
Fund balances, beginning of year	<u>(129,812)</u>	<u>(129,812)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (111,387)</u>	<u>\$ (129,918)</u>	<u>\$ (18,531)</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Register of Deeds Technology Fund
Year Ended December 31, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 995,000	\$ 1,174,494	\$ 179,494
Interest and rents	-	2,596	2,596
TOTAL REVENUES	995,000	1,177,090	182,090
EXPENDITURES			
Current			
General government	773,800	705,997	67,803
Capital outlay	30,000	11,735	18,265
TOTAL EXPENDITURES	803,800	717,732	86,068
EXCESS OF REVENUES OVER EXPENDITURES	191,200	459,358	268,158
Fund balances, beginning of year	1,711,434	1,711,434	-
Fund balances, end of year	<u>\$ 1,902,634</u>	<u>\$ 2,170,792</u>	<u>\$ 268,158</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Sheriff Grants

Year Ended December 31, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 79,366	\$ 119,203	\$ 39,837
Charges for services	50,000	67,308	17,308
Fines and forfeitures	195,000	269,137	74,137
TOTAL REVENUES	324,366	455,648	131,282
EXPENDITURES			
Current			
Public safety	1,468,152	346,720	1,121,432
Capital outlay	668,226	221,940	446,286
TOTAL EXPENDITURES	2,136,378	568,660	1,567,718
EXCESS OF REVENUES OVER EXPENDITURES	(1,812,012)	(113,012)	1,699,000
Fund balances, beginning of year	1,750,861	1,750,861	-
Fund balances, end of year	\$ (61,151)	\$ 1,637,849	\$ 1,699,000

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Sheriff Grants
Year Ended September 30, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 1,695,500	\$ 2,008,554	\$ 313,054
Other grants	533,000	387,361	(145,639)
Fines and forfeitures	7,500	7,215	(285)
TOTAL REVENUES	2,236,000	2,403,130	167,130
EXPENDITURES			
Current			
Public safety	2,661,500	2,318,500	343,000
Capital outlay	16,600	5,931	10,669
TOTAL EXPENDITURES	2,678,100	2,324,431	353,669
EXCESS OF REVENUES OVER EXPENDITURES	(442,100)	78,699	520,799
OTHER FINANCING SOURCES			
Transfers in	417,100	384,396	(32,704)
NET CHANGE IN FUND BALANCES	(25,000)	463,095	488,095
Fund balances, beginning of year	(329,679)	(329,679)	-
Fund balances, end of year	\$ (354,679)	\$ 133,416	\$ 488,095

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Social Welfare Fund
Year Ended December 31, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 875,615	\$ 874,213	\$ (1,402)
OTHER FINANCING SOURCES			
Transfers in	-	1,402	1,402
TOTAL OTHER FINANCING SOURCES (USES)	-	1,402	1,402
NET CHANGE IN FUND BALANCES	875,615	875,615	-
Fund balances, beginning of year	(875,615)	(875,615)	-
Fund balances, end of year	\$ -	\$ -	\$ -

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Urban County Block Grant
Year Ended December 31, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 1,295,674	\$ 522,886	\$ (772,788)
Charges for services	-	15,000	15,000
Interest and rents	-	2,813	2,813
Other revenue	319,832	1,286,396	966,564
TOTAL REVENUES	1,615,506	1,827,095	211,589
EXPENDITURES			
Current			
Health and welfare	290,930	241,946	48,984
Community and economic development	1,389,149	594,966	794,183
Capital outlay	17,662	-	17,662
TOTAL EXPENDITURES	1,697,741	836,912	860,829
EXCESS OF REVENUES OVER EXPENDITURES	(82,235)	990,183	1,072,418
Fund balances, beginning of year	1,250,626	1,250,626	-
Fund balances, end of year	<u>\$ 1,168,391</u>	<u>\$ 2,240,809</u>	<u>\$ 1,072,418</u>

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Veterans' Affairs Fund
Year Ended December 31, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 1,997,300	\$ 1,985,282	\$ (12,018)
Federal and state grants	32,300	171,412	139,112
TOTAL REVENUES	2,029,600	2,156,694	127,094
EXPENDITURES			
Current			
Health and welfare	1,865,700	1,751,949	113,751
Capital outlay	19,000	21,691	(2,691)
TOTAL EXPENDITURES	1,884,700	1,773,640	111,060
EXCESS OF REVENUES OVER EXPENDITURES	144,900	383,054	238,154
Fund balances, beginning of year	2,050,534	2,050,534	-
Fund balances, end of year	\$ 2,195,434	\$ 2,433,588	\$ 238,154

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)

Veterans' Grants Fund
Year Ended September 30, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 163,395	\$ 277,641	\$ 114,246
Other grants	-	36,184	36,184
Other revenue	2,000	1,969	(31)
TOTAL REVENUES	165,395	315,794	150,399
EXPENDITURES			
Current			
Health and welfare	156,405	138,697	17,708
Capital outlay	8,990	6,980	2,010
TOTAL EXPENDITURES	165,395	145,677	19,718
EXCESS OF REVENUES OVER EXPENDITURES	-	170,117	170,117
OTHER FINANCING SOURCES			
Transfers in	-	2,075	2,075
NET CHANGE IN FUND BALANCES	-	172,192	172,192
Fund balances, beginning of year	(217,536)	(217,536)	-
Fund balances, end of year	<u>\$ (217,536)</u>	<u>\$ (45,344)</u>	<u>\$ 172,192</u>

FUND DESCRIPTION – NONMAJOR DEBT SERVICE FUND

December 31, 2021

Debt Service Fund – This fund accounts for the accumulation of resources that are used to pay long-term debt principal and interest payments. Bonds serviced from this fund include those categorized as issued for the Building Authority and general county (with the exception of the 2015 and 2020 refunding other postemployment benefits bonds), as well as bonds which were issued by the Michigan Transportation Fund. Details regarding these issues can be found in the Long-Term Debt footnote (Note 6) within the Notes to the Basic Financial Statements.

Macomb County, Michigan

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS) –
NONMAJOR DEBT SERVICE FUND

Debt Service Fund
Year Ended December 31, 2021

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES			
Current			
Public works	28,700	27,474	1,226
Debt service			
Principal	14,690,000	14,690,000	-
Interest and fees	1,359,600	1,359,399	201
TOTAL EXPENDITURES	<u>16,078,300</u>	<u>16,076,873</u>	<u>1,427</u>
EXCESS OF REVENUES OVER EXPENDITURES	(16,078,300)	(16,076,873)	1,427
OTHER FINANCING SOURCES			
Transfers in	<u>3,738,600</u>	<u>3,738,324</u>	<u>(276)</u>
NET CHANGE IN FUND BALANCES	(12,339,700)	(12,338,549)	1,151
Fund balances, beginning of year	<u>14,614,747</u>	<u>14,614,747</u>	-
Fund balances, end of year	<u>\$ 2,275,047</u>	<u>\$ 2,276,198</u>	<u>\$ 1,151</u>

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2021

CAPITAL PROJECT FUNDS are used to account for financial resources that are to be used for the acquisition or construction of major capital facilities. Most expenditures in these types of funds are capitalized and included in the governmental activities capital assets schedule in the notes to the basic financial statements. Capital project funds are funded by a combination of federal and state grants as well as by general fund contributions. Significant capital projects have dedicated funds to more efficiently track activity. Descriptions of these funds are as follows:

Bridge Program – This fund accounts for the accumulation of resources that are used to maintain certain bridges throughout Macomb County. Funding for the program is achieved by charging local communities annually in exchange for the county's road department to maintain the bridges.

Capital Improvement Fund – This fund is used by the county to track incoming transfers from the General Fund and corresponding transfers out to specific capital project funds. Funding for this fund is achieved by budgeted appropriations from the county's General Fund to cover the estimated costs of the county's capital improvement plan on an annual basis.

General County Capital Projects – This fund is used by the county to account for the accumulation of resources and expenditures of resources for capital projects not otherwise being administered in separate capital project funds. Such capital projects are authorized via the county's annual capital improvement plan and funded via county executive recommended and board authorized budget appropriations to the capital improvement fund on an annual basis. The General County Capital Projects Fund then draws transfers from the Capital Improvement Fund. Although nearly all funding is from transfers from the Capital Improvement Fund, some capital projects are funded with federal and/or state grants, which are deposited into this fund.

District Court Improvement – This fund accounts for the accumulation and use of resources related to building and equipment improvements at the District Courts operated by the county, which is the 42nd District Court, with locations in Romeo and New Baltimore. Funding for district court improvements comes from earmarked court fees. The program does not receive any funding from the General Fund.

E-911 Capital Project Funds – These funds account for the accumulation and use of resources related to the construction and maintenance of the county-wide E-911 system. The program is funded by a combination of federal and state grants along with charges for services to local communities where the system is operated. The program does not receive any funding from the General Fund. The following funds account for various parts of this program:

- E-911 Cellular Fee
- E-911 Radio Maintenance

Orchard Trail Fund – This fund accounts for the accumulation and use of resources related to construction and maintenance of the Macomb County Orchard Trail, which is a 24 mile paved bike trail. The program is funded by charges paid by each local community that the trail passes through, which are then used to maintain the trail. The program does not receive any funding from the General Fund.

Youth Home Renovation Fund – This fund accounts for the accumulation and use of resources related to the renovation of the Macomb County Youth Home. There has not been any recent activity in the fund as the project the fund was created for has been completed. The remaining fund balance has been earmarked for future related building projects.

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2021

	Bridge Program	Capital Improvement Fund	General County Capital Projects
ASSETS			
Cash and pooled investments	\$ 167,347	\$ 15,207,744	\$ 2,982,969
Receivables			
Trade accounts, net	-	-	-
Due from other governments	480,861	-	-
Other assets	-	-	15,221
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 648,208</u>	<u>\$ 15,207,744</u>	<u>\$ 2,998,190</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 208,372
Accrued liabilities	-	-	6,254
Due to other governments	-	-	-
Unearned revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	-	-	214,626
DEFERRED INFLOWS OF RESOURCES			
Unavailable grants and other charges	480,861	-	-
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES			
Nonspendable	-	-	15,221
Restricted	-	-	-
Assigned	167,347	15,207,744	2,768,343
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>167,347</u>	<u>15,207,744</u>	<u>2,783,564</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 648,208</u>	<u>\$ 15,207,744</u>	<u>\$ 2,998,190</u>

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS (CONTINUED)

December 31, 2021

	District Court Improvement	E-911 Cellular Fee	E-911 Radio Maintenance
ASSETS			
Cash and pooled investments	\$ 556,836	\$ 3,620,269	\$ 408,846
Receivables			
Trade accounts, net	-	-	64,490
Due from other governments	-	380,937	303,698
Other assets	-	23,120	-
	<u>556,836</u>	<u>3,620,269</u>	<u>408,846</u>
TOTAL ASSETS	<u>\$ 556,836</u>	<u>\$ 4,024,326</u>	<u>\$ 777,034</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 8,127
Accrued liabilities	-	-	-
Due to other governments	-	692,377	-
Unearned revenue	-	-	-
	<u>-</u>	<u>692,377</u>	<u>8,127</u>
TOTAL LIABILITIES	-	692,377	8,127
DEFERRED INFLOWS OF RESOURCES			
Unavailable grants and other charges	-	-	361,505
	<u>-</u>	<u>-</u>	<u>361,505</u>
FUND BALANCES			
Nonspendable	-	23,120	-
Restricted	-	3,308,829	407,402
Assigned	556,836	-	-
	<u>556,836</u>	<u>3,331,949</u>	<u>407,402</u>
TOTAL FUND BALANCES	<u>556,836</u>	<u>3,331,949</u>	<u>407,402</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 556,836</u>	<u>\$ 4,024,326</u>	<u>\$ 777,034</u>

(1) - Balance Sheet as of September 30, 2021

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS (CONCLUDED)

December 31, 2021

	Orchard Trail	Youth Home Renovation	Total Nonmajor Capital Project Funds
ASSETS			
Cash and pooled investments	\$ 310,547	\$ 103,230	\$ 23,357,788
Receivables			
Trade accounts, net	-	-	64,490
Due from other governments	-	-	1,165,496
Other assets	-	-	38,341
	<u>310,547</u>	<u>103,230</u>	<u>24,626,115</u>
TOTAL ASSETS	\$ 310,547	\$ 103,230	\$ 24,626,115
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 17,090	\$ -	\$ 233,589
Accrued liabilities	-	-	6,254
Due to other governments	-	-	692,377
Unearned revenue	-	-	-
	<u>17,090</u>	<u>-</u>	<u>932,220</u>
TOTAL LIABILITIES	17,090	-	932,220
DEFERRED INFLOWS OF RESOURCES			
Unavailable grants and other charges	-	-	842,366
	<u>-</u>	<u>-</u>	<u>842,366</u>
FUND BALANCES			
Nonspendable	-	-	38,341
Restricted	-	-	3,716,231
Assigned	293,457	103,230	19,096,957
	<u>293,457</u>	<u>103,230</u>	<u>19,096,957</u>
TOTAL FUND BALANCES	293,457	103,230	22,851,529
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 310,547	\$ 103,230	\$ 24,626,115

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2021

	Bridge Program	Capital Improvement Fund	General County Capital Projects
REVENUES			
Federal and state grants	\$ -	\$ -	\$ 59,995
Other grants	-	-	-
Charges for services	24,045	-	-
Interest and rents	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	24,045	-	59,995
EXPENDITURES			
Current			
Public safety	-	-	-
Recreational and cultural	-	-	-
Capital outlay	-	-	6,484,228
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	-	-	6,484,228
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	24,045	-	(6,424,233)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	808,646	3,796,943
Transfers out	-	(400,902)	(808,646)
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	407,744	2,988,297
NET CHANGE IN FUND BALANCES	24,045	407,744	(3,435,936)
Fund balances, beginning of year	<hr/>	<hr/>	<hr/>
	143,302	14,800,000	6,219,500
Fund balances, end of year	<hr/>	<hr/>	<hr/>
	\$ 167,347	\$ 15,207,744	\$ 2,783,564

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS (CONTINUED)

December 31, 2021

	District Court Improvement	E-911 Cellular Fee	E-911 Radio Maintenance
REVENUES			
Federal and state grants	\$ -	\$ 648,987	\$ -
Other grants	-	42,183	-
Charges for services	46,546	-	491,836
Interest and rents	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	46,546	691,170	491,836
EXPENDITURES			
Current			
Public safety	-	179,714	321,055
Recreational and cultural	-	-	-
Capital outlay	-	84,562	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	-	264,276	321,055
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	46,546	426,894	170,781
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCES	46,546	426,894	170,781
Fund balances, beginning of year	<hr/> 510,290	<hr/> 2,905,055	<hr/> 236,621
Fund balances, end of year	<u>\$ 556,836</u>	<u>\$ 3,331,949</u>	<u>\$ 407,402</u>

(1) - Year ended September 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS (CONCLUDED)

December 31, 2021

	Orchard Trail	Youth Home Renovation	Total Nonmajor Capital Project Funds
REVENUES			
Federal and state grants	\$ -	\$ -	\$ 708,982
Other grants	-	-	42,183
Charges for services	40,583	-	603,010
Interest and rents	389	-	389
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	40,972	-	1,354,564
EXPENDITURES			
Current			
Public safety	-	-	500,769
Recreational and cultural	75,120	-	75,120
Capital outlay	-	-	6,568,790
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	75,120	-	7,144,679
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(34,148)	-	(5,790,115)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	4,605,589
Transfers out	-	-	(1,209,548)
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	-	3,396,041
NET CHANGE IN FUND BALANCES	(34,148)	-	(2,394,074)
Fund balances, beginning of year	<hr/>	<hr/>	<hr/>
	327,605	103,230	25,245,603
Fund balances, end of year	<hr/>	<hr/>	<hr/>
	\$ 293,457	\$ 103,230	\$ 22,851,529

FUND DESCRIPTIONS – INTERNAL SERVICE FUNDS

December 31, 2021

INTERNAL SERVICE FUNDS are used to account for the financing of goods or services provided by one county department or agency to other departments or agencies on a cost-reimbursement basis.

Compensated Absences Fund – accumulates the costs of compensated absences, such as accumulated paid time off banks and sick banks for county employees. This service is funded by charge backs to departments based on the number of full time equivalent employees.

Equipment Revolving Fund – accumulates the costs, maintenance, and depreciation of vehicles and other equipment used by various departments throughout the county. This service is funded by charge backs to departments based on both historical and future projected needs of vehicles and equipment.

Fringe Benefits Fund – accumulates the costs of the county employees' fringe benefits. This service is funded by charge backs to departments based on full time equivalent employees receiving benefits.

County General Liability Fund – accumulates funds for the purpose of being used to settle claims against the county when no insurance coverage exists and to make general liability insurance premium payments. The service is funded by charge backs to departments.

Other Postemployment Benefits Fund – accumulates funds for the purpose of administering the county's other postemployment benefits program. This includes accumulation of investment assets held in trust for the purposes of both paying on the county's general obligation other postemployment benefit debt service requirements, as well as to fund the county's annual required contribution to its retiree healthcare trust fund. The debt service portion of this fund is funded by charge backs to departments based on a historical eligible employee census by county department. The contribution to the county's retiree health care fund is funded by investment proceeds, which were originally received as bond proceeds when the county issued other postemployment benefit bonds in 2015.

Roads General Liability Fund – accumulates funds for the purpose of being used to settle claims against the roads department when no insurance coverage exists and to make general liability insurance premium payments. The service is funded by charge backs to the Department of Roads special revenue fund. Additionally, net position in this fund is considered restricted for roads-related general liability claims as funding is received exclusively from the Department of Roads special revenue fund, from which all revenue sources are restricted to roads-related purposes.

Workers' Compensation Fund – accumulates and disburses funds related to workers' compensation claims. The service is funded by charge backs to departments based on rate schedules for each job title classification within each department.

Macomb County, Michigan

COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS

December 31, 2021

	Compensated Absences	Equipment Revolving	Fringe Benefits	County General Liability
ASSETS				
Current Assets				
Cash and pooled investments	\$ 16,444,451	\$ 6,695,923	\$ 7,122,409	\$ 5,997,985
Investments, at fair value				
Common stock	-	-	-	-
Foreign stock	-	-	-	-
Real estate investment trust	-	-	-	-
Fixed income common collective trusts	-	-	-	-
Equity common collective trusts	-	-	-	-
Receivables				
Accrued interest	-	-	-	-
Trade accounts, net	-	79,787	1,800	-
Inventories	-	229,928	-	-
Due from other governments	-	-	392,836	-
Due from component unit	-	-	-	-
Due from governmental funds	-	-	1,456,005	-
Other assets	-	13,355	2,161,394	790,064
Total current assets	16,444,451	7,018,993	11,134,444	6,788,049
Noncurrent assets				
Capital assets, net				
Assets being depreciated	-	725,867	-	-
TOTAL ASSETS	16,444,451	7,744,860	11,134,444	6,788,049
DEFERRED OUTFLOWS OF RESOURCES				
Related to other post-employment benefits	-	-	-	-
Related to refunded debt	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	25,766	148,869	4,798,406	41,207
Accrued interest payable	-	-	-	-
Due to other governments	-	-	101,018	-
Due to governmental funds	-	301,807	-	-
Claims and judgments	-	-	-	939,294
Long-term liabilities due within one year	2,200,000	-	-	-
Total current liabilities	2,225,766	450,676	4,899,424	980,501
Noncurrent liabilities				
Claims and judgments	-	-	-	5,097,571
Long-term liabilities due in more than one year	13,690,516	-	-	-
Net other post-employment benefits liability	-	-	-	-
Total noncurrent liabilities	13,690,516	-	-	5,097,571
TOTAL LIABILITIES	15,916,282	450,676	4,899,424	6,078,072
DEFERRED INFLOWS OF RESOURCES				
Related to other post-employment benefits	-	-	-	-
NET POSITION				
Net investment in capital assets	-	725,867	-	-
Restricted for:				
Roads general liability insurance	-	-	-	-
Unrestricted (deficit)	528,169	6,568,317	6,235,020	709,977
TOTAL NET POSITION	\$ 528,169	\$ 7,294,184	\$ 6,235,020	\$ 709,977

-CONTINUED-

Macomb County, Michigan

COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS (CONCLUDED)

December 31, 2021

	Other Postemployment Benefits	Roads General Liability (1)	Workers' Compensation	Total Internal Service Funds
ASSETS				
Current Assets				
Cash and pooled investments	\$ 9,406,764	\$ 7,535,646	\$ 1,825,636	\$ 55,028,814
Investments, at fair value				
Common stock	153,894,225	-	-	153,894,225
Foreign stock	32,421,189	-	-	32,421,189
Real estate investment trust	67,078,159	-	-	67,078,159
Fixed income common collective trusts	36,351,847	-	-	36,351,847
Equity common collective trusts	22,123,053	-	-	22,123,053
Receivables				
Accrued interest	133,549	-	-	133,549
Trade accounts, net	319,377	-	-	400,964
Inventories	-	-	-	229,928
Due from other governments	-	-	-	392,836
Due from component unit	13,994,738	-	-	13,994,738
Due from governmental funds	-	-	-	1,456,005
Other assets	4,174	-	287,091	3,256,078
Total current assets	335,727,075	7,535,646	2,112,727	386,761,385
Noncurrent assets				
Capital assets, net				
Assets being depreciated	-	-	-	725,867
TOTAL ASSETS	335,727,075	7,535,646	2,112,727	387,487,252
DEFERRED OUTFLOWS OF RESOURCES				
Related to other post-employment benefits	68,082,564	-	-	68,082,564
Related to refunded debt	22,296,351	-	-	22,296,351
TOTAL DEFERRED OUTFLOWS OF RESOURCES	90,378,915	-	-	90,378,915
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	187,566	-	48,067	5,249,881
Accrued interest payable	877,946	-	-	877,946
Due to other governments	-	-	-	101,018
Due to governmental funds	5,887,071	-	-	6,188,878
Claims and judgments	-	21,285	482,991	1,443,570
Long-term liabilities due within one year	12,684,928	-	-	14,884,928
Total current liabilities	19,637,511	21,285	531,058	28,746,221
Noncurrent liabilities				
Claims and judgments	-	1,206,604	1,448,974	7,753,149
Long-term liabilities due in more than one year	199,910,072	-	-	213,600,588
Net other post-employment benefits liability	45,432,527	-	-	45,432,527
Total noncurrent liabilities	245,342,599	1,206,604	1,448,974	266,786,264
TOTAL LIABILITIES	264,980,110	1,227,889	1,980,032	295,532,485
DEFERRED INFLOWS OF RESOURCES				
Related to other post-employment benefits	178,202,781	-	-	178,202,781
NET POSITION				
Net investment in capital assets	-	-	-	725,867
Restricted for:				
Roads general liability insurance	-	6,307,757	-	6,307,757
Unrestricted (deficit)	(17,076,901)	-	132,695	(2,902,723)
TOTAL NET POSITION	\$ (17,076,901)	\$ 6,307,757	\$ 132,695	\$ 4,130,901

(1) - Year ended September 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION – INTERNAL SERVICE FUNDS

Year Ended December 31, 2021

	Compensated Absences	Equipment Revolving	Fringe Benefits	County General Liability
OPERATING REVENUES				
Charges for services	\$ 3,760,197	\$ 3,464,928	\$ 56,332,410	\$ 3,439,999
OPERATING EXPENSES				
Benefits and claims expenses	3,169,011	-	64,407,457	4,259,864
Supplies and services	-	2,697,017	-	-
Depreciation	-	318,280	-	-
TOTAL OPERATING EXPENSES	3,169,011	3,015,297	64,407,457	4,259,864
OPERATING INCOME (LOSS)	591,186	449,631	(8,075,047)	(819,865)
NONOPERATING REVENUES (EXPENSES)				
Investment income	-	-	-	-
Interest expense	-	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	-	-	-	-
NET INCOME (LOSS) BEFORE TRANSFERS	591,186	449,631	(8,075,047)	(819,865)
TRANSFERS				
Transfers in	-	-	6,967,225	1,249,656
Transfers out	(813,017)	-	-	(151,241)
NET TRANSFERS	(813,017)	-	6,967,225	1,098,415
CHANGE IN NET POSITION	(221,831)	449,631	(1,107,822)	278,550
Net position, beginning of year	750,000	6,844,553	7,342,842	431,427
Net position, end of year	<u>\$ 528,169</u>	<u>\$ 7,294,184</u>	<u>\$ 6,235,020</u>	<u>\$ 709,977</u>

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION – INTERNAL SERVICE FUNDS (CONCLUDED)

Year Ended December 31, 2021

	Other Postemployment Benefits	Roads General Liability (1)	Workers' Compensation	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 17,189,467	\$ -	\$ 1,149,630	\$ 85,336,631
OPERATING EXPENSES				
Benefits and claims expenses	-	1,224,759	796,171	73,857,262
Supplies and services	2,090,103	-	-	4,787,120
Depreciation	-	-	-	318,280
TOTAL OPERATING EXPENSES	2,090,103	1,224,759	796,171	78,962,662
OPERATING INCOME (LOSS)	15,099,364	(1,224,759)	353,459	6,373,969
NONOPERATING REVENUES (EXPENSES)				
Investment income	88,025,944	16,624	-	88,042,568
Interest expense	(7,118,285)	-	-	(7,118,285)
TOTAL NONOPERATING REVENUES (EXPENSES)	80,907,659	16,624	-	80,924,283
NET INCOME (LOSS) BEFORE TRANSFERS	96,007,023	(1,208,135)	353,459	87,298,252
TRANSFERS				
Transfers in	-	-	-	8,216,881
Transfers out	-	-	(364,185)	(1,328,443)
NET TRANSFERS	-	-	(364,185)	6,888,438
CHANGE IN NET POSITION	96,007,023	(1,208,135)	(10,726)	94,186,690
Net position, beginning of year	(113,083,924)	7,515,892	143,421	(90,055,789)
Net position, end of year	<u>\$ (17,076,901)</u>	<u>\$ 6,307,757</u>	<u>\$ 132,695</u>	<u>\$ 4,130,901</u>

(1) - Year ended September 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

Year Ended December 31, 2021

	Compensated Absences	Equipment Revolving	Fringe Benefits	County General Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services	\$ 3,760,197	\$ 3,408,011	\$ 52,364,303	\$ 3,439,999
Cash payments to employees and employee trusts	(2,757,163)	-	-	-
Cash payments to suppliers	-	(2,813,089)	(61,938,264)	(3,113,182)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	1,003,034	594,922	(9,573,961)	326,817
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Principal and interest paid on long term debt	-	-	-	-
Transfers in	-	-	6,967,225	1,249,656
Transfers out	(813,017)	-	-	(151,241)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	(813,017)	-	6,967,225	1,098,415
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(107,713)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	-	-	-	-
Proceeds from sale and maturities of investment securities	-	-	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	-	-	-	-
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	190,017	487,209	(2,606,736)	1,425,232
Cash and pooled investments, beginning of year	16,254,434	6,208,714	9,729,145	4,572,753
Cash and pooled investments, end of year	<u>\$ 16,444,451</u>	<u>\$ 6,695,923</u>	<u>\$ 7,122,409</u>	<u>\$ 5,997,985</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 591,186	\$ 449,631	\$ (8,075,047)	\$ (819,865)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	318,280	-	-
Changes in deferrals related to OPEB	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	-	(56,917)	(1,800)	-
Inventory	-	(36,555)	-	-
Due from other governments	-	-	1,557,145	-
Due from component unit	-	-	-	-
Due from governmental funds	-	-	(935,116)	-
Due from fiduciary funds	-	-	4,400,951	-
Other assets	-	1,486	350,891	(154,195)
Accounts payable and accrued liabilities	(83,792)	(81,003)	460,139	(20,566)
Due to other funds	-	-	(7,432,142)	-
Due to other governments	-	-	101,018	-
Claims and judgments	-	-	-	1,321,443
Long-term liabilities	495,640	-	-	-
Net OPEB liability	-	-	-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 1,003,034	\$ 594,922	\$ (9,573,961)	\$ 326,817

-CONTINUED-

Macomb County, Michigan

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS (CONCLUDED)

Year Ended December 31, 2021

	Other Postemployment Benefits	Roads General Liability (1)	Workers' Compensation	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services	\$ 18,899,408	\$ -	\$ 1,149,630	\$ 83,021,548
Cash payments to employees and employee trusts	(59,163,590)	-	-	(61,920,753)
Cash payments to suppliers	(421,839)	(270,137)	(1,020,091)	(69,576,602)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(40,686,021)	(270,137)	129,539	(48,475,807)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Principal and interest paid on long term debt	(17,957,592)	-	-	(17,957,592)
Transfers in	-	-	-	8,216,881
Transfers out	-	-	(364,185)	(1,328,443)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	(17,957,592)	-	(364,185)	(11,069,154)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	-	-	(107,713)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	4,945,482	16,624	-	4,962,106
Proceeds from sale and maturities of investment securities	56,878,924	-	-	56,878,924
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	61,824,406	16,624	-	61,841,030
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	3,180,793	(253,513)	(234,646)	2,188,356
Cash and pooled investments, beginning of year	6,225,971	7,789,159	2,060,282	52,840,458
Cash and pooled investments, end of year	<u>\$ 9,406,764</u>	<u>\$ 7,535,646</u>	<u>\$ 1,825,636</u>	<u>\$ 55,028,814</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 15,099,364	\$ (1,224,759)	\$ 353,459	\$ 6,373,969
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	-	318,280
Changes in deferrals related to OPEB	(3,223,004)	-	-	(3,223,004)
Changes in assets and liabilities:				
Accounts receivable	193,305	-	-	134,588
Inventory	-	-	-	(36,555)
Due from other governments	-	-	-	1,557,145
Due from component unit	891,650	-	-	891,650
Due from governmental funds	-	-	-	(935,116)
Due from fiduciary funds	-	-	-	4,400,951
Other assets	(127)	-	(9,309)	188,746
Accounts payable and accrued liabilities	1,474,959	-	(33,484)	1,716,253
Due to other funds	818,291	-	-	(6,613,851)
Due to other governments	-	-	-	101,018
Claims and judgments	-	954,622	(181,127)	2,094,938
Long-term liabilities	-	-	-	495,640
Net OPEB liability	(55,940,459)	-	-	(55,940,459)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (40,686,021)	\$ (270,137)	\$ 129,539	\$ (48,475,807)

(1) - Year ended September 30, 2021

FUND DESCRIPTIONS – FIDUCIARY AND CUSTODIAL FUNDS

December 31, 2021

PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS account for assets held by the county in a trustee capacity for retirement plan systems. Fiduciary funds cannot be used to support county programs.

Roads Retiree Health Care Investment Trust Fund – this fund accounts for contributions from the Roads Department and employees, tracks investment activity held in trust by the county, and tracks health care benefit payments made on behalf of eligible beneficiaries. Further information regarding the system can be found in the notes to the basic financial statements, Note 15.

Employees' Retirement Fund – this fund accounts for the activity of the Macomb County Employees' Retirement System, or MCERS. MCERS administers the county's defined benefit pension plan, which is an Internal Revenue Service qualified plan. MCERS collects contributions from the county and employees, invests funds held in trust by the county, and makes pension payments to eligible beneficiaries. Further information regarding the system can be found in the notes to the basic financial statements, Note 13.

Retiree Health Care Trust Fund – this fund accounts for contributions from the county and employees, tracks investment activity held in trust by the county, and tracks health care benefit payments made on behalf of eligible beneficiaries. Further information regarding the system can be found in the notes to the basic financial statements, Note 14.

CUSTODIAL FUNDS account for fiduciary activities that are not held in a trust or equivalent arrangement. Custodial funds are generally clearance devices for monies collected for others, held briefly, and then disbursed to authorized recipients.

Current Tax Collection Fund – this fund accounts for all tax related funds transmitted to the county and held on behalf of other entities, mainly local governmental units and the state of Michigan.

COMET Fund – this fund accounts for activities related to the County of Macomb Enforcement Team, which is a joint law enforcement agency comprised of personnel from multiple local law enforcement agencies along with the Michigan State Police. COMET contracts with Macomb County to keep the agency's accounting records.

Miscellaneous Custodial Funds – this fund accounts for a variety of items collected on behalf of and disbursed to other jurisdictions. For example, the Miscellaneous Custodial Fund accounts for state-mandated court fees collected and passed through to the State of Michigan.

Macomb County, Michigan

COMBINING STATEMENT OF FIDUCIARY NET POSITION –
PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS

December 31, 2021

	Roads Retiree Health Care Investment Trust Fund (1)	Employees' Retirement Fund	County Retiree Health Care Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ASSETS				
Cash and pooled investments	\$ -	\$ 58,787,318	\$ 30,936,283	\$ 89,723,601
Investments, at fair value				
Common stock	-	493,374,964	114,045,635	607,420,599
Preferred stock	-	1,563,755	-	1,563,755
Foreign stock	-	94,970,054	27,440,504	122,410,558
Limited partnership	-	343,097,070	5,342	343,102,412
Real estate investment trusts	-	-	49,314,150	49,314,150
Fixed income common collective trusts	-	107,979,434	53,868,454	161,847,888
Equity common collective trusts	-	223,302,146	204,661,480	427,963,626
Interest in pooled investment	102,683,701	-	-	102,683,701
Total investments, at fair value	102,683,701	1,264,287,423	449,335,565	1,816,306,689
Receivables				
Accrued interest	-	411,577	5,433,155	5,844,732
Other	-	280,557	87,115	367,672
Due from primary government	-	-	5,700	5,700
Other assets	-	40,196	30,414	70,610
TOTAL ASSETS	102,683,701	1,323,807,071	485,828,232	1,912,319,004
LIABILITIES				
Accounts payable	-	934,832	873,351	1,808,183
Accrued compensation and benefits	-	5,478,865	-	5,478,865
Due to primary government	-	37,391	10,497,582	10,534,973
TOTAL LIABILITIES	-	6,451,088	11,370,933	17,822,021
NET POSITION				
Restricted for:				
Pension benefits	-	1,317,355,983	-	1,317,355,983
Other postemployment benefits	102,683,701	-	474,457,299	577,141,000
TOTAL NET POSITION	<u>\$ 102,683,701</u>	<u>\$ 1,317,355,983</u>	<u>\$ 474,457,299</u>	<u>\$ 1,894,496,983</u>

(1) - Year ended September 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS

Year Ended December 31, 2021

	Roads Retiree Health Care Investment Trust Fund (1)	Employees' Retirement Fund	County Retiree Health Care Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ADDITIONS				
Investment income (loss):				
Interest and dividends	\$ -	\$ 9,568,493	\$ 23,599,694	\$ 33,168,187
Net change in fair value of investments	18,498,674	218,197,417	54,220,936	290,917,027
Less investment expenses	(105,356)	(8,395,231)	(2,197,234)	(10,697,821)
Net investment income (loss)	18,393,318	219,370,679	75,623,396	313,387,393
Contributions				
Employer	6,657,013	15,560,031	-	22,217,044
Employee	-	3,015,289	-	3,015,289
Contribution from Retiree Health Care Intermediate Trust Fund	-	-	25,000,000	25,000,000
Total contributions	6,657,013	18,575,320	25,000,000	50,232,333
TOTAL ADDITIONS	25,050,331	237,945,999	100,623,396	363,619,726
DEDUCTIONS				
Benefit payments	2,657,013	73,093,602	18,414,285	94,164,900
Refund of contributions	-	396,355	-	396,355
Administrative expenses	67,729	730,984	78,975	877,688
TOTAL DEDUCTIONS	2,724,742	74,220,941	18,493,260	95,438,943
CHANGE IN NET POSITION	22,325,589	163,725,058	82,130,136	268,180,783
Net position - beginning of year	80,358,112	1,153,630,925	392,327,163	1,626,316,200
Net position - end of year	\$ 102,683,701	\$ 1,317,355,983	\$ 474,457,299	\$ 1,894,496,983

(1) - Year ended September 30, 2021

Macomb County, Michigan

COMBINING STATEMENT OF FIDUCIARY NET POSITION –
CUSTODIAL FUNDS

December 31, 2021

	Current Tax Collection Fund	COMET Fund	Miscellaneous Custodial Funds	Total Custodial Funds
ASSETS				
Cash and pooled investments	\$ 421,763	\$ 982,474	\$ 8,240,058	\$ 9,644,295
Receivables				
Other	-	-	221,375	221,375
Due from other governments	1,112,940	49,246	-	1,162,186
TOTAL ASSETS	1,534,703	1,031,720	8,461,433	11,027,856
LIABILITIES				
Accounts payable	-	210,459	2,402,486	2,612,945
Due to other governments	1,534,703	-	5,538,173	7,072,876
TOTAL LIABILITIES	1,534,703	210,459	7,940,659	9,685,821
NET POSITION RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS	\$ -	\$ 821,261	\$ 520,774	\$ 1,342,035

Macomb County, Michigan

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
CUSTODIAL FUNDS

Year Ended December 31, 2021

	Current Tax Collection Fund	COMET Fund	Miscellaneous Custodial Funds	Total Custodial Funds
ADDITIONS				
Investment income (loss):				
Interest and dividends	\$ -	\$ 679	\$ 119	\$ 798
Tax collections for other governments	219,568,989	-	-	219,568,989
Tax adjustments collected from other governments	4,810,762	-	-	4,810,762
State funds collected for other governments	-	229,719	-	229,719
Forfeitures collected for other governments	-	406,664	-	406,664
Fee and fine collections for other governments	-	-	824,960	824,960
Real estate transfer taxes collected for other governments	-	-	48,044,318	48,044,318
Payments collected on behalf on others	-	-	4,524,322	4,524,322
Other collections	-	2,199	618,112	620,311
	<u>224,379,751</u>	<u>638,582</u>	<u>54,011,712</u>	<u>279,030,045</u>
Total contributions				
	<u>224,379,751</u>	<u>639,261</u>	<u>54,011,831</u>	<u>279,030,843</u>
DEDUCTIONS				
Tax collections disbursed to other governments	219,568,989	-	-	219,568,989
Tax adjustments disbursed to individuals	4,810,762	-	-	4,810,762
Forfeiture grants disbursed to other governments	-	76,610	-	76,610
Forfeiture proceeds disbursed to other governments	-	301,835	3,432	305,267
Fees and fines disbursed to other governments	-	-	824,960	824,960
Real estate transfer taxes disbursed to other governments	-	-	48,044,318	48,044,318
Payments disbursed to others	-	-	4,524,441	4,524,441
Administrative expenses	-	3,000	-	3,000
Other disbursements	-	-	502,984	502,984
	<u>224,379,751</u>	<u>381,445</u>	<u>53,900,135</u>	<u>278,661,331</u>
TOTAL DEDUCTIONS				
CHANGE IN NET POSITION	-	257,816	111,696	369,512
Net position - beginning of year	-	563,445	409,078	972,523
Net position - end of year	<u>\$ -</u>	<u>\$ 821,261</u>	<u>\$ 520,774</u>	<u>\$ 1,342,035</u>

FUND DESCRIPTION – GOVERNMENTAL FUNDS
DRAINAGE DISTRICTS COMPONENT UNIT

Drainage Districts – This component unit consists of many individual districts created pursuant to Michigan Public Act 40 of 1956, Chapters 20 and 21 for the purpose of alleviating drainage problems. Separate fund types have been established to account for the resources and costs associated with the construction, maintenance, and financing of the individual drainage districts.

Macomb County, Michigan

COMBINING BALANCE SHEET – GOVERNMENTAL FUNDS
DRAINAGE DISTRICTS COMPONENT UNIT

September 30, 2021

	Special Revenue	Capital Projects	Debt Service	Total Drainage Districts Component Unit
ASSETS				
Cash and pooled investments	\$ 37,222,026	\$ 29,930,067	\$ 5,374,907	\$ 72,527,000
Restricted cash - unspent bond proceeds	-	2,830,703	-	2,830,703
Receivables				
Special assessments	-	-	291,728,161	291,728,161
Trade accounts, net	9,321,365	36,008	107,959	9,465,332
Due from state	-	-	-	-
Other assets	1,078,402	287,059	-	1,365,461
TOTAL ASSETS	\$ 47,621,793	\$ 33,083,837	\$ 297,211,027	\$ 377,916,657
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 8,208,595	\$ 2,937,611	\$ 9,003	\$ 11,155,209
Unearned revenue	-	3,690,076	2,830,703	6,520,779
TOTAL LIABILITIES	8,208,595	6,627,687	2,839,706	17,675,988
DEFERRED INFLOWS OF RESOURCES				
Unavailable assessments and other charges	120,642	598	288,897,458	289,018,698
FUND BALANCES				
Nonspendable	1,078,402	287,059	-	1,365,461
Restricted				
Capital projects	-	26,168,493	-	26,168,493
Debt service	-	-	5,473,863	5,473,863
Public works	38,214,154	-	-	38,214,154
TOTAL FUND BALANCES	39,292,556	26,455,552	5,473,863	71,221,971
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 47,621,793	\$ 33,083,837	\$ 297,211,027	\$ 377,916,657

Macomb County, Michigan

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION –
DRAINAGE DISTRICTS COMPONENT UNIT

September 30, 2021

Total fund balances for governmental funds \$ 71,221,971

Amounts reported for governmental activities in the government-wide statement of net position are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives.

Capital assets	
Land	\$ 1,484,060
Construction in progress	20,671,421
Infrastructure	501,533,102
Machinery, equipment, and vehicles	2,152,133
Accumulated depreciation	<u>(173,023,053)</u>

Capital assets, net of accumulated depreciation 352,817,663

Certain changes to the Drainage Districts' net position are reported as deferred outflows in the statement of net position, while reported as expenditures and revenues in the governmental funds.

Deferred outflows related to refunding debt 728,725

Long-term bonded debt is not due and payable in the current period and, therefore, is not reported in the governmental funds. However, bonded debt is recorded as long-term liabilities in the government-wide statement of net position. This is the net effect of these balances on the statement.

(321,821,747)

Special assessments receivable are not available to pay for current expenditures and therefore are recorded as deferred inflows of resources in the governmental funds.

289,018,698

Accrued interest payable on long-term debt at year-end is not recorded in the governmental funds, but is recorded as a liability in the statement of net position.

(3,604,345)

Net position of governmental activities \$ 388,360,965

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
DRAINAGE DISTRICTS COMPONENT UNIT

Year Ended September 30, 2021

	Special Revenue	Capital Projects	Debt Service	Total Drainage Districts Component Unit
REVENUES				
Federal and state grants	\$ 800,560	\$ 1,096,191	\$ -	\$ 1,896,751
Charges for services	65,709,732	860,600	-	66,570,332
Interest income	43,296	50,972	11,179,197	11,273,465
Special assessments	-	-	17,648,996	17,648,996
Other revenue	-	6,525,748	-	6,525,748
TOTAL REVENUES	66,553,588	8,533,511	28,828,193	103,915,292
EXPENDITURES				
Current				
Public works	68,589,248	-	-	68,589,248
Capital outlay	-	7,105,854	-	7,105,854
Debt service				
Principal	-	-	18,144,034	18,144,034
Interest and fees	-	-	11,590,446	11,590,446
Bond issue costs	-	-	114,607	114,607
TOTAL EXPENDITURES	68,589,248	7,105,854	29,849,087	105,544,189
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,035,660)	1,427,657	(1,020,894)	(1,628,897)
OTHER FINANCING SOURCES (USES)				
Face amount of long-term debt	2,505,992	-	7,225,000	9,730,992
Transfers in	4,050,909	2,520,707	1,836,077	8,407,693
Transfers out	(1,956,872)	(6,450,821)	-	(8,407,693)
Payment to refunding debt escrow agent	-	-	(7,189,816)	(7,189,816)
TOTAL OTHER FINANCING SOURCES (USES)	4,600,029	(3,930,114)	1,871,261	2,541,176
NET CHANGE IN FUND BALANCES	2,564,369	(2,502,457)	850,367	912,279
Fund balances, beginning of year	36,728,187	28,958,009	4,623,496	70,309,692
Fund balances, end of year	<u>\$ 39,292,556</u>	<u>\$ 26,455,552</u>	<u>\$ 5,473,863</u>	<u>\$ 71,221,971</u>

Macomb County, Michigan

RECONCILIATION OF THE CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES –
DRAINAGE DISTRICTS COMPONENT UNIT

Year Ended September 30, 2021

Net change in fund balances - total governmental funds	\$ 912,279
Amounts reported for governmental activities 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 capitalized and allocated over their estimated useful lives.	
Expenditures for capital assets	\$ 13,881,645
Current year depreciation expense	(10,199,002)
Net book value of assets disposed	<u>(377,940)</u>
	3,304,703
Repayment of debt principal is recorded as an expenditure in the governmental funds, but is recorded as a reduction of long-term liabilities in the statement of net position.	18,144,034
Payments to refunding agents for the purpose of defeasement of long term debt are recorded as other financing uses in the governmental funds, but is recorded as a reduction of long-term liabilities in the statement of net position.	7,098,725
The proceeds received as a result of issuing of bonds and loans are recorded as revenue in the governmental funds, but are recorded as increases in long-term liabilities in the statement of net position.	(9,730,992)
Bond discounts are recorded as reductions of financial resources in the governmental funds at the time the bonds are issued. However, they are capitalized and allocated over the life of the bonds as amortization expense in the statement of activities.	
Current year amortization	<u>1,536,139</u>
	1,536,139
Revenues in the statement of activities that do not provide current financial resources are not recorded in the funds. In the current period these amounts consist of:	
(Decrease) in unavailable resources	(14,309,647)
Some items 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. These activities consist of:	
(Increase) in accrued interest payable	<u>(202,091)</u>
Change in net position of governmental activities	<u>\$ 6,753,150</u>

TABLE OF CONTENTS - STATISTICAL SECTION

STATISTICAL SECTION information contained herein relates to the physical, economic, social, and political characteristics of the county. It is designed to provide a broader and more complete understanding of the county and its financial affairs than is possible from the financial statements, notes, and supporting schedules presented in the financial section of the annual comprehensive financial report.

Financial Trends

These schedules contain trend information to help the reader understand how the county’s financial performance and well-being have changed over time.

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These schedules contain information to help the reader assess the county’s most significant local revenue source, property taxes.

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Debt Capacity

These schedules present information to help the reader assess the affordability of the county’s current levels of outstanding debt and the county’s ability to issue additional debt in the future.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county’s financial activities take place.

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the county’s financial report relates to the services the county provides and the activities it performs.

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* Indicates schedules included in the statistical section which fulfill continuing disclosure requirements.

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Continuing Disclosure

Continuing disclosure information contained herein complies with Rule 15c2-12, a federal regulation promulgated by the Securities and Exchange Commission, designed to improve disclosure practices in the municipal bond market. Municipal bonds issued after July 3, 1995 are subject to this mandatory requirement.

Continuing disclosure requires certain annual financial information and operating data, including audited financial statements for the preceding fiscal year. This information is generally consistent with the information contained or cross-referenced in the official statement relating to the bonds.

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Macomb County, Michigan

NET POSITION BY COMPONENT
LAST TEN YEARS, IN THOUSANDS

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets (1)	\$ 843,554	\$ 882,572	\$ 897,288	\$ 915,034	\$ 934,211	\$ 962,906	\$ 977,518	\$1,013,165	\$1,038,270	\$1,065,824
Restricted (3)	89,747	90,301	93,368	141,828	188,667	219,968	115,987	133,214	148,170	169,759
Unrestricted (1) (2) (3) (4)	(18,456)	(40,158)	(30,484)	(61,211)	125,057	89,796	(147,562)	(110,614)	31,500	203,237
Total governmental activities net position	914,845	932,715	960,172	995,651	1,247,935	1,272,670	945,943	1,035,765	1,217,940	1,438,820
Business-type activities										
Net investment in capital assets (1)	1,252	672	782	1,685	1,807	1,774	1,677	1,545	1,406	1,331
Restricted (3)	18,662	19,713	24,331	28,339	50,179	36,703	17,097	26,702	43,979	55,315
Unrestricted (1) (2) (3) (4)	84,262	101,855	113,487	85,485	118,876	131,852	81,413	96,005	109,264	126,072
Total business-type units net position	104,176	122,240	138,600	115,509	170,862	170,329	100,187	124,252	154,649	182,718
Primary government										
Net investment in capital assets (1)	844,806	883,244	898,070	916,719	936,018	964,680	979,195	1,014,710	1,039,676	1,067,155
Restricted (3)	108,409	110,014	117,699	170,167	238,846	256,671	133,084	159,916	192,149	225,074
Unrestricted (1) (2) (3) (4)	65,806	61,697	83,003	24,274	243,933	221,648	(66,149)	(14,609)	140,764	329,309
Total primary government net position	<u>\$1,019,021</u>	<u>\$1,054,955</u>	<u>\$1,098,772</u>	<u>\$1,111,160</u>	<u>\$1,418,797</u>	<u>\$1,442,999</u>	<u>\$1,046,130</u>	<u>\$1,160,017</u>	<u>\$1,372,589</u>	<u>\$1,621,538</u>

- (1) - 2013 restated. See Note 14 of the 2014 financial statements.
(2) - 2014 restated. See Note 15 of the 2015 financial statements.
(3) - 2016 restated. See Note 19 of the 2017 financial statements.
(4) - 2017 restated. See Note 19 of the 2018 financial statements.

Source: Macomb County Finance Department

Macomb County, Michigan

CHANGES IN NET POSITION
LAST TEN YEARS, IN THOUSANDS

(Unaudited)

	2012	2013 (1)	2014	2015	2016	2017 (3)	2018	2019	2020	2021
Expenses										
Governmental activities										
Legislative	\$ 1,139	\$ 1,202	\$ 1,191	\$ 1,487	\$ 1,265	\$ 1,645	\$ 1,612	\$ 1,714	\$ 1,334	\$ 1,240
Judicial	40,636	41,359	42,194	48,334	46,188	52,197	54,424	51,102	44,387	42,028
General government (1)	68,095	68,830	57,780	50,182	39,525	38,460	40,550	41,435	35,157	33,242
Public safety	64,860	79,398	75,849	81,402	82,462	91,771	97,943	89,161	81,885	76,184
Public works	69,975	68,159	71,027	71,867	81,973	85,650	98,982	85,255	74,621	59,761
Health and welfare	73,867	70,200	65,040	64,219	76,642	88,843	96,084	86,963	121,250	108,909
Community and economic development	-	-	-	-	-	3,715	4,157	3,758	44,922	7,366
Recreation and culture	62	234	147	139	144	175	147	151	111	124
Interest on long-term debt	2,244	1,543	1,357	7,542	9,483	9,278	8,717	8,628	5,998	7,390
Total governmental activities expenses	320,878	330,925	314,585	325,172	337,682	371,734	402,616	368,167	409,665	336,244
Business-type activities										
Delinquent tax collections	8,336	5,495	4,349	4,238	3,382	2,931	3,009	2,829	1,905	2,040
Community Mental Health (1)	211,733	220,322	229,654	245,394	235,220	235,200	236,738	225,055	213,128	223,172
Martha T Berry Medical Care Facility (2)	24,989	-	-	-	-	-	-	-	-	-
Freedom Hill Park	209	381	467	594	451	351	443	453	467	469
Interest on long-term debt	-	-	-	-	-	1,462	1,383	1,406	867	1,175
Total business-type activities expenses	245,267	226,198	234,470	250,226	239,053	239,944	241,573	229,743	216,367	226,856
Total primary government expenses	\$ 566,145	\$ 557,123	\$ 549,055	\$ 575,398	\$ 576,735	\$ 611,678	\$ 644,189	\$ 597,910	\$ 626,032	\$ 563,100
Program revenues										
Governmental activities										
Charges for services										
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 1	\$ 1	\$ 53
Judicial	6,114	5,517	5,273	6,306	6,329	6,349	6,843	6,339	5,700	5,529
General government	17,473	17,088	13,903	15,203	12,530	12,458	11,180	12,421	14,412	17,049
Public safety	14,601	16,542	15,955	20,257	21,329	21,644	23,928	24,964	23,843	23,890
Public works	27,080	19,693	20,831	20,407	16,182	14,219	14,645	24,200	17,182	18,635
Health and welfare	9,053	7,114	7,770	12,362	14,958	15,955	15,992	14,498	15,102	12,717
Community and economic development	-	-	-	-	-	209	222	365	743	1,301
Recreation and culture	-	6	-	59	47	47	29	25	28	41
Operating grants and contributions	51,379	50,079	46,665	49,586	48,009	55,244	59,099	60,168	198,481	121,212
Capital grants and contributions	60,427	72,746	76,970	73,402	79,190	78,704	92,600	101,494	109,190	112,126
Total governmental activities program revenues	186,127	188,785	187,367	197,582	198,574	204,829	224,541	244,475	384,682	312,553
Business-type activities										
Charges for services										
Delinquent tax collections	21,999	17,640	14,093	13,723	11,579	10,830	10,858	10,889	10,184	10,314
Community Mental Health	169,395	175,001	196,278	208,844	216,593	202,458	199,406	211,777	210,457	212,111
Martha T Berry Medical Care Facility (2)	23,326	-	-	-	-	-	-	-	-	-
Freedom Hill Park	501	232	400	671	274	298	199	234	217	284
Operating grants and contributions	34,995	35,802	29,256	17,957	14,444	15,927	16,686	18,827	16,354	17,740
Total business-type activities program revenues	250,216	228,675	240,027	241,195	242,890	229,513	227,149	241,727	237,212	240,449
Total primary government program revenues	\$ 436,343	\$ 417,460	\$ 427,394	\$ 438,777	\$ 441,464	\$ 434,342	\$ 451,690	\$ 486,202	\$ 621,894	\$ 553,002
Net (expense) revenue										
Governmental activities	\$ (134,751)	\$ (142,140)	\$ (127,218)	\$ (127,590)	\$ (139,108)	\$ (166,905)	\$ (178,075)	\$ (123,692)	\$ (24,983)	\$ (23,691)
Business-type activities	4,949	2,477	5,557	(9,031)	3,837	(10,431)	(14,424)	11,984	20,845	13,593
Total primary government net expenses	\$ (129,802)	\$ (139,663)	\$ (121,661)	\$ (136,621)	\$ (135,271)	\$ (177,336)	\$ (192,499)	\$ (111,708)	\$ (4,138)	\$ (10,098)

(1) - 2013 restated. See Note 14 of the 2014 financial statements.

(2) - The Martha T. Berry Medical Care Facility was re-evaluated by management and determined to be a component unit beginning in fiscal year 2013.

(3) - Beginning in 2017, the county began to report the Department of Planning and Economic Development and the Urban County Block Grant under the Community and Economic Development expenditure title. The Planning and Economic Development Department was formerly included under General Government in the General Fund, while the Urban County Block Grant was split between the General Government and Health and Welfare expenditure types.

-CONTINUED-

Macomb County, Michigan

CHANGES IN NET POSITION
LAST TEN YEARS, IN THOUSANDS (CONCLUDED)

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues										
Governmental activities										
Property taxes	\$ 114,894	\$ 109,501	\$ 113,049	\$ 117,745	\$ 115,859	\$ 118,649	\$ 123,095	\$ 128,421	\$ 131,892	\$ 137,428
Intergovernmental revenues - unrestricted	19,489	23,252	23,280	22,682	30,357	29,904	27,254	30,921	27,414	32,518
Investment earnings	663	424	1,793	480	729	44,376	-	54,596	46,778	73,748
Transfers	1,926	(6,065)	(8,571)	21,766	1,309	(1,289)	810	(424)	1,074	877
Total governmental activities general revenues	136,972	127,112	129,551	162,673	148,254	191,640	151,159	213,514	207,158	244,571
Business-type activities										
Investment earnings	310	309	294	317	894	10,698	-	12,860	10,524	15,350
Transfers	(4,719)	6,851	7,316	(13,981)	(1,167)	(800)	(719)	(779)	(972)	(874)
Total business-type activities general revenues	(4,409)	7,160	7,610	(13,664)	(273)	9,898	(719)	12,081	9,552	14,476
Total primary government general revenues	\$ 132,563	\$ 134,272	\$ 137,161	\$ 149,009	\$ 147,981	\$ 201,538	\$ 150,440	\$ 225,595	\$ 216,710	\$ 259,047
Change in net position										
Governmental activities	\$ (5,168)	\$ (106)	\$ 1,961	\$ 23,565	\$ (18,651)	\$ 13,565	\$ 27,467	\$ 89,822	\$ 182,175	\$ 220,880
Business-type activities (1)	(1,932)	12,717	(1,421)	(9,827)	(10,704)	(4,526)	11,265	24,065	30,397	28,069
Total primary government change in net position	\$ (7,100)	\$ 12,611	\$ 540	\$ 13,738	\$ (29,355)	\$ 9,039	\$ 38,732	\$ 113,887	\$ 212,572	\$ 248,949

(1) - 2013 restated. See Note 14 of the 2014 financial statements.

Source: Macomb County Finance Department

Macomb County, Michigan

FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN YEARS, IN THOUSANDS

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	\$ 295	\$ 659	\$ 596	\$ 6,075	\$ 4,933	\$ 4,244	\$ 3,577	\$ 4,439	\$ 4,199	\$ 5,020
Committed	-	-	-	6,527	-	-	-	-	-	-
Assigned	-	-	-	11,609	13,672	-	8,844	-	-	-
Unassigned	79,776	81,029	84,650	48,002	43,029	49,348	45,776	57,061	68,232	91,266
Total general fund	<u>\$ 80,071</u>	<u>\$ 81,688</u>	<u>\$ 85,246</u>	<u>\$ 72,213</u>	<u>\$ 61,634</u>	<u>\$ 53,592</u>	<u>\$ 58,197</u>	<u>61,500</u>	<u>\$ 72,431</u>	<u>\$ 96,286</u>
All other governmental funds										
Nonspendable	\$ 5,020	\$ 5,088	\$ 3,886	\$ 7,198	\$ 5,746	\$ 6,174	\$ 4,898	\$ 5,045	\$ 11,012	\$ 8,925
Restricted	75,334	76,122	81,258	106,454	78,367	82,774	99,147	115,034	123,884	149,395
Assigned	27,291	19,089	10,687	6,397	20,898	15,035	10,107	5,332	37,861	23,538
Unassigned	-	(2,970)	(2,508)	(4,400)	(3,730)	(4,582)	(2,638)	(1,887)	(4,143)	(5,332)
Total all other governmental funds	<u>\$ 107,645</u>	<u>\$ 97,329</u>	<u>\$ 93,323</u>	<u>\$ 115,649</u>	<u>\$ 101,281</u>	<u>\$ 99,401</u>	<u>\$ 111,514</u>	<u>\$ 123,524</u>	<u>\$ 168,614</u>	<u>\$ 176,526</u>

Source: Macomb County Finance Department

Macomb County, Michigan

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS, IN THOUSANDS

(Unaudited)

	2012	2013	2014	2015	2016	2017 (1)	2018	2019	2020	2021
Revenues										
Property taxes	\$ 110,000	\$ 110,952	\$ 113,690	\$ 116,742	\$ 115,175	\$ 119,563	\$ 122,784	\$ 128,235	\$ 134,138	\$ 137,004
Licenses and permits	1,924	1,985	2,305	2,634	2,831	2,682	2,912	3,057	3,020	3,163
Federal and state grants	130,903	135,606	142,994	144,565	159,199	165,392	177,278	198,705	332,886	264,381
Other grants	391	460	871	605	282	398	498	362	520	577
Charges for services	57,766	60,094	61,924	77,827	75,079	63,297	63,292	73,189	65,611	70,288
Charges to other funds for administrative services	5,011	5,195	6,201	5,720	11,704	11,405	11,111	11,022	13,290	13,275
Fines and forfeitures	2,469	932	802	1,024	1,148	1,100	1,611	1,343	910	810
Interest and rents	635	413	373	2,404	4,926	4,327	5,803	7,179	5,130	2,651
Other revenue	2,421	894	1,127	2,059	2,372	2,008	3,534	2,671	2,512	3,366
Total revenues	311,520	316,531	330,287	353,580	372,716	370,172	388,823	425,763	558,017	495,515
Expenditures										
Current										
Legislative	1,139	1,202	1,191	1,289	1,235	1,482	1,453	1,696	1,516	1,477
Judicial	39,553	40,393	41,252	42,334	43,388	46,041	45,953	48,993	47,924	49,053
General government	43,498	46,462	46,957	41,817	44,547	42,457	42,515	44,836	45,414	44,856
Public safety	60,039	76,599	73,041	67,419	75,544	78,717	80,626	83,255	85,422	85,811
Public works	69,518	63,038	71,867	84,051	90,053	84,063	88,245	104,605	102,185	105,620
Health and welfare	70,870	67,304	62,238	75,458	70,792	77,239	80,006	82,780	131,154	126,797
Community and economic development	-	-	-	-	-	3,346	3,582	3,691	49,687	8,792
Recreation and cultural	-	172	84	78	76	99	71	85	52	75
OPEB contributions	-	-	-	263,352	-	-	-	-	-	-
Other	1,157	781	1,212	957	1,838	1,855	2,092	2,339	1,145	1,902
Capital outlay	6,743	17,813	25,561	38,167	47,724	33,647	24,702	28,681	30,008	17,129
Debt service										
Principal	5,990	4,740	4,007	13,194	14,669	7,008	7,231	7,469	6,965	14,850
Interest and fees	2,251	1,604	1,317	5,842	9,527	2,174	2,002	1,809	1,597	1,375
Bond issuance costs	235	-	108	807	-	-	-	-	-	-
Total expenditures	300,993	320,108	328,835	634,765	399,393	378,128	378,478	410,239	503,069	457,737
Excess of revenues over (under) expenditures	10,527	(3,577)	1,452	(281,185)	(26,677)	(7,956)	10,345	15,524	54,948	37,778
Other financing sources (uses)										
Face amount of long-term debt	22,975	-	15,628	263,004	-	-	400	-	-	-
Transfers in	51,504	30,414	53,899	77,268	80,488	81,394	68,745	50,308	76,257	35,250
Transfers out	(50,578)	(35,536)	(56,381)	(50,310)	(78,758)	(83,361)	(62,771)	(50,520)	(75,184)	(41,261)
Bond discounts	150	-	1,404	516	-	-	-	-	-	-
Payment to refunding debt escrow agent	(24,760)	-	(16,450)	-	-	-	-	-	-	-
Total Other financing sources (uses)	(709)	(5,122)	(1,900)	290,478	1,730	(1,967)	6,374	(212)	1,073	(6,011)
Net change in fund balances	\$ 9,818	\$ (8,699)	\$ (448)	\$ 9,293	\$ (24,947)	\$ (9,923)	\$ 16,719	\$ 15,312	\$ 56,021	\$ 31,767
Debt service as % of noncapital expenditures	3.30%	2.35%	1.97%	3.43%	7.86%	3.07%	2.95%	2.86%	2.03%	4.22%

(1) - Beginning in 2017, the county began to report the Department of Planning and Economic Development and the Urban County Block Grant under the Community and Economic Development expenditure title. The Planning and Economic Development Department was formerly included under General Government in the General Fund, while the Urban County Block Grant was split between the General Government and Health and Welfare expenditure types.

Source: Macomb County Finance Department

Macomb County, Michigan

CHANGES IN FUND BALANCES OF THE GENERAL FUND
LAST TEN YEARS, IN THOUSANDS

(Unaudited)

	2012	2013	2014	2015	2016	2017 (1)	2018	2019	2020	2021
Revenues										
Property taxes	\$ 108,831	\$ 109,895	\$ 112,610	\$ 115,629	\$ 114,025	\$ 118,423	\$ 120,887	\$ 126,259	\$ 130,171	\$ 134,144
Licenses and permits	1,510	1,640	1,706	1,714	1,541	1,577	1,541	1,534	1,455	1,644
Federal and state grants	28,455	25,728	30,162	31,406	39,059	38,952	36,560	40,570	68,406	41,325
Charges for services	35,526	36,827	36,856	35,637	38,648	41,918	43,023	43,610	41,392	44,536
Charges to other funds for administrative services	5,011	5,195	6,201	5,720	11,703	11,405	11,111	11,022	13,290	13,275
Fines and forfeitures	693	676	590	534	557	587	560	689	434	497
Interest and rents	346	278	226	2,124	4,551	3,810	4,552	4,824	3,258	2,275
Other revenue	477	210	155	148	148	177	213	878	59	113
Total revenues	180,849	180,449	188,506	192,912	210,232	216,849	218,447	229,386	258,465	237,809
Expenditures										
Current										
Legislative	1,139	1,202	1,191	1,289	1,235	1,482	1,453	1,696	1,516	1,477
Judicial	27,745	29,219	29,418	30,189	31,182	33,263	32,713	30,637	29,483	29,982
General government	42,464	44,855	45,220	39,897	42,678	41,019	41,270	43,742	44,187	43,658
Public safety	55,140	58,338	59,562	62,543	64,994	69,453	71,955	74,984	77,157	77,046
Public works	-	-	-	5,263	5,339	5,745	6,010	6,452	6,532	6,917
Health and welfare	16,602	17,249	16,848	17,664	17,647	18,657	19,308	18,890	15,019	16,057
Community and economic development	-	-	-	-	-	3,134	3,237	3,296	2,972	3,115
Recreation and cultural	-	-	-	-	-	-	-	-	-	-
OPEB contributions	-	-	-	45,320	-	-	-	-	-	-
Other	1,157	781	1,212	957	1,838	1,855	2,092	2,339	1,145	1,902
Capital outlay	563	1,117	2,229	1,198	871	2,054	2,671	3,226	2,402	1,902
Total expenditures	144,810	152,761	155,680	204,320	165,784	176,662	180,709	185,262	180,413	182,056
Excess of revenues over (under) expenditures	36,039	27,688	32,826	(11,408)	44,448	40,187	37,738	44,124	78,052	55,753
Other financing sources (uses)										
Transfers in	18,254	21	-	35,255	8,063	8,158	13,404	8,143	8,000	8,151
Transfers out	(32,156)	(26,093)	(29,267)	(36,880)	(63,090)	(56,388)	(46,537)	(48,964)	(75,121)	(40,049)
Total other financing sources (uses)	(13,902)	(26,072)	(29,267)	(1,625)	(55,027)	(48,230)	(33,133)	(40,821)	(67,121)	(31,898)
Net change in fund balances	\$ 22,137	\$ 1,616	\$ 3,559	\$ (13,033)	\$ (10,579)	\$ (8,043)	\$ 4,605	\$ 3,303	\$ 10,931	\$ 23,855

(1) - Beginning in 2017, the county began to report the Department of Planning and Economic Development under the Community and Economic Development expenditure title. It was formerly included under General Government.

Source: Macomb County Finance Department

Macomb County, Michigan

ASSESSED TAXABLE VALUES (HISTORY OF PROPERTY TAXES)
LAST TEN YEARS, IN THOUSANDS

(Unaudited)

Expressed in dollars (thousands)

Year	Assessed Values							Total Assessed Value	Total Direct Tax Rate
	Agricultural Property	Commercial Property	Industrial Property	Residential Property	Developmental Property	Personal Property			
2012	\$ 170,970	\$ 3,797,845	\$ 1,593,307	\$ 17,048,349	\$ 25,276	\$ 2,385,441	\$ 25,021,188	4.6135	
2013	170,372	3,557,160	1,512,235	17,377,703	24,071	2,446,743	25,088,284	4.6135	
2014	172,965	3,714,340	1,505,560	18,336,828	21,675	2,481,818	26,233,186	4.6135	
2015	173,823	4,030,628	1,715,544	20,475,069	23,225	2,611,704	29,029,993	4.6135	
2016	208,372	4,241,064	1,828,309	22,478,480	-	1,849,861	30,606,086	4.6014	
2017	214,515	4,448,337	1,939,951	23,909,211	-	1,790,227	32,302,241	4.5974	
2018	203,820	4,677,141	2,111,823	24,748,408	-	1,736,248	33,477,440	4.5651	
2019	212,674	4,946,355	2,280,365	26,649,319	-	1,801,236	35,889,949	4.5316	
2020	211,847	5,297,789	2,456,508	28,663,233	-	1,848,506	38,477,883	4.5807	
2021	212,592	5,418,720	2,605,748	30,226,329	-	1,939,420	40,402,808	4.4381	

Source: Macomb County Equalization Department

Expressed in percentage of total assessed taxable value

Year	Assessed Values							Total Assessed Value
	Agricultural Property	Commercial Property	Industrial Property	Residential Property	Developmental Property	Personal Property		
2012	0.68%	15.18%	6.37%	68.14%	0.10%	9.53%	100.00%	
2013	0.68%	14.18%	6.03%	69.26%	0.10%	9.75%	100.00%	
2014	0.66%	14.16%	5.74%	69.90%	0.08%	9.46%	100.00%	
2015	0.60%	13.88%	5.91%	70.53%	0.08%	9.00%	100.00%	
2016	0.68%	13.86%	5.97%	73.45%	0.00%	6.04%	100.00%	
2017	0.66%	13.77%	6.01%	74.02%	0.00%	5.54%	100.00%	
2018	0.61%	13.97%	6.31%	73.92%	0.00%	5.19%	100.00%	
2019	0.59%	13.78%	6.35%	74.26%	0.00%	5.02%	100.00%	
2020	0.55%	13.77%	6.38%	74.50%	0.00%	4.80%	100.00%	
2021	0.53%	13.41%	6.45%	74.81%	0.00%	4.80%	100.00%	

Source: Macomb County Equalization Department

Macomb County, Michigan

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS, RATE PER \$1,000 OF TAXABLE VALUE

(Unaudited)

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County direct rate											
Operation		4.5685	4.5685	4.5685	4.5685	4.5566	4.5242	4.4925	4.4592	4.4150	4.3721
County drain debt		0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	-	-
County Veteran		0.0400	0.0400	0.0400	0.0400	0.0398	0.0682	0.0676	0.0674	0.0667	0.0660
Martha T. Berry Medical Care Facility		-	-	-	-	-	-	-	-	0.0990	-
Total direct rate		4.6135	4.6135	4.6135	4.6135	4.6014	4.5974	4.5651	4.5316	4.5807	4.4381
Overlapping rates											
Cities:											
Center Line		38.3328	37.5025	39.1266	38.6503	38.9765	38.5829	38.5829	37.1731	34.6003	34.2433
Eastpointe		26.6102	26.9612	27.1583	40.9612	40.0793	40.2567	44.0857	41.8388	27.0641	26.5963
Fraser		18.8159	20.8359	20.8664	23.2580	25.2780	27.3581	33.3798	31.7518	22.2621	21.3685
Grosse Pointe Shores		18.3800	17.8794	17.8794	17.8794	18.8794	18.8794	17.7031	17.7031	17.7031	17.7031
Memphis		14.2953	14.2953	14.2953	16.2953	16.2953	16.2007	16.0807	15.8571	15.8571	18.6160
Mt. Clemens		18.6639	18.6639	18.6639	24.8062	24.8045	24.6999	24.6880	24.6073	21.6528	21.5839
New Baltimore		15.2135	14.9165	14.9198	14.9003	14.8592	14.8155	14.1854	13.9779	13.5851	12.9782
Richmond		16.6526	16.6526	16.6526	16.6526	16.5593	16.4417	16.3117	16.2187	16.0873	15.8717
Roseville		24.8494	24.8494	24.8494	24.8494	25.1083	25.1081	25.0920	24.9171	23.7986	27.7134
St. Clair Shores		19.4518	20.5388	20.9950	21.2602	21.2309	24.4089	25.2168	24.9009	24.7145	23.9435
Sterling Heights		12.6858	12.6858	15.1858	15.1858	15.1858	16.1499	17.1804	16.2069	16.2069	16.6742
Utica		22.5358	22.6170	22.6753	22.5017	20.9864	21.3524	21.2867	21.0182	20.6313	20.0853
Warren		27.8656	27.8656	27.8656	27.7637	27.7742	27.7556	27.7556	27.5658	27.1471	27.2265
Townships (rates range)	Low	3.2812	3.2812	3.2812	3.5529	3.5296	3.4980	3.4905	3.4753	1.0634	0.7624
	High	15.4316	17.7116	17.6816	17.6916	17.6916	17.6274	17.1375	17.1052	9.2999	9.2999
Villages (rates range)	Low	15.5354	16.5354	16.5194	17.4276	17.4276	17.3836	17.3529	17.0495	13.7948	13.7667
	High	18.8436	18.8436	18.8436	19.2550	19.0326	18.9693	22.5077	21.9453	16.6287	16.6424
School districts (rates range)	Low	9.8500	9.8500	9.8500	9.8500	9.8500	9.8500	9.7600	9.5000	9.5000	9.5000
	High	35.4143	35.4143	35.7643	35.7643	37.0000	37.0000	37.0000	37.0000	37.0000	37.0000
Intermediate school district		2.9430	2.9430	2.9430	2.9430	2.9354	2.9147	2.8945	2.8744	4.7296	4.6845
Community college		1.5712	1.5312	1.5262	1.5302	1.4174	1.4072	1.4640	1.4531	1.4387	1.4247
SMART Regional Transportation		0.5900	0.5900	1.0000	1.0000	0.9974	0.9903	1.0000	0.9926	0.9827	0.9731
HCM Park Authority		0.2146	0.2146	0.2146	0.2146	0.2146	0.2140	0.2129	0.2117	0.2104	0.2089
Zoo Authority		0.1000	0.1000	0.1000	0.1000	0.0997	0.0989	0.0985	0.0977	0.9670	0.0957
ART Authority		0.2000	0.2000	0.2000	0.2000	0.1994	0.1979	0.1965	0.1950	0.1930	0.1911

Source: Macomb County Equalization Department

Macomb County, Michigan

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

Taxpayer	2021			2012		
	Taxable Value	Rank	Percentage of Total County Taxable Value	Taxable Value	Rank	Percentage of Total County Taxable Value
DETROIT EDISON	\$ 392,064,204	1	1.27%	\$ 279,055,893	3	1.14%
CONSUMERS ENERGY	337,981,611	2	1.09%	132,533,587	5	0.54%
GENERAL MOTORS	330,086,910	3	1.07%	420,712,383	1	1.73%
CHRYSLER	156,081,817	4	0.50%	376,784,701	2	1.55%
INTERNATIONAL TRANS.	106,540,422	5	0.34%	86,030,503	6	0.35%
ENBRIDGE ENERGY	73,599,780	6	0.24%			0.00%
MEIJER	71,772,206	7	0.23%	63,809,741	7	0.26%
COMCAST	66,166,772	8	0.21%	56,236,085	8	0.23%
FORD	64,364,369	9	0.21%	259,700,088	4	1.06%
KROGER	53,382,641	10	0.17%			0.00%
WASHINGTON 10				43,264,710	9	0.18%
WALMART				36,967,375	10	0.15%
	<u>\$ 1,652,040,732</u>		<u>5.33%</u>	<u>\$ 1,755,095,066</u>		<u>7.19%</u>

Source: Macomb County Equalization Department

Macomb County, Michigan

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

(Unaudited)

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2012	\$ 113,410,640	\$ 104,151,427	91.84%	\$ 6,463,833	\$ 110,615,260	97.54%
2013	112,568,178	104,387,624	92.73%	4,737,833	109,125,457	96.94%
2014	114,319,512	106,683,701	93.32%	4,365,607	111,049,308	97.14%
2015	117,387,793	110,149,786	93.83%	4,188,670	114,338,456	97.40%
2016	116,193,735	108,335,118	93.24%	5,575,174	113,910,292	98.03%
2017	118,342,388	111,188,235	93.95%	5,476,091	116,664,326	98.58%
2018	122,927,577	115,182,352	93.70%	5,100,627	120,282,979	97.85%
2019	127,954,241	119,047,152	93.04%	6,803,688	125,850,840	98.36%
2020	134,451,924	124,559,591	92.64%	4,991,943	129,551,534	96.36%
2021	141,170,518	127,558,781	90.36%	5,941,872	133,500,653	94.57%

Source: Collections - Macomb County Treasurer Department
Tax Levy - Macomb County Finance Department

Macomb County, Michigan

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

(Unaudited)

Year	Population	Assessed Value of Property (in thousands)	Governmental Activities		Business Type Activities	Total Primary Government Debt	Debt to Assessed Value	Debt Per Capita	Percentage of Personal Income Per Capita
			General Obligation Bonds	Infrastructure Loans	General Obligation Bonds				
2012	840,918	\$ 25,021,188	\$ 49,690,000	\$ 1,091,594	\$ -	\$ 50,781,594	0.20%	\$ 60.39	0.16%
2013	844,728	25,088,284	44,930,000	966,164	-	45,896,164	0.18%	54.33	0.14%
2014	850,682	26,233,186	39,755,000	1,311,509	-	41,066,509	0.16%	48.27	0.12%
2015	858,038	29,029,993	289,727,371	1,149,313	44,732,825	335,609,509	1.16%	391.14	0.92%
2016	866,949	30,606,086	275,223,098	984,356	42,868,018	319,075,472	1.04%	368.04	0.85%
2017	873,656	32,302,241	260,255,596	816,578	41,217,116	302,289,290	0.94%	346.00	0.78%
2018	876,960	33,477,440	245,038,015	980,536	37,896,985	283,915,536	0.85%	323.75	0.70%
2019	876,952	35,889,949	229,405,316	776,603	36,184,684	266,366,603	0.74%	303.74	0.64%
2020	876,109	38,477,883	232,482,380	621,991	38,207,620	271,311,991	0.71%	309.68	0.59%
2021	874,678	40,402,808	207,519,045	461,726	36,105,955	244,086,726	0.60%	279.06	N/A

Source: Macomb County Finance Department and Municipal Advisory Council of Michigan

N/A - Personal income per capita was not available at the time of publishing

Macomb County, Michigan

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

(Unaudited)

<u>Year</u>	<u>Population</u>	<u>Assessed Value of Property (in thousands)</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Restricted to Repaying Principal</u>	<u>Net General Bonded Debt</u>	<u>Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>	<u>Net Percentage of Personal Income Per Capita</u>
2012	840,918	\$ 25,021,188	\$ 49,690,000	\$ 4,068,741	\$ 45,621,259	0.18%	\$ 54.25	0.14%
2013	844,728	25,088,284	44,930,000	3,049,441	41,880,559	0.17%	49.58	0.13%
2014	850,682	26,233,186	39,755,000	2,599,454	37,155,546	0.14%	43.68	0.11%
2015	858,038	29,029,993	334,460,196	2,617,902	331,842,294	1.14%	386.75	0.91%
2016	866,949	30,606,086	318,091,116	1,994,530	316,096,586	1.03%	364.61	0.84%
2017	873,656	32,302,241	301,472,712	2,038,746	299,433,966	0.93%	342.74	0.77%
2018	876,960	33,477,440	282,935,000	2,063,411	280,871,589	0.84%	320.28	0.70%
2019	876,952	35,889,949	265,590,000	175,688	265,414,312	0.74%	302.66	0.64%
2020	876,109	38,477,883	270,690,000	155,747	270,534,253	0.70%	308.79	0.59%
2021	874,678	40,402,808	243,625,000	128,273	243,496,727	0.60%	278.38	N/A

Source: Macomb County Finance Department and Municipal Advisory Council of Michigan

N/A - Personal income per capita was not available at time of publishing

Macomb County, Michigan

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2021

(Unaudited)

	<u>Gross Amount Outstanding</u>	<u>Self-Supporting or Paid by Benefiting Entity</u>	<u>Gross, Less Self- Supporting</u>	<u>Share of Overlapping Debt</u>	<u>Percent Overlapping</u>
Direct debt					
Macomb County Building Authority	\$ 2,105,000	\$ -	\$ 2,105,000	\$ 2,105,000	
General County Bonds	205,414,045	-	205,414,045	205,414,045	
Department of Roads infrastructure loans	461,726	461,726	-	-	
Net direct debt	<u>\$ 207,980,771</u>	<u>\$ 461,726</u>	<u>\$ 207,519,045</u>	<u>\$ 207,519,045</u>	
Overlapping debt					
School districts			\$ 2,225,315,904	\$ 2,013,896,380	90.5%
Cities			467,418,856	463,869,247	99.2%
Township			267,064,052	267,064,052	100.0%
Villages			10,806,323	10,806,323	100.0%
Intermediate school districts			44,105,000	1,180,617	2.7%
Library			37,115,000	37,115,000	100.0%
Net overlapping debt			<u>3,051,825,135</u>	<u>2,793,931,619</u>	91.6%
Net direct and overlapping debt			<u>\$ 3,259,344,180</u>	<u>\$ 3,001,450,664</u>	92.1%

The overlapping percentage is calculated by dividing the taxable value of property of the overlapping government located in Macomb County by the total taxable value of all property in the overlapping government.

Source: Macomb County Finance Department and Municipal Advisory Council of Michigan

Macomb County, Michigan

CURRENT AND HISTORICAL LEGAL DEBT MARGINS
LAST TEN YEARS

(Unaudited)

Current Year Legal Debt Margin

2021 Taxable Value		\$ 30,968,453,790
Debt Limit (10% of Assessed Taxable Value) (1)		3,096,845,379
Outstanding Long-term Debt	\$ 535,814,887	
Less:		
Amount available in debt service funds	2,276,198	
Special assessment bonds	<u>291,728,161</u>	
Total amount of debt applicable to debt limit		<u>241,810,528</u>

LEGAL DEBT MARGIN \$ 2,855,034,851

(1) As mandated by Michigan Public Act 293 of 1966, as amended.

Source: Macomb County Finance Department

Historical Legal Debt Margins

<u>Years</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2012	\$ 2,425,570,273	\$ 50,761,594	\$ 2,374,808,679	2.09%
2013	2,411,394,190	45,896,164	2,365,498,026	1.90%
2014	2,456,385,823	41,066,509	2,415,319,314	1.67%
2015	2,547,537,670	332,991,608	2,214,546,062	13.07%
2016	2,526,456,570	314,474,418	2,211,982,152	12.45%
2017	2,599,737,225	276,797,214	2,322,940,011	10.65%
2018	2,713,566,717	257,726,281	2,455,840,436	9.50%
2019	2,848,876,322	266,186,325	2,582,689,997	9.34%
2020	2,982,788,873	256,697,244	2,726,091,629	8.61%
2021	3,096,845,379	241,810,528	2,855,034,851	7.81%

Source: Macomb County Finance Department

Macomb County, Michigan

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

(Unaudited)

Demographic and Economic Statistics

<u>Years</u>	<u>Population</u>	<u>Personal Income (Thousands of Dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2012	840,918	\$ 31,869,110	\$ 37,898	9.8%
2013	844,728	32,333,654	38,277	9.4%
2014	850,682	34,091,932	40,076	7.9%
2015	858,038	23,248,238	42,513	5.7%
2016	866,949	37,457,398	43,206	5.2%
2017	873,656	38,824,399	44,439	4.3%
2018	876,960	40,409,440	46,079	4.1%
2019	876,952	41,643,820	47,487	4.3%
2020	876,109	45,450,920	52,195	12.0%
2021	874,678	N/A	N/A	5.9%

Sources:

Population - ESRI

Per Capita Personal Income - Federal Reserve Economic Data, table PCPI126099

Unemployment Rate - Federal Reserve Economic Data, table

LAUCN26099000000003A

N/A - Not available at time of publishing

Historical U.S. census data

<u>Years</u>	<u>Population</u>
1980	694,600
1990	717,400
2000	788,149
2010	840,978
2020	881,217

Macomb County, Michigan

CONCENTRATION OF WORKFORCE
CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

Employer	Industry	2021			2012		
		Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
General Motors	Automotive	20,277	1	4.58%	12,343	1	3.00%
Stellantis NV (formerly FCA US LLC)	Automotive	13,454	2	3.04%	9,423	2	2.29%
U.S. Government	Government	6,943	3	1.57%	6,736	3	1.64%
Ford Motor Company	Automotive	3,990	4	0.90%	4,179	4	1.02%
Ascension Michigan (formerly St. John)	Health Care	3,145	5	0.71%	3,650	5	0.89%
McLaren Health Care System	Health Care	2,740	6	0.62%			
Utica Community Schools	Education	2,636	7	0.60%	3,151	6	0.77%
Macomb County	Government	2,317	8	0.52%	2,217	9	0.54%
Henry Ford Health System	Health Care	2,097	9	0.47%	2,873	7	0.70%
Chippewa Valley Schools	Education	1,678	10	0.38%	1,182	16	0.29%
General Dynamics Land Systems	Defense	1,671	11	0.38%	2,318	8	0.56%
State of Michigan	Government	1,420	12	0.32%	1,382	12	0.34%
Warren Consolidated Schools	Education	1,346	13	0.30%	1,249	13	0.30%
McLaren Macomb (formerly Mt. Clemens General)	Health Care	1,232	14	0.28%	1,500	10	0.36%
Adient LLC	Automotive	1,140	15	0.26%			
Bridgewater Interiors LLC	Automotive	1,135	16	0.26%			
Macomb Intermediate School District	Education	1,107	17	0.25%			
Faurecia	Automotive				1,500	11	0.36%
L'Anse Creuse Public Schools	Education				1,195	15	0.29%
U.S. Postal Service	Government				1,226	14	0.30%
Art Van Furniture	Retail				1,138	17	0.28%
		<u>68,328</u>		<u>15.44%</u>	<u>57,262</u>		<u>13.93%</u>

Source: Macomb County Finance Department
Crain's Detroit Business

Macomb County, Michigan

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

(Unaudited)

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Legislative										
Board of Commissioners	19	19	19	19	19	20	20	20	20	19
Judicial										
Circuit Court	65	64	67	80	79	84	84	77	76	74
Family Counseling Services	1	1	1	1	1	1	1	1	1	1
District Court Div. 1	13	13	13	13	14	12	12	15	15	15
District Court Div. 2	17	17	17	17	15	15	15	17	17	17
Friend of the Court	121	118	107	107	107	108	108	107	106	101
Family Court - Juvenile	50	50	46	46	46	46	46	55	55	51
Probate Court	27	31	28	28	28	29	29	29	30	28
Public Defender's Office	-	-	-	-	-	-	-	5	10	18
Prosecuting Attorney	104	104	106	106	109	112	112	115	120	113
General Government										
County Executive	9	9	9	9	10	10	10	10	11	10
Corporation Counsel	8	8	8	8	8	9	9	9	9	8
Finance	20	21	21	22	22	22	22	23	22	22
Purchasing	17	16	16	16	16	16	16	17	17	15
Information Technology	36	36	36	36	38	39	39	40	40	37
Equalization	10	10	10	10	10	10	10	10	10	10
Human Resources	22	22	24	22	24	24	24	24	25	24
Clerk / Register of Deeds	78	80	81	85	83	87	87	89	92	93
Treasurer	26	26	26	28	28	28	28	28	28	26
Public Works	59	60	60	63	64	64	62	65	66	63
M.S.U. County Extension	8	8	8	7	7	7	8	7	7	5
Planning & Economic Development	31	26	26	27	26	27	27	28	28	26
Risk Management	-	-	-	-	-	-	-	-	-	-
Facilities & Operations	99	95	95	95	95	96	95	95	96	87
Department of Roads	233	232	232	250	255	265	265	268	272	272
Public Safety										
Sheriff	487	486	492	499	516	522	532	553	559	540
Technical Services	8	8	11	12	13	13	13	13	13	12
Emergency Services	3	3	7	7	7	7	7	7	10	11
Community Corrections	11	11	11	10	11	13	13	14	14	13
Health										
Public Health	232	228	220	226	231	234	235	245	247	247
Community Mental Health	335	335	341	345	345	346	346	345	346	346
Substance Abuse	10	10	10	13	13	13	13	12	13	13
Health & Community Services	2	2	2	2	2	2	2	2	2	2
Social Services										
Child Care - Youth Home	129	123	121	121	121	122	121	123	122	89
Medical Care Facility	231	238	245	238	273	331	330	305	286	310
Veterans Services/Affairs	10	10	11	11	11	11	11	13	14	17
Senior Citizen Services	16	15	3	3	-	-	-	-	-	-
Community Services Agency	184	182	171	172	213	220	231	217	223	226
Macomb/St. Clair Employment	68	68	68	68	43	46	47	45	46	46
Culture & Recreation										
Parks	-	-	-	-	-	-	-	1	1	1
Total	<u>2,824</u>	<u>2,801</u>	<u>2,785</u>	<u>2,827</u>	<u>2,908</u>	<u>3,016</u>	<u>3,035</u>	<u>3,049</u>	<u>3,062</u>	<u>3,008</u>

Source: Macomb County Budget

Macomb County, Michigan

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

(Unaudited)

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Judicial:										
Circuit Court										
Caseload	20,018	19,372	19,242	19,329	19,149	19,237	18,678	18,379	13,314	15,485
District Court - Romeo										
Caseload	9,396	7,917	8,306	8,772	8,549	8,835	11,225	11,045	7,719	6,303
District Court - New Baltimore										
Caseload	12,751	12,300	9,833	12,937	15,625	15,717	15,020	17,251	12,195	10,201
General Government:										
County Clerk										
Birth records	5,604	5,453	6,492	6,111	5,825	5,582	6,179	6,246	2,277	3,342
Death records	5,107	5,158	5,001	5,713	5,943	5,836	6,278	5,883	8,140	8,585
Marriage licenses	5,291	4,877	4,996	5,180	5,142	4,997	4,959	4,630	3,245	4,762
Public Works										
Inspections	5,955	6,718	5,777	5,043	16,107	16,017	15,139	12,089	10,104	10,532
Public Safety:										
Sheriff										
Complaints handled	94,451	93,701	101,029	87,090	105,993	194,625	196,048	213,805	110,592	123,489
Inmate bookings	19,709	18,732	17,881	17,291	17,170	17,042	16,770	16,406	9,709	10,236
Arrests made	6,617	6,206	5,601	3,316	4,822	4,770	4,468	4,454	3,627	3,938
Crashes investigated	3,924	3,880	4,120	1,563	1,421	1,224	3,492	1,746	4,014	4,131
Health and Welfare:										
Health Department										
COVID-19 vaccines administered	-	-	-	-	-	-	-	-	1,237	291,265
All other vaccines administered	58,253	59,726	45,048	44,711	39,492	40,867	43,314	40,564	14,098	19,454
Animals received at animal shelter	5,782	3,219	2,009	4,276	4,678	4,671	4,061	4,153	2,362	2,528
Food service inspections	5,452	4,645	4,578	4,634	4,652	4,630	4,847	5,226	3,100	3,573
Forensic examinations	571	648	649	643	686	716	691	538	684	745

Source: Macomb County Finance Department

Macomb County, Michigan

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

(Unaudited)

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Judicial										
Number of court buildings	5	5	5	5	5	5	5	5	4	4
Vehicles	6	4	4	4	4	3	3	3	2	2
General Government										
Number of buildings	6	7	7	7	7	7	7	7	7	7
Vehicles	54	55	54	63	60	50	51	57	51	50
Public Safety										
Number of jails	1	1	1	1	1	1	1	1	1	1
Stations and substations	6	6	6	6	6	6	6	-		
Marine patrol substations	2	2	2	2	2	1	1	1	1	1
Vehicles	141	157	147	168	173	177	189	206	190	199
Public Works										
Lane miles of roads	2,335	2,335	2,393	2,397	2,823	2,823	2,825	2,833	2,827	2,838
Number of buildings	9	9	9	9	9	9	9	9	9	9
Vehicles	34	36	38	74	262	268	427	291	277	346
Health and Welfare										
Number of buildings	8	8	8	8	8	8	8	8	8	8
Vehicles	87	89	88	92	95	90	88	97	91	77
Recreation and Culture										
Number of buildings	1	1	1	1	1	1	1	1	1	1
County parks	1	1	1	1	1	1	1	1	1	1
Vehicles	-	-	-	-	-	-	1	1	1	1

Source: Macomb County Finance Department

Macomb County, Michigan
SCHEDULE OF INSURANCE

As of December 31, 2021

(Unaudited)

Type of Coverage / Name of Company	Policy Period	Premium	Description
Public Entity Liability Pennsylvania Manufacturers	7-1-21 to 6-30-22	\$925,372	Includes auto liability, general liability, law enforcement liability and public officials liability/errors and omissions. \$10,000,000 each occurrence or wrongful act subject to a \$750,000 self-insured retention. \$1,000,000 self-insured retention for Law Enforcement only.
Excess Workers' Compensation Insurance Safety National Casualty Corp	5-1-21 to 4-30-22	\$214,091 (excess premium) annually	Statutory liability \$1,000,000. Self-insured retention \$600,000 each occurrence, Law Enforcement \$750,000 each occurrence.
Property Affiliated FM Insurance Co	7-1-21 to 6-30-22	\$490,000	Covers buildings & contents. Limit - up to \$300,000,000 - deductible \$100,000
Boiler & Machinery Affiliated FM Insurance Co	7-1-21 to 6-30-22	Included in property	Repair or replacement of insured property, expediting expenses, liability for injury, damage to property of others, defense costs resulting from an accident to injured object - \$100,000 deductible - \$300,000,000 limit
Electronic Data Processing Affiliated FM Insurance Co	7-1-21 to 6-30-22	Included in property	Replacement cost for damaged equipment and media; extra expense to resume operations; all risk less certain excluded perils.
Public Entity Fiduciary Liability Federal Insurance Co.	8-1-21 to 7-31-22	\$43,367	County Employees Retirement System, Deferred Compensation Plan, Retirees' Healthcare Trust Fund, Defined Contribution Retirement Plan (401a) - \$5,000,000 aggregate, \$50,000 deductible
Crime National Union Fire Ins	8-1-21 to 7-31-22	\$8,985	Employee theft - disappearance and destruction in/out premises. LIMITS: \$1,500,000 Crime; \$200,000 Forgery; \$200,000 Inside the Premises - Theft of Money and Securities; \$200,000 Outside the Premises; \$1,000,000 Computer Fraud; \$1,000,000 Funds Transfer Fraud; \$200,000 Money Orders & counterfeit currency - \$25,000 deductible
Cyber Travelers	7-1-21 to 6-30-22	\$129,636	Includes computer fraud, funds transfer fraud, computer program and electronic data restoration expenses, security breach remediation and notification expenses, regulatory defense expenses, crisis management event expenses, communications and media liability, and network and information security liability-\$5,000,000 Limit-\$100,000 Retention
Life Insurance The Hartford	1-1-21 to 12-31-21	\$49,474 County Active \$100,409 County Retirees \$5,949 Roads Active \$51,595 Roads Retirees	Active EE Basic Life 50,000

-CONTINUED-

Macomb County, Michigan

SCHEDULE OF INSURANCE (CONCLUDED)

As of December 31, 2021

(Unaudited)

Type of Coverage / Name of Company	Policy Period	Premium	Description
Dental Insurance Delta Dental	1-1-21 to 12-31-21	\$ 1,512,797 County Active \$1,229,464 County Retirees \$180,702 Roads Active \$171,460 Roads Retirees	\$1,000 annual maximum per individual/ calendar year
Dental Insurance Golden Dental	1-1-21 to 12-31-21	\$ 138,219 County Active \$16,661 Roads Active \$916 Roads Retirees	Unlimited annual benefit
Long Term Disability Insurance The Hartford	1-1-21 to 12-31-21	\$231,486 County Active \$30,910 Roads Active	60% of salary to age 65; up to \$4,500 per month subject to coordination of benefits
Health/Hospital Insurance Blue Care Network	1-1-21 to 12-31-21	\$18,194,032 County Active \$ 2,671,933 County Retirees \$ 2,748,249 Roads Active \$325,968 Roads Retirees	HMO offers primary care physicians, network hospitals, affiliated pharmacies and labs and other providers within the particular HMO network-includes vision
Health/Hospital Insurance 2018 HAP Self Insured Admin Fees	1-1-21 to 12-31-21	\$ 10,235,688 County Active \$ 995,451 County Retirees \$731,994 Roads Active \$213,074 Roads Retirees	HMO offers primary care physicians, network hospitals, affiliated pharmacies and labs and other providers within the particular HMO network - Includes vision
Health/Hospital Insurance BCBS of Michigan	1-1-21 to 12-31-21	\$ 6,193,387 County Active \$4,044,280 County Retirees \$ 232,437 Roads Active 978,265 Roads Retirees	Self insured medical plan - \$1,000,000 lifetime maximum; includes vision
Health/Hospital Insurance BCBS Medicare Advantage	1-1-21 to 12-31-21	\$ 9,912,488 County Retirees \$ 1,280,008 Roads Retirees	Fully insured medical plan for Medicare eligible retirees
Hearing Care Audio Net Hearing	1-1-21 to 12-31-21	\$91,480 County Retirees \$10,500 Roads Retirees	Retiree hearing care

Source: Macomb County Risk Management & Safety Department

Macomb County, Michigan

TAX ABATEMENTS – INDUSTRIAL FACILITIES TAX (IFT)

LAST TWO YEARS

(Unaudited)

The Michigan Plant Rehabilitation and Industrial Development District Act (Michigan Public Act 198 of 1974, as amended) (“Act 198”), provides significant tax incentives to industry to renovate and expand aging plants and to build new plants in Michigan. Under the provisions of Act 198, qualifying cities, villages and townships may establish districts in which industrial firms are offered certain property tax incentives to encourage restoration or replacement of obsolete industrial facilities and to attract new plants to the area.

The issuance of any exemption certificate must be approved by the State Treasurer. Firms situated in such districts pay an Industrial Facilities Tax in lieu of property taxes on plant and equipment for a period of up to twelve years. For rehabilitated plants and equipment, the assessed value is frozen at previous levels. New plants and equipment are taxed at one-half of the recalculated IFT rate using 1993 school operating mills and current year mills for all other taxing jurisdictions.

Ad valorem property taxes and land and inventory are specifically excluded under Act 198.

Abatements granted and the taxable values of the abated properties are listed below for the years ending December 31:

<u>Year Ended December 31,</u>	<u>Taxable Values of Abated Property</u>	<u>County Tax Revenues Reduced by Abatements</u>
2016	\$ 405,584,285	\$ 930,339
2017	360,292,667	803,259
2018	354,007,313	800,087
2019	393,908,850	851,173
2020	400,332,217	901,519
2021	431,835,228	979,792

Macomb County, Michigan

STATE SHARED REVENUES AND COUNTY RESIDENTIAL BUILDING PERMITS ISSUED
LAST TEN YEARS

(Unaudited)

State shared revenues

Fiscal Year Ended	Amount Drawn from Revenue Sharing Reserve Fund	State Revenue Sharing Payments
2012	\$ 4,956,671	\$ 15,264,877
2013	-	12,529,729
2014	-	13,152,353
2015	-	16,403,775
2016	-	16,504,824
2017	-	16,667,584
2018	-	16,797,848
2019	-	16,988,673
2020	-	13,160,474
2021	-	17,335,671

Source: Macomb County Finance Department

County residential building permits issued

Year	Building Permits
2012	1,342
2013	1,861
2014	1,824
2015	1,867
2016	1,869
2017	2,307
2018	2,035
2019	1,962
2020	1,817
2021	1,720

Source: SEMCOG Community Profile Report for Macomb County

Macomb County, Michigan

SCHEDULE OF LABOR FORCE AGREEMENTS

Year Ended December 31, 2021

(Unaudited)

<u>Union Group</u>	<u>Employee Classifications Covered</u>	<u>Number of Employees Covered</u>	<u>Contract Expiration Date</u>
ADTECH	Dept. of Roads and Technical Emp.	100	12/31/2022
AFSCME Local 411 General & District Crt	Clerical	572	12/31/2022
AFSCME 411- Teachers	Teachers	36	12/31/2022
Building Trades Association	Carpenters, electricians, etc.	20	12/31/2022
Command Officers Association of Michigan	Sheriff - Lieutenants and Sergeants	60	12/31/2024
IUOE Local 547	Boiler Operators	6	12/31/2022
Macomb County Environmental Health Assoc.	Environmentalists	29	12/31/2022
MCPDSA	Correction officers	150	12/31/2022
Michigan Nurses Assoc	Nurses	43	12/31/2022
FOPLC	Deputies and Dispatchers	260	12/31/2021
POAM-Asst Prosecutors Assoc	APA's	55	12/31/2022
POAM-Juvenile Justice Center	Juvenile Justice Center	43	12/31/2022
POAM- Medical Examiner	Med Exam Invest/Forensic Invst	8	12/31/2022
POLC-Captains	Captains and Jail Administrator	5	12/31/2021
Road Technicians Association	Dept. of Road technicians	126	12/31/2022
Teamsters Local 214	Circuit Court / Friend of the Court	68	12/31/2022
TPOAM	Circuit Court Officers & Professional	54	12/31/2022
TPOAM	Juvenile Court and Justice Center	14	12/31/2022
TPOAM	I.T.	27	12/31/2022
TPOAM	Specialized Employees	31	12/31/2022
UAW Local 412 - Unit 75	Supervisors	85	12/31/2022
UAW Local 412 - Unit 95	Corporation Counsel	4	12/31/2022
UAW Local 889	MCCSA Professionals	20	12/31/2022
UAW Local 889	Specialized Offices	64	12/31/2022
UAW Local 889	Animal Shelter	11	12/31/2022
UAW Local 889	Macomb Community Action	182	12/31/2022
UAW Local 889	Probate Court / Corporation Counsel	14	12/31/2022
Non-Affiliated	County and Roads	621	N/A
Total Employee Count		2,708	

Source: Macomb County Human Resources and Labor Relations