



MACOMB COUNTY, MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2022

Macomb County Finance Department
Stephen Smigiel, Director



MACOMB COUNTY, MICHIGAN

Annual Comprehensive Financial Report

Year ended December 31, 2022

Prepared by:

The Macomb County Finance Department

Stephen L. Smigiel, Director

Stephen R. Adair, II, CGFM, Deputy Director

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 28, 2023

To the citizens of Macomb County,

The Annual Comprehensive Financial Report of Macomb County, Michigan for the fiscal year ended December 31, 2022 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, 2022 have been audited by UHY, 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. UHY 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, 2022 are fairly presented in conformity with GAAP. UHY'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 2022 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 2022 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

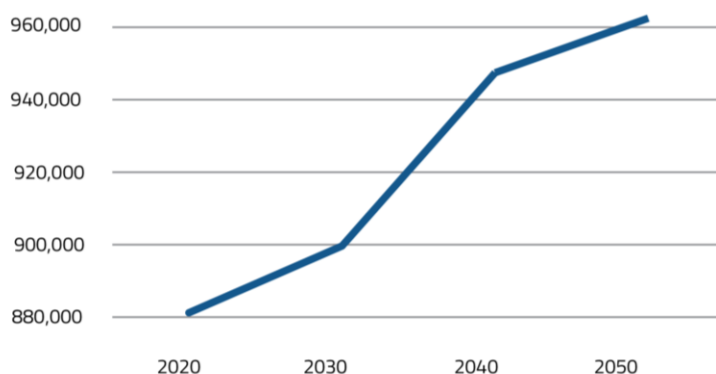
Located in the greater Detroit area, Macomb County is Michigan’s third most populous county, but the ninth smallest in area. Its 482-square-miles include 27 cities, villages and townships with, according to the 2020 Census, a combined population of 881,217 residents.¹ This figure is the result of an almost 70 year population growth trend. In fact, an average of 8 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 18,500 residents by 2030 and over 89,682 residents by 2050.² 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 thirteen 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.

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.

MACOMB 2050 FORECAST POPULATION TRENDS



Source: SEMCOG 2050 Forecast



¹ 2020 Census

² SEMCOG’s 2050 Regional Demographic and Economic Forecast. March 2023.

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 2022, the county had 372,041 housing units with an average home value of \$238,993. In the past two years, the average home value increased by \$14,429 (6.43 percent).³ Additionally, 71.1 percent of housing units are currently owner-occupied with a 7 percent vacancy rate. This puts Macomb County above the national average for owner-occupied housing, which is at 57.7 percent with an 11.4 percent vacancy rate. Macomb County's average household income in 2022 was \$91,632 and that figure is projected to increase to \$106,008 (15.69 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 by nearly 15 percent; \$150,000-\$199,999 by 37.5 percent; and the \$200,000 brackets by just over 21 percent respectively. Together, these figures demonstrate the major career advancements and wage growth occurring in Macomb County.

In addition to income, safety is another notable statistic in Macomb County. In 2021, the county experienced 2.80 violent crimes per 1,000 people and 10.07 property crimes per 1,000 people. This puts the area well below the national average of 3.59 violent crimes per 1,000 people and 17.8 property crimes per 1,000 people. It also means Macomb County is a very safe place for residents and visitors alike.

ECONOMIC CONDITIONS OF MACOMB COUNTY

Macomb County is an expanding epicenter of growth and economic vitality, with several figures and reports from 2022 demonstrating the strength of the county's economy. For instance, its gross regional product (GRP) grew from \$44.8 billion in 2021 to \$48.9 billion in 2022. Additionally,

INCOME BRACKETS

Income Brackets	2022	2027	Growth
>\$15,000	22,920	17,251	-24.73%
\$15,000-\$24,999	24,279	18,192	-25.07%
\$25,000-\$34,999	31,804	26,696	-16.08%
\$35,000-\$49,999	41,157	35,855	-12.88%
\$50,000-\$74,999	68,336	64,892	-5.04%
\$75,000-\$99,999	53,503	56,236	5.11%
\$100,000-\$149,999	67,748	77,699	14.69%
\$150,000-\$199,999	27,426	37,708	37.49%
\$200,000<	18,740	22,720	21.24%

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

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
2022	\$40,966,481,994

³ ESRI Business Analyst Online

⁴ ESRI Business Analyst: Demographic and Income Profile

the county had \$62.9 billion of imported products and \$70.8 billion of exported goods.⁵ In 2022, the total assessed value of its taxable property was \$40.7 billion – a number that marks a nearly \$12 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 \$56.86 billion.⁷ This figure has been rising for the last several years and it directly correlates with increasing wages.

BUSINESSES

There are a total of 19,596 businesses in Macomb County,⁸ employing over 366,600 people with collective earnings of \$27.5 billion. In 2022, these companies had total sales of \$122.6 billion. Notably, \$47 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, 60,539 jobs 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 2.5 percent in industrial properties, 7.6 percent in office space and 6.5 percent in retail locations.

WORKFORCE

Macomb County businesses draw from a diverse and highly-skilled workforce that is 441,893 individuals strong. In 2022, the county's unemployment rate stood at 3.24 percent. Macomb County workers earned an annual average salary of \$74,904, an increase of nearly \$2,519 from the previous year, and the total retirement plan value for these individuals was \$37.28 billion. Together, these figures mean that an average resident has a median net worth of \$189,334, higher than the \$155,942 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 2022, 59.6 percent of jobs in the county were white collar, 24.8 percent were blue collar and 15.6 percent were in services.¹² This transition was made possible through an increase in educational attainment. Today, 61.6 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

⁵ Lightcast: 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.

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

¹³ EMSI: Labor Market Analytics Educational Attainment Snapshot

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.

INDUSTRIES OF MACOMB COUNTY

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. These clusters include manufacturing, retail trade, health care and social assistance, government, and professional, scientific and technical services.

Industry	Jobs	Payrolled Businesses	GRP
Manufacturing	65,369	1,679	\$12,090,760,060
Retail Trade	43,728	2,564	\$3,590,281,986
Health Care and Social Assistance	42,103	2,320	\$3,291,246,400
Government	35,170	299	\$4,162,851,472
Professional, Scientific and Technical Services	33,266	1,677	\$5,372,182,338

Retail is strong, with a GDP of \$3.59 billion and 43,728 jobs. Just behind that, in terms of GDP, is health care and social assistance, which provides 42,103 jobs and has a GDP of \$3.29 billion. Government remains steady at 35,170 jobs and a GDP of \$4.16 billion. And the professional, scientific and technical services sector accounts for 33,266 jobs with a \$5.37 billion GDP.

But by far the largest of these clusters is manufacturing, with a \$12.09 billion GDP. These numbers make clear that Macomb County is a manufacturing powerhouse. In fact, in 2022 alone, the sector exported more than \$36.9 billion worth of products and imported just over \$10 billion in goods. This impressive activity is driven by 1,679 companies that employ more than 65,000 people.¹⁴ Part of this robust manufacturing center is advanced manufacturing. Boasting over 25,000 jobs with an average salary of \$86,017 at 1,126 companies, advanced manufacturing is a subsector of manufacturing that uses integrated technology to improve products and processes. This makes Macomb County a place where innovation leads to real-world applications in emerging industries like mobility, robotics and aerospace.

TARGETED INDUSTRIES

Drilling down deeper from these industry segments, MCPED has established a set of five targeted industries. 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. Macomb County's five are: automotive and mobility, automation and robotics, aerospace and defense, distribution and logistics, and food and agriculture.

#1 ECONOMIC GROWTH

Automotive & Mobility - \$11.8B
Five Year Growth: 8.86% (2018-2022)

Aerospace & Defense - \$6.25B
Five Year Growth: 10.64% (2018-2022)

Automation & Robotics - \$4.7B
Five Year Growth: 16.13% (2018-2022)

Distribution & Logistics - \$1.63B
Five Year Growth: 45.54% (2018-2022)

Food & Agriculture - \$287M
Five Year Growth: 55.22% (2018-2022)

¹⁴ Lightcast: Labor Market Analytics

AUTOMOTIVE AND MOBILITY

Macomb County's automotive and mobility industry is made up of a diverse network of 645 companies that have been a driving force of growth within the economy for many years. Currently, the industry supports 55,818 jobs, a figure that is projected to grow 9 percent over the next five years. And on average, employees earn \$112,397. Together, these figures drive an annual GDP of \$11.8 billion.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. 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 25,000 employees.¹⁶ Stellantis has a stamping and assembly plant in both Sterling Heights and Warren, both of which employ more than 14,160 people.¹⁷ And Ford has two facilities in Sterling Heights with a combined workforce of 3,300 individuals.¹⁸ Each of these companies is making major investments into electric, hybrid and autonomous vehicles. Ford, which is dividing their company into an electric and gas division,¹⁹ plans to produce more than 2 million electric vehicles annually by 2026 and projects electric vehicles will be half of its global sales volume by 2030.²⁰ GM, which aims to have 20 electric vehicles available in the U.S. by 2025 and an all-electric model lineup by 2035.²¹ And Stellantis, which aims to have its first battery electric vehicle by 2025 and to have an all-electric lineup by 2028.²²

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

AUTOMATION AND ROBOTICS

Macomb County's manufacturing hub is home to an infrastructure that features technology, skilled trades and manufacturing expertise. That combination makes Macomb County, and Michigan overall, a prime location for automation and robotics.

In fact, according to the Detroit Regional Partnership (DRP), Michigan has more robots deployed in manufacturing plants than any other state, comprising 12 percent of all robots in the United States. The DRP also reports the Detroit region is ranked second across the U.S. for plastics manufacturing jobs, with a dedicated workforce of more than 30,000 people projected to grow 10.6 percent in the next five years. In total, 778 businesses have operations in Macomb County, resulting in a \$4.7 billion GDP.

AEROSPACE AND DEFENSE

Known as the 'Arsenal of Democracy' since leveraging automotive technology and manufacturing prowess to help win World War II, Macomb County's commitment to defense endures. For instance, in 2022, Macomb County companies were

¹⁵ Lightcast Industry Snapshot

¹⁶ Detroit Free Press

¹⁷ Ibid.

¹⁸ Ford

¹⁹ New York Times

²⁰ Consumer Reports

²¹ Consumer Reports

²² Consumer Reports

awarded more than 5,600 defense contracts. And today the county is home to the U.S. Army's Detroit Arsenal, the U.S. Army Tank-Automotive Armaments Command and Selfridge Air National Guard Base, one of the oldest continuously operating military airfields in the nation, which has nearly 7,000 personnel and contributes over \$850 million to the local economy.

Macomb County is also home to more than 150 of the state's nearly 600 aerospace suppliers. This, plus Michigan's concentration of electrical and mechanical engineers, manufacturing friendly laws and business climate, is why it consistently ranks as a 'Top 10 State in Aerospace.'

But overall industry numbers give the best explanation as to why aerospace and defense is a targeted industry for Macomb County. More than 1,100 firms operate here, with a collective GDP of \$6.3 billion. These companies support 40,215 jobs with average earnings of \$120,022, and five year projected job growth stands at 9.6 percent. So it's clear - Macomb County is an epicenter for aerospace and defense.

DISTRIBUTION AND LOGISTICS

Macomb County is anchored by a transportation network that possesses the vital infrastructure needed to service emerging industries and a growing population. These infrastructure assets, paired with a world-class manufacturing ecosystem, have fostered a \$1.6 billion transportation, logistics and warehousing sector featuring 820 companies. These organizations employ more than 17,000 workers who make on average \$71,467 per year, and job growth is on an upward trajectory - with a 21 percent increase projected over five years. From just-in-time shipping from supplier to OEM or long-distance hauling, Macomb County can do it all.

FOOD AND AGRICULTURE

Macomb County might be best known for its manufacturing prowess, but point the compass north, and you'll find 404 active farms spread over 73,000 acres. That is 20 percent of the county's total land mass. In addition, Macomb County has also more than 90 food and beverage manufacturing businesses picked up by well-known distribution and logistics companies like Carmela Foods and Lipari Foods. All told, this is one of the fastest-growing industries in the country, and in Macomb County, its GDP is worth \$287.4 million. Food and ag also supports nearly 3,200 jobs, with average earnings at \$50,735 and a five-year projected growth rate of 23.5 percent.

Surrounded by the Great Lakes and bordered by Lake St. Clair, Macomb County has more than ample clean fresh water for sustaining agriculture and food processing. Additionally, Macomb County officials have made agriculture and its future in the community a priority, developing a program which facilitates conservation easements in rural areas. The easements are made possible through a Purchase of Development Rights (PDR) agreement coordinated by the Macomb County Agricultural Purchase of Development Rights Committee and funded through a Michigan Department of Agriculture and Rural Development Agricultural Preservation Grant. The process gives a landowner the option to permanently preserve his or her farmland while also receiving fair market value for development rights. An easement is then placed on the property designating it for agricultural use in perpetuity. Since its creation, the committee has helped preserve hundreds of acres of farmland, protecting the natural resource in ways that will strengthen the environment, create jobs and ensure that agriculture always has a home in Macomb.

SPECIALIZED SECTOR COMPONENTS

CONNECTED INFRASTRUCTURE & INTELLIGENT TRANSPORTATION SYSTEMS

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 installation of operational connected vehicle roadside units (RSU). There are now more than 670 RSUs along Macomb County's 152 miles of connected roadway. Other notable technologies include 700 traffic signals (including advanced traffic signal systems) and 320 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. Currently the project is more than 50 percent complete, with an estimated end date of late 2024.

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 Velocity 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, hosted a grant program 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.²³ 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 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.

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.

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

²³ Lightcast: Labor Market Analytics Industry Snapshot. 'Industry clusters' created using NAICS codes.

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.

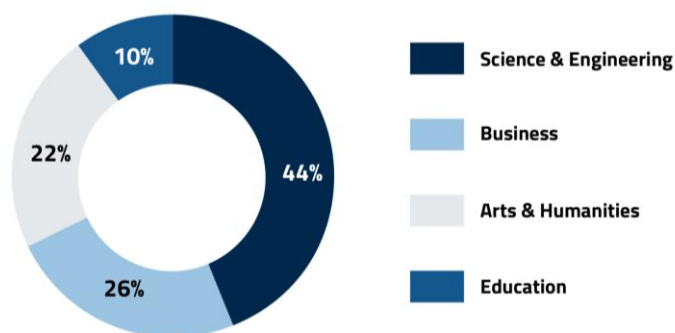
Career Technical Education

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 248 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 \$7,153 per student. This figure is dramatically lower than the national average of \$37,574 per student and Macomb County's total student debt accounts for merely 0.25% of total national student debt.²⁴ The result: More than 251,000 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 44 percent in science and engineering, 24 percent in business, 22 percent in the arts and humanities and 10 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. In 2022 and 2023, the county worked alongside Macomb Community College to provide free career training to qualified residents. The program has so far changed the lives of hundreds of individuals who can earn credentials at no cost.

BACHELORS DEGREE FIELD OF STUDY



Source: American Community Survey

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.

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

²⁴ ESRI: Business Analyst Online Financial Expenditures Report

²⁵ ESRI: Business Analyst Online Community Profile

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.

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 approximately 1,110 hospital beds and four major medical facilities including:

- 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 May 2023, the health system will cut the ribbon and officially open 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. Notably, this is the largest single health care investment in Macomb County history.
- 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. In 2023, McLaren also opened its first outpatient surgery center, a 62,000-square-foot facility featuring surgical and procedural suites equipped and capable of allowing various outpatient general, vascular, orthopedic, podiatric and urologic surgical procedures to be performed. The building also houses clinical offices for those specialty surgeons.
- 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

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

diagnostic services in a multi-level naturally contemporary clinical space. The \$32.5 million project is expected to be complete in 2023 and the project will create 100 new jobs.

- Corewell Health (formerly known as Beaumont), 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 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, the demand for health care workers grows and the health care workforce dwindles. In fact, the World Economic Forum estimates a shortfall of 10 million workers in the sector by 2030, placing the health and care economy under severe stress.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 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 \$1.2 billion GDP for outdoor recreation in Macomb County²⁸.

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 Urban Forest Partnership, a program that promotes green infrastructure efforts. Through relationships 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.

²⁷World Economic Forum

²⁸Lightcast: Labor Market Analytics

All told, Macomb County is home to 3,800 acres of municipal public parks, 32 miles of lakefront shoreline, 180 miles of regional trails, 32 miles of river fit for kayaking 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 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 in Sterling Heights along the north bank of the Red Run Drain near Freedom Hill County Park, the site of a former dump. Drains play an important role in Macomb County, reducing the risk of flooding during big rain events and other wet periods. But the county has more than 400 miles of open channel drains, and each drain needs to be maintained to ensure proper use. So when it was determined that the Red Run Drain's shoreline near Freedom Hill was eroding, creeping dangerously close to the capped dump site, the county worked with local, state and federal officials, including the Army Corps of Engineers, to restore the site. This work included removing sediment and painstakingly building three new peninsulas known as 'J-hooks.' These engineered designs, each made of thousands of limestone boulders, work in unison to direct strong flow - particularly after heavy rain events - toward the center of the open channel and away from the banks. The county also created a new hike/bike path, which opened in late 2022, and developed a plan for planting native trees, shrubs, flowers and plants in ways that will further stabilize the shoreline and surrounding area. This entire project will not only enhance water quality and flow for a sizable drainage district, it will provide an outdoor space for the public that is resilient and natural.

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 with the exception of the Macomb County Sheriff's Department, which is subject to a self-insured retention of \$1,000,000. 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, 2021. 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 37 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**

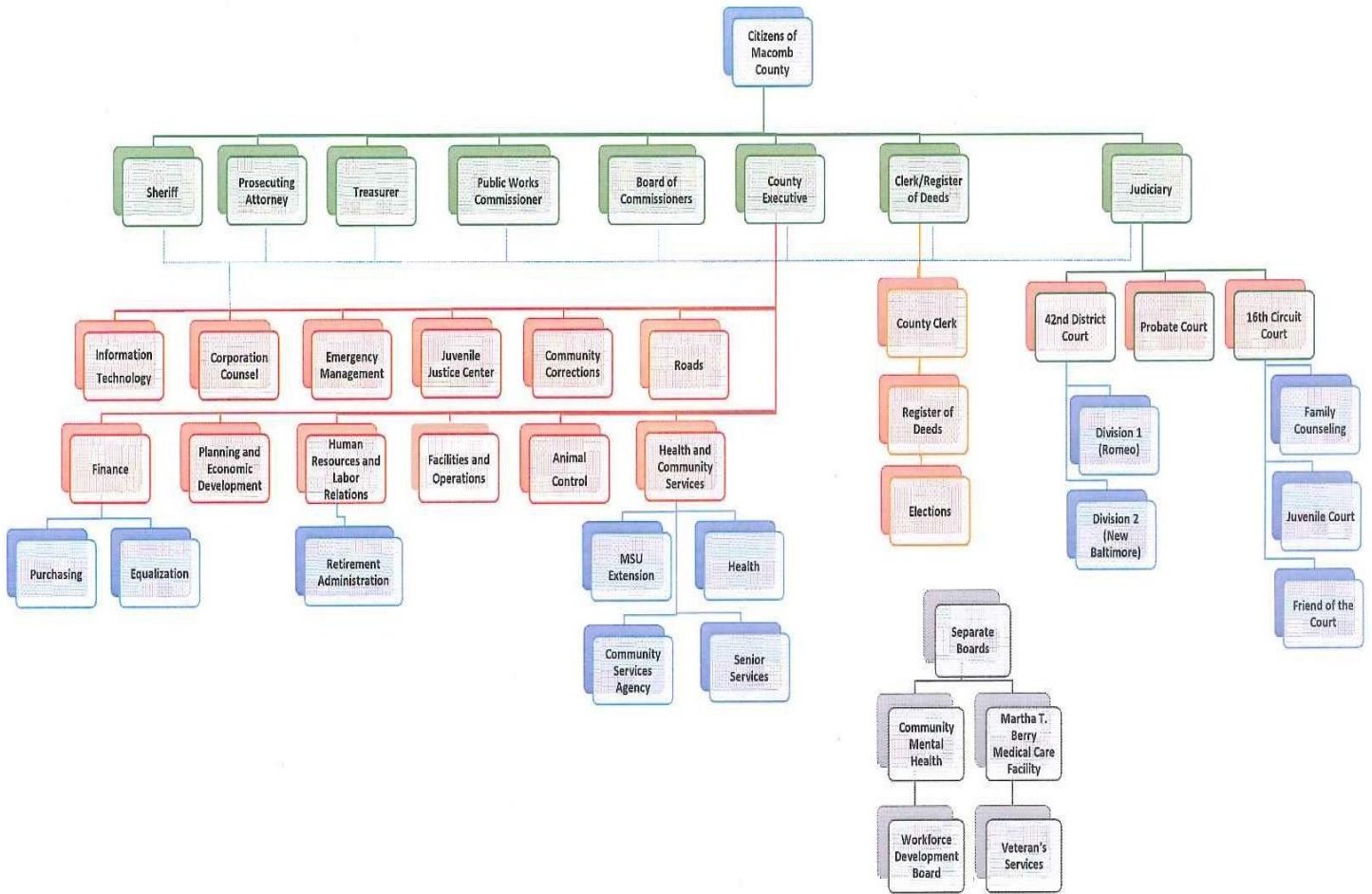
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

Macomb County, Michigan
 ORGANIZATIONAL CHART
 Year Ended December 31, 2022



Macomb County, Michigan

LIST OF ELECTED AND APPOINTED OFFICIALS

Year Ended December 31, 2022

County Executive's Office

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

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 Corrections	Barbara Caskey
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	Karlynn Semlow
Chief Information Officer	Jako van Blerk
Juvenile Justice Center Director	Rhonda Westphal
Planning & Economic Development Director	Vicky Rowinski
Public Defenders Office Director	Thomas Tomko
Department of Roads Director	Brian Santo
Offices of Senior Services Director	Sheila Cote'
Chief Veterans Service Officer	Laura Rios

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
County of Macomb, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Macomb, Michigan (the "County") as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Martha T. Berry Medical Care Facility, a discretely presented component unit which represents 2.72 percent, -1.00 percent, and 21.34 percent, respectively, of the assets, net position, and revenues of the discretely presented component units as of December 31, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Martha T. Berry Medical Care Facility, is based solely on the report of the other auditors.

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. The financial statements of the Martha B. Berry Medical Care Facility were not audited under *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 21 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. As a result of this adoption, the net position of the County was restated to reflect the adoption. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

To the Board of Commissioners
County of Macomb, Michigan

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

In performing an audit in accordance with generally accepted auditing standards 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 the 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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.

To the Board of Commissioners
County of Macomb, Michigan

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 purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

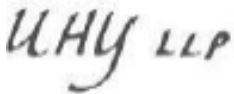
Other Information

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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023 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.



Sterling Heights, MI
June 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

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, 2022. 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 \$1.8 billion at year- end.

The net position of the county increased by \$200.7 million in fiscal 2022.

The General Fund reported an increase of \$16.4 million for the year. Nonspendable fund balance was \$4.7 million, while Unassigned fund balances were \$108 million, or 57.1% of 2022 General Fund expenditures. Total fund balance was \$112.7 million. Nonspendable fund balance represented amounts for prepaid items and long-term receivables.

The county's governmental and business-type activities retired a combined \$17.6 million in long term debt during fiscal year 2022. At year end, the county is \$3.1 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 majority of whose governing bodies are appointed by the Board of Commissioners and for which the county is financially

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

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, 2022

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 \$1.8 billion at December 31, 2022 and increased by approximately \$200.7 million for the year then ended. (See page A-7)

Macomb County Primary Government Net Position

	Governmental Activities		Business-type Activities		Totals	
	2021	2022	2021	2022	2021	2022
Current and other assets	\$ 828,352,990	\$ 872,542,964	\$ 370,017,246	\$ 429,319,643	\$ 1,198,370,236	\$ 1,301,862,607
Capital assets	1,097,692,283	1,203,817,040	1,330,894	1,382,560	1,099,023,177	1,205,199,600
Net pension asset	218,684,557	-	16,666,438	-	235,350,995	-
Total assets	2,144,729,830	2,076,360,004	388,014,578	430,702,203	2,532,744,408	2,507,062,207
Deferred outflows of resources	79,193,755	179,393,826	15,538,852	36,332,694	94,732,607	215,726,520
Current liabilities	180,327,461	249,622,271	133,020,784	164,704,436	313,348,245	414,326,707
Long-term liabilities, including leases						
Due within one year	20,494,513	19,569,843	2,350,018	2,557,253	22,844,531	22,127,096
Due in more than one year	213,349,816	201,421,891	35,258,221	33,078,854	248,608,037	234,500,745
Asset retirement obligations	1,000,000	1,000,000	-	-	1,000,000	1,000,000
Net pension liability	-	28,374,356	-	1,433,523	-	29,807,879
Net OPEB liability	37,708,997	79,389,083	7,723,530	16,260,415	45,432,527	95,649,498
Total liabilities	452,880,787	579,377,444	178,352,553	218,034,481	631,233,340	797,411,925
Deferred inflows of resources	332,066,923	86,196,750	42,477,701	16,792,754	374,544,624	102,989,504
Net position						
Net investment in capital assets	1,065,824,305	1,177,106,816	1,330,894	1,382,560	1,067,155,199	1,178,489,376
Restricted	169,758,541	196,383,637	55,314,709	98,594,702	225,073,250	294,978,339
Unrestricted	203,393,029	216,689,183	126,077,573	132,230,400	329,470,602	348,919,583
Total Net Position	\$ 1,438,975,875	\$1,590,179,636	\$ 182,723,176	\$ 232,207,662	\$ 1,621,699,051	\$ 1,822,387,298

Approximately \$1.2 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 \$294.9 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 positive unrestricted net positions at both

Macomb County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

December 31, 2022 and December 31, 2021. Favorable operating results combined with the recognition of reduction in OPEB expenses were the main causes of the positive unrestricted net position at December 31, 2022 and December 31, 2021.

As indicated in the following schedule, the net position of the county increased by \$200.7 million for the year ended December 31, 2022. The components of this change were an increase of \$151.2 million in governmental activities and an increase of \$49.5 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	
	2021	2022	2021	2022	2021	2022
Revenues						
Program revenue						
Charges for services	\$ 79,214,797	\$ 107,012,116	\$ 222,709,693	\$ 290,630,423	\$ 301,924,490	\$ 397,642,539
Operating grants and contributions	121,211,638	146,853,176	17,739,601	8,563,328	138,951,239	155,416,504
Capital grants and contributions	112,126,336	163,074,153	-	-	112,126,336	163,074,153
General revenue						
Property taxes	137,428,348	145,859,402	-	-	137,428,348	145,859,402
Intergovernmental revenues	32,518,306	34,683,345	-	-	32,518,306	34,683,345
Investment earnings	73,747,870	6,375,891	15,349,732	4,254,471	89,097,602	10,630,362
	<u>556,247,295</u>	<u>603,858,083</u>	<u>255,799,026</u>	<u>303,448,222</u>	<u>812,046,321</u>	<u>907,306,305</u>
Expenses						
Legislative	1,239,991	1,724,355	-	-	1,239,991	1,724,355
Judicial	42,028,215	55,013,675	-	-	42,028,215	55,013,675
General government	33,086,174	49,260,162	-	-	33,086,174	49,260,162
Public safety	76,184,493	99,785,088	-	-	76,184,493	99,785,088
Public works	59,761,130	87,583,903	-	-	59,761,130	87,583,903
Health and welfare	108,907,298	147,306,870	-	-	108,907,298	147,306,870
Community and economic development	7,366,368	4,711,288	-	-	7,366,368	4,711,288
Recreation and culture	123,939	155,100	-	-	123,939	155,100
Interest and fees on long-term debt	7,390,195	6,504,713	1,174,768	1,133,370	8,564,963	7,638,083
Delinquent tax collections	-	-	2,040,066	2,870,224	2,040,066	2,870,224
Community Mental Health	-	-	223,172,225	248,459,211	223,172,225	248,459,211
Freedom Hill Park	-	-	463,862	590,770	463,862	590,770
	<u>336,087,803</u>	<u>452,045,154</u>	<u>226,850,921</u>	<u>253,053,575</u>	<u>562,938,724</u>	<u>705,098,729</u>
Increase (decrease) in net position before transfers	220,159,492	151,812,929	28,948,105	50,394,647	249,107,597	202,207,576
Net transfers	876,692	(609,168)	(874,201)	(910,161)	2,491	(1,519,329)
Increase (decrease) in net position	221,036,184	151,203,761	28,073,904	49,484,486	249,110,088	200,688,247
Net position, beginning of year	1,217,939,691	1,438,975,875	154,649,272	182,723,176	1,372,588,963	1,621,699,051
Net position, end of year	<u>\$1,438,975,875</u>	<u>\$1,590,179,636</u>	<u>\$ 182,723,176</u>	<u>\$ 232,207,662</u>	<u>\$1,621,699,051</u>	<u>\$1,822,387,298</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 in transfers between the General Fund (a December 31 year-end fund) and some of the Special Revenue Funds that have September 30 and June 30 year-ends.

Governmental activities. The \$151.2 million increase in net position of governmental activities was contrasted by the increase in net position of \$221 million in the prior year. The change of \$69.8 million between the prior year's increase and the current year's increase is the result of strong market performance in 2021 and recognition of gains in OPEB investments which occurred in 2021 but are being recognized in 2022 as a reduction of OPEB expense.

MANAGEMENT'S DISCUSSION AND ANALYSIS

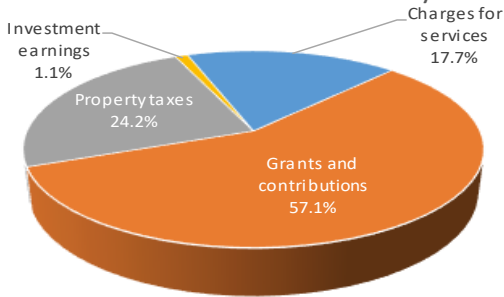
December 31, 2022

Total revenues increased \$47.6 million. Structural recurring revenues such as property taxes (up \$8.4 million), intergovernmental revenues (up \$2.2 million), and charges for services (up \$27.8 million) saw increases over 2021 results. A strong housing market combined with inflationary pressures caused the property tax increase. Intergovernmental revenues experienced small increases in state shared revenues, liquor tax, and PPT reimbursements. Charges for services increased by \$27.8 million over 2021 mainly as a result of cost sharing agreements with local units of government related to the Innovate Mound department of roads project. Capital grants and contributions increased \$50.9 million, mainly as a result of county road project funding, again related to the Innovate Mound roads project. Investment earnings decreased \$67.4 million, mainly due to investment losses in the county's Intermediate Retiree Medical Benefits Trust Internal Service Fund investments, which had been gains in 2021. The losses were in line with expectations based on market conditions and related sector benchmarks, which were substantially worse than 2021 comparable metrics.

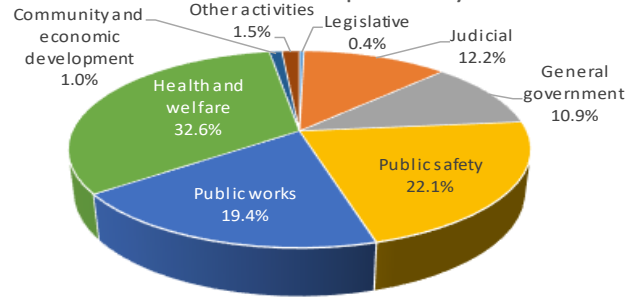
Total expenses increased \$115.9 million, mainly as a result of large increases in public works and health and welfare spending. Public works expenses increased by \$27.8 million while health and welfare expenses increased by \$38.4 million. Public works expense increases were driven by higher contractor and labor spending in order to perform a higher volume of maintenance work than in prior years. Health and welfare expense increases were driven by the county's Community Action Agency's expenses related to the Emergency Rental Assistance federal program. Judicial (increased \$13 million), general government (increased \$16.2 million), and public safety (\$23.6 million) and experienced increases in expenses as a result of operational increases, including salary and benefit increases, along with the spread of pension expense as part of the calculation of the county's net pension liability for 2022.

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 \$50.4 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 \$43.5 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 \$301.7 million at December 31, 2022, an increase of \$28.7 million over the prior year. The increase consists of a \$16.4 million increase in the General Fund, a \$2.7 million increase in the Roads Major Special Revenue Fund, a decrease of \$1.4 million in the Coronavirus Response Fund, a

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

decrease of \$0.5 million in the Community Action Agency Fund, and a combined increase of \$11.5 million in the nonmajor governmental funds.

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

	2021	2022	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Property taxes	\$ 134,142,878	\$ 140,932,483	\$ 6,789,605	5.06%
Licenses and permits	1,643,799	1,682,489	38,690	2.35%
Federal and state grants	41,325,217	43,674,121	2,348,904	5.68%
Charges for services	44,535,856	40,041,050	(4,494,806)	-10.09%
Charges to other funds for administrative services	13,275,462	13,898,553	623,091	4.69%
Fines and forfeitures	496,813	661,031	164,218	33.05%
Interest and rents	2,275,205	7,381,479	5,106,274	224.43%
Other revenue	112,988	294,916	181,928	161.02%
Transfers from other funds	8,151,241	8,000,000	(151,241)	-1.86%
Total revenues	245,959,459	256,566,122	10,606,663	4.31%
Expenditures				
Current				
Legislative	1,476,642	1,657,838	181,196	12.27%
Judicial	29,981,910	31,316,194	1,334,284	4.45%
General government	43,658,195	48,329,763	4,671,568	10.70%
Public safety	77,045,562	73,536,677	(3,508,885)	-4.55%
Public works	6,917,145	7,133,951	216,806	3.13%
Health and welfare	16,057,394	17,987,104	1,929,710	12.02%
Community and economic development	3,114,739	3,524,609	409,870	13.16%
Other / Non-departmental	1,902,318	2,903,046	1,000,728	52.61%
Capital outlay	1,901,600	2,685,166	783,566	41.21%
Transfers out	40,049,295	51,069,880	11,020,585	27.52%
Total expenditures	222,104,800	240,144,228	18,039,428	8.12%
Net change in fund balance	\$ 23,854,659	\$ 16,421,894	\$ (7,432,765)	-31.16%

Property tax revenue increased by \$6.8 million, or 5.1%, due to a robust housing market and increasing inflation in 2022, which led to increased taxable values and associated property tax revenue collections for the year.

Federal and state grants increased by \$2.3 million, or 5.7%, mainly due small increases in state shared revenues, liquor tax, and PPT reimbursements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

Charges for services decreased by \$4.5 million, or 10%, due to the reclassification of dispatch contract revenue. In previous years, dispatch contract revenues were recorded in the General Fund, but beginning with fiscal year 2022, they began to be recorded within the Dispatch and Cellular Fees Special Revenue Fund.

Interest and rents increased by \$5.1 million, or 224.4%, because of significantly higher interest rates on investments, such as certificates of deposits and treasury notes, as compared to 2021.

Expenditures increased \$18 million in 2022. Transfers out of the general fund increased \$11 million in 2022, mainly as a result of an increase of \$12.3 million in the transfer out to the capital projects fund. This transfer was done to fund current and planned capital projects.

Expenditures in general government increased \$4.7 million, or 10.7%, mainly as a result of increases in the Information Technology and Facilities and Operations county departments. Information Technology led major upgrades to software in 2022 (increased \$1.7 million over 2021). The Facilities and Operations department saw operations return to pre-COVID levels, but also saw increases in utility costs (increased \$1.8 million over 2021).

Expenditures in Health and welfare increased by \$1.9 million, or 12%, mainly as a result of Environmental Health (\$0.5 million increase), Clinical Health Services (\$0.9 million increase), and the Communicable Diseases Program (\$0.3 million increase) increasing services, as well as bringing back staff from COVID-related services recorded in other funds, such as the Coronavirus Response Fund, that are now back to their primary assignments and being charged from the General Fund. Additionally, new contracts with higher costs for the Medical Examiner's Office were executed for 2022, an increase of \$0.2 million.

Public Safety expenditures decreased by \$3.5 million, or 4.6%, because of over 40 deputy and corrections officer vacancies on average at the Sheriff's Department during 2022.

Non-Departmental expenditures increased by \$1 million, or 52.6%, mainly because of COVID-related activities the county continued to perform into 2022 that were no longer covered by a specific grant. These expenditures were budgeted instead into a COVID contingency. COVID testing, which included related facility and contract costs for laboratory and medical staffing, were the most significant activities in 2022.

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 on the following page:

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

Department of Roads Revenue By Source and Expenditures By Function

	2021	2022	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Licenses and permits	\$ 1,026,556	\$ 1,126,848	\$ 100,292	9.77%
Federal and state grants	109,151,683	158,937,406	49,785,723	45.61%
Charges for services	13,858,344	36,517,921	22,659,577	163.51%
Interest and rents	351,373	586,666	235,293	66.96%
Other revenue	572,656	723,245	150,589	26.30%
Total revenues	124,960,612	197,892,086	72,931,474	58.36%
Expenditures				
Current				
Public works	98,675,258	192,899,504	94,224,246	95.49%
Capital outlay	4,252,799	2,177,533	(2,075,266)	-48.80%
Debt service				
Principal	160,265	70,758	(89,507)	-55.85%
Interest and fees	15,728	12,401	(3,327)	-21.15%
Total expenditures	103,104,050	195,160,196	92,056,146	89.28%
Net change in fund balance	\$ 21,856,562	\$ 2,731,890	\$ (19,124,672)	-87.50%

Revenues increased by \$72.9 million, or 58.4%, mainly as a result of substantial increases in federal and state grants (increased \$49.8 million) and charges for services (increased \$22.7 million). The department of roads received funding from state and federal sources for the Innovate Mound project. Additionally, local communities contributed just over \$20 million to the Innovate Mound project in 2022, which represented the majority of the increase in charges for services. Finally, the \$92.1 million increase in expenditures was driven by progress towards the completion of the Innovate Mound project in 2022.

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 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, 2022, 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:

Macomb County, Michigan

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Coronavirus Response Fund Revenue By Source and Expenditures By Function

	2021	2022	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Federal and state grants	\$ 111,858,464	\$ -	\$ (111,858,464)	-100.00%
Charges for services	464,500	-	(464,500)	-100.00%
Interest and rents	177,665	-	(177,665)	-100.00%
Total revenues	112,500,629	-	(112,500,629)	-100.00%
Expenditures				
Current				
Health and welfare	52,217,012	1,435,838	(50,781,174)	-97.25%
Community and economic development	45,506,382	-	(45,506,382)	-100.00%
Capital outlay	9,139,672	-	(9,139,672)	-100.00%
Total expenditures	106,863,066	1,435,838	(105,427,228)	-98.66%
Net change in fund balance	\$ 5,637,563	\$ (1,435,838)	\$ (7,073,401)	-125.47%

The only activity in the fund during fiscal year 2022 was the expensing of inventory in the amount of \$1,435,838. The remaining fund balance at December 31, 2022 of \$2,187,470 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.

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

	2021	2022	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Federal and state grants	\$ 46,216,981	\$ 73,551,100	\$ 27,334,119	59.14%
Other grants	100,000	-	(100,000)	-100.00%
Charges for services	2,864,414	4,166,601	1,302,187	45.46%
Other revenue	145,120	50,423	(94,697)	-65.25%
Transfers in	3,883,457	3,916,855	33,398	0.86%
Total revenues	53,209,972	81,684,979	28,475,007	53.51%
Expenditures				
Current				
Health and welfare	51,777,051	82,020,249	30,243,198	58.41%
Capital outlay	947,031	201,358	(745,673)	-78.74%
Transfers out	2,075	-	(2,075)	-100.00%
Total expenditures	52,726,157	82,221,607	29,495,450	55.94%
Net change in fund balance	\$ 483,815	\$ (536,628)	\$ (1,020,443)	-210.92%

Both revenues and expenditures significantly increased in 2022 because of expenditures related to the county's remaining funding under 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

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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, 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 received a second tranche in August 2022 for an equal amount, for a total of \$169,758,815. As of December 31, 2022, 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 \$56.6 million at year-end, an increase of approximately \$11.5 million over the prior year. The increase consists of an increase of \$14 million in the special revenue funds, a decrease of \$2.2 million in the debt service fund, and a decrease of \$0.3 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 \$0.3 million in 2022 because of planned capital projects reducing the General County Capital Projects Fund and Capital Improvement Fund by a net \$0.6 million. Additionally, the Youth Home Renovation Home fund was closed, with its remaining \$0.1 million fund balance being transferred back to the county's Capital Improvement Fund. The fund balance of the debt service fund decreased by \$2.2 million, which was mainly driven by the final payment made on the 2014 Martha T Berry / Youth Home Refunding Bonds in the amount of \$2.1 million. The payment was made from funds transferred into the Debt Service Fund in 2021.

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:

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Delinquent Tax Revolving Fund Revenue By Source and Expenditures By Function

	<u>2021</u>	<u>2022</u>	<u>Increase (Decrease)</u>	
			<u>\$ Change</u>	<u>% Change</u>
Revenues				
Charges for services	\$ 10,313,922	\$ 12,365,265	\$ 2,051,343	19.89%
Investment income	194,591	1,340,241	1,145,650	588.75%
Total revenues	10,508,513	13,705,506	3,196,993	30.42%
Expenses				
Wages and fringe benefits	488,092	549,653	61,561	12.61%
Contractual services	111,954	109,437	(2,517)	-2.25%
Supplies and services	1,440,020	2,211,134	771,114	53.55%
Transfers out	8,001,402	8,000,000	(1,402)	-0.02%
Total expenditures	10,041,468	10,870,224	828,756	8.25%
Change in net position	<u>\$ 467,045</u>	<u>\$ 2,835,282</u>	<u>\$ 2,368,237</u>	<u>507.07%</u>

Revenues increased by \$3.2 million, or 30.4% mainly as a result of a \$2.1 million increase in charges for services. This occurred because of an increase in delinquencies, which led to increased penalty and fee collections. Additionally, the fund experienced an increase of \$1.1 million in investment income, which was the result of significantly higher interest rates in 2022 as compared to 2021.

Expenses increased by \$0.8 million, or 8.25%, mainly as a result of tax foreclosures increasing by \$0.74 million. Foreclosure collections increased as a result of the end of deferment programs that were in place during the COVID-19 pandemic.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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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

	2021	2022	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Federal and state grants	\$ 17,739,601	\$ 8,563,328	\$ (9,176,273)	-51.73%
Charges for services	208,960,642	274,876,515	65,915,873	31.54%
Other	107,477	22,499	(84,978)	-79.07%
Investment income	190,731	814,510	623,779	327.05%
Transfers in	7,074,279	7,003,839	(70,440)	-1.00%
Total revenues	234,072,730	291,280,691	57,207,961	24.44%
Expenses				
Wages and fringe benefits	20,455,305	14,157,198	(6,298,107)	-30.79%
Contractual services	185,620,565	223,716,327	38,095,762	20.52%
Utilities	443,021	143,435	(299,586)	-67.62%
Repairs and maintenance	17,264	161,146	143,882	833.42%
Supplies and services	16,120,137	9,518,089	(6,602,048)	-40.96%
Depreciation	18,810	119,759	100,949	536.68%
Total expenditures	222,675,102	247,815,954	25,140,852	11.29%
Change in net position	\$ 11,397,628	\$ 43,464,737	\$ 32,067,109	281.35%

Community Mental Health is funded primarily by Medicare and Medicaid. Revenues increased by \$57.2 million as a result of additional expenses, specifically, contractual services. Expenses increased by \$25.1 million, mainly as a result of additional services provided via contractual services and supplies and services as well as a reduction in pension expense in the amount of \$11.4 million.

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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

	2021	2022	Increase (Decrease)	
			\$ Change	% Change
Revenues				
Charges for services	\$ 273,649	\$ 315,232	\$ 41,583	15.20%
Other	4,280	900	(3,380)	-78.97%
Investment income	-	76	76	100.00%
Transfers in	52,922	86,000	33,078	62.50%
Total revenues	330,851	402,208	71,357	21.57%
Expenses				
Wages and fringe benefits	87,892	83,925	(3,967)	-4.51%
Utilities	98,974	119,281	20,307	20.52%
Repairs and maintenance	68,088	137,003	68,915	101.21%
Supplies and services	75,897	117,218	41,321	54.44%
Depreciation	137,333	133,080	(4,253)	-3.10%
Total expenditures	468,184	590,507	122,323	26.13%
Change in net position	<u>\$ (137,333)</u>	<u>\$ (188,299)</u>	<u>\$ (50,966)</u>	<u>37.11%</u>

Total revenue increased by \$71,357, or 21.6%. The increase was mainly as a result of increased charges for services due to increased activities at the facility, along with an increase in the transfer in from the county's General Fund.

Expenses increased by \$122,323, or 26.1%. Utilities, repairs and maintenance, as well as supplies and services all increased in 2022 as a result of more activities at the park.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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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

	<u>Original</u>	<u>Final Amended</u>	<u>Actual</u>	<u>Variance, Favorable (Unfavorable)</u>	
	<u>Budget</u>	<u>Budget</u>		<u>\$ Difference</u>	<u>% Difference</u>
Revenues					
Property taxes	\$ 141,552,700	\$ 141,552,700	\$ 140,932,483	\$ (620,217)	-0.44%
Licenses and permits	1,466,200	1,466,200	1,682,489	216,289	14.75%
Federal and state grants	42,655,300	42,723,082	43,674,121	951,039	2.23%
Charges for services	38,886,900	39,236,700	40,041,050	804,350	2.05%
Charges to other funds for administrative services	14,203,900	14,203,900	13,898,553	(305,347)	-2.15%
Fines and forfeitures	504,500	504,500	661,031	156,531	31.03%
Interest and rents	2,488,500	2,488,500	7,381,479	4,892,979	196.62%
Other revenue	78,600	78,600	294,916	216,316	275.21%
Transfers in	8,000,000	8,000,000	8,000,000	-	0.00%
Total revenues	<u>\$ 249,836,600</u>	<u>\$ 250,254,182</u>	<u>\$ 256,566,122</u>	<u>\$ 6,311,940</u>	<u>2.52%</u>

The federal and state grants favorable variance of \$1 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 2022, the excess payment amounted to \$5.7 million. Because these payments are not statutorily guaranteed, the county only budgets for 100% of its qualified loss and an estimate for the excess payment in years when one is reasonably expected to occur, so of the \$8.8 million total PPT reimbursement received in 2022, only \$8 million was budgeted, a variance of \$0.8 million.

Within the interest and rents revenue category, interest rates rose aggressively throughout 2022, leading to a substantial favorable variance of \$4.9 million. After recording interest revenue in the general fund of \$294,000 in 2021, the county anticipated higher interest rates and increased the budget for interest revenue from \$727,000 in 2021 to \$800,000 in 2022, anticipating an increase of over 270%. Interest revenue ended up increasing to \$5,678,236, an amount nineteen times higher than 2021's interest revenue total.

Charges for services had a favorable variance of \$0.8 million mainly as a result of real estate transfer tax and recording fee revenues. The variance was caused by a robust housing market that saw prices continue to rise for much of 2022, but also saw fewer houses sell as supply fell. The result was higher than budgeted real estate transfer taxes, which are sale price based (\$1.4 million favorable variance), and lower than budgeted recording fee revenues, which are transaction based (\$0.5 million unfavorable variance).

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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	\$ 1,782,100	\$ 1,745,622	\$ 1,657,838	\$ 87,784	94.97%
Judicial					
Circuit court	8,898,700	8,737,466	7,865,870	871,596	90.02%
District court - 3rd class	19,000	19,000	6,503	12,497	34.23%
District court - New Baltimore	1,454,200	1,406,149	1,307,985	98,164	93.02%
District court - Romeo	1,341,000	1,302,291	1,199,534	102,757	92.11%
Family counseling	71,100	70,582	45,710	24,872	64.76%
Family court - Juvenile division	5,984,300	5,901,909	6,005,510	(103,601)	101.76%
Jury commission	154,700	154,700	9,508	145,192	6.15%
Law library	9,000	9,000	9,616	(616)	106.84%
Probate court	3,569,800	3,509,763	3,481,571	28,192	99.20%
Probation - Circuit court	127,800	127,800	85,424	42,376	66.84%
Prosecuting attorney	12,492,700	12,013,720	11,298,963	714,757	94.05%
Total judicial	34,122,300	33,252,380	31,316,194	1,936,186	94.18%
General government					
Building authority	500	500	140	360	28.00%
County clerk	5,860,500	5,712,798	5,082,794	630,004	88.97%
County executive	1,774,000	1,730,560	1,679,368	51,192	97.04%
Corporation counsel	1,184,700	1,239,769	1,210,774	28,995	97.66%
Elections	842,800	958,234	727,257	230,977	75.90%
Ethics board	4,700	4,700	542	4,158	11.53%
Equalization	1,059,700	1,047,550	1,002,419	45,131	95.69%
Facilities and operations	17,367,200	17,124,441	16,422,739	701,702	95.90%
Finance	2,528,400	2,458,880	2,328,451	130,429	94.70%
Human resources	3,047,200	2,979,423	2,747,707	231,716	92.22%
Information technology	11,273,300	11,247,898	10,967,319	280,579	97.51%
MSU extension	1,020,600	1,003,790	944,721	59,069	94.12%
Purchasing	1,387,700	1,335,240	1,159,354	175,886	86.83%
Register of deeds	1,928,400	1,841,699	1,686,812	154,887	91.59%
Treasurer	2,433,200	2,406,727	2,369,366	37,361	98.45%
Total general government	51,712,900	51,092,209	48,329,763	2,762,446	94.59%
Public safety					
Civil service commission	48,500	72,367	65,984	6,383	91.18%
Emergency management	1,519,900	1,469,940	1,487,520	(17,580)	101.20%
Sheriff department	72,026,900	70,999,475	71,983,173	(983,698)	101.39%
Total public safety	73,595,300	72,541,782	73,536,677	(994,895)	101.37%

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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	\$ 7,032,900	\$ 7,053,701	\$ 7,133,951	\$ (80,250)	101.14%
Health and welfare					
Animal shelter	2,113,900	2,046,890	1,878,286	168,604	91.76%
Health & community services	213,300	212,141	199,843	12,298	94.20%
Health department	19,275,100	18,310,007	15,850,389	2,459,618	86.57%
Social services	59,500	59,500	58,586	914	98.46%
Total health and welfare	21,661,800	20,628,538	17,987,104	2,641,434	87.20%
Community and economic development					
Planning and economic development	3,905,000	3,801,593	3,524,609	276,984	92.71%
Other current operations					
Non-departmental appropriations	3,646,700	3,832,504	2,903,046	929,458	75.75%
Vacant position turnover factor	(3,532,400)	-	-	-	0.00%
Total other current operations	114,300	3,832,504	2,903,046	929,458	75.75%
Capital outlay	13,570,800	2,258,199	2,685,166	(426,967)	118.91%
Transfers out	38,637,300	51,165,864	51,069,880	95,984	99.81%
Total expenditures	<u>\$ 246,134,700</u>	<u>\$ 247,372,392</u>	<u>\$ 240,144,228</u>	<u>\$ 7,228,164</u>	<u>97.08%</u>

The total budget for the General Fund was increased by \$1.2 million during the year, and the fund experienced a \$7.2 million favorable variance between the final amended budget (\$247.4 million) and actual expenditures (\$240.2 million).

Budget amendments spreading the \$3.5 million vacant position turnover factor had a small impact on most department budgets.

The Sheriff's Department experienced a \$1 million unfavorable variance. This was mainly caused by vacancies, which led to larger than budgeted overtime expenses, but also lower than budgeted fringe benefit expenses. Overtime cost was in excess of the savings experienced from an average of 40 vacancies in the deputy and correction officer ranks during the year. Specifically, the county budgeted \$3.2 for overtime in the Sheriff's Department, but experienced \$5.8 million in actual expenditures, an unfavorable variance of \$2.7 million. The county budgeted \$31.4 million for base salaries in the Sheriff's Department, but experienced \$30.8 million in actual expenditures, a favorable variance of \$0.6 million. The most significant unfavorable variances in overtime were attributable to county jail overtime caused by staff shortages (\$2.2 million unfavorable variance). Overall, the department experienced an unfavorable variance of \$2.1 million in total salaries and wages, but did experience a \$0.5 million favorable variance in fringe benefits. This was mainly the result of fewer full time employees in the department than budgeted, which lowered health care, dental, life insurance, and other employee-based, rather than payroll dollar-based, fringe benefits. Finally, the Sheriff's Department experienced a favorable variance of \$0.6 million for indirect costs due to those costs being lower than initially budgeted.

The Circuit Court experienced a \$0.9 million favorable variance. This was mainly from jury fee and indirect cost expenses being lower than budgeted. Jury fee expenses experienced a favorable variance of \$0.3 million, mainly as a result of fewer jury trials than had been budgeted for in 2022. While jury expenses increased over 2021, the circuit court still did not have a pre-COVID level of jury trials in 2022. Indirect costs had a favorable variance of \$0.6 million, mainly as a result of those costs being lower than initially budgeted.

The Health Department experienced a \$2.5 million favorable variance. The favorable variances were generally a result of higher budgeted expenditures in core services due to the expectation that service levels would return to pre-COVID levels. However, the actual expenditures did not end up being as high as budgeted, mainly due to COVID activities using health

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department personnel and supplies being charged to the COVID contingency cost center in the General Fund. Most notably, salaries, wages, and fringe benefits were lower than budgeted because of COVID activities as well as vacancies. This resulted in a favorable variance of \$1.1 million. Pharmaceutical supplies, including non-COVID vaccines, had a favorable variance of \$0.8 million, mainly as a result of lower than anticipated demand for vaccines. Finally, indirect costs experienced a favorable variance of \$0.5 million due to those costs being lower than initially budgeted.

Non-departmental appropriations experienced a favorable variance of \$0.9 million as a result of COVID contingency funds not being fully utilized during the year. As most COVID-related funding expired at the end of 2021, the county created the COVID contingency for \$2 million in order to continue certain ongoing COVID-19 mitigation efforts. In 2022, significant COVID contingency expenditures included leasing facilities for COVID testing, as well as contractual services for laboratory testing and medical staff. These costs totaled \$1.3 million in 2022, a favorable variance of \$0.6 million. As the funding was considered a contingency, it was a conservative estimate of potential costs, and a favorable variance was expected by management.

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 2022, with revenues and expenditures within 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 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 eight years for revenues and in five out of the past eight years for expenditures.

Excluding capital outlay and capital-related transfers out, the General Fund experienced total expenditures that were \$7.7 million less than the final amended General Fund Budget. This represented total budget utilization of 96.71%. The General Fund experienced total revenue collections, excluding transfers in, that were \$6.3 million more than the final amended General Fund Budget. This represented a total collection of budgeted revenues equal to 102.61%.

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 - 2022

Year	Collection of Budgeted Revenues	Utilization of Budgeted Expenditures
2022	102.61%	96.71%
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%

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Finally, General Fund revenues exceeded expenditures by \$16.4 million for the year ended December 31, 2022, and actual expenditures, when including capital outlay and related transfers out, were \$7.2 million less than final budgeted expenditures. Unassigned fund balance was \$108 million or 57.1% of 2022 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 \$1.2 billion for governmental activities and \$1.4 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	
	2021	2022	2021	2022	2021	2022
Land	\$ 206,270,896	\$ 206,763,487	\$ 50,000	\$ 50,000	\$ 206,320,896	\$ 206,813,487
Land improvements	4,048,694	3,586,354	274,484	248,709	4,323,178	3,835,063
Buildings and improvements	200,189,431	197,930,791	916,198	815,855	201,105,629	198,746,646
Machinery, equipment and vehicles	21,592,645	22,988,877	90,212	64,993	21,682,857	23,053,870
Infrastructure	644,107,801	754,874,551	-	-	644,107,801	754,874,551
Right to use assets	376,252	157,834	-	203,003	376,252	360,837
Construction in progress	21,106,564	17,515,146	-	-	21,106,564	17,515,146
Total assets	\$ 1,097,692,283	\$ 1,203,817,040	\$ 1,330,894	\$ 1,382,560	\$ 1,099,023,177	\$ 1,205,199,600

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

Long-term debt. The county's total long-term debt was \$226.5 million at December 31, 2022. 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	\$ 207,980,771	\$ -	\$ 15,480,668	\$ 192,500,103	\$ 13,743,088
Business-type activities	36,105,955	-	2,155,090	33,950,865	2,209,601
Total bonded debt and loans	\$ 244,086,726	\$ -	\$ 17,635,758	\$ 226,450,968	\$ 15,952,689

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, 2022 was \$33.7 billion. After adjustments as shown on page E-16, the county's debt limitation was \$3.1 billion at year-end. The county's outstanding debt of \$499.7 million at year end, of which \$226.3 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered when developing the 2023 budget:

Property values were projected to increase 5% in 2023.

Wage cost increases, as an average across the county, of approximately 9% were factored into the 2023 budget.

Health care costs are anticipated to increase 4% for employees and 8% for retirees in 2023.

Market interest rates in 2023 are expected to increase from 2022 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.

Macomb County, Michigan

STATEMENT OF NET POSITION

December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and pooled investments	\$ 544,114,451	\$ 327,389,659	\$ 871,504,110	\$ 79,212,772
Restricted cash	-	-	-	2,544,674
Investments, at fair value	202,184,890	47,700,033	249,884,923	-
Receivables				
Property taxes, net	8,043,590	24,024,204	32,067,794	-
Accrued interest	3,199,538	1,148,146	4,347,684	-
Trade accounts and leases, net	43,953,339	5,583,290	49,536,629	13,820,362
Special assessments	-	-	-	273,226,166
Inventories	6,547,742	-	6,547,742	-
Due from other governments	60,632,389	15,479,512	76,111,901	4,314,936
Due from component units	14,812,438	-	14,812,438	-
Internal balances	(41,417,810)	5,606,373	(35,811,437)	-
Due from fiduciary funds	5,307,345	-	5,307,345	-
Other assets	8,941,734	2,388,426	11,330,160	2,499,922
Net pension asset	-	-	-	2,957,223
Net other post-employment benefits asset	16,223,318	-	16,223,318	-
Capital assets, net				
Assets not being depreciated	224,278,633	50,000	224,328,633	33,848,800
Assets being depreciated	979,538,407	1,332,560	980,870,967	341,209,331
TOTAL ASSETS	2,076,360,004	430,702,203	2,507,062,207	753,634,186
DEFERRED OUTFLOWS OF RESOURCES				
Related to asset retirement obligations	540,316	-	540,316	-
Related to pension	81,468,989	18,438,029	99,907,018	2,123,980
Related to other post-employment benefits	80,200,404	14,375,027	94,575,431	4,487,966
Related to refunded debt	17,184,117	3,519,638	20,703,755	637,634
TOTAL DEFERRED OUTFLOWS OF RESOURCES	179,393,826	36,332,694	215,726,520	7,249,580
LIABILITIES				
Accounts payable and accrued liabilities	63,406,764	27,267,281	90,674,045	19,947,711
Accrued wages payable	4,345,835	710,632	5,056,467	680,702
Accrued interest payable	836,012	149,359	985,371	3,476,665
Due to other governments	6,947,876	117,769,095	124,716,971	2,694,267
Unearned revenue	174,085,784	18,808,069	192,893,853	5,945,829
Long-term liabilities, including leases				
Due within one year	19,569,843	2,557,253	22,127,096	21,240,742
Due in more than one year	201,421,891	33,078,854	234,500,745	301,497,209
Asset retirement obligations	1,000,000	-	1,000,000	-
Net pension liability	28,374,356	1,433,523	29,807,879	-
Net other post-employment benefits liability	79,389,083	16,260,415	95,649,498	5,076,595
TOTAL LIABILITIES	579,377,444	218,034,481	797,411,925	360,559,720
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	2,121,312	-	2,121,312	-
Lease activities	1,849,272	-	1,849,272	237,702
Related to pension	3,999,778	905,228	4,905,006	163,005
Related to other post-employment benefits	78,226,388	15,887,526	94,113,914	4,960,178
TOTAL DEFERRED INFLOWS OF RESOURCES	86,196,750	16,792,754	102,989,504	5,360,885
NET POSITION				
Net investment in capital assets	1,177,106,816	1,382,560	1,178,489,376	176,299,506
Restricted for:				
Capital projects	130,757,994	-	130,757,994	25,855,374
Debt service	100,627	-	100,627	171,349,662
General government	4,523,702	-	4,523,702	-
Health and welfare	37,811,027	-	37,811,027	4,918,198
Planning and economic development	363,709	-	363,709	-
Judicial	1,778,214	-	1,778,214	-
Housing rehabilitation loans	8,128,058	-	8,128,058	-
Mental health and substance abuse	-	98,594,702	98,594,702	-
Public safety	6,596,630	-	6,596,630	-
Public works	-	-	-	35,215,223
Department of Roads liability insurance	6,323,676	-	6,323,676	-
Unrestricted (deficit)	216,689,183	132,230,400	348,919,583	(18,674,802)
TOTAL NET POSITION	\$ 1,590,179,636	\$ 232,207,662	\$ 1,822,387,298	\$ 394,963,161

See accompanying notes to the financial statements.

Macomb County, Michigan

STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
Legislative	\$ 1,724,355	\$ 36,000	\$ -	\$ -	\$ (1,688,355)
Judicial	55,013,675	5,566,356	21,324,962	-	(28,122,357)
General government	49,260,162	15,021,521	265,884	107,086	(33,865,671)
Public safety	99,785,088	26,807,743	6,551,870	4,029,661	(62,395,814)
Public works	87,583,903	41,942,140	-	158,937,406	113,295,643
Health and welfare	147,306,870	16,173,708	117,585,913	-	(13,547,249)
Community and economic development	4,711,288	1,424,720	1,124,547	-	(2,162,021)
Recreation and culture	155,100	39,928	-	-	(115,172)
Interest and fees on long-term debt	6,504,713	-	-	-	(6,504,713)
Total governmental activities	452,045,154	107,012,116	146,853,176	163,074,153	(35,105,709)
Business-type activities					
Delinquent tax collections	2,870,224	12,365,265	-	-	9,495,041
Community mental health	248,459,211	277,941,706	8,563,328	-	38,045,823
Freedom hill park	590,770	323,452	-	-	(267,318)
Interest and fees on long-term debt	1,133,370	-	-	-	(1,133,370)
Total business-type activities	253,053,575	290,630,423	8,563,328	-	46,140,176
Total primary government	\$ 705,098,729	\$ 397,642,539	\$ 155,416,504	\$ 163,074,153	\$ 11,034,467
Component units					
Drainage districts	\$ 79,369,968	\$ 76,838,059	\$ -	\$ 1,926,773	\$ (605,136)
Martha T. Berry medical care facility	29,761,643	28,442,944	2,218,558	-	899,859
Workforce development board	24,010,738	159	24,475,469	-	464,890
Total component units	\$ 133,142,349	\$ 105,281,162	\$ 26,694,027	\$ 1,926,773	\$ 759,613
		Governmental Activities	Business-Type Activities	Total	Component Units
Changes in net position					
Net (expense) revenue from above		\$ (35,105,709)	\$ 46,140,176	\$ 11,034,467	\$ 759,613
General revenues					
Property taxes		145,859,402	-	145,859,402	-
Intergovernmental revenues - unrestricted		34,683,345	-	34,683,345	297,222
Investment earnings		6,375,891	4,254,471	10,630,362	11,424,731
Transfers - internal activities		(609,168)	(910,161)	(1,519,329)	-
Total general revenues and transfers		186,309,470	3,344,310	189,653,780	11,721,953
CHANGE IN NET POSITION		151,203,761	49,484,486	200,688,247	12,481,566
Net position, beginning of year (1)		1,438,975,875	182,723,176	1,621,699,051	382,481,595
Net position, end of year		\$ 1,590,179,636	\$ 232,207,662	\$ 1,822,387,298	\$ 394,963,161

(1) - As restated. See Notes to the Basic Financial Statements, Note 21.

See accompanying notes to the financial statements.

Macomb County, Michigan

BALANCE SHEET – GOVERNMENTAL FUNDS

December 31, 2022

	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	\$ 117,167,744	\$ 143,832,218	\$ -	\$ -	\$ 169,758,815	\$ 60,782,243	\$ 491,541,020
Receivables							
Property taxes, net	6,064,669	-	-	-	-	1,978,921	8,043,590
Accrued interest	2,586,512	471,689	-	-	-	-	3,058,201
Trade accounts and leases, net	7,050,594	2,564,480	-	11,478	-	32,709,609	42,336,161
Inventories	-	4,125,561	2,187,470	-	-	-	6,313,031
Due from other governments	15,038,198	18,736,793	48,600	14,399,868	-	12,388,930	60,612,389
Due from governmental funds	807,597	-	-	-	-	-	807,597
Due from proprietary funds	7,470,485	-	-	-	-	-	7,470,485
Due from component units	2,377,700	-	-	-	-	-	2,377,700
Due from fiduciary funds	5,307,345	-	-	-	-	-	5,307,345
Other assets	2,307,163	3,250,194	-	112,678	-	70,139	5,740,174
TOTAL ASSETS	\$ 166,178,007	\$ 172,980,935	\$ 2,236,070	\$ 14,524,024	\$ 169,758,815	\$ 107,929,842	\$ 633,607,693
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 3,305,220	\$ 42,393,965	\$ -	\$ 907,653	\$ -	\$ 9,234,018	\$ 55,840,856
Accrued liabilities	3,230,807	-	-	-	-	400,529	3,631,336
Accrued compensation and benefits	2,169,773	808,498	-	266,408	-	1,101,156	4,345,835
Due to other governments	306,830	-	-	271	-	6,640,775	6,947,876
Due to governmental funds	-	-	48,600	11,074,987	-	2,588,549	13,712,136
Due to proprietary funds	27,032,078	-	-	-	-	-	27,032,078
Accrued workers compensation claims	-	4,508	-	-	-	-	4,508
Unearned revenue	-	-	-	100,000	169,758,815	4,226,969	174,085,784
TOTAL LIABILITIES	36,044,708	43,206,971	48,600	12,349,319	169,758,815	24,191,996	285,600,409
DEFERRED INFLOWS OF RESOURCES							
Property taxes levied in advance	-	-	-	-	-	2,121,312	2,121,312
Lease activities	1,198,311	-	-	-	-	650,961	1,849,272
Unavailable property taxes	4,829,605	-	-	-	-	-	4,829,605
Unavailable grants and other charges	11,412,814	1,281,722	-	467,463	-	24,346,079	37,508,078
TOTAL DEFERRED INFLOWS OF RESOURCES	17,440,730	1,281,722	-	467,463	-	27,118,352	46,308,267
FUND BALANCES							
Nonspendable	4,684,863	7,375,755	2,187,470	112,678	-	70,139	14,430,905
Restricted	-	121,116,487	-	1,772,261	-	39,898,693	162,787,441
Assigned	-	-	-	-	-	22,544,902	22,544,902
Unassigned	108,007,706	-	-	(177,697)	-	(5,894,240)	101,935,769
TOTAL FUND BALANCES	112,692,569	128,492,242	2,187,470	1,707,242	-	56,619,494	301,699,017
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 166,178,007	\$ 172,980,935	\$ 2,236,070	\$ 14,524,024	\$ 169,758,815	\$ 107,929,842	\$ 633,607,693

(1) - Balance Sheet as of September 30, 2022

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, 2022

Total fund balances for governmental funds \$ 301,699,017

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	\$ 206,763,487
Land improvements	11,691,774
Buildings and improvements	388,861,398
Machinery, equipment, and vehicles	109,851,092
Infrastructure	1,707,982,881
Right to use assets	1,213,882
Construction in progress	17,432,503
Accumulated depreciation	<u>(1,240,755,770)</u>

Capital assets, net of accumulated depreciation 1,203,041,247

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. (2,398,061)

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. 42,337,683

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 (3,999,778)
Deferred outflows related to pension 81,468,989

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 540,316

Net pension liability is not due and payable in the current year and is not reported in the governmental funds. (28,374,356)

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 (657,876)
Deferred outflows related to other post-employment benefits 10,016,451

Net OPEB liability is not due and payable in the current year and is not reported in the governmental funds. 16,223,318

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. (26,710,224)

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. (160,635)

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. (1,834,170)

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. (12,285)

Net position of governmental activities \$ 1,590,179,636

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, 2022

	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	\$ 140,932,483	\$ -	\$ -	\$ -	\$ -	\$ 2,053,418	\$ 142,985,901
Licenses and permits	1,682,489	1,126,848	-	-	-	478,300	3,287,637
Federal and state grants	43,674,121	158,937,406	-	73,551,100	-	45,802,316	321,964,943
Other grants	-	-	-	-	-	355,883	355,883
Charges for services	40,041,050	36,517,921	-	4,166,601	-	13,935,270	94,660,842
Charges to other funds for administrative services	13,898,553	-	-	-	-	-	13,898,553
Fines and forfeitures	661,031	-	-	-	-	892,384	1,553,415
Interest and rents	7,381,479	586,666	-	-	-	110,990	8,079,135
Other revenue	294,916	723,245	-	50,423	-	12,314,164	13,382,748
TOTAL REVENUES	248,566,122	197,892,086	-	77,768,124	-	75,942,725	600,169,057
EXPENDITURES							
Current							
Legislative	1,657,838	-	-	-	-	-	1,657,838
Judicial	31,316,194	-	-	-	-	20,850,053	52,166,247
General government	48,329,763	-	-	-	-	1,236,451	49,566,214
Public safety	73,536,677	-	-	-	-	18,334,615	91,871,292
Public works	7,133,951	192,899,504	-	-	-	27,646	200,061,101
Health and welfare	17,987,104	-	1,435,838	82,020,249	-	37,798,801	139,241,992
Community and economic development	3,524,609	-	-	-	-	1,010,786	4,535,395
Recreational and cultural	-	-	-	-	-	88,963	88,963
Other	2,903,046	-	-	-	-	-	2,903,046
Capital outlay	2,685,166	2,177,533	-	201,358	-	13,672,450	18,736,507
Debt service							
Principal	-	70,758	-	-	-	4,875,000	4,945,758
Interest and fees	-	12,401	-	-	-	1,007,074	1,019,475
TOTAL EXPENDITURES	189,074,348	195,160,196	1,435,838	82,221,607	-	98,901,839	566,793,828
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	59,491,774	2,731,890	(1,435,838)	(4,453,483)	-	(22,959,114)	33,375,229
OTHER FINANCING SOURCES (USES)							
Transfers in	8,000,000	-	-	3,916,855	-	49,479,761	61,396,616
Transfers out	(51,069,880)	-	-	-	-	(14,983,538)	(66,053,418)
TOTAL OTHER FINANCING SOURCES (USES)	(43,069,880)	-	-	3,916,855	-	34,496,223	(4,656,802)
NET CHANGE IN FUND BALANCES	16,421,894	2,731,890	(1,435,838)	(536,628)	-	11,537,109	28,718,427
Fund balances, beginning of year (2)	96,270,675	125,760,352	3,623,308	2,243,870	-	45,082,385	272,980,590
Fund balances, end of year	<u>\$ 112,692,569</u>	<u>\$ 128,492,242</u>	<u>\$ 2,187,470</u>	<u>\$ 1,707,242</u>	<u>\$ -</u>	<u>\$ 56,619,494</u>	<u>\$ 301,699,017</u>

(1) - Year ended September 30, 2022

(2) - As restated. See Notes to the Basic Financial Statements, Note 21.

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, 2022

Net change in fund balances - total governmental funds	\$ 28,718,427
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	\$ 169,760,873
Current year depreciation expense	(63,497,574)
Net book value of assets disposed	<u>(188,476)</u>
	106,074,823
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.	17,702,478
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.	5,170,651
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.	(13,169,194)
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.	16,466,149
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.	(9,809,535)
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	(45,898)
Decrease in workers' compensation claims	18,627
Decrease in accrued interest payable	<u>192,154</u>
	<u>164,883</u>
Change in net position of governmental activities	<u>\$ 151,203,761</u>

See accompanying notes to the financial statements.

Macomb County, Michigan

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

December 31, 2022

	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	\$ 103,172,134	\$ 223,736,121	\$ 322,706	\$ 327,230,961	\$ 52,732,129
Investments, at fair value	-	-	-	-	249,884,923
Receivables					
Property taxes, net	24,024,204	-	-	24,024,204	-
Accrued interest	977,593	141,605	-	1,119,198	170,285
Trade accounts, net	4,534,980	684,434	93,549	5,312,963	1,887,505
Inventories	-	-	-	-	234,711
Due from other governments	-	15,479,512	-	15,479,512	20,000
Due from component unit	-	-	-	-	12,434,738
Due from governmental funds	-	3,800,621	-	3,800,621	324,559
Due from fiduciary funds	-	-	-	-	-
Other assets	10,000	2,378,426	-	2,388,426	3,201,560
Total current assets	132,718,911	246,220,719	416,255	379,355,885	320,890,410
Noncurrent assets					
Capital assets, net					
Assets not being depreciated	-	-	50,000	50,000	-
Assets being depreciated	-	250,320	1,082,240	1,332,560	775,793
Total noncurrent assets	-	250,320	1,132,240	1,382,560	775,793
TOTAL ASSETS	132,718,911	246,471,039	1,548,495	380,738,445	321,666,203
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	-	18,438,029	-	18,438,029	-
Related to other post-employment benefits	-	-	-	-	84,558,980
Related to refunded debt	-	-	-	-	20,703,755
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	18,438,029	-	18,438,029	105,262,735
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	901,665	26,265,623	73,683	27,240,971	3,960,882
Accrued wages payable	7,670	701,639	1,323	710,632	-
Accrued interest payable	-	-	-	-	824,736
Due to other governments	12,618	117,756,477	-	117,769,095	-
Due to governmental funds	-	-	-	-	7,470,485
Unearned revenue	-	18,808,069	-	18,808,069	-
Long-term liabilities due within one year	-	113,315	-	113,315	17,156,819
Total current liabilities	921,953	163,645,123	75,006	164,642,082	29,412,922
Noncurrent liabilities					
Long-term liabilities due in more than one year	-	80,172	-	80,172	210,716,348
Net pension liability	-	1,433,523	-	1,433,523	-
Net other post-employment benefits liability	-	-	-	-	95,649,498
Total noncurrent liabilities	-	1,513,695	-	1,513,695	306,365,846
TOTAL LIABILITIES	921,953	165,158,818	75,006	166,155,777	335,778,768
DEFERRED INFLOWS OF RESOURCES					
Related to pension	-	905,228	-	905,228	-
Related to other post-employment benefits	-	-	-	-	93,456,038
TOTAL DEFERRED INFLOWS OF RESOURCES	-	905,228	-	905,228	93,456,038
NET POSITION					
Net investment in capital assets	-	250,320	1,132,240	1,382,560	775,793
Restricted for:					
Mental health and substance abuse	-	98,594,702	-	98,594,702	-
Department of Roads liability insurance	-	-	-	-	6,323,676
Unrestricted (deficit)	131,796,958	-	341,249	132,138,207	(9,405,337)
TOTAL NET POSITION	\$ 131,796,958	\$ 98,845,022	\$ 1,473,489	\$ 232,115,469	\$ (2,305,868)
RECONCILIATION OF THE STATEMENT OF NET POSITION FOR PROPRIETARY FUNDS					
Total net position of enterprise funds / internal service funds				\$ 232,115,469	\$ (2,305,868)
Add (subtract): Business-type equity in the net position of internal service funds				92,193	(92,193)
Net position reported in the government-wide statement of net position				<u>\$ 232,207,662</u>	<u>\$ (2,398,061)</u>

(1) - Year ended September 30, 2022

See accompanying notes to the financial statements.

Macomb County, Michigan

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

Year Ended December 31, 2022

	Major Business-Type Activities - Enterprise Funds	
	Delinquent Tax Revolving	Community Mental Health (1)
OPERATING REVENUES		
Federal and state grants	\$ -	\$ 8,563,328
Charges for services	12,365,265	274,876,515
Other	-	22,499
TOTAL OPERATING REVENUES	12,365,265	283,462,342
OPERATING EXPENSES		
Wages and fringe benefits	549,653	14,157,198
Contractual services	109,437	223,716,327
Utilities	-	143,435
Repairs and maintenance	-	161,146
Benefits and claims expenses	-	-
Supplies and services	2,211,134	9,518,089
Depreciation	-	119,759
TOTAL OPERATING EXPENSES	2,870,224	247,815,954
OPERATING INCOME (LOSS)	9,495,041	35,646,388
NONOPERATING REVENUES (EXPENSES)		
Investment income (expense)	1,340,241	814,510
Interest expense	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	1,340,241	814,510
NET INCOME (LOSS) BEFORE TRANSFERS	10,835,282	36,460,898
TRANSFERS		
Transfers in	-	7,003,839
Transfers out	(8,000,000)	-
NET TRANSFERS	(8,000,000)	7,003,839
CHANGE IN NET POSITION	2,835,282	43,464,737
Net position, beginning of year	128,961,676	55,380,285
Net position, end of year	\$ 131,796,958	\$ 98,845,022

(1) - Year ended September 30, 2022

Macomb County, Michigan

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

Year Ended December 31, 2022

	Nonmajor	Enterprise Fund	Internal Service
	Enterprise Fund		
	Freedom Hill Park	Totals	
OPERATING REVENUES			
Federal and state grants	\$ -	\$ 8,563,328	\$ -
Charges for services	315,232	287,557,012	86,152,525
Other	900	23,399	129,706
TOTAL OPERATING REVENUES	316,132	296,143,739	86,282,231
OPERATING EXPENSES			
Wages and fringe benefits	83,925	14,790,776	-
Contractual services	-	223,825,764	-
Utilities	119,281	262,716	-
Repairs and maintenance	137,003	298,149	-
Benefits and claims expenses	-	-	73,736,939
Supplies and services	117,218	11,846,441	3,579,684
Depreciation	133,080	252,839	319,655
TOTAL OPERATING EXPENSES	590,507	251,276,685	77,636,278
OPERATING INCOME (LOSS)	(274,375)	44,867,054	8,645,953
NONOPERATING REVENUES (EXPENSES)			
Investment income (expense)	76	2,154,827	(12,323,293)
Interest expense	-	-	(6,807,063)
TOTAL NONOPERATING REVENUES (EXPENSES)	76	2,154,827	(19,130,356)
NET INCOME (LOSS) BEFORE TRANSFERS	(274,299)	47,021,881	(10,484,403)
TRANSFERS			
Transfers in	86,000	7,089,839	4,047,634
Transfers out	-	(8,000,000)	-
NET TRANSFERS	86,000	(910,161)	4,047,634
CHANGE IN NET POSITION	(188,299)	46,111,720	(6,436,769)
Net position, beginning of year (2)	1,661,788	186,003,749	4,130,901
Net position, end of year	\$ 1,473,489	\$ 232,115,469	\$ (2,305,868)

(2) - As restated. See Notes to the Basic Financial Statements, Note 21.

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	\$ 46,111,720	\$ (6,436,769)
Add (subtract): Increase (decrease) in business-type activities' equity of internal service funds	3,372,766	(3,372,766)
Net income (loss) in the government-wide statement of activities	\$ 49,484,486	\$ (9,809,535)

See accompanying notes to the financial statements.

Macomb County, Michigan

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

Year Ended December 31, 2022

	Major Business-Type Activities - Enterprise Funds	
	Delinquent Tax Revolving	Community Mental Health (1)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 59,116,843	\$ 290,821,808
Cash received from interfund services	-	-
Cash payments for delinquent taxes	(45,308,234)	-
Cash payments to employees and employee trusts	(658,350)	(25,440,090)
Cash payments to suppliers	(2,890,619)	(220,678,596)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	10,259,640	44,703,122
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal and interest paid on long-term debt	-	(111,018)
Transfers in	-	7,003,839
Transfers out	(8,000,000)	-
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	(8,000,000)	6,892,821
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	445,430	672,907
Proceeds from sale and maturities of investment securities	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	445,430	672,907
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	2,705,070	52,268,850
Cash and pooled investments, beginning of year	100,467,064	171,467,271
Cash and pooled investments, end of year	<u>\$ 103,172,134</u>	<u>\$ 223,736,121</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 9,495,041	\$ 35,646,388
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	-	119,759
Changes in deferrals related to pension or OPEB	-	(29,486,737)
Changes in assets and liabilities:		
Taxes receivable	1,388,551	-
Accounts receivable	90,736	(118,335)
Inventory	-	-
Due from other governments	-	(7,529,647)
Due from component unit	-	-
Due from other funds	-	(3,800,621)
Other assets	(10,000)	(634,978)
Accounts payable	(669,485)	(14,751,984)
Accrued employee benefits	740	103,884
Due to other governments	(35,943)	28,247,363
Due to other funds	-	-
Unearned revenue	-	18,808,069
Long term liabilities	-	-
Net pension or net OPEB liability	-	18,099,961
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 10,259,640	\$ 44,703,122

(1) - Year ended September 30, 2022

See accompanying notes to the financial statements.

-CONTINUED-

Macomb County, Michigan

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONCLUDED)

Year Ended December 31, 2022

	Nonmajor	Enterprise Fund	Internal Service
	Enterprise Fund		
	Freedom Hill Park	Totals	Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 278,485	\$ 350,217,136	\$ -
Cash received from interfund services	-	-	90,208,745
Cash payments for delinquent taxes	-	(45,308,234)	-
Cash payments to employees and employee trusts	(83,871)	(26,182,311)	(52,165,272)
Cash payments to suppliers	(387,225)	(223,956,440)	(72,388,769)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(192,611)	54,770,151	(34,345,296)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Principal and interest paid on long-term debt	-	(111,018)	(18,010,888)
Transfers in	86,000	7,089,839	4,047,634
Transfers out	-	(8,000,000)	-
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	86,000	(1,021,179)	(13,963,254)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	-	(369,589)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	-	1,118,337	5,085,531
Proceeds from sale and maturities of investment securities	-	-	41,295,923
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	-	1,118,337	46,381,454
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	(106,611)	54,867,309	(2,296,685)
Cash and pooled investments, beginning of year	429,317	272,363,652	55,028,814
Cash and pooled investments, end of year	<u>\$ 322,706</u>	<u>\$ 327,230,961</u>	<u>\$ 52,732,129</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (274,375)	\$ 44,867,054	\$ 8,645,953
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	133,080	252,839	319,655
Changes in deferrals related to pension or OPEB	-	(29,486,737)	(99,630,563)
Changes in assets and liabilities:			
Taxes receivable	-	1,388,551	-
Accounts receivable	(37,647)	(65,246)	(1,486,541)
Inventory	-	-	(4,783)
Due from other governments	-	(7,529,647)	372,836
Due from component unit	-	-	1,560,000
Due from other funds	-	(3,800,621)	1,131,446
Other assets	-	(644,978)	54,518
Accounts payable	(13,723)	(15,435,192)	413,691
Accrued employee benefits	54	104,678	-
Due to other governments	-	28,211,420	-
Due to other funds	-	-	1,180,589
Unearned revenue	-	18,808,069	-
Long term liabilities	-	-	2,880,932
Net pension or net OPEB liability	-	18,099,961	50,216,971
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (192,611)	\$ 54,770,151	\$ (34,345,296)

See accompanying notes to the financial statements.

Macomb County, Michigan

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ASSETS		
Cash and pooled investments	\$ 73,088,897	\$ 10,370,350
Investments, at fair value		
Common stock	478,609,087	-
Foreign stock	98,544,612	-
Limited partnership	336,720,810	-
Real estate investment trusts	29,852,319	-
Fixed income common collective trusts	143,818,348	-
Equity common collective trusts	317,874,202	-
Interest in pooled investment	92,073,817	-
	<hr/>	<hr/>
Total investments, at fair value	1,497,493,195	-
Receivables		
Accrued interest	1,108,331	-
Other	317,239	15,180
Due from other governments	-	42,519
Other assets	48,785	-
	<hr/>	<hr/>
TOTAL ASSETS	1,572,056,447	10,428,049
LIABILITIES		
Accounts payable	2,699,254	2,383,014
Accrued compensation and benefits	6,460,822	-
Due to other governments	-	6,384,448
Due to primary government	5,307,345	-
	<hr/>	<hr/>
TOTAL LIABILITIES	14,467,421	8,767,462
NET POSITION		
Restricted for:		
Pension benefits	1,066,443,974	-
Other postemployment benefits	491,145,052	-
Individuals, organizations, and other governments	-	1,660,587
	<hr/>	<hr/>
	\$ 1,557,589,026	\$ 1,660,587
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to the financial statements.

Macomb County, Michigan

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ADDITIONS		
Investment income (loss):		
Interest and dividends	\$ 22,852,887	\$ 17,505
Net change in fair value of investments	(289,016,013)	-
Less investment expenses	(10,032,268)	-
	<hr/>	<hr/>
Net investment income (loss)	(276,195,394)	17,505
Contributions		
Employer	38,874,731	-
Employee	2,816,531	-
	<hr/>	<hr/>
Total contributions	41,691,262	-
Tax collections for other governments	-	207,256,608
Tax adjustments collected from other governments	-	5,040,824
State funds collected for other governments	-	182,375
Forfeitures collected for other governments	-	343,124
Fee and fine collections for other governments	-	771,868
Real estate transfer taxes collected for other governments	-	46,941,744
Payments collected on behalf on others	-	4,999,949
Other collections	-	831,304
	<hr/>	<hr/>
TOTAL ADDITIONS	(234,504,132)	266,385,301
DEDUCTIONS		
Benefit payments	101,097,519	-
Withdrawals and refunds of contributions	401,462	-
Tax collections disbursed to other governments	-	207,256,608
Tax adjustments disbursed to individuals	-	5,040,824
Forfeiture grants disbursed to other governments	-	105,841
Forfeiture proceeds disbursed to other governments	-	369,133
Fees and fines disbursed to other governments	-	771,868
Real estate transfer taxes disbursed to other governments	-	46,941,744
Payments disbursed to others	-	5,004,976
Administrative expenses	904,844	3,000
Other disbursements	-	572,755
	<hr/>	<hr/>
TOTAL DEDUCTIONS	102,403,825	266,066,749
CHANGE IN NET POSITION	(336,907,957)	318,552
Net Position - beginning of year	<hr/> 1,894,496,983	<hr/> 1,342,035
Net Position - end of year	<hr/> <u>\$ 1,557,589,026</u>	<hr/> <u>\$ 1,660,587</u>

See accompanying notes to the financial statements.

Macomb County, Michigan

COMBINING STATEMENT OF NET POSITION – COMPONENT UNITS

December 31, 2022

	Drainage Districts (1)	Martha T. Berry Medical Care Facility	Workforce Development Board (2)	Total
ASSETS				
Cash and pooled investments	\$ 71,098,297	\$ 8,107,660	\$ 6,815	\$ 79,212,772
Restricted cash	2,514,247	30,427	-	2,544,674
Receivables				
Trade accounts and leases, net	10,306,230	3,496,377	17,755	13,820,362
Special assessments	273,226,166	-	-	273,226,166
Due from other governments	-	377,899	3,937,037	4,314,936
Other assets	1,592,009	711,441	196,472	2,499,922
Capital assets, net				
Assets not being depreciated	33,848,800	-	-	33,848,800
Assets being depreciated	331,473,863	5,120,251	4,615,217	341,209,331
Net pension asset	-	2,957,223	-	2,957,223
TOTAL ASSETS	724,059,612	20,801,278	8,773,296	753,634,186
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	-	2,123,980	-	2,123,980
Related to other post-employment benefits	-	4,487,966	-	4,487,966
Related to refunded debt	637,634	-	-	637,634
TOTAL DEFERRED OUTFLOWS OF RESOURCES	637,634	6,611,946	-	7,249,580
LIABILITIES				
Accounts payable and accrued liabilities	15,030,928	1,420,972	3,495,811	19,947,711
Accrued wages payable	-	457,425	223,277	680,702
Accrued interest payable	3,425,360	51,305	-	3,476,665
Due to other governments	-	2,663,973	30,294	2,694,267
Unearned revenue	5,235,346	710,483	-	5,945,829
Long-term liabilities, including leases				
Due within one year	19,124,889	1,261,554	854,299	21,240,742
Due within more than one year	282,658,724	14,306,756	4,531,729	301,497,209
Net other post-employment benefits liability	-	5,076,595	-	5,076,595
TOTAL LIABILITIES	325,475,247	25,949,063	9,135,410	360,559,720
DEFERRED INFLOWS OF RESOURCES				
Lease activities	237,702	-	-	237,702
Related to pension	-	163,005	-	163,005
Related to other post-employment benefits	-	4,960,178	-	4,960,178
TOTAL DEFERRED INFLOWS OF RESOURCES	237,702	5,123,183	-	5,360,885
NET POSITION				
Net investment in capital assets	166,564,038	5,120,251	4,615,217	176,299,506
Restricted for:				
Capital projects	25,855,374	-	-	25,855,374
Debt service	171,349,662	-	-	171,349,662
Public works	35,215,223	-	-	35,215,223
Health and welfare	-	4,918,198	-	4,918,198
Unrestricted (deficit)	-	(13,697,471)	(4,977,331)	(18,674,802)
TOTAL NET POSITION	\$ 398,984,297	\$ (3,659,022)	\$ (362,114)	\$ 394,963,161

(1) - Balance Sheet as of September 30, 2022

(2) - Balance Sheet as of June 30, 2022

See accompanying notes to the financial statements.

Macomb County, Michigan

COMBINING STATEMENT OF ACTIVITIES – COMPONENT UNITS

Year Ended December 31, 2022

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	\$ 69,752,272	\$ 76,838,059	\$ -	\$ 1,926,773	\$ 9,012,560
Interest and fees on long-term debt	9,617,696	-	-	-	(9,617,696)
Total Drainage Districts	79,369,968	76,838,059	-	1,926,773	(605,136)
Martha T. Berry Medical Care Facility					
Governmental activities					
Health and welfare	29,437,266	28,442,944	2,218,558	-	1,224,236
Interest and fees on long-term debt	324,377	-	-	-	(324,377)
Total Martha T. Berry Medical Care Facility	29,761,643	28,442,944	2,218,558	-	899,859
Workforce Development Board (2)					
Governmental activities					
Health and welfare	23,884,130	159	24,475,469	-	591,498
Interest and fees on long-term debt	126,608	-	-	-	(126,608)
Total Workforce Development Board	24,010,738	159	24,475,469	-	464,890
Total component units	<u>\$ 133,142,349</u>	<u>\$ 105,281,162</u>	<u>\$ 26,694,027</u>	<u>\$ 1,926,773</u>	<u>\$ 759,613</u>
		Drainage Districts (1)	Martha T. Berry Medical Care Facility	Workforce Development Board (2)	Total
Changes in net position					
Net (expense) revenue from above		\$ (605,136)	\$ 899,859	\$ 464,890	\$ 759,613
General revenues					
Intergovernmental revenues - unrestricted		-	297,222	-	297,222
Investment earnings		11,078,872	345,859	-	11,424,731
Total general revenues		11,078,872	643,081	-	11,721,953
CHANGE IN NET POSITION		10,473,736	1,542,940	464,890	12,481,566
Net position, beginning of year (3)		388,510,561	(5,201,962)	(827,004)	382,481,595
Net position, end of year		<u>\$ 398,984,297</u>	<u>\$ (3,659,022)</u>	<u>\$ (362,114)</u>	<u>\$ 394,963,161</u>

(1) - Year ended September 30, 2022

(2) - Year ended June 30, 2022

(3) - As restated. See Notes to the Basic Financial Statements, Note 21.

See accompanying notes to the financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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, 2022, 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, 2022. 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, 2022.

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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 \$47,449,219 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, 2022

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. Leases

The county is a lessee for noncancelable leases of buildings and equipment. The county recognizes a lease liability and intangible right-to-use asset in the governmental activities, business type activities, and drainage district component unit. The county recognizes lease assets and liabilities with an initial value of \$20,000 or more.

At the commencement of the lease, the county measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

To determine the present value of the expected lease payments, the county uses a discount rate, and also determines the lease term and lease payments to be made. To determine the discount rate, the county uses the interest rate charged by the lessor. When the interest rate is not provided, the county uses its estimated incremental borrowing rate, which is based on treasury yield curves for a similar term and for a similar date as the lease term and commencement date, respectively. To determine the lease term and lease payments, the county includes only the noncancelable period of the lease. Fixed payments due to the lessor and any purchase options that the county is reasonably certain to exercise are used to calculate the total lease payments.

The county monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain modifications to the leases occur that are expected to significantly affect the amount of the lease liability.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Leases (concluded)

Lease assets are reported as right to use assets within capital assets and lease liabilities are reported within long term debt on the statement of net position.

The county is a lessor for noncancelable leases of buildings, cellular towers, and a parking lot. The county recognizes a lease receivable and a deferred inflow of resources in the General Fund (building and cellular tower leases), E911 Radio Maintenance Fund (cellular tower leases), and Drainage District component unit (parking lot).

At the commencement of the lease, the county measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

To determine the present value of the expected lease receipts, the county uses a discount rate, and also determines the lease term and lease payments to be received. To determine the discount rate, the county uses its incremental borrowing rate, which is based on treasury yield curves for a similar term and for a similar date as the lease term and commencement date, respectively. To determine the lease term and lease payments, the county includes only the noncancelable period of the lease. Fixed payments are used to calculate the total lease receivable.

The county monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and deferred inflows of resources if certain modifications to the leases occur that are expected to significantly affect the amount of the lease receivable.

K. Compensated Absences

County employees earn vacation and sick leave benefits based on length of service. Both are fully available for use upon accrual.

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.

L. 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.

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.

M. 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

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pension and Other Postemployment Benefit Costs (OPEB) (concluded)

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.

N. 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.

O. 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, 2022 levy (calendar 2022 revenue) was \$32,856,276,082.

The county operating tax rate for the 2022 levy was 4.3200 mills, and the Veteran's rate was .0660 mills. The county records an allowance of 0.35% for assessment appeals and personal property tax delinquencies. The amount recorded in 2022 was \$493,689.

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.

P. Unearned Revenue

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

Q. 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. 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, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Equity (concluded)

	Major Governmental Funds				Nonmajor Governmental Funds	Total
	General Fund	Road Fund	Coronavirus Response Fund	Community Action Agency (1)		
Nonspendable for:						
Inventories	\$ -	\$ 4,125,561	\$ 2,187,470	\$ -	\$ -	\$ 6,313,031
Long-term receivables	2,377,700	-	-	-	-	2,377,700
Prepaid items	2,307,163	3,250,194	-	112,678	70,139	5,740,174
TOTAL NONSPENDABLE	4,684,863	7,375,755	2,187,470	112,678	70,139	14,430,905
Restricted for:						
Capital projects	-	121,116,487	-	-	984,030	122,100,517
Circuit Court	-	-	-	-	193,633	193,633
Community Action Agency	-	-	-	1,772,261	1,977,609	3,749,870
Community Corrections	-	-	-	-	4,640	4,640
Concealed Pistol License	-	-	-	-	2,138,075	2,138,075
Dispatch and Cellular Fees	-	-	-	-	4,087,410	4,087,410
Debt service	-	-	-	-	100,627	100,627
Friend of the Court	-	-	-	-	1,281,159	1,281,159
Health Department	-	-	-	-	8,272,606	8,272,606
Housing rehabilitation loans	-	-	-	-	8,128,058	8,128,058
Macomb / St. Clair Employment and Training	-	-	-	-	17,966	17,966
MSU Extension	-	-	-	-	117,355	117,355
Opioid Programs	-	-	-	-	5,362,588	5,362,588
Prosecuting Attorney	-	-	-	-	58,377	58,377
Sheriff Department	-	-	-	-	2,048,847	2,048,847
Technology	-	-	-	-	2,382,387	2,382,387
Urban County Block Grant	-	-	-	-	196,209	196,209
Veterans Affairs	-	-	-	-	2,547,117	2,547,117
TOTAL RESTRICTED	-	121,116,487	-	1,772,261	39,898,693	162,787,441
Assigned for:						
Capital projects	-	-	-	-	18,381,880	18,381,880
Circuit Court	-	-	-	-	876	876
Dispatch and Cellular Fees	-	-	-	-	773,762	773,762
MSU Extension	-	-	-	-	128,537	128,537
Health Department	-	-	-	-	900	900
Debt service	-	-	-	-	825	825
Sheriff Department	-	-	-	-	9,068	9,068
Urban Block Grant	-	-	-	-	3,249,054	3,249,054
TOTAL ASSIGNED	-	-	-	-	22,544,902	22,544,902
Unassigned	108,007,706	-	-	(177,697)	(5,894,240)	101,935,769
TOTAL FUND BALANCES	\$ 112,692,569	\$ 128,492,242	\$ 2,187,470	\$ 1,707,242	\$ 56,619,494	\$ 301,699,017

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.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

S. 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 assets that applies to future periods 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 an acquisition of net assets that applies to future periods 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. The property taxes are shown as deferred inflows of resources on both the governmental funds balance sheet as well as the statement of net position. The property taxes will be recognized as revenue in the subsequent fiscal year. The primary government also reports deferred inflows for lease transactions in which the primary government is the lessor. The deferred inflows represent the value of the related lease receivables recorded that are for future fiscal periods. 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.

T. 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, 2022

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, 2022 and September 30, 2022 respectively, are presented on the following page.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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	\$ 43,343	\$ 5,125	0.01%
Bank and money market accounts	183,422,364	45,758,810	18.92%
Certificates of deposit	174,583,647	15,271,614	15.67%
Subtotal - deposits	358,049,354	61,035,549	34.60%
US Government securities	521,796,354	20,721,897	44.76%
Common stock	104,409,790	-	8.62%
Foreign stock	24,437,292	-	2.02%
Real estate investment trusts	73,128,497	-	6.04%
Fixed income common collective trusts	29,762,311	-	2.46%
Equity common collective trusts	18,147,033	-	1.50%
Subtotal - investments	771,681,277	20,721,897	65.40%
Total deposits and investments	1,129,730,631	81,757,446	100.00%
Timing effect of different year ends	2,028,752	-	
Amount reported at December 31, 2022	<u>\$ 1,131,759,383</u>	<u>\$ 81,757,446</u>	
Amount reported in primary government	\$ 1,121,389,033		
Amount reported in custodial funds	10,370,350		
	<u>\$ 1,131,759,383</u>		

The following summarizes the restricted cash and cash equivalents as of December 31, 2022:

	Component Units (Total)
Restricted cash and cash equivalents	
Unspent bond proceeds	\$ 2,514,247
Residents' Trust	30,427
	<u>\$ 2,544,674</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 \$382,324,413, with corresponding bank balances of \$392,833,806. Qualifying deposits are insured by the FDIC up to \$250,000. Of the bank balances, \$3,711,932 was insured and the remaining \$389,121,874 was uninsured and uncollateralized.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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, 2022, 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	\$ 6,815,569	\$ 7,381,053	\$ 2,639,941	\$ 16,836,563	56.57%	16.96%
AA	-	-	982,195	982,195	3.30%	6.31%
A	-	-	4,482,918	4,482,918	15.06%	28.80%
BBB	-	-	7,183,565	7,183,565	24.14%	46.15%
BB	-	-	277,070	277,070	0.93%	1.78%
	<u>\$ 6,815,569</u>	<u>\$ 7,381,053</u>	<u>\$ 15,565,689</u>	<u>\$ 29,762,311</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, 2022.

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 8.2 years.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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, 2022. 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, 2022 are presented below:

	<u>Amount</u>	<u>Percent of Total</u>
Cash and pooled investments	\$ 29,399,308	7.26%
Common stock	89,899,378	22.21%
Foreign stock	24,060,466	5.94%
Limited partnerships	9,569,381	2.36%
Real estate investment trusts	29,852,319	7.37%
Fixed income common collective trusts	47,870,397	11.83%
Equity common collective trusts	174,157,802	43.03%
	<u>\$ 404,809,051</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, 2022, the Fund's investments in debt securities were rated by Standard & Poor's as follows:

Quality Rating	US Treasury	US Agency	Corporate Bonds	Total	Percent of Total	Breakdown of
						Corporate Portfolio
AAA	\$ 11,462,879	\$ 11,023,088	\$ 6,833,707	\$ 29,319,674	61.24%	26.92%
AA	-	-	1,797,994	1,797,994	3.76%	7.08%
A	-	-	5,906,275	5,906,275	12.34%	23.27%
BBB	-	-	10,713,726	10,713,726	22.38%	42.21%
BB+	-	-	132,728	132,728	0.28%	0.52%
	<u>\$ 11,462,879</u>	<u>\$ 11,023,088</u>	<u>\$ 25,384,430</u>	<u>\$ 47,870,397</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, 2022

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

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, 2022.

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 8.6 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 \$15,071,898 with corresponding bank balances of \$15,071,898. 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 \$14,821,898 was uninsured and uncollateralized.

Investments – A summary of the investments of the System at December 31, 2022 is presented below:

	<u>Amount</u>	<u>Percent of Total</u>
Cash and pooled investments	\$ 43,689,589	4.07%
Common stock	388,709,709	36.20%
Foreign stock	74,484,146	6.94%
Limited partnerships	327,151,429	30.46%
Fixed income common collective trusts	95,947,951	8.94%
Equity common collective trusts	143,716,400	13.39%
	<u>\$ 1,073,699,224</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 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

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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

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, 2022, 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	\$ 34,025,441	\$ 11,521,511	\$ 13,385,476	\$ 58,932,428	61.41%	26.57%
AA	-	-	3,565,177	3,565,177	3.72%	7.07%
A+	-	-	515,797	515,797	0.54%	1.02%
A	-	-	11,775,495	11,775,495	12.27%	23.36%
BBB+	-	-	568,183	568,183	0.59%	1.13%
BBB	-	-	20,442,352	20,442,352	21.31%	40.56%
BB	-	-	141,321	141,321	0.15%	0.28%
CC	-	-	5,202	5,202	0.01%	0.01%
Not Rated	-	-	1,996	1,996	0.00%	0.00%
	<u>\$ 34,025,441</u>	<u>\$ 11,521,511</u>	<u>\$ 50,400,999</u>	<u>\$ 95,947,951</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 4.7 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 31.8 percent of the Employees' Retirement System assets and 20.5 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, 2022

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

The primary government of the county had recurring fair value measurements as of December 31, 2022 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	\$ 104,409,790	\$ 104,409,790	\$ -	\$ -
Foreign stock	24,437,292	24,437,292	-	-
Total equity securities	128,847,082	128,847,082	-	-
Fixed income common collective trusts	29,762,311	-	29,762,311	-
Equity common collective trusts	18,147,033	-	18,147,033	-
Real estate investment trust funds	21,893,240	-	21,893,240	-
Total investments by fair value level	198,649,666	<u>\$ 128,847,082</u>	<u>\$ 69,802,584</u>	<u>\$ -</u>
Investments measured at net asset value (NAV)				
Hedge funds	8,687,416			
Private equity	18,026,309			
Real estate funds	24,521,532			
Total investments measured at NAV	<u>51,235,257</u>			
Total investments measured at fair value	<u>\$ 249,884,923</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, 2022, 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, 2022

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	\$ 8,687,416	\$ -	None	N/A
Private equity funds	18,026,309	21,770,840	None	N/A
Real estate funds	<u>24,521,532</u>	<u>6,225,162</u>	None	N/A
Total investments measured at NAV	<u>\$ 51,235,257</u>	<u>\$ 27,996,002</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, 2022 as presented on the following page.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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	478,609,087	478,609,087	-	-
Foreign stock	98,544,612	98,544,612	-	-
Total equity securities	577,153,699	577,153,699	-	-
Limited Partnership investments	1,967	1,967	-	-
Fixed income common collective trusts	143,818,348	-	143,818,348	-
Equity common collective trusts	317,874,202	-	317,874,202	-
Real estate investment trust funds	29,852,319	29,852,319	-	-
Total investments by fair value level	1,068,700,535	<u>\$ 607,007,985</u>	<u>\$ 461,692,550</u>	<u>\$ -</u>
Investments measured at net asset value (NAV)				
Hedge funds	85,454,835			
Infrastructure funds	24,119,116			
Private equity funds	82,436,666			
Real estate funds	143,429,479			
International real estate funds	1,278,747			
Interest in pooled investment	92,073,817			
Total investments measured at NAV	428,792,660			
Total investments measured at fair value	<u>\$ 1,497,493,195</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, 2022

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

At the year ended December 31, 2022, 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	\$ 85,454,835	\$ -	None	N/A
Infrastructure funds	24,119,116	9,958,931	None	N/A
Private equity funds	82,436,666	89,143,595	None	N/A
Real estate funds	143,429,479	24,586,533	None	N/A
International real estate funds	1,278,747	11,116,000	None	N/A
Interest in pooled investment	<u>92,073,817</u>	<u>-</u>	Daily	None
Total investments measured at NAV	<u>\$ 428,792,660</u>	<u>\$ 134,805,059</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, 2022

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.

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, 2022

NOTE 4 – DUE FROM COMPONENT UNIT (CONCLUDED)

	Balance, January 1, 2022	Increases	Decreases	Balance, December 31, 2022
2015 OPEB Bonds	\$ 5,844,671	\$ -	\$ 1,330,000	\$ 4,514,671
2020 OPEB Refunding Bonds	8,150,067	-	230,000	7,920,067
General Fund Loan Repayment	2,743,500	-	365,800	2,377,700
Total, Due from Component Unit	\$ 16,738,238	\$ -	\$ 1,925,800	\$ 14,812,438

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, 2022:

	Beginning Balance, as Restated	Increases	Decreases and Transfers	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 206,270,896	\$ 492,591	\$ -	\$ 206,763,487
Construction in progress	21,106,564	10,002,455	13,593,873	17,515,146
Total capital assets not being depreciated	227,377,460	10,495,046	13,593,873	224,278,633
Capital assets being depreciated:				
Land improvements	11,691,774	-	-	11,691,774
Buildings and building improvements	379,532,734	9,652,278	323,614	388,861,398
Machinery, equipment, and vehicles	111,707,924	10,194,821	5,506,587	116,396,158
Infrastructure	1,554,600,691	153,382,190	-	1,707,982,881
Right to use assets	1,213,882	-	-	1,213,882
Total capital assets being depreciated	2,058,747,005	173,229,289	5,830,201	2,226,146,093
Less accumulated depreciation for:				
Land Improvements	7,643,080	462,340	-	8,105,420
Buildings and building improvements	179,343,303	11,853,544	266,240	190,930,607
Machinery, equipment, and vehicles	90,115,279	8,667,487	5,375,485	93,407,281
Infrastructure	910,492,890	42,615,440	-	953,108,330
Right to use assets	837,630	218,418	-	1,056,048
Total accumulated depreciation	1,188,432,182	63,817,229	5,641,725	1,246,607,686
Net capital assets being depreciated	870,314,823	109,412,060	188,476	979,538,407
Net governmental capital assets	\$ 1,097,692,283	\$ 119,907,106	\$ 13,782,349	\$ 1,203,817,040

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 5 – CAPITAL ASSETS (CONTINUED)

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

	Governmental Assets	Internal Service Assets	Total
Legislative	\$ 1,107	\$ -	\$ 1,107
Judicial	818,935	-	818,935
General government	8,255,686	319,655	8,575,341
Health and welfare	2,846,103	-	2,846,103
Recreation and culture	61,962	-	61,962
Public safety	4,367,868	-	4,367,868
Public works	47,145,913	-	47,145,913
	<u>\$ 63,497,574</u>	<u>\$ 319,655</u>	<u>\$ 63,817,229</u>

A summary of capital asset activity of the business-type activities of the county for the year ended December 31, 2022 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	488,029	-	27,116	460,913
Right to use assets	-	304,505	-	304,505
Total capital assets being depreciated	3,428,512	304,505	27,116	3,705,901
Less accumulated depreciation for:				
Land Improvements	216,826	25,775	-	242,601
Buildings and building improvements	1,532,975	100,343	-	1,633,318
Machinery, equipment, and vehicles	397,817	25,219	27,116	395,920
Right to use assets	-	101,502	-	101,502
Total accumulated depreciation	2,147,618	252,839	27,116	2,373,341
Net capital assets being depreciated	1,280,894	51,666	-	1,332,560
Net business-type capital assets	<u>\$ 1,330,894</u>	<u>\$ 51,666</u>	<u>\$ -</u>	<u>\$ 1,382,560</u>

Depreciation expense of the business-type activities by function totaled \$133,080 for recreation and culture and \$119,759 for health and welfare, for a total reported increase in accumulated depreciation in business-type activities of \$252,839.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 5 – CAPITAL ASSETS (CONTINUED)

The following is a summary of changes in the Drainage Districts Component Unit capital assets for the year ended September 30, 2022:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component Unit - Drainage Districts				
Capital assets not being depreciated:				
Land	\$ 1,484,060	\$ -	\$ -	\$ 1,484,060
Construction in progress	20,671,421	20,896,745	9,203,426	32,364,740
Total capital assets not being depreciated	22,155,481	20,896,745	9,203,426	33,848,800
Capital assets being depreciated:				
Machinery, equipment, and vehicles	2,152,133	240,265	-	2,392,398
Infrastructure	501,533,102	10,955,816	-	512,488,918
Total capital assets being depreciated	503,685,235	11,196,081	-	514,881,316
Less accumulated depreciation for:				
Machinery, equipment, and vehicles	727,401	244,172	-	971,573
Infrastructure	172,295,652	10,140,228	-	182,435,880
Total accumulated depreciation	173,023,053	10,384,400	-	183,407,453
Net capital assets being depreciated	330,662,182	811,681	-	331,473,863
Net drainage district capital assets	<u>\$ 352,817,663</u>	<u>\$ 21,708,426</u>	<u>\$ 9,203,426</u>	<u>\$ 365,322,663</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, 2022:

	<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	6,119,748	242,053	-	6,361,801
Machinery, equipment, and vehicles	2,128,802	13,555	-	2,142,357
Total capital assets being depreciated	8,248,550	255,608	-	8,504,158
Less accumulated depreciation for:				
Buildings and building improvements	1,550,755	475,461	-	2,026,216
Machinery, equipment, and vehicles	1,155,249	202,442	-	1,357,691
Total accumulated depreciation	2,706,004	677,903	-	3,383,907
Net capital assets being depreciated	5,542,546	(422,295)	-	5,120,251
Net Martha T. Berry capital assets	<u>\$ 5,542,546</u>	<u>\$ (422,295)</u>	<u>\$ -</u>	<u>\$ 5,120,251</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 5 – CAPITAL ASSETS (CONCLUDED)

The following is a summary of changes in the Workforce Development Board Component Unit capital assets for the year ended June 30, 2022:

	Beginning Balance, as restated	Increases	Decreases	Ending Balance
Component Unit - Workforce Development Board				
Capital assets being depreciated:				
Right to use assets	7,993,296	1,918,137	497,899	9,413,534
Less accumulated depreciation for:				
Right to use assets	4,531,632	764,584	497,899	4,798,317
Net capital assets being depreciated	3,461,664	1,153,553	-	4,615,217
Net Workforce Development Board capital assets	<u>\$ 3,461,664</u>	<u>\$ 1,153,553</u>	<u>\$ -</u>	<u>\$ 4,615,217</u>

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 6 – LONG-TERM DEBT

The following is a summary of the long-term liability transactions for the year ended December 31, 2022:

	Beginning Balance, as Restated	Increases	Decreases	Ending Balance	Due Within One Year
PRIMARY GOVERNMENT					
Governmental Activities					
<i>General obligation bonds</i>					
<i>Building Authority</i>					
Series 2014 MTB / Youth Home Refunding	\$ 2,105,000	\$ -	\$ 2,105,000	\$ -	\$ -
<i>General County</i>					
Series 2015 Capital Improvement Bonds	28,925,000	-	2,770,000	26,155,000	2,870,000
Series 2015 Retiree Health Care Bonds	69,244,117	-	8,990,749	60,253,368	9,252,143
Series 2020 Refunding Retiree Health Care Bonds	107,244,928	-	1,544,161	105,700,767	1,548,256
<i>Notes from direct borrowings and direct placements</i>					
<i>Department of Roads</i>					
2014 MDOT Infrastructure Loan	171,537	-	32,309	139,228	33,279
2017 MDOT Infrastructure Loan	290,189	-	38,449	251,740	39,410
Total bonded debt and loans	207,980,771	-	15,480,668	192,500,103	13,743,088
<i>Other liabilities</i>					
<i>Compensated absences</i>					
General County	14,388,232	3,803,972	2,496,140	15,696,064	2,465,663
Department of Roads	1,788,272	1,689,063	1,643,165	1,834,170	1,500,000
<i>General liability claims</i>					
General County	6,036,865	6,115,779	3,761,966	8,390,678	1,206,102
Department of Roads	1,227,889	-	635,581	592,308	52,770
<i>Workers' compensation claims</i>					
General County	1,931,965	1,019,219	1,153,822	1,797,362	449,341
Department of Roads	101,186	-	84,393	16,793	4,508
Leases	389,149	-	224,893	164,256	148,371
Total other liabilities	25,863,558	12,628,033	9,999,960	28,491,631	5,826,755
Total governmental activities	233,844,329	12,628,033	25,480,628	220,991,734	19,569,843
Business-Type Activities					
<i>General obligation bonds</i>					
Series 2015 Retiree Health Care Bonds	14,165,883	-	1,839,251	12,326,632	1,892,857
Series 2020 Refunding Retiree Health Care Bonds	21,940,072	-	315,839	21,624,233	316,744
<i>Other liabilities</i>					
Compensated absences	1,502,284	226,704	237,233	1,491,755	234,337
Leases	-	304,505	111,018	193,487	113,315
Total business-type activities	37,608,239	531,209	2,503,341	35,636,107	2,557,253
TOTAL PRIMARY GOVERNMENT	\$ 271,452,568	\$ 13,159,242	\$ 27,983,969	\$ 256,627,841	\$ 22,127,096
DISCRETELY PRESENTED COMPONENT UNITS					
Martha T. Berry Medical Care Facility					
<i>Notes from direct borrowings and direct placements</i>					
Notes payable to Macomb County	\$ 16,738,238	\$ -	\$ 1,925,800	\$ 14,812,438	\$ 991,900
<i>Other liabilities</i>					
Compensated absences	1,104,321	823,357	1,171,806	755,872	269,654
Total Martha T. Berry Medical Care Facility	17,842,559	823,357	3,097,606	15,568,310	1,261,554
Drainage Districts					
<i>General obligation bonds</i>					
Special assessment debt	227,953,770	-	11,596,947	216,356,823	12,045,917
Unamortized premiums	30,131,184	-	1,540,838	28,590,346	1,540,838
Unamortized discounts	(37,598)	-	(4,699)	(32,899)	(4,699)
<i>Notes from direct borrowings and direct placements</i>					
Special assessment debt	63,774,391	-	6,905,048	56,869,343	5,542,833
Total Drainage Districts	321,821,747	-	20,038,134	301,783,613	19,124,889
Workforce Development Board					
<i>Other liabilities</i>					
Leases	4,345,237	1,918,137	877,346	5,386,028	854,299
TOTAL COMPONENT UNITS	\$ 344,009,543	\$ 2,741,494	\$ 24,013,086	\$ 322,737,951	\$ 21,240,742

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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 2014 MTB / Youth Home Refunding	4.00	09/01/14	03/01/22	\$ 15,155,000	\$ -
<i>General County</i>					
Series 2015 Capital Improvement Bonds	3.00 - 4.00	06/23/15	05/01/30	44,210,000	26,155,000
Series 2015 Retiree Health Care Bonds	3.076 - 3.926	03/10/15	11/01/35	218,794,324	60,253,368
Series 2020 Refunding Retiree Health Care Bonds	0.489 - 2.239	10/27/20	11/01/35	108,764,161	105,700,767
Subtotal, general obligation bonds				386,923,485	192,109,135
<i>Notes from direct borrowings and direct placements</i>					
<i>Department of Roads</i>					
2014 MDOT Infrastructure Loan	3.00	07/01/14	07/01/26	472,500	139,228
2017 MDOT Infrastructure Loan	2.50	11/09/17	11/09/27	400,000	251,740
Subtotal, notes from direct borrowings and direct placements				872,500	390,968
Total governmental activities				387,795,985	192,500,103
Business-Type Activities					
<i>General Obligation Bonds</i>					
Series 2015 Retiree Health Care Bonds	3.076 - 3.926	03/10/15	11/01/35	44,760,676	12,326,632
Series 2020 Refunding Retiree Health Care Bonds	0.489 - 2.239	10/27/20	11/01/35	22,250,839	21,624,233
Total business-type activities				67,011,515	33,950,865
TOTAL PRIMARY GOVERNMENT				454,807,500	226,450,968
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	4.00 - 5.00	12/19/13	10/01/29	13,725,000	890,000
Series 2019 refunding	1.76 - 2.59	12/27/19	10/01/29	7,355,000	5,755,000
Series 2020 refunding	0.475 - 1.810	12/10/20	12/31/29	7,225,000	6,905,000
<i>Macomb Interceptor Drain Drainage District</i>					
Series 2017A refunding	3.00 - 5.00	06/07/17	05/01/42	126,425,000	106,090,000
Series 2020	2.00	02/19/20	05/01/26	15,435,000	13,260,000
<i>North Gratiot Interceptor</i>					
Series 2010	5.50 - 6.35	05/11/10	05/01/35	16,965,000	10,430,000
Series 2015 refunding	3.50 - 5.00	08/06/15	05/01/33	16,990,000	11,705,000
Series 2018 refunding	5.00	08/09/15	11/01/31	8,890,000	6,545,000
Series 2020	5.00	02/19/20	05/01/26	1,745,000	1,530,000
<i>Oakland-Macomb Interceptor</i>					
Series 2014	2.00 - 3.125	10/15/14	10/01/34	5,150,335	3,424,065
Series 2019A	1.85	12/19/19	04/01/30	2,322,650	1,810,225
Series 2019B	1.55	12/19/19	10/01/25	4,566,195	1,307,134
Series 2020	2.00 - 5.00	08/19/20	07/01/40	48,723,665	46,705,399
Subtotal, general obligation bonds				275,517,845	216,356,823
<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	1,640,000
State Revolving Fund Loan (5393-01)	2.50	Various	10/01/30	1,246,579	568,579
State Revolving Fund Loan (5460-01)	2.50	Various	04/01/31	418,488	220,345
State Revolving Fund Loan (5579-01)	2.50	Various	10/01/34	445,000	268,366
<i>Lake St. Clair Clean Water Initiative</i>					
State Revolving Fund Series #1 (5186-01)	2.50	Various	10/01/22	20,670,000	-
State Revolving Fund Series #2 (5186-02)	2.50	Various	04/01/22	13,630,000	-
State Revolving Fund Series #3 (5186-03)	2.50	Various	04/08/22	2,640,000	-
State Revolving Fund Series #4 (5186-04)	2.50	Various	10/01/22	5,550,000	-
State Revolving Fund Series #5 (5186-05)	2.50	Various	10/01/23	975,000	60,000
<i>Macomb Interceptor Drain Drainage District</i>					
State Revolving Fund Loan (5487-01)	2.50	Various	04/01/34	8,565,000	5,605,780
State Revolving Fund Loan (5540-01)	2.00	Various	10/01/33	2,250,000	1,344,999
State Revolving Fund Loan (5605-01)	2.50	03/30/16	10/01/36	3,145,000	2,360,000
State Revolving Fund Loan (5624-01)	2.50	Various	10/01/35	3,675,000	1,912,439
State Revolving Fund Loan (5639-03)	2.00	07/22/20	04/01/40	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	6,877,825
State Revolving Fund Loan (5368-02)	2.50	Various	10/01/20	12,532,062	7,647,842
State Revolving Fund Loan (5368-03)	2.00	Various	10/01/34	31,966,690	20,674,806
SAW Program Loan 2001-01	2.50	Various	04/01/36	6,907,116	5,182,370
Subtotal, notes from direct borrowings and direct placements				158,070,075	56,869,343
TOTAL DISCRETELY PRESENTED COMPONENT UNIT				433,587,920	273,226,166
TOTAL REPORTING ENTITY				\$ 888,395,420	\$ 499,677,134

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 6 – LONG-TERM DEBT (CONCLUDED)

All long-term obligations are presented as of December 31, 2022 except for the Special Assessment Debt with Governmental Commitment and Department of Road obligations, which are presented as of September 30, 2022. 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.

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
2023	\$ 13,670,399	\$ 4,973,528	\$ 72,689	\$ 10,471	\$ 2,209,601	\$ 840,411
2024	14,080,998	4,564,161	74,672	8,486	2,269,002	780,639
2025	14,524,897	4,124,010	76,711	6,448	2,335,103	715,552
2026	14,971,079	3,673,033	78,805	4,354	2,403,921	645,897
2027	15,448,749	3,195,766	43,501	2,202	2,481,251	569,007
2028 - 2032	76,556,136	9,182,240	44,590	1,115	13,483,864	1,764,504
2033 - 2037	42,856,877	1,869,993	-	-	8,768,123	382,560
2038 - 2042	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-
	<u>\$ 192,109,135</u>	<u>\$ 31,582,731</u>	<u>\$ 390,968</u>	<u>\$ 33,076</u>	<u>\$ 33,950,865</u>	<u>\$ 5,698,570</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
2023	\$ 15,880,000	\$ 5,813,939	\$ 72,689	\$ 10,471	\$ 12,045,917	\$ 9,255,191	\$ 6,534,733	\$ 1,576,928
2024	16,350,000	5,344,800	74,672	8,486	12,528,031	8,705,973	6,634,518	1,430,028
2025	16,860,000	4,839,562	76,711	6,448	13,030,517	8,169,450	5,565,840	1,291,750
2026	17,375,000	4,318,930	78,805	4,354	13,824,554	7,604,894	5,647,542	1,161,900
2027	17,930,000	3,764,773	43,501	2,202	14,400,846	6,979,377	5,770,782	1,027,478
2028 - 2032	90,040,000	10,946,744	44,590	1,115	72,490,532	24,668,513	29,043,345	3,096,663
2033 - 2037	51,625,000	2,252,553	-	-	49,904,901	9,951,776	12,485,021	461,363
2038 - 2042	-	-	-	-	28,131,525	3,203,601	-	-
2043 - 2047	-	-	-	-	-	-	-	-
	<u>\$ 226,060,000</u>	<u>\$ 37,281,301</u>	<u>\$ 390,968</u>	<u>\$ 33,076</u>	<u>\$ 216,356,823</u>	<u>\$ 78,538,775</u>	<u>\$ 71,681,781</u>	<u>\$ 10,046,110</u>

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 7 – CONDUIT DEBT (CONCLUDED)

To further economic development in the county, 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. The bonds are payable solely from payments received from GS Entertainment, and no further commitments beyond the maintenance of the tax-exempt status of the conduit debt were extended by the county. At December 31, 2022, the loan has a principal balance payable in the amount of \$817,880.

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	17 years	\$ 100,000	\$ 85,714	\$ 4,762	\$ 80,952
12,000 gallon tank - Unleaded	2000	40 years	17 years	100,000	85,714	4,762	80,952
New Haven							
20,000 gallon tank - Diesel	1997	40 years	14 years	100,000	83,332	5,556	77,776
12,000 gallon tank - Unleaded	1997	40 years	14 years	100,000	83,332	5,556	77,776
Clinton Township							
20,000 gallon tank - Diesel	1979	45 years	1 year	100,000	40,000	20,000	20,000
10,000 gallon tank - Diesel	1979	45 years	1 year	100,000	40,000	20,000	20,000
20,000 gallon tank - Unleaded	1979	45 years	1 year	100,000	40,000	20,000	20,000
8,000 gallon tank - Unleaded	1979	45 years	1 year	100,000	40,000	20,000	20,000
Shelby Township							
20,000 gallon tank - Diesel	1993	40 years	10 years	100,000	78,571	7,143	71,428
12,000 gallon tank - Unleaded	1993	40 years	10 years	100,000	78,574	7,142	71,432
				<u>\$ 1,000,000</u>	<u>\$ 655,237</u>	<u>\$ 114,921</u>	<u>\$ 540,316</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.

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

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONCLUDED)

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. Specifically, the transfer out of the delinquent tax revolving fund enterprise and into the general fund is a discretionary annual transfer of the declared surplus of funds collected by the County Treasurer, which is then expended in the general fund. Transfers from the general fund to the community mental health enterprise fund are for a combination of required program contributions as well as fifty percent of the county’s public act 2 “liquor tax” collections to support the substance abuse program. All other transfers are county contributions to various grant programs.

Interfund receivables, payables, and transfers are reported below.

	Due From						
	Major Governmental Fund				Nonmajor Governmental Funds	Internal Service Funds	Total
	General Fund	Coronavirus Response Fund	Community Action Agency (1)	Roads Fund			
Due to							
General Fund	\$ -	\$ 48,600	\$ -	\$ -	\$ 758,997	\$ 7,470,485	\$ 8,278,082
Community Mental Health Enterprise Fund	3,800,621	-	-	-	-	-	3,800,621
Internal Service	-	-	-	324,559	-	-	324,559
	3,800,621	48,600	-	324,559	758,997	7,470,485	12,403,262
Timing differences as a result of interfund transactions occurring in funds with different fiscal year ends	23,231,457	-	11,074,987	(324,559)	1,829,552	-	35,811,437
	<u>\$ 27,032,078</u>	<u>\$ 48,600</u>	<u>\$ 11,074,987</u>	<u>\$ -</u>	<u>\$ 2,588,549</u>	<u>\$ 7,470,485</u>	<u>\$ 48,214,699</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	\$ -	\$ 4,701,121	\$ 34,603,831	\$ 4,047,634	\$ 7,631,294	\$ 86,000	\$ 51,069,880
Nonmajor governmental funds	-	-	14,983,538	-	-	-	14,983,538
Major enterprise fund							
Delinquent Tax Revolving	8,000,000	-	-	-	-	-	8,000,000
Subtotal	8,000,000	4,701,121	49,587,369	4,047,634	7,631,294	86,000	74,053,418
Timing differences as a result of interfund transactions occurring in funds with different fiscal year ends	-	(784,266)	(107,608)	-	(627,455)	-	(1,519,329)
	<u>\$ 8,000,000</u>	<u>\$ 3,916,855</u>	<u>\$ 49,479,761</u>	<u>\$ 4,047,634</u>	<u>\$ 7,003,839</u>	<u>\$ 86,000</u>	<u>\$ 72,534,089</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 10 – LEASES

The county leases certain assets from various third parties. The assets leased include buildings and equipment. Payments are generally fixed monthly rates with escalation in payments over the term of the lease. Lease asset activity of the county is included in the capital asset footnote, Note 5.

Future principal and interest payment requirements related to the county's governmental activities lease liability at December 31, 2022 are as follows:

Years Ending	Principal	Interest	Total
2023	\$ 148,371	\$ 677	\$ 149,048
2024	15,885	11	15,896
Total	<u>\$ 164,256</u>	<u>\$ 688</u>	<u>\$ 164,944</u>

Future principal and interest payment requirements related to the county's business type activities lease liability at September 30, 2022 are as follows:

Years Ending	Principal	Interest	Total
2023	\$ 113,315	\$ 2,996	\$ 116,311
2024	80,172	917	81,089
Total	<u>\$ 193,487</u>	<u>\$ 3,913</u>	<u>\$ 197,400</u>

Future principal and interest payment requirements related to the county's component unit lease liability at June 30, 2022 are as follows:

Years Ending	Principal	Interest	Total
2023	\$ 854,299	\$ 156,967	\$ 1,011,266
2024	896,561	130,867	1,027,428
2025	916,992	103,393	1,020,385
2026	593,265	77,066	670,331
2027	217,949	61,447	279,396
2028-2032	994,526	225,076	1,219,602
2033-2037	878,588	87,394	965,982
2038-2042	33,848	147	33,995
Total	<u>5,386,028</u>	<u>842,357</u>	<u>6,228,385</u>

The county leases certain assets to various third parties. The assets leased include buildings and cell towers. Payments are generally fixed monthly rates with escalation in payments over the term of the lease.

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 10 – LEASES (CONCLUDED)

During the year, the county recognized the following related to its lessor agreements:

	(1) Governmental Activities	(2) Component Units
Lease revenue	\$ 1,180,403	\$ 7,149
Interest income related to its leases	72,237	27,046

(1) Year ending December 31, 2022
 (2) Year ending September 30, 2022

Future principal and interest payment requirements related to the county's governmental activities leases receivable at December 31, 2022 are as follows:

Years Ending	Principal	Interest	Total
2023	\$ 151,421	\$ 62,857	\$ 214,278
2024	150,516	58,778	209,294
2025	161,254	54,624	215,878
2026	172,666	50,178	222,844
2027	186,922	45,384	232,306
2028-2032	773,240	147,679	920,919
2033-2037	274,475	69,871	344,346
2038-2042	191,795	23,935	215,730
2043	25,121	317	25,438
	<u>\$ 2,087,410</u>	<u>\$ 513,623</u>	<u>\$ 2,601,033</u>

Future principal and interest payment requirements related to the county's component unit leases receivable at September 30, 2022 are as follows:

Years Ending	Principal	Interest	Total
2023	\$ 3,164	\$ 26,836	\$ 30,000
2024	3,388	26,612	30,000
2025	3,629	26,371	30,000
2026	3,887	26,113	30,000
2027	4,163	25,837	30,000
2028-2032	25,691	124,309	150,000
2033-2037	36,203	113,797	150,000
2038-2042	51,017	98,983	150,000
2043-2047	71,893	78,107	150,000
2048-2052	101,312	48,688	150,000
2053-2056	87,146	10,354	97,500
	<u>\$ 391,493</u>	<u>\$ 606,007</u>	<u>\$ 997,500</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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. After five years of employment, eligible employees have the option to contribute an additional one percent of their wages annually, while the county contributes an additional two percent of the employees' base wages if the employee exercises this option.

In accordance with plan requirements, the county contributed \$5,380,073 during the current year. Additionally, eligible employees contributed \$1,544,988 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.

Plan Membership

At December 31, 2021 (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	2,897	187	3,084
Deferred members entitled to benefits but not yet receiving them	469	84	553
Active employees accruing retirement benefits	1,249	63	1,312
Active employees accruing termination benefits	1,232	258	1,490
	<u>5,847</u>	<u>592</u>	<u>6,439</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)**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.

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 2022 was \$10,252,487. The county contributed \$11,966,428 for the year ended December 31, 2022, which represents an excess contribution of \$1,713,941.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

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 \$20,077,427 accumulated in DROP accounts at December 31, 2022.

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, 2022 is presented below.

	<u>Target Allocation</u>
Cash and cash equivalents	0%
Domestic equity	37%
International equity	15%
Domestic fixed income	15%
Real estate	10%
Alternative assets	<u>23%</u>
	<u><u>100%</u></u>

Rate of Return

The annual money-weighted rate of return on pension plan investments for the year ended December 31, 2022 was -14.5%. 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

Pension Plan Investments – Policy and Rate of Return (concluded)

The balances of the reserve accounts at December 31, 2022 are as follows:

Primary Government Reserves

	<u>Required</u>	<u>Actual</u>	<u>Over (Under) Funded</u>
Retiree reserve	\$ 731,379,287	\$ 731,379,287	\$ -
Employee reserve	46,626,781	46,626,781	-
Employer reserve	N/A	258,462,649	N/A

Component Unit Reserves

	<u>Required</u>	<u>Actual</u>	<u>Over (Under) Funded</u>
Retiree reserve	\$ 25,889,223	\$ 25,889,223	\$ -
Employee reserve	1,822,420	1,822,420	-
Employer reserve	N/A	2,263,614	N/A

Total Reserves, Employees' Retirement System

	<u>Required</u>	<u>Actual</u>	<u>Over (Under) Funded</u>
Retiree reserve	\$ 757,268,510	\$ 757,268,510	\$ -
Employee reserve	48,449,201	48,449,201	-
Employer reserve	N/A	260,726,263	N/A

Net Pension Liability (Asset) of the County

The December 31, 2022 total pension liability (asset) was determined by an actuarial valuation dated December 31, 2021 and rolled forward to the measurement date. Changes in the net pension asset during the year are presented on the following page:

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 13 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)**Net Pension Liability (Asset) of the County (concluded)**

	Primary Government	Component Unit	Total
Total Pension Liability			
Service cost	\$ 12,526,871	\$ 416,297	\$ 12,943,168
Interest	70,891,363	2,355,885	73,247,248
Difference between expected and actual experience of the total pension liability	13,439,365	446,621	13,885,986
Benefit payments, including refunds of member contributions	<u>(76,272,406)</u>	<u>(2,845,194)</u>	<u>(79,117,600)</u>
Net change in total pension liability	20,585,193	373,609	20,958,802
Total pension liability - beginning of year	<u>1,056,677,740</u>	<u>15,658,088</u>	<u>1,072,335,828</u>
Total pension liability - end of year (a)	<u>\$ 1,077,262,933</u>	<u>\$ 16,031,697</u>	<u>\$ 1,093,294,630</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 11,966,428	\$ -	\$ 11,966,428
Contributions - employee	2,722,563	93,968	2,816,531
Net investment income	(182,259,633)	(3,572,780)	(185,832,413)
Benefit payments, including refunds of member contributions	(76,272,406)	(2,845,194)	(79,117,600)
Administrative expense	<u>(730,633)</u>	<u>(14,322)</u>	<u>(744,955)</u>
Net change in plan fiduciary net position	(244,573,681)	(6,338,328)	(250,912,009)
Plan fiduciary net position - beginning of year	<u>1,292,028,735</u>	<u>25,327,248</u>	<u>1,317,355,983</u>
Plan fiduciary net position - end of year (b)	<u>\$ 1,047,455,054</u>	<u>\$ 18,988,920</u>	<u>\$ 1,066,443,974</u>
County's net pension (asset) - end of year (a) - (b)	<u>\$ 29,807,879</u>	<u>\$ (2,957,223)</u>	<u>\$ 26,850,656</u>
Plan fiduciary net position as a percent of total pension liability	97.23%	118.45%	97.54%
Covered payroll	\$ 92,780,967	\$ 3,826,859	\$ 96,607,826
County's net pension liability (asset) as a percent of covered payroll	32.13%	-77.28%	27.79%

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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, 2022, the county recognized a pension expense of \$12,581,857 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	\$ 12,145,143	\$ 4,905,006
Differences between projected and actual earnings on pension plan investments	<u>87,761,875</u>	<u>-</u>
Totals, Primary Government	<u>\$ 99,907,018</u>	<u>\$ 4,905,006</u>
Component Unit	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ 403,611	\$ 163,005
Differences between projected and actual earnings on pension plan investments	<u>1,720,369</u>	<u>-</u>
Totals, Component Unit	<u>\$ 2,123,980</u>	<u>\$ 163,005</u>
Totals, Employees' Retirement System	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ 12,548,754	\$ 5,068,011
Differences between projected and actual earnings on pension plan investments	<u>89,482,244</u>	<u>-</u>
Totals	<u>\$ 102,030,998</u>	<u>\$ 5,068,011</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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 an increase (or reduction) of pension expense as follows:

<u>Year Ending December 31,</u>	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total Increase (Reduction) in Pension Expense</u>
2023	\$ (8,110,348)	\$ (167,409)	\$ (8,277,757)
2024	18,994,433	392,072	19,386,505
2025	29,024,319	599,103	29,623,422
2026	<u>55,093,608</u>	<u>1,137,209</u>	<u>56,230,817</u>
Totals	<u>\$ 95,002,012</u>	<u>\$ 1,960,975</u>	<u>\$ 96,962,987</u>

Actuarial Assumptions

The December 31, 2022 total pension liability was determined by an actuarial valuation as of December 31, 2021, which was then rolled forward to December 31, 2022. 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, 2021 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 4.31% would have been used in the development of the blended GASB discount rate after that point. The 4.31% 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, 2022 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, 2022

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	6.33%

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)	\$ 132,534,911	\$ 29,807,879	\$ (51,428,123)
Component Unit Net Pension Liability (Asset)	<u>13,080,243</u>	<u>(2,957,223)</u>	<u>(21,748,501)</u>
Total Net Pension Liability (Asset)	<u>\$ 145,615,154</u>	<u>\$ 26,850,656</u>	<u>\$ (73,176,624)</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, 2022

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, 2022 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	\$ 43,689,589	Investment income (loss):	
Investments, at fair value		Interest and dividends	\$ 9,926,365
Common stock	388,709,709	Net change in fair value of investments	(187,776,987)
Foreign stock	74,484,146	Less investment expenses	<u>(7,981,791)</u>
Limited partnership	327,151,429		
Fixed income common collective trusts	95,947,951	Net investment income (loss)	(185,832,413)
Equity common collective trusts	<u>143,716,400</u>		
		Contributions	
Total investments	1,030,009,635	Employer	11,966,428
		Employee	<u>2,816,531</u>
Receivables		Total contributions	<u>14,782,959</u>
Accrued interest	474,203		
Other	233,044	TOTAL ADDITIONS	(171,049,454)
Other assets	<u>17,776</u>		
		DEDUCTIONS	
TOTAL ASSETS	1,074,424,247	Benefit payments	78,716,138
		Withdrawals and refunds of contributions	401,462
LIABILITIES		Administrative expenses	<u>744,955</u>
Accounts payable	1,519,451		
Accrued compensation and benefits	<u>6,460,822</u>	TOTAL DEDUCTIONS	<u>79,862,555</u>
TOTAL LIABILITIES	<u>7,980,273</u>	CHANGE IN NET POSITION	(250,912,009)
		Net position - beginning of year	<u>1,317,355,983</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 1,066,443,974</u>	Net position - end of year	<u>\$ 1,066,443,974</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, 2022

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, 2020 (date of the most recent actuarial valuation), membership consisted of:

	Primary Government	Component Unit	Total
Retirees and beneficiaries currently receiving benefits	2,317	173	2,490
Deferred members entitled to benefits but not yet receiving them	232	11	243
Active employees covered by the plan	1,199	27	1,226
	<u>3,748</u>	<u>211</u>	<u>3,959</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 \$20,000,000 to the Macomb County Retiree Health Care Trust Fund for the year ended December 31, 2022. Employee contributions for the year totaled \$1,029,225, for total contributions to the Macomb County Retiree Health Care Trust Fund in the amount of \$21,029,225. The total cost of retiree health care benefits, administrative expenses of the plan and investment management fees for the year ended December 31, 2022 was \$22,527,343.

Net OPEB Liability

The December 31, 2022 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, 2022 measurement date. The December 31, 2022 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 on the following page:

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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	\$ 4,197,472	\$ 220,920	\$ 4,418,392
Interest	34,252,908	1,802,785	36,055,693
Difference between expected and actual experience of the total OPEB liability	(51,964,854)	(2,734,992)	(54,699,846)
Changes of assumptions	10,180,585	535,820	10,716,405
Benefit payments	(18,174,350)	(956,545)	(19,130,895)
Net change in total OPEB liability	(21,508,239)	(1,132,012)	(22,640,251)
Total OPEB liability - beginning of year	492,585,065	29,852,514	522,437,579
Total OPEB liability - end of year (a)	<u>\$ 471,076,826</u>	<u>\$ 28,720,502</u>	<u>\$ 499,797,328</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 19,000,000	\$ 1,000,000	\$ 20,000,000
Contributions - member	977,764	51,461	1,029,225
Net investment income	(72,142,784)	(3,682,832)	(75,825,616)
Employer paid benefits	(18,499,424)	(973,654)	(19,473,078)
Member paid benefits	(977,764)	(51,461)	(1,029,225)
Administrative expense	(83,002)	(4,368)	(87,370)
Net change in plan fiduciary net position	(71,725,210)	(3,660,854)	(75,386,064)
Plan fiduciary net position - beginning of year	447,152,538	27,304,761	474,457,299
Plan fiduciary net position - end of year (b)	<u>\$ 375,427,328</u>	<u>\$ 23,643,907</u>	<u>\$ 399,071,235</u>
County's net OPEB liability - end of year (a) - (b)	<u>\$ 95,649,498</u>	<u>\$ 5,076,595</u>	<u>\$ 100,726,093</u>
Plan fiduciary net position as a percent of total OPEB liability	79.70%	82.32%	79.85%
Covered employee payroll	\$ 83,388,689	\$ 3,826,859	87,215,548
County's net OPEB liability as a percent of covered employee payroll	114.70%	132.66%	115.49%

The following changes in assumptions impacted the calculation of the net OPEB liability as of December 31, 2022: The healthcare and prescription trend rates were modified, increasing the expected rate of increase over the next ten years.

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 \$34,180,425 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, 2022

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	\$ -	\$ 93,456,038
Differences between projected and actual earnings on OPEB plan investments	38,616,013	-
Changes in assumptions	<u>45,942,967</u>	<u>-</u>
Totals, Primary Government	<u>\$ 84,558,980</u>	<u>\$ 93,456,038</u>
Component Unit	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ -	4,960,178
Differences between projected and actual earnings on OPEB plan investments	2,049,708	-
Changes in assumptions	<u>2,438,258</u>	<u>-</u>
Totals, Component Unit	<u>\$ 4,487,966</u>	<u>\$ 4,960,178</u>
Plan Totals	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ -	\$ 98,416,216
Differences between projected and actual earnings on OPEB plan investments	40,668,804	-
Changes in assumptions	<u>48,378,142</u>	<u>-</u>
Totals	<u>\$ 89,046,946</u>	<u>\$ 98,416,216</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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 an increase (or reduction) in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total Increase (Reduction) in OPEB Expense</u>
2023	\$ (34,598,398)	\$ (1,836,309)	\$ (36,434,707)
2024	(6,466,087)	(343,187)	(6,809,274)
2025	11,456,077	608,031	12,064,108
2026	20,711,350	1,099,253	21,810,603
Total	<u>\$ (8,897,058)</u>	<u>\$ (472,212)</u>	<u>\$ (9,369,270)</u>

Actuarial Assumptions for Determining the Total OPEB Liability

The total OPEB liability was calculated as of December 31, 2022 using the County Retiree Health Care Plan valuation as of December 31, 2020 rolled forward to December 31, 2022. 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, 2022

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, 2020 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, 2022, 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, 2022 are summarized in the following table.

	<u>Long-Term Expected Real Rate of Return</u>		<u>Targeted Asset Allocation Policy</u>
Domestic fixed income	2.50%	Equities	55%
Domestic equity	7.50%	Fixed income	25%
International equity	8.50%	Hedge funds	5%
Real estate investment trusts	4.50%	Private Equity	5%
Alternative assets	5.83%	Real estate investment trusts	10%
			<u>100%</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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	\$ 151,547,141	\$ 95,649,498	\$ 48,986,974
Component Unit Net OPEB Liability	8,043,361	5,076,595	2,599,983
Total Net OPEB Liability	<u>\$ 159,590,502</u>	<u>\$ 100,726,093</u>	<u>\$ 51,586,957</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	\$ 38,527,850	\$ 95,649,498	\$ 164,989,238
Component Unit Net OPEB Liability	2,044,865	5,076,595	8,756,800
Total Net OPEB Liability	<u>\$ 40,572,715</u>	<u>\$ 100,726,093</u>	<u>\$ 173,746,038</u>

Rate of Return

The annual money-weighted rate of return on Plan investments for the year ended December 31, 2022 was -14.50%. 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, 2022 are presented below and on the following page.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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	\$ 29,399,308	Investment income (loss):	
Investments, at fair value		Interest and dividends	\$ 12,926,522
Common stock	89,899,378	Net change in fair value of investments	(86,814,468)
Foreign stock	24,060,466	Less investment expenses	<u>(1,937,670)</u>
Limited partnership	9,569,381		
Real estate investment trusts	29,852,319	Net investment income (loss)	(75,825,616)
Fixed income common collective trusts	47,870,397		
Equity common collective trusts	<u>174,157,802</u>	Contributions	
		Employer	<u>20,000,000</u>
Total investments, at fair value	375,409,743		
		TOTAL ADDITIONS	(55,825,616)
Receivables		DEDUCTIONS	
Accrued interest	634,128	Benefit payments	19,473,078
Other	84,195	Administrative expenses	<u>87,370</u>
Other assets	<u>31,009</u>		
		TOTAL DEDUCTIONS	<u>19,560,448</u>
TOTAL ASSETS	405,558,383		
		CHANGE IN NET POSITION	(75,386,064)
LIABILITIES		Net position - beginning of year	<u>474,457,299</u>
Accounts payable	1,179,803		
Due to primary government	<u>5,307,345</u>	Net position - end of year	<u>\$ 399,071,235</u>
TOTAL LIABILITIES	<u>6,487,148</u>		
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	<u>\$ 399,071,235</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, 2022

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 \$6,908,303 to the Plan for the year ended September 30, 2022. Of this amount, \$2,908,303 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, 2022 was \$3,093,629.

Net OPEB Liability

The September 30, 2022 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, 2022 measurement date. The September 30, 2022 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:

Changes in Net OPEB Liability (Asset)	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance, beginning of year	\$ 74,355,725	\$ 102,683,701	\$ (28,327,976)
Changes for the year:			
Service cost	730,626	-	730,626
Interest	4,945,515	-	4,945,515
Difference between expected and actual experience of the total OPEB liability	(1,273,064)	-	(1,273,064)
Contributions - employer	-	6,908,303	(6,908,303)
Net investment income	-	(14,537,365)	14,537,365
Employer paid benefits	-	(2,908,303)	2,908,303
Administrative expense	-	(72,519)	72,519
Benefit payments	<u>(2,908,303)</u>	<u>-</u>	<u>(2,908,303)</u>
Net changes	<u>1,494,774</u>	<u>(10,609,884)</u>	<u>12,104,658</u>
Balance, end of year	<u><u>\$ 75,850,499</u></u>	<u><u>\$ 92,073,817</u></u>	<u><u>\$ (16,223,318)</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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 September 30, 2022, the Department of Roads recognized a reduction in OPEB expense of \$9,557,847 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	\$ -	\$ 657,876
Differences between projected and actual earnings on OPEB plan investments	10,014,097	-
Changes in assumptions	<u>2,354</u>	<u>-</u>
Totals	<u>\$ 10,016,451</u>	<u>\$ 657,876</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>
2023	\$ 1,551,692
2024	1,689,754
2025	1,781,923
2026	<u>4,335,206</u>
Total	<u>\$ 9,358,575</u>

Actuarial Assumptions for Determining the Total OPEB Liability

The total OPEB liability was calculated as of September 30, 2022 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, 2022

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, 2022, 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, 2022 are summarized in the following table.

	Long-Term Expected Real Rate of Return	Targeted Asset Allocation Policy
International fixed income	2.00%	20.00%
International equities	4.50%	60.00%
Real assets	7.00%	20.00%

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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:

	<u>1% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net OPEB liability (asset) \$	(7,248,577)	(16,223,318)	(23,698,174)

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 8.25% 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 (7.25%) or one percentage-point higher (9.25%) than the current rate.

	<u>1% Decrease (7.25%)</u>	<u>Current Rate (8.25%)</u>	<u>1% Increase (9.25%)</u>
Net OPEB liability (asset) \$	(24,944,108)	(16,223,318)	(5,685,843)

Rate of Return

The annual money-weighted rate of return on Plan investments for the year ended September 30, 2022 was -13.69%. 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, 2022 are presented on the following page.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

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>	
	Roads Retiree Health Care Investment Trust Fund		Roads Retiree Health Care Investment Trust Fund
ASSETS		ADDITIONS	
Investments, at fair value		Investment income (loss):	
Interest in pooled investment	\$ 92,073,817	Net change in fair value of investments	\$ (14,424,558)
		Less investment expenses	(112,807)
		Net investment income (loss)	(14,537,365)
		Contributions	
		Employer	6,908,303
		TOTAL ADDITIONS	(7,629,062)
		DEDUCTIONS	
		Benefit payments	2,908,303
		Administrative expenses	72,519
		TOTAL DEDUCTIONS	2,980,822
		CHANGE IN NET POSITION	(10,609,884)
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	\$ 92,073,817	Net position - beginning of year	102,683,701
		Net position - end of year	\$ 92,073,817

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:

	Footnote 14 General and Sheriff OPEB Plan	Footnote 15 Department of Roads OPEB Plan	Primary Government Totals
Net OPEB Asset	\$ -	\$ 16,223,318	\$ 16,223,318
Net OPEB Liability	95,649,498	-	95,649,498
Deferred inflows	93,456,038	657,876	94,113,914
Deferred outflows	84,558,980	10,016,451	94,575,431
OPEB expense	(32,457,731)	(9,557,847)	(42,015,578)

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, 2022

NOTE 17 – CONTINGENCIES AND COMMITMENTS (CONCLUDED)

Construction Commitments

The Department of Roads had several significant active projects in progress at September 30, 2022, with estimated total project costs of \$75,053,203. Of the total, \$38,823,491 represents amounts previously expended and \$36,229,712 represents remaining commitments pursuant to construction contracts on those projects. In addition, the Drainage District Component Units had several significant active construction projects in progress at September 30, 2022, with estimated total project costs of \$77,033,411. Of the total, \$34,367,636 represents amounts previously expended and \$42,665,775 represents remaining commitments pursuant to construction contracts on those projects.

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 2022 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:

	<u>General County</u>		<u>Department of Roads</u>	
	<u>Year Ended December 31,</u>		<u>Year Ended September 30,</u>	
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
Estimated liability - beginning of year	\$ 2,113,092	\$ 1,931,965	\$ 87,190	\$ 101,186
Estimated claims incurred, including changes in estimates	829,655	1,019,219	41,597	(73,423)
Claims payments	<u>(1,010,782)</u>	<u>(1,153,822)</u>	<u>(27,601)</u>	<u>(10,970)</u>
Estimated liability - end of year	<u>\$ 1,931,965</u>	<u>\$ 1,797,362</u>	<u>\$ 101,186</u>	<u>\$ 16,793</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 Sheriff is currently self-insured for losses of a general liability nature up to \$1,000,000 per claim, with commercial insurance covering claims in excess of the retention amount to an aggregate of \$10,000,000 annually. The remainder of 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

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 18 – RISK MANAGEMENT (CONCLUDED)

General Liability (concluded)

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.

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,	
	2021	2022	2021	2022
Estimated liability - beginning of year	\$ 4,715,422	\$ 6,036,865	\$ 273,267	\$ 1,227,889
Estimated claims incurred, including changes in estimates	4,280,430	6,115,779	1,001,561	(289,447)
Claims payments	(2,958,987)	(3,761,966)	(46,939)	(346,134)
Estimated liability - end of year	<u>\$ 6,036,865</u>	<u>\$ 8,390,678</u>	<u>\$ 1,227,889</u>	<u>\$ 592,308</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,	
	2021	2022
Estimated liability (asset) - beginning of year	\$ 2,352,075	\$ 596,728
Estimated claims incurred, including changes in estimates	45,366,802	47,599,210
Claims payments	(47,122,149)	(46,559,587)
Estimated liability (asset) - end of year	<u>\$ 596,728</u>	<u>\$ 1,636,351</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 19 – NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of December 31, 2022 is presented below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Component Units</u>
CAPITAL ASSETS			
Capital assets not being depreciated	\$ 224,278,633	\$ 50,000	\$ 33,848,800
Capital assets being depreciated	<u>979,538,407</u>	<u>1,332,560</u>	<u>341,209,331</u>
	1,203,817,040	1,382,560	375,058,131
RELATED DEBT			
Total bonds payable related to capital assets	26,710,224	-	273,226,166
Net bond discounts and premiums	-	-	28,557,447
Less:			
Unspent bond proceeds	-	-	(2,514,247)
Bond proceeds not capitalized	<u>-</u>	<u>-</u>	<u>(100,510,741)</u>
	<u>26,710,224</u>	<u>-</u>	<u>198,758,625</u>
NET INVESTMENT IN CAPITAL ASSETS	<u><u>\$ 1,177,106,816</u></u>	<u><u>\$ 1,382,560</u></u>	<u><u>\$ 176,299,506</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, 2022, the county's property tax revenues were reduced by \$954,267 under these programs.

There were no significant abatements made by the county.

NOTE 21 – ACCOUNTING PRONOUNCEMENTS IMPLEMENTED

Effective January 1, 2022, the county implemented the provisions of the following Governmental Accounting Standards Board Statements:

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 table on the following page presents restatements of net position related to the implementation of Statement No. 87:

Macomb County, Michigan

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 21 – ACCOUNTING PRONOUNCEMENTS IMPLEMENTED (CONTINUED)

	PRIMARY GOVERNMENT		COMPONENT UNITS		PROPRIETARY FUNDS
	Governmental Activities	Business-Type Activities	Workforce Development Board	Drainage District	Nonmajor Enterprise Fund
Beginning net position as previously reported	\$1,438,819,653	\$ 182,718,108	\$ 56,569	\$ 388,360,965	\$ 1,656,720
Restatement of beginning net position as a result of recording beginning lease liabilities, right to use assets, and accumulated amortization as a result of the county's implementation of GASB 87, <i>Leases</i> :	(12,897)		(883,573)		
Restatement of beginning net position as a result of recording beginning leases receivable, and deferred inflows as a result of the county's implementation of GASB 87, <i>Leases</i> :	169,119	5,068		149,596	5,068
Beginning net position as restated	<u>\$1,438,975,875</u>	<u>\$ 182,723,176</u>	<u>\$ (827,004)</u>	<u>\$ 388,510,561</u>	<u>\$ 1,661,788</u>

The table below presents restatements of fund balance related to the implementation of Statement No. 87:

	GOVERNMENTAL FUNDS		COMPONENT UNIT
	General Fund	Nonmajor Governmental Funds	Drainage District
Beginning fund balance as previously reported	\$ 96,285,649	\$ 44,898,292	\$ 71,221,971
Restatement of beginning fund balance as a result of recording beginning leases receivable, and deferred inflows as a result of the county's implementation of GASB 87, <i>Leases</i> :	(14,974)		149,596
E-911 Radio Maintenance Capital Project Fund		184,093	
Beginning fund balance as restated	<u>\$ 96,270,675</u>	<u>\$ 45,082,385</u>	<u>\$ 71,371,567</u>

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. As a result, the county has made changes as required to the presentation of the conduit debt footnote (Note 7), which begins on page B-45.

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 21 – ACCOUNTING PRONOUNCEMENTS IMPLEMENTED (CONCLUDED)

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. Paragraph 6 of this Statement changed how intra-entity transfers of assets are recorded between governmental employers and a defined benefit other postemployment benefit plan. As a result, the county reported contributions from the county Other Postemployment Benefits Internal Service Fund to the Retiree Healthcare Trust Fund as employer contributions. The Fiduciary Trust statements showing this change in presentation begin on page D-64.

NOTE 22 – UPCOMING ACCOUNTING PRONOUNCEMENTS

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 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.

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, 2022

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 141,552,700	\$ 141,552,700	\$ 140,932,483	\$ (620,217)
Licenses and permits	1,466,200	1,466,200	1,682,489	216,289
Federal grants	1,400,000	1,401,782	1,212,752	(189,030)
State grants				
Revenue sharing	18,030,000	18,030,000	18,335,402	305,402
Court financing	4,509,100	4,509,100	4,279,472	(229,628)
Liquor tax	6,750,000	6,750,000	7,500,337	750,337
Health department	2,783,200	2,783,200	2,783,127	(73)
Personal property tax stabilization	8,525,000	8,525,000	8,847,605	322,605
Other	658,000	724,000	715,426	(8,574)
Total state grants	41,255,300	41,321,300	42,461,369	1,140,069
Charges for services				
Attorney fees	250,000	250,000	177,355	(72,645)
Certified copies	1,042,000	1,042,000	1,267,176	225,176
Commissions	804,000	804,000	1,422,537	618,537
Court costs and fees	1,910,400	1,910,400	1,756,555	(153,845)
Foster care	100,000	100,000	41,444	(58,556)
Health department	747,000	747,000	848,704	101,704
Housing inmates	1,300,000	1,300,000	1,506,649	206,649
Land transfer tax	4,700,000	4,700,000	6,101,902	1,401,902
Medicare / Medicaid	615,500	615,500	247,192	(368,308)
Other sheriff services	838,200	838,200	974,409	136,209
Probation oversight fees	245,500	245,500	140,948	(104,552)
Public works - pumping station	4,042,200	4,113,000	3,895,858	(217,142)
Recording fees	3,652,500	3,652,500	3,121,868	(530,632)
Sheriff road patrol	14,526,900	14,805,900	14,171,121	(634,779)
Soil erosion fees	915,000	915,000	822,676	(92,324)
Miscellaneous	3,197,700	3,197,700	3,544,656	346,956
Total charges for services	38,886,900	39,236,700	40,041,050	804,350
Charges to other funds for administrative services	14,203,900	14,203,900	13,898,553	(305,347)
Fines and forfeitures	504,500	504,500	661,031	156,531
Interest and rents	2,488,500	2,488,500	7,381,479	4,892,979
Other revenue	78,600	78,600	294,916	216,316
TOTAL REVENUES	241,836,600	242,254,182	248,566,122	6,311,940

Macomb County, Michigan

General Fund

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

Year Ended December 31, 2022

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Current				
Legislative - Board of commissioners	\$ 1,782,100	\$ 1,745,622	\$ 1,657,838	\$ 87,784
Judicial				
Circuit court	8,898,700	8,737,466	7,865,870	871,596
District court - 3rd class	19,000	19,000	6,503	12,497
District court - New Baltimore	1,454,200	1,406,149	1,307,985	98,164
District court - Romeo	1,341,000	1,302,291	1,199,534	102,757
Family counseling	71,100	70,582	45,710	24,872
Family court - Juvenile division	5,984,300	5,901,909	6,005,510	(103,601)
Jury commission	154,700	154,700	9,508	145,192
Law library	9,000	9,000	9,616	(616)
Probate court	3,569,800	3,509,763	3,481,571	28,192
Probation - Circuit court	127,800	127,800	85,424	42,376
Prosecuting attorney	12,492,700	12,013,720	11,298,963	714,757
Total judicial	34,122,300	33,252,380	31,316,194	1,936,186
General government				
Building authority	500	500	140	360
County clerk	5,860,500	5,712,798	5,082,794	630,004
County executive	1,774,000	1,730,560	1,679,368	51,192
Corporation counsel	1,184,700	1,239,769	1,210,774	28,995
Elections	842,800	958,234	727,257	230,977
Ethics board	4,700	4,700	542	4,158
Equalization	1,059,700	1,047,550	1,002,419	45,131
Facilities and operations	17,367,200	17,124,441	16,422,739	701,702
Finance	2,528,400	2,458,880	2,328,451	130,429
Human resources	3,047,200	2,979,423	2,747,707	231,716
Information technology	11,273,300	11,247,898	10,967,319	280,579
MSU extension	1,020,600	1,003,790	944,721	59,069
Purchasing	1,387,700	1,335,240	1,159,354	175,886
Register of deeds	1,928,400	1,841,699	1,686,812	154,887
Treasurer	2,433,200	2,406,727	2,369,366	37,361
Total general government	51,712,900	51,092,209	48,329,763	2,762,446
Public safety				
Civil service commission	48,500	72,367	65,984	6,383
Emergency management	1,519,900	1,469,940	1,487,520	(17,580)
Sheriff department	72,026,900	70,999,475	71,983,173	(983,698)
Total public safety	73,595,300	72,541,782	73,536,677	(994,895)

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Macomb County, Michigan

General Fund

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

Year Ended December 31, 2022

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (CONCLUDED)				
Current				
Public works	\$ 7,032,900	\$ 7,053,701	\$ 7,133,951	\$ (80,250)
Health and welfare				
Animal shelter	2,113,900	2,046,890	1,878,286	168,604
Health & community services	213,300	212,141	199,843	12,298
Health department	19,275,100	18,310,007	15,850,389	2,459,618
Social services	59,500	59,500	58,586	914
Total health and welfare	21,661,800	20,628,538	17,987,104	2,641,434
Community and economic development				
Planning and economic development	3,905,000	3,801,593	3,524,609	276,984
Other current operations				
Non-departmental appropriations	3,646,700	3,832,504	2,903,046	929,458
Vacant position turnover factor	(3,532,400)	-	-	-
Total other current operations	114,300	3,832,504	2,903,046	929,458
Capital outlay	13,570,800	2,258,199	2,685,166	(426,967)
TOTAL EXPENDITURES	207,497,400	196,206,528	189,074,348	7,132,180
EXCESS OF REVENUES OVER EXPENDITURES	34,339,200	46,047,654	59,491,774	13,444,120
OTHER FINANCING SOURCES (USES)				
Transfers in	8,000,000	8,000,000	8,000,000	-
Transfers out	(38,637,300)	(51,165,864)	(51,069,880)	95,984
TOTAL OTHER FINANCING SOURCES (USES)	(30,637,300)	(43,165,864)	(43,069,880)	95,984
NET CHANGE IN FUND BALANCES	3,701,900	2,881,790	16,421,894	13,540,104
Fund balances, beginning of year (1)	96,270,675	96,270,675	96,270,675	-
Fund balances, end of year	<u>\$ 99,972,575</u>	<u>\$ 99,152,465</u>	<u>\$ 112,692,569</u>	<u>\$ 13,540,104</u>

(1) - As restated. See Notes to the Basic Financial Statements, Note 21.

Macomb County, Michigan

Department of Roads Special Revenue Fund

REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)

Year Ended September 30, 2022

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ 867,200	\$ 867,200	\$ 1,126,848	\$ 259,648
Federal & state grants	173,400,400	173,400,400	158,937,406	(14,462,994)
Charges for services	64,749,677	64,749,677	36,517,921	(28,231,756)
Interest and rents	515,338	515,338	586,666	71,328
Other revenue	272,500	272,500	723,245	450,745
TOTAL REVENUES	239,805,115	239,805,115	197,892,086	(41,913,029)
EXPENDITURES				
Current				
Public works	275,631,760	275,631,760	192,899,504	82,732,256
Capital outlay	5,383,920	5,383,920	2,177,533	3,206,387
Debt service				
Principal	-	-	70,758	(70,758)
Interest and fees	-	-	12,401	(12,401)
TOTAL EXPENDITURES	281,015,680	281,015,680	195,160,196	85,855,484
EXCESS OF REVENUES OVER EXPENDITURES	(41,210,565)	(41,210,565)	2,731,890	43,942,455
Fund balances, beginning of year	125,760,352	125,760,352	125,760,352	-
Fund balances, end of year	<u>\$ 84,549,787</u>	<u>\$ 84,549,787</u>	<u>\$ 128,492,242</u>	<u>\$ 43,942,455</u>

Macomb County, Michigan

Coronavirus Response Special Revenue Fund

REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)

Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
Current				
Health and welfare	\$ -	\$ -	\$ 1,435,838	\$ (1,435,838)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(1,435,838)	(1,435,838)
Fund balances, beginning of year	<u>3,623,308</u>	<u>3,623,308</u>	<u>3,623,308</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,623,308</u>	<u>\$ 3,623,308</u>	<u>\$ 2,187,470</u>	<u>\$ (1,435,838)</u>

Macomb County, Michigan

Community Action Agency Special Revenue Fund

REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)

Year Ended September 30, 2022

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Federal & state grants	\$ 58,419,747	\$ 87,973,258	\$ 73,551,100	\$ (14,422,158)
Charges for services	6,029,865	6,708,837	4,166,601	(2,542,236)
Other revenue	132,222	57,182	50,423	(6,759)
TOTAL REVENUES	64,581,834	94,739,277	77,768,124	(16,971,153)
EXPENDITURES				
Current				
Health and welfare	69,757,904	99,661,459	82,020,249	17,641,210
Capital outlay	123,000	211,431	201,358	10,073
TOTAL EXPENDITURES	69,880,904	99,872,890	82,221,607	17,651,283
EXCESS OF REVENUES OVER EXPENDITURES	(5,299,070)	(5,133,613)	(4,453,483)	680,130
OTHER FINANCING SOURCES (USES)				
Transfers in	4,768,690	4,123,216	3,916,855	(206,361)
NET CHANGE IN FUND BALANCES	(530,380)	(1,010,397)	(536,628)	473,769
Fund balances, beginning of year	2,243,870	2,243,870	2,243,870	-
Fund balances, end of year	<u>\$ 1,713,490</u>	<u>\$ 1,233,473</u>	<u>\$ 1,707,242</u>	<u>\$ 473,769</u>

Macomb County, Michigan

Employees' Retirement System

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

December 31, 2022

PRIMARY GOVERNMENT

	2022	2021	2020	2019	2018
Total Pension Liability					
Service cost	\$ 12,526,871	\$ 12,192,446	\$ 13,389,327	\$ 14,200,758	\$ 16,747,246
Interest	70,891,363	70,089,505	70,655,515	70,993,434	73,394,794
Benefit changes	-	-	-	-	4,350,654
Difference between expected and actual experience of the total pension liability	13,439,365	(3,726,172)	4,086,379	(11,079,005)	(33,332,894)
Changes of assumptions	-	-	-	-	647,150
Benefit payments, including refunds of member contributions	(76,272,406)	(70,752,222)	(69,380,267)	(65,434,879)	(63,964,080)
Net change in total pension liability	20,585,193	7,803,557	18,750,954	8,680,308	(2,157,130)
Total pension liability - beginning of year	1,056,677,740	1,048,874,183	1,030,123,229	1,021,442,921	1,023,600,051
Total pension liability - end of year (a)	<u>\$ 1,077,262,933</u>	<u>\$ 1,056,677,740</u>	<u>\$ 1,048,874,183</u>	<u>\$ 1,030,123,229</u>	<u>\$ 1,021,442,921</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 11,966,428	\$ 15,560,031	\$ 15,146,875	\$ 16,949,388	\$ 23,143,088
Contributions - employee	2,722,563	2,915,294	3,034,911	3,101,502	3,134,653
Net investment income	(182,259,633)	211,922,131	124,674,313	187,250,752	(59,091,267)
Benefit payments, including refunds of member contributions	(76,272,406)	(70,752,222)	(69,380,267)	(65,434,879)	(63,964,080)
Administrative expense	(730,633)	(706,164)	(659,154)	(712,786)	(702,478)
Net change in plan fiduciary net position	(244,573,681)	158,939,070	72,816,678	141,153,977	(97,480,084)
Plan fiduciary net position - beginning of year	1,292,028,735	1,133,089,665	1,060,272,987	919,119,010	1,016,599,094
Plan fiduciary net position - end of year (b)	<u>\$ 1,047,455,054</u>	<u>\$ 1,292,028,735</u>	<u>\$ 1,133,089,665</u>	<u>\$ 1,060,272,987</u>	<u>\$ 919,119,010</u>
County's net pension liability - end of year (a) - (b)	<u>\$ 29,807,879</u>	<u>\$ (235,350,995)</u>	<u>\$ (84,215,482)</u>	<u>\$ (30,149,758)</u>	<u>\$ 102,323,911</u>
Plan fiduciary net position as a percent of total pension liability	97.23%	122.27%	108.03%	102.93%	89.98%
Covered payroll	\$ 92,780,967	\$ 93,332,920	\$ 97,980,010	\$ 102,783,404	\$ 110,599,464
County's net pension liability (asset) as a percent of covered employee payroll	32.13%	-252.16%	-85.95%	-29.33%	92.52%

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, 2022

PRIMARY GOVERNMENT

	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 18,253,702	\$ 16,707,110	\$ 17,035,507	\$ 18,289,395
Interest	69,818,491	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	18,650,468	29,559,285	(6,274,414)	-
Changes of assumptions	-	31,223,761	-	-
Benefit payments, including refunds of member contributions	(63,450,584)	(60,781,867)	(61,931,585)	(55,421,776)
Net change in total pension liability	43,272,077	77,241,617	11,133,449	28,054,826
Total pension liability - beginning of year	980,327,974	903,086,357	891,952,908	863,898,082
Total pension liability - end of year (a)	<u>\$ 1,023,600,051</u>	<u>\$ 980,327,974</u>	<u>\$ 903,086,357</u>	<u>\$ 891,952,908</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 21,228,348	\$ 20,465,070	\$ 20,829,238	\$ 21,354,411
Contributions - employee	3,305,129	3,482,800	3,589,742	3,427,754
Net investment income	146,248,922	80,861,322	(15,609,781)	63,060,743
Benefit payments, including refunds of member contributions	(63,450,584)	(60,781,867)	(61,931,585)	(55,421,663)
Administrative expense	(655,261)	(735,605)	(516,333)	(512,644)
Net change in plan fiduciary net position	106,676,554	43,291,720	(53,638,719)	31,908,601
Plan fiduciary net position - beginning of year	909,922,540	866,630,820	920,269,539	888,360,938
Plan fiduciary net position - end of year (b)	<u>\$ 1,016,599,094</u>	<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>\$ 7,000,957</u>	<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	99.32%	92.82%	95.96%	103.17%
Covered payroll	\$ 99,396,859	\$ 104,678,022	\$ 99,786,490	\$ 100,593,159
County's net pension liability (asset) as a percent of covered employee payroll	7.04%	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.

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, 2022

COMPONENT UNIT

	2022	2021	2020	2019	2018
Total Pension Liability					
Service cost	\$ 416,297	\$ 428,535	\$ 152,511	\$ 42,013	\$ 204,843
Interest	2,355,885	2,760,176	1,094,693	497,512	1,187,857
Benefit changes	-	-	-	-	53,215
Difference between expected and actual experience of the total pension liability	446,621	(130,966)	46,546	(32,778)	(407,710)
Changes of assumptions	-	-	-	-	7,916
Benefit payments, including refunds of member contributions	(2,845,194)	(2,737,735)	(2,747,524)	(2,935,388)	(2,795,463)
Net change in total pension liability	373,609	320,010	(1,453,774)	(2,428,641)	(1,749,342)
Total pension liability - beginning of year	15,658,088	15,338,078	16,791,852	19,220,493	20,969,835
Total pension liability - end of year (a)	<u>\$ 16,031,697</u>	<u>\$ 15,658,088</u>	<u>\$ 15,338,078</u>	<u>\$ 16,791,852</u>	<u>\$ 19,220,493</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ -	\$ -	\$ -	\$ 194,998	\$ 603,959
Contributions - employee	93,968	99,995	107,376	100,255	118,020
Net investment income	(3,572,780)	7,448,548	1,420,104	6,442,134	(722,773)
Benefit payments, including refunds of member contributions	(2,845,194)	(2,737,735)	(2,747,524)	(2,935,388)	(2,795,463)
Administrative expense	(14,322)	(24,820)	(7,508)	(2,109)	(8,592)
Net change in plan fiduciary net position	(6,338,328)	4,785,988	(1,227,552)	3,799,890	(2,804,849)
Plan fiduciary net position - beginning of year	25,327,248	20,541,260	21,768,812	17,968,922	20,773,771
Plan fiduciary net position - end of year (b)	<u>\$ 18,988,920</u>	<u>\$ 25,327,248</u>	<u>\$ 20,541,260</u>	<u>\$ 21,768,812</u>	<u>\$ 17,968,922</u>
County's net pension liability - end of year (a) - (b)	<u>\$ (2,957,223)</u>	<u>\$ (9,669,160)</u>	<u>\$ (5,203,182)</u>	<u>\$ (4,976,960)</u>	<u>\$ 1,251,571</u>
Plan fiduciary net position as a percent of total pension liability	118.45%	161.75%	133.92%	129.64%	93.49%
Covered payroll	\$ 3,826,859	\$ 4,257,005	\$ 5,022,962	\$ 4,709,328	\$ 5,974,925
County's net pension liability (asset) as a percent of covered payroll	-77.28%	-227.14%	-103.59%	-105.68%	20.95%

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, 2022

COMPONENT UNIT

	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 511,202	\$ 487,906	\$ 369,981	\$ 392,316
Interest	1,774,841	1,723,528	1,353,130	1,361,485
Benefit changes	-	-	-	36,811
Difference between expected and actual experience of the total pension liability	522,314	863,235	(136,269)	-
Changes of assumptions	-	826,993	-	-
Benefit payments, including refunds of member contributions	<u>(2,771,686)</u>	<u>(2,581,930)</u>	<u>(1,345,044)</u>	<u>(2,651,364)</u>
Net change in total pension liability	36,671	1,319,732	241,798	(860,752)
Total pension liability - beginning of year	<u>20,933,164</u>	<u>19,613,432</u>	<u>19,371,634</u>	<u>20,232,386</u>
Total pension liability - end of year (a)	<u>\$ 20,969,835</u>	<u>\$ 20,933,164</u>	<u>\$ 19,613,432</u>	<u>\$ 19,371,634</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 444,465	\$ 444,465	\$ 452,374	\$ 798,409
Contributions - employee	146,508	145,968	77,963	169,309
Net investment income	4,095,757	2,068,374	(339,017)	1,352,682
Benefit payments, including refunds of member contributions	(2,771,686)	(2,581,930)	(1,345,044)	(2,651,364)
Administrative expense	<u>(18,351)</u>	<u>(21,482)</u>	<u>(11,214)</u>	<u>(10,996)</u>
Net change in plan fiduciary net position	1,896,693	55,395	(1,164,938)	(341,960)
Plan fiduciary net position - beginning of year	<u>18,877,078</u>	<u>18,821,683</u>	<u>19,986,621</u>	<u>20,328,581</u>
Plan fiduciary net position - end of year (b)	<u>\$ 20,773,771</u>	<u>\$ 18,877,078</u>	<u>\$ 18,821,683</u>	<u>\$ 19,986,621</u>
County's net pension liability - end of year (a) - (b)	<u>\$ 196,064</u>	<u>\$ 2,056,086</u>	<u>\$ 791,749</u>	<u>\$ (614,987)</u>
Plan fiduciary net position as a percent of total pension liability	99.07%	90.18%	95.96%	103.17%
Covered payroll	\$ 5,857,665	\$ 5,481,022	\$ 2,466,385	\$ 6,772,360
County's net pension liability (asset) as a percent of covered payroll	3.35%	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.

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, 2022

TOTAL, EMPLOYEES' RETIREMENT SYSTEM

	2022	2021	2020	2019	2018
Total Pension Liability					
Service cost	\$ 12,943,168	\$ 12,620,981	\$ 13,541,838	\$ 14,242,771	\$ 16,952,089
Interest	73,247,248	72,849,681	71,750,208	71,490,946	74,582,651
Benefit changes	-	-	-	-	4,403,869
Difference between expected and actual experience of the total pension liability	13,885,986	(3,857,138)	4,132,925	(11,111,783)	(33,740,604)
Changes of assumptions	-	-	-	-	655,066
Benefit payments, including refunds of member contributions	(79,117,600)	(73,489,957)	(72,127,791)	(68,370,267)	(66,759,543)
Net change in total pension liability	20,958,802	8,123,567	17,297,180	6,251,667	(3,906,472)
Total pension liability - beginning of year	1,072,335,828	1,064,212,261	1,046,915,081	1,040,663,414	1,044,569,886
Total pension liability - end of year (a)	<u>\$ 1,093,294,630</u>	<u>\$ 1,072,335,828</u>	<u>\$ 1,064,212,261</u>	<u>\$ 1,046,915,081</u>	<u>\$ 1,040,663,414</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 11,966,428	\$ 15,560,031	\$ 15,146,875	\$ 17,144,386	\$ 23,747,047
Contributions - employee	2,816,531	3,015,289	3,142,287	3,201,757	3,252,673
Net investment income	(185,832,413)	219,370,679	126,094,417	193,692,886	(59,814,040)
Benefit payments, including refunds of member contributions	(79,117,600)	(73,489,957)	(72,127,791)	(68,370,267)	(66,759,543)
Administrative expense	(744,955)	(730,984)	(666,662)	(714,895)	(711,070)
Net change in plan fiduciary net position	(250,912,009)	163,725,058	71,589,126	144,953,867	(100,284,933)
Plan fiduciary net position - beginning of year	1,317,355,983	1,153,630,925	1,082,041,799	937,087,932	1,037,372,865
Plan fiduciary net position - end of year (b)	<u>\$ 1,066,443,974</u>	<u>\$ 1,317,355,983</u>	<u>\$ 1,153,630,925</u>	<u>\$ 1,082,041,799</u>	<u>\$ 937,087,932</u>
County's net pension liability - end of year (a) - (b)	<u>\$ 26,850,656</u>	<u>\$ (245,020,155)</u>	<u>\$ (89,418,664)</u>	<u>\$ (35,126,718)</u>	<u>\$ 103,575,482</u>
Plan fiduciary net position as a percent of total pension liability	97.54%	122.85%	108.40%	103.36%	90.05%
Covered payroll	\$ 96,607,826	\$ 97,589,925	\$ 103,002,972	\$ 107,492,732	\$ 116,574,389
County's net pension liability (asset) as a percent of covered payroll	27.79%	-251.07%	-86.81%	-32.68%	88.85%

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, 2022

TOTAL, EMPLOYEES' RETIREMENT SYSTEM

	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 18,764,904	\$ 17,195,016	\$ 17,405,488	\$ 18,681,711
Interest	71,593,332	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	19,172,782	30,422,520	(6,410,683)	-
Changes of assumptions	-	32,050,754	-	-
Benefit payments, including refunds of member contributions	(66,222,270)	(63,363,797)	(63,276,629)	(58,073,140)
Net change in total pension liability	43,308,748	78,561,349	11,375,247	27,194,074
Total pension liability - beginning of year	1,001,261,138	922,699,789	911,324,542	884,130,468
Total pension liability - end of year (a)	<u>\$ 1,044,569,886</u>	<u>\$ 1,001,261,138</u>	<u>\$ 922,699,789</u>	<u>\$ 911,324,542</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 21,672,813	\$ 20,909,535	\$ 21,281,612	\$ 22,152,820
Contributions - employee	3,451,637	3,628,768	3,667,705	3,597,063
Net investment income	150,344,679	82,929,696	(15,948,798)	64,413,425
Benefit payments, including refunds of member contributions	(66,222,270)	(63,363,797)	(63,276,629)	(58,073,027)
Administrative expense	(673,612)	(757,087)	(527,547)	(523,640)
Net change in plan fiduciary net position	108,573,247	43,347,115	(54,803,657)	31,566,641
Plan fiduciary net position - beginning of year	928,799,618	885,452,503	940,256,160	908,689,519
Plan fiduciary net position - end of year (b)	<u>\$ 1,037,372,865</u>	<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>\$ 7,197,021</u>	<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	99.31%	92.76%	95.96%	103.17%
Covered payroll	\$ 105,254,524	\$ 110,159,044	\$ 102,252,875	\$ 107,365,519
County's net pension liability (asset) as a percent of covered payroll	6.84%	65.78%	36.43%	-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, 2022

Schedule of Employer Contributions, Primary Government

Year Ended December 31,	Actuarially Determined Contribution	Actual Contributions	Covered Payroll	Contribution as % of Covered Payroll
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%
2022	10,252,487	11,966,428	92,780,967	12.90%

Schedule of Employer Contributions, Component Unit

Year Ended December 31,	Actuarially Determined Contribution	Actual Contributions	Covered Payroll	Contribution as % of Covered Payroll
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%
2022	-	-	3,826,859	0.00%

See accompanying notes to the required supplementary information.

-CONTINUED-

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, 2022

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
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%
2022	10,252,487	11,966,428	96,607,826	12.39%	-14.50%

Significant Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The December 31, 2022 contribution was determined by the December 31, 2020 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	13 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, 2022

PRIMARY GOVERNMENT

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 4,197,472	\$ 5,454,483	\$ 6,364,945	\$ 7,155,215	\$ 7,682,105
Interest	34,252,908	33,867,745	37,898,477	37,573,430	38,441,385
Benefit changes	-	-	-	(1,052,315)	-
Difference between expected and actual experience of the total OPEB liability	(51,964,854)	(80,437,774)	(100,570,025)	(28,860,788)	(24,823,350)
Changes of assumptions	10,180,585	79,999,419	17,274,440	6,742,370	2,948,992
Benefit payments	(18,174,350)	(17,099,098)	(17,116,441)	(18,021,077)	(18,545,452)
Net change in total OPEB liability	(21,508,239)	21,784,775	(56,148,604)	3,536,835	5,703,680
Total OPEB liability - beginning of year	492,585,065	470,800,290	526,948,894	523,412,059	517,708,379
Total OPEB liability - end of year (a)	\$ 471,076,826	\$ 492,585,065	\$ 470,800,290	\$ 526,948,894	\$ 523,412,059
Plan Fiduciary Net Position					
Contributions - employer	\$ 19,000,000	\$ 23,675,000	\$ 22,738,176	\$ 28,849,963	\$ 36,121,454
Contributions - member	977,764	980,508	962,211	979,778	1,000,191
Net investment income	(72,142,784)	71,563,351	44,447,947	62,061,925	(10,260,977)
Employer paid benefits	(18,499,424)	(17,438,328)	(17,442,802)	(18,339,626)	(19,039,328)
Member paid benefits	(977,764)	(980,508)	(962,211)	(979,778)	(1,000,191)
Administrative expense	(83,002)	(74,789)	(45,360)	(21,654)	(58,634)
Net change in plan fiduciary net position	(71,725,210)	77,725,234	49,697,961	72,550,608	6,762,515
Plan fiduciary net position - beginning of year	447,152,538	369,427,304	319,729,343	247,178,735	240,416,220
Plan fiduciary net position - end of year (b)	\$ 375,427,328	\$ 447,152,538	\$ 369,427,304	\$ 319,729,343	\$ 247,178,735
County's net OPEB liability - end of year (a) - (b)	\$ 95,649,498	\$ 45,432,527	\$ 101,372,986	\$ 207,219,551	\$ 276,233,324
Plan fiduciary net position as a percent of total OPEB liability	79.70%	90.78%	78.47%	60.68%	47.22%
Covered employee payroll	\$ 83,388,689	\$ 84,133,063	\$ 88,372,880	\$ 92,630,400	\$ 98,813,225
County's net OPEB liability as a percent of covered employee payroll	114.70%	54.00%	114.71%	223.71%	279.55%

See accompanying notes to the required supplementary information.

-CONTINUED-

Macomb County, Michigan

Retiree Health Care Trust Fund

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

December 31, 2022

PRIMARY GOVERNMENT

	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 8,164,058
Interest	36,672,615
Benefit changes	-
Difference between expected and actual experience of the total OPEB liability	(3,200,142)
Changes of assumptions	-
Benefit payments	<u>(20,828,811)</u>
Net change in total OPEB liability	20,807,720
Total OPEB liability - beginning of year	<u>496,900,659</u>
Total OPEB liability - end of year (a)	<u><u>\$ 517,708,379</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 34,335,823
Contributions - member	745,968
Net investment income	31,220,986
Employer paid benefits	(20,828,811)
Member paid benefits	(745,968)
Administrative expense	<u>(20,406)</u>
Net change in plan fiduciary net position	44,707,592
Plan fiduciary net position - beginning of year	<u>195,708,628</u>
Plan fiduciary net position - end of year (b)	<u><u>\$ 240,416,220</u></u>
County's net OPEB liability - end of year (a) - (b)	<u><u>\$ 277,292,159</u></u>
Plan fiduciary net position as a percent of total OPEB liability	46.44%
Covered employee payroll	\$ 87,479,044
County's net OPEB liability as a percent of covered employee payroll	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.

-CONTINUED-

Macomb County, Michigan

Retiree Health Care Trust Fund

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

December 31, 2022

COMPONENT UNIT

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 220,920	\$ 305,267	\$ 370,447	\$ 444,589	\$ 477,327
Interest	1,802,785	1,895,449	2,205,731	2,334,621	2,388,551
Benefit changes	-	-	-	(65,386)	-
Difference between expected and actual experience of the total OPEB liability	(2,734,992)	(4,501,797)	(5,853,282)	(2,926,139)	(1,542,396)
Changes of assumptions	535,820	4,477,264	1,005,391	418,936	183,235
Benefit payments	(956,545)	(956,972)	(996,195)	(1,119,738)	(1,152,320)
Net change in total OPEB liability	(1,132,012)	1,219,211	(3,267,908)	(913,117)	354,397
Total OPEB liability - beginning of year	29,852,514	28,633,303	31,901,211	32,814,328	32,459,931
Total OPEB liability - end of year (a)	\$ 28,720,502	\$ 29,852,514	\$ 28,633,303	\$ 31,901,211	\$ 32,814,328
Plan Fiduciary Net Position					
Contributions - employer	\$ 1,000,000	\$ 1,325,000	\$ 1,323,386	\$ 1,428,041	\$ 2,244,403
Contributions - member	51,461	54,875	56,002	60,878	62,147
Net investment income	(3,682,832)	4,060,045	3,412,842	3,243,696	(637,565)
Employer paid benefits	(973,654)	(975,957)	(1,015,190)	(1,139,531)	(1,026,512)
Member paid benefits	(51,461)	(54,875)	(56,002)	(60,878)	(62,147)
Administrative expense	(4,368)	(4,186)	(2,640)	(1,346)	(3,643)
Net change in plan fiduciary net position	(3,660,854)	4,404,902	3,718,398	3,530,860	576,683
Plan fiduciary net position - beginning of year	27,304,761	22,899,859	19,181,461	15,650,601	15,073,918
Plan fiduciary net position - end of year (b)	\$ 23,643,907	\$ 27,304,761	\$ 22,899,859	\$ 19,181,461	\$ 15,650,601
County's net OPEB liability - end of year (a) - (b)	\$ 5,076,595	\$ 2,547,753	\$ 5,733,444	\$ 12,719,750	\$ 17,163,727
Plan fiduciary net position as a percent of total OPEB liability	82.32%	91.47%	79.98%	60.13%	47.69%
Covered employee payroll	\$ 3,826,859	\$ 4,257,005	\$ 5,022,962	\$ 4,709,328	\$ 5,974,925
County's net OPEB liability as a percent of covered employee payroll	132.66%	59.85%	114.14%	270.10%	287.26%

See accompanying notes to the required supplementary information.

-CONTINUED-

Macomb County, Michigan

Retiree Health Care Trust Fund

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

December 31, 2022

COMPONENT UNIT	2017
Total OPEB Liability	
Service cost	\$ 511,880
Interest	2,299,346
Benefit changes	-
Difference between expected and actual experience of the total OPEB liability	(200,646)
Changes of assumptions	-
Benefit payments	<u>(1,305,951)</u>
Net change in total OPEB liability	1,304,629
Total OPEB liability - beginning of year	<u>31,155,302</u>
Total OPEB liability - end of year (a)	<u>\$ 32,459,931</u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 2,152,831
Contributions - member	46,772
Net investment income	1,957,532
Employer paid benefits	(1,305,951)
Member paid benefits	(46,772)
Administrative expense	<u>(1,279)</u>
Net change in plan fiduciary net position	2,803,133
Plan fiduciary net position - beginning of year	<u>12,270,785</u>
Plan fiduciary net position - end of year (b)	<u>\$ 15,073,918</u>
County's net OPEB liability - end of year (a) - (b)	<u>\$ 17,386,013</u>
Plan fiduciary net position as a percent of total OPEB liability	46.44%
Covered employee payroll	\$ 5,857,665
County's net OPEB liability as a percent of covered employee payroll	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.

-CONTINUED-

Macomb County, Michigan

Retiree Health Care Trust Fund

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

December 31, 2022

TOTAL, RETIREE HEALTH CARE TRUST

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 4,418,392	\$ 5,759,750	\$ 6,735,392	\$ 7,599,804	\$ 8,159,432
Interest	36,055,693	35,763,194	40,104,208	39,908,051	40,829,936
Benefit changes	-	-	-	(1,117,701)	-
Difference between expected and actual experience of the total OPEB liability	(54,699,846)	(84,939,571)	(106,423,307)	(31,786,927)	(26,365,746)
Changes of assumptions	10,716,405	84,476,683	18,279,831	7,161,306	3,132,227
Benefit payments	(19,130,895)	(18,056,070)	(18,112,636)	(19,140,815)	(19,697,772)
Net change in total OPEB liability	(22,640,251)	23,003,986	(59,416,512)	2,623,718	6,058,077
Total OPEB liability - beginning of year	522,437,579	499,433,593	558,850,105	556,226,387	550,168,310
Total OPEB liability - end of year (a)	<u>\$ 499,797,328</u>	<u>\$ 522,437,579</u>	<u>\$ 499,433,593</u>	<u>\$ 558,850,105</u>	<u>\$ 556,226,387</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 20,000,000	\$ 25,000,000	\$ 24,061,562	\$ 30,278,004	\$ 38,365,857
Contributions - member	1,029,225	1,035,383	1,018,213	1,040,656	1,062,338
Net investment income	(75,825,616)	75,623,396	47,860,789	65,305,621	(10,898,542)
Employer paid benefits	(19,473,078)	(18,414,285)	(18,457,992)	(19,479,157)	(20,065,840)
Member paid benefits	(1,029,225)	(1,035,383)	(1,018,213)	(1,040,656)	(1,062,338)
Administrative expense	(87,370)	(78,975)	(48,000)	(23,000)	(62,277)
Net change in plan fiduciary net position	(75,386,064)	82,130,136	53,416,359	76,081,468	7,339,198
Plan fiduciary net position - beginning of year	474,457,299	392,327,163	338,910,804	262,829,336	255,490,138
Plan fiduciary net position - end of year (b)	<u>\$ 399,071,235</u>	<u>\$ 474,457,299</u>	<u>\$ 392,327,163</u>	<u>\$ 338,910,804</u>	<u>\$ 262,829,336</u>
County's net OPEB liability - end of year (a) - (b)	<u>\$ 100,726,093</u>	<u>\$ 47,980,280</u>	<u>\$ 107,106,430</u>	<u>\$ 219,939,301</u>	<u>\$ 293,397,051</u>
Plan fiduciary net position as a percent of total OPEB liability	79.85%	90.82%	78.55%	60.64%	47.25%
Covered employee payroll	\$ 87,215,548	\$ 88,390,068	\$ 93,395,842	\$ 97,339,728	\$ 104,788,150
County's net OPEB liability as a percent of covered employee payroll	115.49%	54.28%	114.68%	225.95%	279.99%

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, 2022

TOTAL, RETIREE HEALTH CARE TRUST

	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 8,675,938
Interest	38,971,961
Benefit changes	-
Difference between expected and actual experience of the total OPEB liability	(3,400,788)
Changes of assumptions	-
Benefit payments	<u>(22,134,762)</u>
Net change in total OPEB liability	22,112,349
Total OPEB liability - beginning of year	<u>528,055,961</u>
Total OPEB liability - end of year (a)	<u><u>\$ 550,168,310</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 36,488,654
Contributions - member	792,740
Net investment income	33,178,518
Employer paid benefits	(22,134,762)
Member paid benefits	(792,740)
Administrative expense	<u>(21,685)</u>
Net change in plan fiduciary net position	47,510,725
Plan fiduciary net position - beginning of year	<u>207,979,413</u>
Plan fiduciary net position - end of year (b)	<u><u>\$ 255,490,138</u></u>
County's net OPEB liability - end of year (a) - (b)	<u><u>\$ 294,678,172</u></u>
Plan fiduciary net position as a percent of total OPEB liability	46.44%
Covered employee payroll	\$ 93,336,709
County's net OPEB liability as a percent of covered employee payroll	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, 2022

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
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%
2022	14,513,679	19,000,000	(4,486,321)	83,388,689	22.78%

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
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%
2022	619,645	1,000,000	(380,355)	3,826,859	26.13%

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 EMPLOYER CONTRIBUTIONS
AND SCHEDULE OF MONEY WEIGHTED INVESTMENT RATE OF RETURN (CONCLUDED)

December 31, 2022

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	
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%
2022	15,133,324	20,000,000	(4,866,676)	87,215,548	22.93%	-14.50%

Significant Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The December 31, 2022 actuarially determined contributions to the fund were based on the December 31, 2020 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	22 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, 2022

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 730,626	\$ 727,413	\$ 1,018,742	\$ 1,234,992	\$ 1,214,302
Interest	4,945,515	5,987,523	5,842,514	6,044,124	5,960,794
Difference between expected and actual experience of the total OPEB liability	(1,273,064)	(21,851,634)	(1,872,708)	(16,664,471)	(1,390,288)
Changes of assumptions	-	2,480,594	-	9,312,252	7,268,838
Benefit payments	<u>(2,908,303)</u>	<u>(2,657,013)</u>	<u>(2,732,209)</u>	<u>(2,878,957)</u>	<u>(3,118,373)</u>
Net change in total OPEB liability	1,494,774	(15,313,117)	2,256,339	(2,952,060)	9,935,273
Total OPEB liability - beginning of year	<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>
Total OPEB liability - end of year (a)	<u>\$ 75,850,499</u>	<u>\$ 74,355,725</u>	<u>\$ 89,668,842</u>	<u>\$ 87,412,503</u>	<u>\$ 90,364,563</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 6,908,303	\$ 6,657,013	\$ 7,732,209	\$ 8,378,957	\$ 6,118,373
Net investment income	(14,537,365)	18,393,318	5,353,489	1,853,092	3,145,994
Employer paid benefits	(2,908,303)	(2,657,013)	(2,732,209)	(2,878,957)	(3,118,373)
Administrative expense	<u>(72,519)</u>	<u>(67,729)</u>	<u>(136,929)</u>	<u>(132,056)</u>	<u>(148,333)</u>
Net change in plan fiduciary net position	(10,609,884)	22,325,589	10,216,560	7,221,036	5,997,661
Plan fiduciary net position - beginning of year	<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>
Plan fiduciary net position - end of year (b)	<u>\$ 92,073,817</u>	<u>\$ 102,683,701</u>	<u>\$ 80,358,112</u>	<u>\$ 70,141,552</u>	<u>\$ 62,920,516</u>
County Roads' net OPEB liability (asset) - end of year (a) - (b)	<u>\$ (16,223,318)</u>	<u>\$ (28,327,976)</u>	<u>\$ 9,310,730</u>	<u>\$ 17,270,951</u>	<u>\$ 27,444,047</u>
Plan fiduciary net position as a percent of total OPEB liability	121.39%	138.10%	89.62%	80.24%	69.63%
Covered employee payroll	\$ 9,392,278	\$ 9,199,857	\$ 9,607,130	\$ 10,153,004	\$ 11,786,239
County Roads' net OPEB liability as a percent of covered employee payroll	-172.73%	-307.92%	96.91%	170.11%	232.85%

See accompanying notes to the required supplementary information.

-CONTINUED-

Macomb County, Michigan

Department of Roads Retiree Health Care Trust Plan

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

September 30, 2022

	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 1,219,920
Interest	5,749,886
Difference between expected and actual experience of the total OPEB liability	(929,177)
Changes of assumptions	-
Benefit payments	<u>(3,333,061)</u>
Net change in total OPEB liability	2,707,568
Total OPEB liability - beginning of year	<u>77,721,722</u>
Total OPEB liability - end of year (a)	<u>\$ 80,429,290</u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 6,333,061
Net investment income	6,040,085
Employer paid benefits	(3,333,061)
Administrative expense	<u>(128,747)</u>
Net change in plan fiduciary net position	8,911,338
Plan fiduciary net position - beginning of year	<u>48,011,517</u>
Plan fiduciary net position - end of year (b)	<u>\$ 56,922,855</u>
County Roads' net OPEB liability (asset) - end of year (a) - (b)	<u>\$ 23,506,435</u>
Plan fiduciary net position as a percent of total OPEB liability	70.77%
Covered employee payroll	\$ 11,917,815
County Roads' net OPEB liability as a percent of covered employee payroll	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, 2022

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	Investment Rate of Return
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%
2022	-	6,908,303	(6,908,303)	9,392,278	73.55%	-13.69%

N/A – Not available

Significant Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The September 30, 2022 actuarially determined contributions to the fund were based on the December 31, 2020 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	17 years, closed
Asset valuation method	Fair value of assets
Actuarial assumptions:	
Investment rate of return	6.75%
Projected salary increases	3.0% - 15.0%, including inflation of 2.5%
Inflation rate	2.5%
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	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 with modifications for healthy and disabled retirement populations using the RP-2014 Healthy Annuitant and RP-2014 Disabled Mortality Tables respectively.

See accompanying notes to the required supplementary information.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

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. 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			
Judicial			
Family court - Juvenile division	\$ 5,901,909	\$ 6,005,510	\$ (103,601)
Law library	9,000	9,616	(616)
Public safety			
Emergency management	1,469,940	1,487,520	(17,580)
Sheriff department	70,999,475	71,983,173	(983,698)
Public works	7,053,701	7,133,951	(80,250)
Capital outlay	2,258,199	2,685,166	(426,967)
SPECIAL REVENUE FUND			
Coronavirus Response Fund	-	1,435,838	(1,435,838)
Dispatch and Cellular Fee Fund	8,937,717	9,333,860	(396,143)
MSU Extension Fiscal Fund	32,500	32,831	(331)
Social Welfare Fund	-	297,222	(297,222)

The Child Care Fund, Community Corrections Fund (December year end), Emergency Management Grants Fund, and Prosecutor Grants Fund (September year end) remained under budget and not in a deficit position, net of deferred inflows for grants. However, these funds were budgeted to either maintain or increase their deficit fund balance in the 2022 budget, which is a violation of Michigan Public Act 2 of 1968. Additionally, the Coronavirus Response Fund and Social Welfare Fund did not have a budget for 2022, which is a violation of Michigan Public Act 2 of 1968.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

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

Employees' Retirement System

There were no changes of assumptions or benefit terms in 2022.

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, 2022 and December 31, 2021: Lower than projected health care costs and lower prescription drug costs.

The following changes in assumptions impacted the calculation of the net OPEB liability as of December 31, 2022: The health care and prescription trend rates were modified, increasing the expected rate of increase over the next ten years.

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.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

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

Retiree Health Care Trust Fund (concluded)

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.

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

There were no changes of assumptions or benefit terms in 2022.

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, 2022

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and pooled investments	\$ 38,091,278	\$ 101,452	\$ 22,589,513	\$ 60,782,243
Receivables				
Property taxes, net	1,978,921	-	-	1,978,921
Trade accounts and leases, net	31,793,233	-	916,376	32,709,609
Due from other governments	11,614,765	-	774,165	12,388,930
Other assets	70,139	-	-	70,139
TOTAL ASSETS	\$ 83,548,336	\$ 101,452	\$ 24,280,054	\$ 107,929,842
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 5,950,844	\$ -	\$ 3,283,174	\$ 9,234,018
Accrued liabilities	60,871	-	339,658	400,529
Accrued compensation and benefits	1,101,156	-	-	1,101,156
Due to other governments	6,640,775	-	-	6,640,775
Due to governmental funds	2,588,549	-	-	2,588,549
Unearned revenue	4,226,969	-	-	4,226,969
TOTAL LIABILITIES	20,569,164	-	3,622,832	24,191,996
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	2,121,312	-	-	2,121,312
Lease activities	-	-	650,961	650,961
Unavailable grants and other charges	23,705,728	-	640,351	24,346,079
TOTAL DEFERRED INFLOWS OF RESOURCES	25,827,040	-	1,291,312	27,118,352
FUND BALANCES				
Nonspendable	70,139	-	-	70,139
Restricted	38,814,036	100,627	984,030	39,898,693
Assigned	4,162,197	825	18,381,880	22,544,902
Unassigned	(5,894,240)	-	-	(5,894,240)
TOTAL FUND BALANCES	37,152,132	101,452	19,365,910	56,619,494
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 83,548,336	\$ 101,452	\$ 24,280,054	\$ 107,929,842

Macomb County, Michigan

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

Year Ended December 31, 2022

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 2,053,418	\$ -	\$ -	\$ 2,053,418
Licenses and permits	478,300	-	-	478,300
Federal and state grants	45,695,332	-	106,984	45,802,316
Other grants	355,883	-	-	355,883
Charges for services	13,191,144	-	744,126	13,935,270
Fines and forfeitures	892,384	-	-	892,384
Interest and rents	36,921	-	74,069	110,990
Other revenue	12,314,062	-	102	12,314,164
TOTAL REVENUES	75,017,444	-	925,281	75,942,725
EXPENDITURES				
Current				
Judicial	20,850,053	-	-	20,850,053
General government	1,236,451	-	-	1,236,451
Public safety	17,962,843	-	371,772	18,334,615
Public works	-	27,646	-	27,646
Health and welfare	37,798,801	-	-	37,798,801
Community and economic development	1,010,786	-	-	1,010,786
Recreational and cultural	-	-	88,963	88,963
Capital outlay	607,240	-	13,065,210	13,672,450
Debt service				
Principal	-	4,875,000	-	4,875,000
Interest and fees	-	1,007,074	-	1,007,074
TOTAL EXPENDITURES	79,466,174	5,909,720	13,525,945	98,901,839
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,448,730)	(5,909,720)	(12,600,664)	(22,959,114)
OTHER FINANCING SOURCES (USES)				
Transfers in	18,498,348	3,734,974	27,246,439	49,479,761
Transfers out	-	-	(14,983,538)	(14,983,538)
TOTAL OTHER FINANCING SOURCES (USES)	18,498,348	3,734,974	12,262,901	34,496,223
NET CHANGE IN FUND BALANCES	14,049,618	(2,174,746)	(337,763)	11,537,109
Fund balances, beginning of year (1)	23,102,514	2,276,198	19,703,673	45,082,385
Fund balances, end of year	<u>\$ 37,152,132</u>	<u>\$ 101,452</u>	<u>\$ 19,365,910</u>	<u>\$ 56,619,494</u>

(1) - As restated. See Notes to the Basic Financial Statements, Note 21.

FUND DESCRIPTIONS – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2022

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 Funds – These funds 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. Both the September 30 and the December 31 fund accounts for related grants. These funds receive 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.

Dispatch and Cellular Fee Fund – This fund was established to account for (a) the state-mandated 911 charge of \$0.25 cents per line per Public Act 51 of 2018, (b) the county 911 surcharge of \$0.42 cents per line as authorized under MCL 401b(1)(a) of the Emergency 911 Service Enabling Act, and, (c) county dispatch operations, including contracted services provided to other local cities, villages, and townships in Macomb County. The fund is used to account eligible expenditures under these funding sources, including capital improvements to dispatch infrastructure, dispatch training activities, as well as costs incurred for services provided to other local cities, villages, and townships in Macomb County. Additionally, beginning with fiscal year 2022, the fund is used to account for the operations of county dispatch operations. This fund receives funding from a combination of state revenues, charges for services paid from cellular providers, and charges for services paid by local cities, villages, and townships within Macomb County. Additionally, the fund receives contributions from the General Fund for operating costs related to county dispatch operations not otherwise covered by other sources and formerly accounted for within the county general fund in years prior to fiscal year 2022. The general fund contribution represents approximately one-third of revenues and transfers recorded in the fund.

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.

FUND DESCRIPTIONS – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2022

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.

Opioid Settlement Fund – This fund was established to account for proceeds collected from the National Opioid Litigation Settlement reached in July 2021 with three distributors of opioid drugs (McKesson, Cardinal Health, and AmerisourceBergen), and one manufacturer (Janssen Pharmaceuticals), in which settlement funds will be paid into a national escrow account over periods ranging between 9 and 18 years. Under the settlement, the county is expected to receive \$27,718,299. The fund will also be used to account for the expenditure of funds, which will fund evidence-based programming, recovery supports, harm-reduction strategies, and prevention programming. The fund is supported solely by the settlement payments and receives 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.

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.

FUND DESCRIPTIONS – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2022

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, 2022

	Circuit Court Programs	Circuit Court Programs (1)	Child Care (1)	Community Corrections
ASSETS				
Cash and pooled investments	\$ 808	\$ 88,855	\$ 86,338	\$ 6,231
Receivables				
Property taxes, net	-	-	-	-
Trade accounts, net	-	-	35,719	-
Due from other governments	-	159,241	1,668,096	-
Other assets	-	-	-	-
TOTAL ASSETS	\$ 808	\$ 248,096	\$ 1,790,153	\$ 6,231
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 800	\$ 43,192	\$ 342,102	\$ -
Accrued liabilities	-	-	-	-
Accrued compensation and benefits	-	-	176,630	3,196
Due to other governments	-	-	-	-
Due to governmental funds	-	-	1,237,500	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	800	43,192	1,756,232	3,196
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	-	-	-	-
Unavailable grants and other charges	-	10,403	942,329	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	10,403	942,329	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	193,633	-	3,035
Assigned	8	868	-	-
Unassigned	-	-	(908,408)	-
TOTAL FUND BALANCES	8	194,501	(908,408)	3,035
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 808	\$ 248,096	\$ 1,790,153	\$ 6,231

(1) - Balance Sheet as of September 30, 2022

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2022

	Community Corrections (1)	Community Action Agency	Concealed Pistol License	Dispatch and Cellular Fee
ASSETS				
Cash and pooled investments	\$ -	\$ 1,254,590	\$ 2,218,327	\$ 5,104,275
Receivables				
Property taxes, net	-	-	-	-
Trade accounts, net	-	8,128,058	-	1,113,878
Due from other governments	167,270	1,661,491	-	638,075
Other assets	-	-	-	30,040
TOTAL ASSETS	\$ 167,270	\$ 11,044,139	\$ 2,218,327	\$ 6,886,268
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 62,042	\$ 907,384	\$ 161	\$ 800
Accrued liabilities	-	-	-	-
Accrued compensation and benefits	30,014	11,524	3,925	113,846
Due to other governments	9,856	2,487	76,166	1,880,410
Due to governmental funds	63,753	-	-	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	165,665	921,395	80,252	1,995,056
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	-	-	-	-
Unavailable grants and other charges	-	17,077	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	17,077	-	-
FUND BALANCES				
Nonspendable	-	-	-	30,040
Restricted	1,605	10,105,667	2,138,075	4,087,410
Assigned	-	-	-	773,762
Unassigned	-	-	-	-
TOTAL FUND BALANCES	1,605	10,105,667	2,138,075	4,891,212
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 167,270	\$ 11,044,139	\$ 2,218,327	\$ 6,886,268

(1) - Balance Sheet as of September 30, 2022

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2022

	Emergency Management Grants	Friend of the Court (1)	Health Grants	Health Grants (1)
ASSETS				
Cash and pooled investments	\$ 10,922	\$ 353,513	\$ 2,863,859	\$ 9,697,891
Receivables				
Property taxes, net	-	-	-	-
Trade accounts, net	-	1,800	-	12,342
Due from other governments	4,122,437	1,197,585	-	141,859
Other assets	-	13,286	-	-
TOTAL ASSETS	\$ 4,133,359	\$ 1,566,184	\$ 2,863,859	\$ 9,852,092
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 3,426,046	\$ 4,676	\$ 583	\$ 258,993
Accrued liabilities	-	-	-	-
Accrued compensation and benefits	10,289	240,663	-	220,603
Due to other governments	-	-	-	3,820,407
Due to governmental funds	642,691	-	-	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	4,079,026	245,339	583	4,300,003
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	-	-	-	-
Unavailable grants and other charges	3,686,355	642,517	-	141,859
TOTAL DEFERRED INFLOWS OF RESOURCES	3,686,355	642,517	-	141,859
FUND BALANCES				
Nonspendable	-	13,286	-	-
Restricted	-	1,281,159	2,862,376	5,410,230
Assigned	-	-	900	-
Unassigned	(3,632,022)	(616,117)	-	-
TOTAL FUND BALANCES	(3,632,022)	678,328	2,863,276	5,410,230
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,133,359	\$ 1,566,184	\$ 2,863,859	\$ 9,852,092

(1) - Balance Sheet as of September 30, 2022

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2022

	Macomb / St. Clair Employment and Training (2)	MSU Extension	MSU Extension (1)	Opioid Settlement
ASSETS				
Cash and pooled investments	\$ 218,829	\$ 117,603	\$ 141,139	\$ -
Receivables				
Property taxes, net	-	-	-	-
Trade accounts, net	-	-	-	22,320,984
Due from other governments	-	-	-	-
Other assets	220	-	-	-
TOTAL ASSETS	\$ 219,049	\$ 117,603	\$ 141,139	\$ 22,320,984
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 38,552	\$ 248	\$ 12,602	\$ -
Accrued liabilities	-	-	-	-
Accrued compensation and benefits	162,311	-	-	-
Due to other governments	-	-	-	-
Due to governmental funds	-	-	-	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	200,863	248	12,602	-
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	-	-	-	-
Unavailable grants and other charges	-	-	-	16,958,396
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	16,958,396
FUND BALANCES				
Nonspendable	220	-	-	-
Restricted	17,966	117,355	-	5,362,588
Assigned	-	-	128,537	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	18,186	117,355	128,537	5,362,588
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 219,049	\$ 117,603	\$ 141,139	\$ 22,320,984

(1) - Balance Sheet as of September 30, 2022

(2) - Balance Sheet as of June 30, 2022

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2022

	Prosecuting Attorney Grants	Prosecuting Attorney Grants (1)	Public Defender's Office Fund (1)	Register of Deeds Remonumentation Fund
ASSETS				
Cash and pooled investments	\$ 229,426	\$ -	\$ 4,443,513	\$ 24,789
Receivables			-	
Property taxes, net	-	-	-	-
Trade accounts, net	74	-	14,584	-
Due from other governments	196,218	543,946	-	138,805
Other assets	-	-	-	-
TOTAL ASSETS	\$ 425,718	\$ 543,946	\$ 4,458,097	\$ 163,594
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 91,308	\$ 10,064	\$ 171,462	\$ 161,686
Accrued liabilities	-	-	60,871	-
Accrued compensation and benefits	2,278	79,247	-	-
Due to other governments	-	-	-	1,908
Due to governmental funds	116,306	425,128	-	-
Unearned revenue	-	-	4,217,764	-
TOTAL LIABILITIES	209,892	514,439	4,450,097	163,594
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	-	-	-	-
Unavailable grants and other charges	157,449	399,049	8,000	138,805
TOTAL DEFERRED INFLOWS OF RESOURCES	157,449	399,049	8,000	138,805
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	58,377	-	-	-
Assigned	-	-	-	-
Unassigned	-	(369,542)	-	(138,805)
TOTAL FUND BALANCES	58,377	(369,542)	-	(138,805)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 425,718	\$ 543,946	\$ 4,458,097	\$ 163,594

(1) - Balance Sheet as of September 30, 2022

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

December 31, 2022

	Register of Deeds Technology Fund	Sheriff Grants	Sheriff Grants (1)	Social Welfare Fund
ASSETS				
Cash and pooled investments	\$ 2,403,850	\$ 2,140,322	\$ 3,224	\$ 297,225
Receivables				
Property taxes, net	-	-	-	-
Trade accounts, net	-	-	-	-
Due from other governments	-	-	468,955	-
Other assets	3,240	18,760	-	-
TOTAL ASSETS	<u>\$ 2,407,090</u>	<u>\$ 2,159,082</u>	<u>\$ 472,179</u>	<u>\$ 297,225</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 18,220	\$ 82,407	\$ 41,579	\$ 3
Accrued liabilities	-	-	-	-
Accrued compensation and benefits	3,243	-	26,751	-
Due to other governments	-	-	101,573	297,222
Due to governmental funds	-	-	103,171	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	<u>21,463</u>	<u>82,407</u>	<u>273,074</u>	<u>297,225</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	-	-	-	-
Unavailable grants and other charges	-	-	321,383	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>321,383</u>	<u>-</u>
FUND BALANCES				
Nonspendable	3,240	18,760	-	-
Restricted	2,382,387	2,048,847	-	-
Assigned	-	9,068	-	-
Unassigned	-	-	(122,278)	-
TOTAL FUND BALANCES	<u>2,385,627</u>	<u>2,076,675</u>	<u>(122,278)</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,407,090</u>	<u>\$ 2,159,082</u>	<u>\$ 472,179</u>	<u>\$ 297,225</u>

(1) - Balance Sheet as of September 30, 2022

-CONTINUED-

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)

December 31, 2022

	Urban County Block Grant	Veterans' Affairs	Veterans' Grants (1)	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and pooled investments	\$ 3,610,386	\$ 2,775,363	\$ -	\$ 38,091,278
Receivables				
Property taxes, net	-	1,978,921	-	1,978,921
Trade accounts, net	165,000	794	-	31,793,233
Due from other governments	22,328	-	488,459	11,614,765
Other assets	2,500	2,093	-	70,139
TOTAL ASSETS	\$ 3,800,214	\$ 4,757,171	\$ 488,459	\$ 83,548,336
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 187,451	\$ 70,013	\$ 18,470	\$ 5,950,844
Accrued liabilities	-	-	-	60,871
Accrued compensation and benefits	-	16,636	-	1,101,156
Due to other governments	-	-	450,746	6,640,775
Due to governmental funds	-	-	-	2,588,549
Unearned revenue	-	-	9,205	4,226,969
TOTAL LIABILITIES	187,451	86,649	478,421	20,569,164
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in advance	-	2,121,312	-	2,121,312
Unavailable grants and other charges	165,000	-	117,106	23,705,728
TOTAL DEFERRED INFLOWS OF RESOURCES	165,000	2,121,312	117,106	25,827,040
FUND BALANCES				
Nonspendable	2,500	2,093	-	70,139
Restricted	196,209	2,547,117	-	38,814,036
Assigned	3,249,054	-	-	4,162,197
Unassigned	-	-	(107,068)	(5,894,240)
TOTAL FUND BALANCES	3,447,763	2,549,210	(107,068)	37,152,132
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,800,214	\$ 4,757,171	\$ 488,459	\$ 83,548,336

(1) - Balance Sheet as of September 30, 2022

Macomb County, Michigan

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

Year Ended December 31, 2022

	Circuit Court Programs	Circuit Court Programs (1)	Child Care (1)	Community Corrections
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Federal and state grants	22,400	506,247	5,039,571	21,797
Other grants	-	-	-	-
Charges for services	8	6,716	520,654	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	-	180,737	-
TOTAL REVENUES	22,408	512,963	5,740,962	21,797
EXPENDITURES				
Current				
Judicial	22,400	372,015	-	-
General government	-	-	-	-
Public safety	-	-	-	215,777
Health and welfare	-	-	13,970,099	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	22,400	372,015	13,970,099	215,777
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8	140,948	(8,229,137)	(193,980)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	42,810	7,745,731	213,134
NET CHANGE IN FUND BALANCES	8	183,758	(483,406)	19,154
Fund balances, beginning of year	-	10,743	(425,002)	(16,119)
Fund balances, end of year	\$ 8	\$ 194,501	\$ (908,408)	\$ 3,035

(1) - Year ended September 30, 2022

Macomb County, Michigan

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

Year Ended December 31, 2022

	Community Corrections (1)	Community Action Agency	Concealed Pistol License	Dispatch and Cellular Fee
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	478,300	-
Federal and state grants	1,330,018	5,399,546	-	672,847
Other grants	-	-	-	-
Charges for services	-	267,314	-	5,172,254
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	500,500	-	2,098,179
TOTAL REVENUES	1,330,018	6,167,360	478,300	7,943,280
EXPENDITURES				
Current				
Judicial	-	-	-	-
General government	-	-	299,705	-
Public safety	1,707,747	-	-	9,322,824
Health and welfare	-	4,841,069	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	11,235	11,036
TOTAL EXPENDITURES	1,707,747	4,841,069	310,940	9,333,860
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(377,729)	1,326,291	167,360	(1,390,580)
OTHER FINANCING SOURCES (USES)				
Transfers in	377,597	-	-	2,949,843
NET CHANGE IN FUND BALANCES	(132)	1,326,291	167,360	1,559,263
Fund balances, beginning of year	1,737	8,779,376	1,970,715	3,331,949
Fund balances, end of year	\$ 1,605	\$ 10,105,667	\$ 2,138,075	\$ 4,891,212

(1) - Year ended September 30, 2022

Macomb County, Michigan

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

Year Ended December 31, 2022

	Emergency Management Grants	Friend of the Court (1)	Health Grants	Health Grants (1)
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Federal and state grants	4,029,661	8,309,768	552,879	10,789,104
Other grants	-	-	-	-
Charges for services	-	735,627	18,560	25,609
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	156	198,686	2,559,996
TOTAL REVENUES	4,029,661	9,045,551	770,125	13,374,709
EXPENDITURES				
Current				
Judicial	-	11,458,192	-	-
General government	-	-	-	-
Public safety	4,318,448	-	-	-
Health and welfare	-	-	38,232	11,413,466
Community and economic development	-	-	-	-
Capital outlay	101,247	4,095	-	125,318
TOTAL EXPENDITURES	4,419,695	11,462,287	38,232	11,538,784
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(390,034)	(2,416,736)	731,893	1,835,925
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,124,385	-	1,621,105
NET CHANGE IN FUND BALANCES	(390,034)	707,649	731,893	3,457,030
Fund balances, beginning of year	(3,241,988)	(29,321)	2,131,383	1,953,200
Fund balances, end of year	<u>\$ (3,632,022)</u>	<u>\$ 678,328</u>	<u>\$ 2,863,276</u>	<u>\$ 5,410,230</u>

(1) - Year ended September 30, 2022

Macomb County, Michigan

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

Year Ended December 31, 2022

	Macomb / St. Clair Employment and Training (2)	MSU Extension	MSU Extension (1)	Opioid Settlement
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Federal and state grants	-	-	-	-
Other grants	-	-	-	-
Charges for services	4,344,083	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other revenue	-	-	-	5,362,588
TOTAL REVENUES	4,344,083	-	-	5,362,588
EXPENDITURES				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	4,355,895	1,887	32,831	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	4,355,895	1,887	32,831	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,812)	(1,887)	(32,831)	5,362,588
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
NET CHANGE IN FUND BALANCES	(11,812)	(1,887)	(32,831)	5,362,588
Fund balances, beginning of year	29,998	119,242	161,368	-
Fund balances, end of year	<u>\$ 18,186</u>	<u>\$ 117,355</u>	<u>\$ 128,537</u>	<u>\$ 5,362,588</u>

(1) - Year ended September 30, 2022

(2) - Year ended June 30, 2022

Macomb County, Michigan

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

Year Ended December 31, 2022

	Prosecuting Attorney Grants	Prosecuting Attorney Grants (1)	Public Defender's Office Fund (1)	Register of Deeds Remonumentation Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Federal and state grants	135,414	2,221,670	3,266,649	226,598
Other grants	-	-	-	-
Charges for services	-	-	1,128,470	-
Fines and forfeitures	54,476	-	-	-
Interest and rents	2,779	-	-	-
Other revenue	-	-	-	-
TOTAL REVENUES	192,669	2,221,670	4,395,119	226,598
EXPENDITURES				
Current				
Judicial	354,759	3,146,989	5,495,698	-
General government	-	-	-	235,485
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	943	15,569	9,201	-
TOTAL EXPENDITURES	355,702	3,162,558	5,504,899	235,485
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(163,033)	(940,888)	(1,109,780)	(8,887)
OTHER FINANCING SOURCES (USES)				
Transfers in	13,398	895,317	1,109,780	-
NET CHANGE IN FUND BALANCES	(149,635)	(45,571)	-	(8,887)
Fund balances, beginning of year	208,012	(323,971)	-	(129,918)
Fund balances, end of year	\$ 58,377	\$ (369,542)	\$ -	\$ (138,805)

(1) - Year ended September 30, 2022

Macomb County, Michigan

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

Year Ended December 31, 2022

	Register of Deeds Technology Fund	Sheriff Grants	Sheriff Grants (1)	Social Welfare Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 1,649
Licenses and permits	-	-	-	-
Federal and state grants	-	62,218	1,153,956	295,573
Other grants	-	-	316,286	-
Charges for services	888,000	53,849	-	-
Fines and forfeitures	-	824,970	12,938	-
Interest and rents	29,687	-	-	-
Other revenue	-	10,000	7,250	-
TOTAL REVENUES	917,687	951,037	1,490,430	297,222
EXPENDITURES				
Current				
Judicial	-	-	-	-
General government	701,261	-	-	-
Public safety	-	304,360	2,093,687	-
Health and welfare	-	-	-	297,222
Community and economic development	-	-	-	-
Capital outlay	1,591	207,851	57,685	-
TOTAL EXPENDITURES	702,852	512,211	2,151,372	297,222
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	214,835	438,826	(660,942)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	405,248	-
NET CHANGE IN FUND BALANCES	214,835	438,826	(255,694)	-
Fund balances, beginning of year	2,170,792	1,637,849	133,416	-
Fund balances, end of year	\$ 2,385,627	\$ 2,076,675	\$ (122,278)	\$ -

(1) - Year ended September 30, 2022

Macomb County, Michigan

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

Year Ended December 31, 2022

	Urban County Block Grant	Veterans' Affairs	Veteran's Grants (1)	Total Nonmajor Special Revenue Funds
REVENUES				
Property taxes	\$ -	\$ 2,051,769	\$ -	\$ 2,053,418
Licenses and permits	-	-	-	478,300
Federal and state grants	1,008,729	173,952	476,735	45,695,332
Other grants	-	-	39,597	355,883
Charges for services	30,000	-	-	13,191,144
Fines and forfeitures	-	-	-	892,384
Interest and rents	4,455	-	-	36,921
Other revenue	1,394,720	1,250	-	12,314,062
TOTAL REVENUES	2,437,904	2,226,971	516,332	75,017,444
EXPENDITURES				
Current				
Judicial	-	-	-	20,850,053
General government	-	-	-	1,236,451
Public safety	-	-	-	17,962,843
Health and welfare	220,164	2,063,822	564,114	37,798,801
Community and economic development	1,010,786	-	-	1,010,786
Capital outlay	-	47,527	13,942	607,240
TOTAL EXPENDITURES	1,230,950	2,111,349	578,056	79,466,174
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,206,954	115,622	(61,724)	(4,448,730)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	18,498,348
NET CHANGE IN FUND BALANCE	1,206,954	115,622	(61,724)	14,049,618
Fund balances, beginning of year	2,240,809	2,433,588	(45,344)	23,102,514
Fund balances, end of year	<u>\$ 3,447,763</u>	<u>\$ 2,549,210</u>	<u>\$ (107,068)</u>	<u>\$ 37,152,132</u>

Macomb County, Michigan

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

Circuit Court Programs
Year Ended December 31, 2022

	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Federal and state grants	\$ 85,600	\$ 22,400	\$ (63,200)
Charges for services	-	8	8
TOTAL REVENUES	85,600	22,408	(63,192)
EXPENDITURES			
Current			
Judicial	85,600	22,400	63,200
TOTAL EXPENDITURES	85,600	22,400	63,200
EXCESS OF REVENUES OVER EXPENDITURES	-	8	8
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 8</u>

Macomb County, Michigan

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

Circuit Court Programs
Year Ended September 30, 2022

	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Federal and state grants	\$ 592,104	\$ 506,247	\$ (85,857)
Charges for services	5,000	6,716	1,716
TOTAL REVENUES	597,104	512,963	(84,141)
EXPENDITURES			
Current			
Judicial	705,204	372,015	333,189
EXCESS OF REVENUES OVER EXPENDITURES	(108,100)	140,948	249,048
OTHER FINANCING SOURCES			
Transfers in	108,100	42,810	(65,290)
NET CHANGE IN FUND BALANCES	-	183,758	183,758
Fund balances, beginning of year	10,743	10,743	-
Fund balances, end of year	<u>\$ 10,743</u>	<u>\$ 194,501</u>	<u>\$ 183,758</u>

Macomb County, Michigan

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

Child Care Fund
Year Ended September 30, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 6,678,071	\$ 5,039,571	\$ (1,638,500)
Charges for services	451,000	520,654	69,654
Other revenue	-	180,737	180,737
TOTAL REVENUES	7,129,071	5,740,962	(1,388,109)
EXPENDITURES			
Current			
Health and welfare	17,872,077	13,970,099	3,901,978
EXCESS OF REVENUES OVER EXPENDITURES	(10,743,006)	(8,229,137)	2,513,869
OTHER FINANCING SOURCES			
Transfers in	10,728,888	7,745,731	(2,983,157)
NET CHANGE IN FUND BALANCES	(14,118)	(483,406)	(469,288)
Fund balances, beginning of year	(425,002)	(425,002)	-
Fund balances, end of year	\$ (439,120)	\$ (908,408)	\$ (469,288)

Macomb County, Michigan

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

Community Corrections
Year Ended December 31, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 24,544	\$ 21,797	\$ (2,747)
Charges for services	18,000	-	(18,000)
TOTAL REVENUES	42,544	21,797	(20,747)
EXPENDITURES			
Current			
Public safety	251,560	215,777	35,783
EXCESS OF REVENUES OVER EXPENDITURES	(209,016)	(193,980)	15,036
OTHER FINANCING SOURCES			
Transfers in	204,700	213,134	8,434
NET CHANGE IN FUND BALANCES	(4,316)	19,154	23,470
Fund balances, beginning of year	(16,119)	(16,119)	-
Fund balances, end of year	\$ (20,435)	\$ 3,035	\$ 23,470

Macomb County, Michigan

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

Community Corrections
Year Ended September 30, 2022

	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Federal and state grants	\$ 1,568,800	\$ 1,330,018	\$ (238,782)
EXPENDITURES			
Current			
Public safety	<u>1,965,600</u>	<u>1,707,747</u>	<u>257,853</u>
EXCESS OF REVENUES OVER EXPENDITURES	(396,800)	(377,729)	19,071
OTHER FINANCING SOURCES			
Transfers in	<u>396,800</u>	<u>377,597</u>	<u>(19,203)</u>
NET CHANGE IN FUND BALANCES	-	(132)	(132)
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>\$ 1,605</u>	<u>\$ (132)</u>

Macomb County, Michigan

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

Community Action Agency
Year Ended December 31, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 21,951,825	\$ 5,399,546	\$ (16,552,279)
Charges for services	594,990	267,314	(327,676)
Other revenue	505,000	500,500	(4,500)
TOTAL REVENUES	23,051,815	6,167,360	(16,884,455)
EXPENDITURES			
Current			
Health and welfare	23,092,315	4,841,069	18,251,246
Capital outlay	5,000	-	5,000
TOTAL EXPENDITURES	23,097,315	4,841,069	18,256,246
EXCESS OF REVENUES OVER EXPENDITURES	(45,500)	1,326,291	1,371,791
Fund balances, beginning of year	8,779,376	8,779,376	-
Fund balances, end of year	\$ 8,733,876	\$ 10,105,667	\$ 1,371,791

Macomb County, Michigan

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

Concealed Pistol License
Year Ended December 31, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses and permits	\$ 400,000	\$ 478,300	\$ 78,300
EXPENDITURES			
Current			
General government	425,900	299,705	126,195
Capital outlay	25,000	11,235	13,765
TOTAL EXPENDITURES	450,900	310,940	139,960
EXCESS OF REVENUES OVER EXPENDITURES	(50,900)	167,360	218,260
Fund balances, beginning of year	1,970,715	1,970,715	-
Fund balances, end of year	<u>\$ 1,919,815</u>	<u>\$ 2,138,075</u>	<u>\$ 218,260</u>

Macomb County, Michigan

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

Dispatch and Cellular Fee Fund
Year Ended December 31, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 650,000	\$ 672,847	\$ 22,847
Charges for services	5,280,600	5,172,254	(108,346)
Other revenue	-	2,098,179	2,098,179
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	5,930,600	7,943,280	2,012,680
EXPENDITURES			
Current			
Public Safety	8,760,617	9,322,824	(562,207)
Capital outlay	81,600	11,036	70,564
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	8,842,217	9,333,860	(491,643)
EXCESS OF REVENUES OVER EXPENDITURES	(2,911,617)	(1,390,580)	1,521,037
OTHER FINANCING SOURCES			
Transfers in	2,450,903	2,949,843	498,940
Transfers out	(95,500)	-	(95,500)
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	2,355,403	2,949,843	403,440
NET CHANGE IN FUND BALANCES	(556,214)	1,559,263	2,115,477
Fund balances, beginning of year	<hr/> 3,331,949	<hr/> 3,331,949	<hr/> -
Fund balances, end of year	<u>\$ 2,775,735</u>	<u>\$ 4,891,212</u>	<u>\$ 2,115,477</u>

Macomb County, Michigan

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

Emergency Management Grants
Year Ended December 31, 2022

	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Federal and state grants	\$ 12,291,059	\$ 4,029,661	\$ (8,261,398)
EXPENDITURES			
Current			
Public safety	11,617,907	4,318,448	7,299,459
Capital outlay	759,626	101,247	658,379
TOTAL EXPENDITURES	<u>12,377,533</u>	<u>4,419,695</u>	<u>7,957,838</u>
EXCESS OF REVENUES OVER EXPENDITURES	(86,474)	(390,034)	(303,560)
Fund balances, beginning of year	<u>(3,241,988)</u>	<u>(3,241,988)</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ (3,328,462)</u></u>	<u><u>\$ (3,632,022)</u></u>	<u><u>\$ (303,560)</u></u>

Macomb County, Michigan

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

Friend of the Court
Year Ended September 30, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 8,121,300	\$ 8,309,768	\$ 188,468
Charges for services	782,000	735,627	(46,373)
Other revenue	-	156	156
TOTAL REVENUES	8,903,300	9,045,551	142,251
EXPENDITURES			
Current			
Judicial	12,161,200	11,458,192	703,008
Capital outlay	27,300	4,095	23,205
TOTAL EXPENDITURES	12,188,500	11,462,287	726,213
EXCESS OF REVENUES OVER EXPENDITURES	(3,285,200)	(2,416,736)	868,464
OTHER FINANCING SOURCES			
Transfers in	3,285,200	3,124,385	(160,815)
NET CHANGE IN FUND BALANCES	-	707,649	707,649
Fund balances, beginning of year	(29,321)	(29,321)	-
Fund balances, end of year	\$ (29,321)	\$ 678,328	\$ 707,649

Macomb County, Michigan

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

	<u>Health Grants</u>		
	<u>Year Ended December 31, 2022</u>		
	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Federal and state grants	\$ 49,626	\$ 552,879	\$ 503,253
Charges for services	13,560	18,560	5,000
Other revenue	-	198,686	198,686
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	63,186	770,125	706,939
EXPENDITURES			
Current			
Health and welfare	123,500	38,232	85,268
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES	(60,314)	731,893	792,207
Fund balances, beginning of year	2,131,383	2,131,383	-
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 2,071,069</u>	<u>\$ 2,863,276</u>	<u>\$ 792,207</u>

Macomb County, Michigan

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

Health Grants
Year Ended September 30, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 13,052,494	\$ 10,789,104	\$ (2,263,390)
Charges for services	40,000	25,609	(14,391)
Other revenues	434,100	2,559,996	2,125,896
TOTAL REVENUES	13,526,594	13,374,709	(151,885)
EXPENDITURES			
Current			
Health and welfare	16,826,426	11,413,466	5,412,960
Capital outlay	254,668	125,318	129,350
TOTAL EXPENDITURES	17,081,094	11,538,784	5,542,310
EXCESS OF REVENUES OVER EXPENDITURES	(3,554,500)	1,835,925	5,390,425
OTHER FINANCING SOURCES			
Transfers in	3,304,500	1,621,105	(1,683,395)
NET CHANGE IN FUND BALANCES	(250,000)	3,457,030	3,707,030
Fund balances, beginning of year	1,953,200	1,953,200	-
Fund balances, end of year	\$ 1,703,200	\$ 5,410,230	\$ 3,707,030

Macomb County, Michigan

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

Macomb / St. Clair Employment and Training
Year Ended June 30, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 4,885,400	\$ 4,344,083	\$ (541,317)
EXPENDITURES			
Current			
Health and welfare	4,895,981	4,355,895	540,086
Capital outlay	2,000	-	2,000
TOTAL EXPENDITURES	4,897,981	4,355,895	542,086
EXCESS OF REVENUES OVER EXPENDITURES	(12,581)	(11,812)	769
Fund balances, beginning of year	29,998	29,998	-
Fund balances, end of year	<u>\$ 17,417</u>	<u>\$ 18,186</u>	<u>\$ 769</u>

Macomb County, Michigan

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

	<u>MSU Extension</u> <u>Year Ended December 31, 2022</u>		Variance with Final Budget Positive (Negative)
	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	
EXPENDITURES			
Current			
Health and welfare	\$ 29,759	\$ 1,887	\$ 27,872
EXCESS OF REVENUES OVER EXPENDITURES	(29,759)	(1,887)	27,872
Fund balances, beginning of year	119,242	119,242	-
Fund balances, end of year	<u>\$ 89,483</u>	<u>\$ 117,355</u>	<u>\$ 27,872</u>

-CONTINUED-

Macomb County, Michigan

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

	<u>MSU Extension</u>		Variance with Final Budget Positive (Negative)
	<u>Year Ended September 30, 2022</u>		
	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	
EXPENDITURES			
Current			
Health and welfare	<u>\$ 32,500</u>	<u>\$ 32,831</u>	<u>\$ (331)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(32,500)	(32,831)	(331)
Fund balances, beginning of year	<u>161,368</u>	<u>161,368</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 128,868</u></u>	<u><u>\$ 128,537</u></u>	<u><u>\$ (331)</u></u>

-CONTINUED-

Macomb County, Michigan

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

Opioid Settlement Fund
Year Ended December 31, 2022

	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Other revenue	\$ -	\$ 5,362,588	\$ 5,362,588
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 5,362,588</u>	<u>\$ 5,362,588</u>

Macomb County, Michigan

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

Prosecuting Attorney Grants
Year Ended December 31, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 1,367,530	\$ 135,414	\$ (1,232,116)
Fines and forfeitures	-	54,476	54,476
Interest and rents	-	2,779	2,779
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	1,367,530	192,669	(1,174,861)
EXPENDITURES			
Current			
Judicial	1,472,182	354,759	1,117,423
Capital outlay	5,600	943	4,657
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES	(110,252)	(163,033)	(52,781)
OTHER FINANCING SOURCES			
Transfers in	13,152	13,398	246
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(97,100)	(149,635)	(52,535)
Fund balances, beginning of year	208,012	208,012	-
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 110,912</u>	<u>\$ 58,377</u>	<u>\$ (52,535)</u>

Macomb County, Michigan

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

Prosecuting Attorney Grants
Year Ended September 30, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 2,536,100	\$ 2,221,670	\$ (314,430)
EXPENDITURES			
Current			
Judicial	3,478,100	3,146,989	331,111
Capital outlay	7,000	15,569	(8,569)
TOTAL EXPENDITURES	<u>3,485,100</u>	<u>3,162,558</u>	<u>322,542</u>
EXCESS OF REVENUES OVER EXPENDITURES	(949,000)	(940,888)	8,112
OTHER FINANCING SOURCES			
Transfers in	<u>948,600</u>	<u>895,317</u>	<u>(53,283)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>948,600</u>	<u>895,317</u>	<u>(53,283)</u>
NET CHANGE IN FUND BALANCES	(400)	(45,571)	(45,171)
Fund balances, beginning of year	<u>(323,971)</u>	<u>(323,971)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (324,371)</u>	<u>\$ (369,542)</u>	<u>\$ (45,171)</u>

Macomb County, Michigan

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

Public Defender's Office Fund
Year Ended September 30, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 3,934,630	\$ 3,266,649	\$ (667,981)
Charges for services	1,100,000	1,128,470	28,470
TOTAL REVENUES	5,034,630	4,395,119	(639,511)
EXPENDITURES			
Current			
Judicial	7,311,730	5,495,698	1,816,032
Capital outlay	22,900	9,201	13,699
TOTAL EXPENDITURES	7,334,630	5,504,899	1,829,731
EXCESS OF REVENUES OVER EXPENDITURES	(2,300,000)	(1,109,780)	1,190,220
OTHER FINANCING SOURCES			
Transfers in	2,300,000	1,109,780	(1,190,220)
NET CHANGE IN FUND BALANCES	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

Macomb County, Michigan

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

Register of Deeds Remonumentation Fund
Year Ended December 31, 2022

	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Federal and state grants	\$ 241,701	\$ 226,598	\$ (15,103)
EXPENDITURES			
Current			
General government	<u>241,701</u>	<u>235,485</u>	<u>6,216</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	(8,887)	(8,887)
Fund balances, beginning of year	<u>(129,918)</u>	<u>(129,918)</u>	-
Fund balances, end of year	<u><u>\$ (129,918)</u></u>	<u><u>\$ (138,805)</u></u>	<u><u>\$ (8,887)</u></u>

Macomb County, Michigan

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

Register of Deeds Technology Fund
Year Ended December 31, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 915,000	\$ 888,000	\$ (27,000)
Interest and rents	-	29,687	29,687
TOTAL REVENUES	915,000	917,687	2,687
EXPENDITURES			
Current			
General government	1,060,200	701,261	358,939
Capital outlay	40,000	1,591	38,409
TOTAL EXPENDITURES	1,100,200	702,852	397,348
EXCESS OF REVENUES OVER EXPENDITURES	(185,200)	214,835	400,035
Fund balances, beginning of year	2,170,792	2,170,792	-
Fund balances, end of year	<u>\$ 1,985,592</u>	<u>\$ 2,385,627</u>	<u>\$ 400,035</u>

Macomb County, Michigan

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

	<u>Sheriff Grants</u>		
	<u>Year Ended December 31, 2022</u>		
	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Federal and state grants	\$ 66,062	\$ 62,218	\$ (3,844)
Charges for services	57,000	53,849	(3,151)
Fines and forfeitures	195,000	824,970	629,970
Other revenue	-	10,000	10,000
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	318,062	951,037	632,975
EXPENDITURES			
Current			
Public safety	1,299,142	304,360	994,782
Capital outlay	653,060	207,851	445,209
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,952,202	512,211	1,439,991
EXCESS OF REVENUES OVER EXPENDITURES	(1,634,140)	438,826	2,072,966
Fund balances, beginning of year	<hr/> 1,637,849	<hr/> 1,637,849	<hr/> -
Fund balances, end of year	<u>\$ 3,709</u>	<u>\$ 2,076,675</u>	<u>\$ 2,072,966</u>

Macomb County, Michigan

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

Sheriff Grants
Year Ended September 30, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 4,292,521	\$ 1,153,956	\$ (3,138,565)
Other grants	533,000	316,286	(216,714)
Fines and forfeitures	7,500	12,938	5,438
Other revenue	-	7,250	7,250
TOTAL REVENUES	4,833,021	1,490,430	(3,342,591)
EXPENDITURES			
Current			
Public safety	5,188,692	2,093,687	3,095,005
Capital outlay	94,829	57,685	37,144
TOTAL EXPENDITURES	5,283,521	2,151,372	3,132,149
EXCESS OF REVENUES OVER EXPENDITURES	(450,500)	(660,942)	(210,442)
OTHER FINANCING SOURCES			
Transfers in	425,500	405,248	(20,252)
NET CHANGE IN FUND BALANCES	(25,000)	(255,694)	(230,694)
Fund balances, beginning of year	133,416	133,416	-
Fund balances, end of year	<u>\$ 108,416</u>	<u>\$ (122,278)</u>	<u>\$ (230,694)</u>

Macomb County, Michigan

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

Social Welfare Fund
Year Ended December 31, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ -	\$ 1,649	\$ 1,649
Federal and state grants	-	295,573	295,573
TOTAL REVENUES	-	297,222	297,222
EXPENDITURES			
Current			
Health and welfare	-	297,222	(297,222)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Macomb County, Michigan

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

Urban County Block Grant
Year Ended December 31, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 1,448,785	\$ 1,008,729	\$ (440,056)
Charges for services	-	30,000	30,000
Interest and rents	25,000	4,455	(20,545)
Other revenue	591,362	1,394,720	803,358
TOTAL REVENUES	2,065,147	2,437,904	372,757
EXPENDITURES			
Current			
Health and welfare	50,000	220,164	(170,164)
Community and economic development	2,089,147	1,010,786	1,078,361
TOTAL EXPENDITURES	2,139,147	1,230,950	908,197
EXCESS OF REVENUES OVER EXPENDITURES	(74,000)	1,206,954	1,280,954
Fund balances, beginning of year	2,240,809	2,240,809	-
Fund balances, end of year	\$ 2,166,809	\$ 3,447,763	\$ 1,280,954

Macomb County, Michigan

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

Veterans' Affairs Fund
Year Ended December 31, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 2,050,700	\$ 2,051,769	\$ 1,069
Federal and state grants	75,500	173,952	98,452
Other revenue	-	1,250	1,250
TOTAL REVENUES	2,126,200	2,226,971	100,771
EXPENDITURES			
Current			
Health and welfare	2,109,500	2,063,822	45,678
Capital outlay	66,000	47,527	18,473
TOTAL EXPENDITURES	2,175,500	2,111,349	64,151
EXCESS OF REVENUES OVER EXPENDITURES	(49,300)	115,622	164,922
Fund balances, beginning of year	2,433,588	2,433,588	-
Fund balances, end of year	<u>\$ 2,384,288</u>	<u>\$ 2,549,210</u>	<u>\$ 164,922</u>

Macomb County, Michigan

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

Veterans' Grants Fund
Year Ended September 30, 2022

	Final Amended Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Federal and state grants	\$ 596,519	\$ 476,735	\$ (119,784)
Other grants	33,864	39,597	5,733
TOTAL REVENUES	630,383	516,332	(114,051)
EXPENDITURES			
Current			
Health and welfare	616,035	564,114	51,921
Capital outlay	14,348	13,942	406
TOTAL EXPENDITURES	630,383	578,056	52,327
EXCESS OF REVENUES OVER EXPENDITURES	-	(61,724)	(61,724)
Fund balances, beginning of year	(45,344)	(45,344)	-
Fund balances, end of year	<u>\$ (45,344)</u>	<u>\$ (107,068)</u>	<u>\$ (61,724)</u>

FUND DESCRIPTION – NONMAJOR DEBT SERVICE FUND

December 31, 2022

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). 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, 2022

	<u>Final Amended Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES			
Current			
Public works	\$ 28,700	\$ 27,646	\$ 1,054
Debt service			
Principal	4,875,000	4,875,000	-
Interest and fees	1,008,100	1,007,074	1,026
TOTAL EXPENDITURES	<u>5,911,800</u>	<u>5,909,720</u>	<u>2,080</u>
EXCESS OF REVENUES OVER EXPENDITURES	(5,911,800)	(5,909,720)	2,080
OTHER FINANCING SOURCES			
Transfers in	<u>3,735,000</u>	<u>3,734,974</u>	<u>(26)</u>
NET CHANGE IN FUND BALANCES	(2,176,800)	(2,174,746)	2,054
Fund balances, beginning of year	<u>2,276,198</u>	<u>2,276,198</u>	<u>-</u>
Fund balances, end of year	<u>\$ 99,398</u>	<u>\$ 101,452</u>	<u>\$ 2,054</u>

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2022

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 Radio Maintenance Fund – This fund accounts for the accumulation and use of resources related to radio maintenance of the county-wide E-911 system. The program is funded by charges for services to local communities where the radios are operated. The program does not receive any funding from the General Fund.

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, 2022

	Bridge Program	Capital Improvement Fund	General County Capital Projects
ASSETS			
Cash and pooled investments	\$ 191,392	\$ 2,207,787	\$ 18,743,799
Receivables			
Trade accounts and leases, net	-	-	-
Due from other governments	456,816	-	-
TOTAL ASSETS	\$ 648,208	\$ 2,207,787	\$ 18,743,799
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 3,269,992
Accrued liabilities	-	-	339,658
TOTAL LIABILITIES	-	-	3,609,650
DEFERRED INFLOWS OF RESOURCES			
Lease activities	-	-	-
Unavailable grants and other charges	456,816	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	456,816	-	-
FUND BALANCES			
Restricted	-	-	-
Assigned	191,392	2,207,787	15,134,149
TOTAL FUND BALANCES	191,392	2,207,787	15,134,149
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 648,208	\$ 2,207,787	\$ 18,743,799

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS (CONTINUED)

December 31, 2022

	District Court Improvement	E-911 Radio Maintenance
ASSETS		
Cash and pooled investments	\$ 602,046	\$ 597,983
Receivables		
Trade accounts and leases, net	-	916,376
Due from other governments	-	317,349
TOTAL ASSETS	\$ 602,046	\$ 1,831,708
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ -	\$ 13,182
Accrued liabilities	-	-
TOTAL LIABILITIES	-	13,182
 DEFERRED INFLOWS OF RESOURCES		
Lease activities	-	650,961
Unavailable grants and other charges	-	183,535
TOTAL DEFERRED INFLOWS OF RESOURCES	-	834,496
 FUND BALANCES		
Restricted	-	984,030
Assigned	602,046	-
TOTAL FUND BALANCES	602,046	984,030
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 602,046	\$ 1,831,708

(1) - Balance Sheet as of September 30, 2022

Macomb County, Michigan

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS (CONCLUDED)

December 31, 2022

	Orchard Trail	Youth Home Renovation	Total Nonmajor Capital Project Funds
ASSETS			
Cash and pooled investments	\$ 246,506	\$ -	\$ 22,589,513
Receivables			
Trade accounts and leases, net	-	-	916,376
Due from other governments	-	-	774,165
	<u>246,506</u>	<u>-</u>	<u>24,280,054</u>
TOTAL ASSETS	\$ 246,506	\$ -	\$ 24,280,054
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 3,283,174
Accrued liabilities	-	-	339,658
	<u>-</u>	<u>-</u>	<u>3,622,832</u>
TOTAL LIABILITIES	-	-	3,622,832
DEFERRED INFLOWS OF RESOURCES			
Lease activities	-	-	650,961
Unavailable grants and other charges	-	-	640,351
	<u>-</u>	<u>-</u>	<u>1,291,312</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	1,291,312
FUND BALANCES			
Restricted	-	-	984,030
Assigned	246,506	-	18,381,880
	<u>246,506</u>	<u>-</u>	<u>19,365,910</u>
TOTAL FUND BALANCES	246,506	-	19,365,910
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 246,506	\$ -	\$ 24,280,054

Macomb County, Michigan

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

December 31, 2022

	Bridge Program	Capital Improvement Fund	General County Capital Projects
REVENUES			
Federal and state grants	\$ -	\$ -	\$ 106,984
Charges for services	24,045	-	-
Interest and rents	-	-	-
Other revenue	-	-	102
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	24,045	-	107,086
EXPENDITURES			
Current			
Public safety	-	-	57,379
Recreational and cultural	-	-	-
Capital outlay	-	-	13,065,210
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	-	-	13,122,589
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	24,045	-	(13,015,503)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,145,372	26,101,067
Transfers out	-	(14,145,329)	(734,979)
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	(12,999,957)	25,366,088
NET CHANGE IN FUND BALANCES	24,045	(12,999,957)	12,350,585
Fund balances, beginning of year	<hr/>	<hr/>	<hr/>
	167,347	15,207,744	2,783,564
Fund balances, end of year	<hr/>	<hr/>	<hr/>
	\$ 191,392	\$ 2,207,787	\$ 15,134,149

Macomb County, Michigan

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

December 31, 2022

	District Court Improvement	E-911 Radio Maintenance
REVENUES		
Federal and state grants	\$ -	\$ -
Charges for services	45,210	634,943
Interest and rents	-	71,985
Other revenue	-	-
	<hr/>	<hr/>
TOTAL REVENUES	45,210	706,928
EXPENDITURES		
Current		
Public safety	-	314,393
Recreational and cultural	-	-
Capital outlay	-	-
	<hr/>	<hr/>
TOTAL EXPENDITURES	-	314,393
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	45,210	392,535
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCES	45,210	392,535
Fund balances, beginning of year (2)	<hr/> 556,836	<hr/> 591,495
Fund balances, end of year	<hr/> <u>\$ 602,046</u>	<hr/> <u>\$ 984,030</u>

(1) - Year ended September 30, 2022

(2) - As restated. See Notes to the Basic Financial Statements, Note 21.

Macomb County, Michigan

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

December 31, 2022

	Orchard Trail	Youth Home Renovation	Total Nonmajor Capital Project Funds
REVENUES			
Federal and state grants	\$ -	\$ -	\$ 106,984
Charges for services	39,928	-	744,126
Interest and rents	2,084	-	74,069
Other revenue	-	-	102
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	42,012	-	925,281
EXPENDITURES			
Current			
Public safety	-	-	371,772
Recreational and cultural	88,963	-	88,963
Capital outlay	-	-	13,065,210
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	88,963	-	13,525,945
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(46,951)	-	(12,600,664)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	27,246,439
Transfers out	-	(103,230)	(14,983,538)
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	(103,230)	12,262,901
NET CHANGE IN FUND BALANCES	(46,951)	(103,230)	(337,763)
Fund balances, beginning of year (2)	<hr/>	<hr/>	<hr/>
	293,457	103,230	19,703,673
Fund balances, end of year	<hr/>	<hr/>	<hr/>
	\$ 246,506	\$ -	\$ 19,365,910

FUND DESCRIPTIONS – INTERNAL SERVICE FUNDS

December 31, 2022

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, 2022

	Compensated Absences	Equipment Revolving	Fringe Benefits	County General Liability
ASSETS				
Current Assets				
Cash and pooled investments	\$ 17,572,394	\$ 6,926,898	\$ 3,325,393	\$ 8,031,272
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	-	27,108	-	270,234
Inventories	-	234,711	-	-
Due from other governments	-	-	20,000	-
Due from component unit	-	-	-	-
Due from governmental funds	-	-	324,559	-
Other assets	-	6,709	2,014,866	886,360
Total current assets	17,572,394	7,195,426	5,684,818	9,187,866
Noncurrent assets				
Capital assets, net				
Assets being depreciated	-	775,793	-	-
TOTAL ASSETS	17,572,394	7,971,219	5,684,818	9,187,866
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	7,433	166,419	3,497,209	87,211
Accrued interest payable	-	-	-	-
Due to governmental funds	-	301,807	-	-
Claims and judgments	-	-	-	1,206,102
Long-term liabilities due within one year	2,700,000	-	-	-
Total current liabilities	2,707,433	468,226	3,497,209	1,293,313
Noncurrent liabilities				
Claims and judgments	-	-	-	7,184,576
Long-term liabilities due in more than one year	14,487,819	-	-	-
Net other post-employment benefits liability	-	-	-	-
Total noncurrent liabilities	14,487,819	-	-	7,184,576
TOTAL LIABILITIES	17,195,252	468,226	3,497,209	8,477,889
DEFERRED INFLOWS OF RESOURCES				
Related to other post-employment benefits	-	-	-	-
NET POSITION				
Net investment in capital assets	-	775,793	-	-
Restricted for:				
Roads general liability insurance	-	-	-	-
Unrestricted (deficit)	377,142	6,727,200	2,187,609	709,977
TOTAL NET POSITION	\$ 377,142	\$ 7,502,993	\$ 2,187,609	\$ 709,977

-CONTINUED-

Macomb County, Michigan

COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS (CONCLUDED)

December 31, 2022

	Other Postemployment Benefits	Roads General Liability (1)	Workers' Compensation	Total Internal Service Funds
ASSETS				
Current Assets				
Cash and pooled investments	\$ 8,102,194	\$ 6,915,984	\$ 1,857,994	\$ 52,732,129
Investments, at fair value				
Common stock	104,409,790	-	-	104,409,790
Foreign stock	24,437,292	-	-	24,437,292
Real estate investment trust	73,128,497	-	-	73,128,497
Fixed income common collective trusts	29,762,311	-	-	29,762,311
Equity common collective trusts	18,147,033	-	-	18,147,033
Receivables				
Accrued interest	170,285	-	-	170,285
Trade accounts, net	1,590,163	-	-	1,887,505
Inventories	-	-	-	234,711
Due from other governments	-	-	-	20,000
Due from component unit	12,434,738	-	-	12,434,738
Due from governmental funds	-	-	-	324,559
Other assets	4,148	-	289,477	3,201,560
	<u>272,186,451</u>	<u>6,915,984</u>	<u>2,147,471</u>	<u>320,890,410</u>
Total current assets				
Noncurrent assets				
Capital assets, net				
Assets being depreciated	-	-	-	775,793
	<u>272,186,451</u>	<u>6,915,984</u>	<u>2,147,471</u>	<u>321,666,203</u>
TOTAL ASSETS				
DEFERRED OUTFLOWS OF RESOURCES				
Related to other post-employment benefits	84,558,980	-	-	84,558,980
Related to refunded debt	20,703,755	-	-	20,703,755
	<u>105,262,735</u>	<u>-</u>	<u>-</u>	<u>105,262,735</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES				
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	154,766	-	47,844	3,960,882
Accrued interest payable	824,736	-	-	824,736
Due to governmental funds	7,168,678	-	-	7,470,485
Claims and judgments	-	52,770	449,341	1,708,213
Long-term liabilities due within one year	12,748,606	-	-	15,448,606
	<u>20,896,786</u>	<u>52,770</u>	<u>497,185</u>	<u>29,412,922</u>
Total current liabilities				
Noncurrent liabilities				
Claims and judgments	-	539,538	1,348,021	9,072,135
Long-term liabilities due in more than one year	187,156,394	-	-	201,644,213
Net other post-employment benefits liability	95,649,498	-	-	95,649,498
	<u>282,805,892</u>	<u>539,538</u>	<u>1,348,021</u>	<u>306,365,846</u>
Total noncurrent liabilities				
	<u>303,702,678</u>	<u>592,308</u>	<u>1,845,206</u>	<u>335,778,768</u>
TOTAL LIABILITIES				
DEFERRED INFLOWS OF RESOURCES				
Related to other post-employment benefits	93,456,038	-	-	93,456,038
NET POSITION				
Net investment in capital assets	-	-	-	775,793
Restricted for:				
Roads general liability insurance	-	6,323,676	-	6,323,676
Unrestricted (deficit)	(19,709,530)	-	302,265	(9,405,337)
	<u>(19,709,530)</u>	<u>6,323,676</u>	<u>302,265</u>	<u>(9,405,337)</u>
TOTAL NET POSITION				
	<u>\$ (19,709,530)</u>	<u>\$ 6,323,676</u>	<u>\$ 302,265</u>	<u>\$ (2,305,868)</u>

(1) - Year ended September 30, 2022

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION – INTERNAL SERVICE FUNDS

Year Ended December 31, 2022

	Compensated Absences	Equipment Revolving	Fringe Benefits	County General Liability
OPERATING REVENUES				
Charges for services	\$ 3,879,649	\$ 3,335,047	\$ 56,666,437	\$ 3,914,149
Other revenue	-	129,706	-	-
TOTAL OPERATING REVENUES	3,879,649	3,464,753	56,666,437	3,914,149
OPERATING EXPENSES				
Benefits and claims expenses	4,030,676	-	62,513,848	6,161,783
Supplies and services	-	2,936,289	-	-
Depreciation	-	319,655	-	-
TOTAL OPERATING EXPENSES	4,030,676	3,255,944	62,513,848	6,161,783
OPERATING INCOME (LOSS)	(151,027)	208,809	(5,847,411)	(2,247,634)
NONOPERATING REVENUES (EXPENSES)				
Investment expense	-	-	-	-
Interest expense	-	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	-	-	-	-
NET INCOME (LOSS) BEFORE TRANSFERS	(151,027)	208,809	(5,847,411)	(2,247,634)
TRANSFERS				
Transfers in	-	-	1,800,000	2,247,634
CHANGE IN NET POSITION	(151,027)	208,809	(4,047,411)	-
Net position, beginning of year	528,169	7,294,184	6,235,020	709,977
Net position, end of year	<u>\$ 377,142</u>	<u>\$ 7,502,993</u>	<u>\$ 2,187,609</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, 2022

	Other Postemployment Benefits	Roads General Liability (1)	Workers' Compensation	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 17,168,677	\$ -	\$ 1,188,566	\$ 86,152,525
Other revenue	-	-	-	129,706
TOTAL OPERATING REVENUES	17,168,677	-	1,188,566	86,282,231
OPERATING EXPENSES				
Benefits and claims expenses	-	11,636	1,018,996	73,736,939
Supplies and services	643,395	-	-	3,579,684
Depreciation	-	-	-	319,655
TOTAL OPERATING EXPENSES	643,395	11,636	1,018,996	77,636,278
OPERATING INCOME (LOSS)	16,525,282	(11,636)	169,570	8,645,953
NONOPERATING REVENUES (EXPENSES)				
Investment expense	(12,350,848)	27,555	-	(12,323,293)
Interest expense	(6,807,063)	-	-	(6,807,063)
TOTAL NONOPERATING REVENUES (EXPENSES)	(19,157,911)	27,555	-	(19,130,356)
NET INCOME (LOSS) BEFORE TRANSFERS	(2,632,629)	15,919	169,570	(10,484,403)
TRANSFERS				
Transfers in	-	-	-	4,047,634
CHANGE IN NET POSITION	(2,632,629)	15,919	169,570	(6,436,769)
Net position, beginning of year	(17,076,901)	6,307,757	132,695	4,130,901
Net position, end of year	<u>\$ (19,709,530)</u>	<u>\$ 6,323,676</u>	<u>\$ 302,265</u>	<u>\$ (2,305,868)</u>

(1) - Year ended September 30, 2022

Macomb County, Michigan

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

Year Ended December 31, 2022

	Compensated Absences	Equipment Revolving	Fringe Benefits	County General Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services	\$ 3,879,649	\$ 3,517,432	\$ 57,698,665	\$ 3,914,149
Cash payments to employees and employee trusts	(2,751,706)	-	-	-
Cash payments to suppliers	-	(2,916,868)	(63,295,681)	(4,128,496)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	1,127,943	600,564	(5,597,016)	(214,347)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Principal and interest paid on long term debt	-	-	-	-
Transfers in	-	-	1,800,000	2,247,634
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	-	-	1,800,000	2,247,634
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(369,589)	-	-
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	1,127,943	230,975	(3,797,016)	2,033,287
Cash and pooled investments, beginning of year	16,444,451	6,695,923	7,122,409	5,997,985
Cash and pooled investments, end of year	<u>\$ 17,572,394</u>	<u>\$ 6,926,898</u>	<u>\$ 3,325,393</u>	<u>\$ 8,031,272</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (151,027)	\$ 208,809	\$ (5,847,411)	\$ (2,247,634)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	319,655	-	-
Changes in deferrals related to OPEB and refunded debt	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	-	52,679	1,800	(270,234)
Inventory	-	(4,783)	-	-
Due from other governments	-	-	372,836	-
Due from component unit	-	-	-	-
Due from governmental funds	-	-	1,131,446	-
Other assets	-	6,646	146,528	(96,296)
Accounts payable and accrued liabilities	(18,333)	17,558	(1,301,197)	46,004
Due to other funds	-	-	(101,018)	-
Claims and judgments	-	-	-	2,353,813
Long-term liabilities	1,297,303	-	-	-
Net OPEB liability	-	-	-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 1,127,943	\$ 600,564	\$ (5,597,016)	\$ (214,347)

-CONTINUED-

Macomb County, Michigan

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS (CONCLUDED)

Year Ended December 31, 2022

	Other Postemployment Benefits	Roads General Liability (1)	Workers' Compensation	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services	\$ 20,010,284	\$ -	\$ 1,188,566	\$ 90,208,745
Cash payments to employees and employee trusts	(49,413,566)	-	-	(52,165,272)
Cash payments to suppliers	(244,299)	(647,217)	(1,156,208)	(72,388,769)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(29,647,581)	(647,217)	32,358	(34,345,296)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Principal and interest paid on long term debt	(18,010,888)	-	-	(18,010,888)
Transfers in	-	-	-	4,047,634
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	(18,010,888)	-	-	(13,963,254)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	-	-	(369,589)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	5,057,976	27,555	-	5,085,531
Proceeds from sale and maturities of investment securities	41,295,923	-	-	41,295,923
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	46,353,899	27,555	-	46,381,454
NET INCREASE (DECREASE) IN CASH AND POOLED INVESTMENTS	(1,304,570)	(619,662)	32,358	(2,296,685)
Cash and pooled investments, beginning of year	9,406,764	7,535,646	1,825,636	55,028,814
Cash and pooled investments, end of year	<u>\$ 8,102,194</u>	<u>\$ 6,915,984</u>	<u>\$ 1,857,994</u>	<u>\$ 52,732,129</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 16,525,282	\$ (11,636)	\$ 169,570	\$ 8,645,953
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	-	319,655
Changes in deferrals related to OPEB and refunded debt	(99,630,563)	-	-	(99,630,563)
Changes in assets and liabilities:				
Accounts receivable	(1,270,786)	-	-	(1,486,541)
Inventory	-	-	-	(4,783)
Due from other governments	-	-	-	372,836
Due from component unit	1,560,000	-	-	1,560,000
Due from governmental funds	-	-	-	1,131,446
Other assets	26	-	(2,386)	54,518
Accounts payable and accrued liabilities	1,669,882	-	(223)	413,691
Due to other funds	1,281,607	-	-	1,180,589
Claims and judgments	-	(635,581)	(134,603)	1,583,629
Long-term liabilities	-	-	-	1,297,303
Net OPEB liability	50,216,971	-	-	50,216,971
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (29,647,581)</u>	<u>\$ (647,217)</u>	<u>\$ 32,358</u>	<u>\$ (34,345,296)</u>

(1) - Year ended September 30, 2022

FUND DESCRIPTIONS – FIDUCIARY AND CUSTODIAL FUNDS

December 31, 2022

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, 2022

	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	\$ -	\$ 43,689,589	\$ 29,399,308	\$ 73,088,897
Investments, at fair value				
Common stock	-	388,709,709	89,899,378	478,609,087
Foreign stock	-	74,484,146	24,060,466	98,544,612
Limited partnership	-	327,151,429	9,569,381	336,720,810
Real estate investment trusts	-	-	29,852,319	29,852,319
Fixed income common collective trusts	-	95,947,951	47,870,397	143,818,348
Equity common collective trusts	-	143,716,400	174,157,802	317,874,202
Interest in pooled investment	92,073,817	-	-	92,073,817
Total investments, at fair value	92,073,817	1,030,009,635	375,409,743	1,497,493,195
Receivables				
Accrued interest	-	474,203	634,128	1,108,331
Other	-	233,044	84,195	317,239
Other assets	-	17,776	31,009	48,785
TOTAL ASSETS	92,073,817	1,074,424,247	405,558,383	1,572,056,447
LIABILITIES				
Accounts payable	-	1,519,451	1,179,803	2,699,254
Accrued compensation and benefits	-	6,460,822	-	6,460,822
Due to primary government	-	-	5,307,345	5,307,345
TOTAL LIABILITIES	-	7,980,273	6,487,148	14,467,421
NET POSITION				
Restricted for:				
Pension benefits	-	1,066,443,974	-	1,066,443,974
Other postemployment benefits	92,073,817	-	399,071,235	491,145,052
TOTAL NET POSITION	\$ 92,073,817	\$ 1,066,443,974	\$ 399,071,235	\$ 1,557,589,026

(1) - Year ended September 30, 2022

Macomb County, Michigan

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS

Year Ended December 31, 2022

	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	\$ -	\$ 9,926,365	\$ 12,926,522	\$ 22,852,887
Net change in fair value of investments	(14,424,558)	(187,776,987)	(86,814,468)	(289,016,013)
Less investment expenses	(112,807)	(7,981,791)	(1,937,670)	(10,032,268)
Net investment income (loss)	(14,537,365)	(185,832,413)	(75,825,616)	(276,195,394)
Contributions				
Employer	6,908,303	11,966,428	20,000,000	38,874,731
Employee	-	2,816,531	-	2,816,531
Total contributions	6,908,303	14,782,959	20,000,000	41,691,262
TOTAL ADDITIONS	(7,629,062)	(171,049,454)	(55,825,616)	(234,504,132)
DEDUCTIONS				
Benefit payments	2,908,303	78,716,138	19,473,078	101,097,519
Refund of contributions	-	401,462	-	401,462
Administrative expenses	72,519	744,955	87,370	904,844
TOTAL DEDUCTIONS	2,980,822	79,862,555	19,560,448	102,403,825
CHANGE IN NET POSITION	(10,609,884)	(250,912,009)	(75,386,064)	(336,907,957)
Net position - beginning of year	102,683,701	1,317,355,983	474,457,299	1,894,496,983
Net position - end of year	\$ 92,073,817	\$ 1,066,443,974	\$ 399,071,235	\$ 1,557,589,026

(1) - Year ended September 30, 2022

Macomb County, Michigan

COMBINING STATEMENT OF FIDUCIARY NET POSITION –
CUSTODIAL FUNDS

December 31, 2022

	Current Tax Collection Fund	COMET Fund	Miscellaneous Custodial Funds	Total Custodial Funds
ASSETS				
Cash and pooled investments	\$ 3,597,763	\$ 902,656	\$ 5,869,931	\$ 10,370,350
Receivables				
Other	-	-	15,180	15,180
Due from other governments	-	42,519	-	42,519
TOTAL ASSETS	3,597,763	945,175	5,885,111	10,428,049
LIABILITIES				
Accounts payable	-	78,778	2,304,236	2,383,014
Due to other governments	3,597,763	-	2,786,685	6,384,448
TOTAL LIABILITIES	3,597,763	78,778	5,090,921	8,767,462
NET POSITION RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS	\$ -	\$ 866,397	\$ 794,190	\$ 1,660,587

Macomb County, Michigan

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
CUSTODIAL FUNDS

Year Ended December 31, 2022

	Current Tax Collection Fund	COMET Fund	Miscellaneous Custodial Funds	Total Custodial Funds
ADDITIONS				
Investment income (loss):				
Interest and dividends	\$ -	\$ 12,478	\$ 5,027	\$ 17,505
Tax collections for other governments	207,256,608	-	-	207,256,608
Tax adjustments collected from other governments	5,040,824	-	-	5,040,824
State funds collected for other governments	-	182,375	-	182,375
Forfeitures collected for other governments	-	320,320	22,804	343,124
Fee and fine collections for other governments	-	-	771,868	771,868
Real estate transfer taxes collected for other governments	-	-	46,941,744	46,941,744
Payments collected on behalf on others	-	-	4,999,949	4,999,949
Other collections	-	241	831,063	831,304
Total contributions	212,297,432	502,936	53,567,428	266,367,796
TOTAL ADDITIONS	212,297,432	515,414	53,572,455	266,385,301
DEDUCTIONS				
Tax collections disbursed to other governments	207,256,608	-	-	207,256,608
Tax adjustments disbursed to individuals	5,040,824	-	-	5,040,824
Forfeiture grants disbursed to other governments	-	105,841	-	105,841
Forfeiture proceeds disbursed to other governments	-	361,437	7,696	369,133
Fees and fines disbursed to other governments	-	-	771,868	771,868
Real estate transfer taxes disbursed to other governments	-	-	46,941,744	46,941,744
Payments disbursed to others	-	-	5,004,976	5,004,976
Administrative expenses	-	3,000	-	3,000
Other disbursements	-	-	572,755	572,755
TOTAL DEDUCTIONS	212,297,432	470,278	53,299,039	266,066,749
CHANGE IN NET POSITION	-	45,136	273,416	318,552
Net position - beginning of year	-	821,261	520,774	1,342,035
Net position - end of year	\$ -	\$ 866,397	\$ 794,190	\$ 1,660,587

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, 2022

	Special Revenue	Capital Projects	Debt Service	Total Drainage Districts Component Unit
ASSETS				
Cash and pooled investments	\$ 35,347,756	\$ 29,300,084	\$ 6,450,457	\$ 71,098,297
Restricted cash - unspent bond proceeds	-	2,514,247	-	2,514,247
Receivables				
Special assessments	-	-	273,226,166	273,226,166
Trade accounts and leases, net	8,748,963	1,557,267	-	10,306,230
Other assets	867,410	724,599	-	1,592,009
TOTAL ASSETS	\$ 44,964,129	\$ 34,096,197	\$ 279,676,623	\$ 358,736,949
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 9,748,906	\$ 5,282,022	\$ -	\$ 15,030,928
Unearned revenue	-	2,721,099	2,514,247	5,235,346
TOTAL LIABILITIES	9,748,906	8,003,121	2,514,247	20,266,274
DEFERRED INFLOWS OF RESOURCES				
Lease activities	-	237,702	-	237,702
Unavailable assessments and other charges	274,153	678,322	270,711,920	271,664,395
TOTAL DEFERRED INFLOWS OF RESOURCES	274,153	916,024	270,711,920	271,902,097
FUND BALANCES				
Nonspendable	867,410	724,599	-	1,592,009
Restricted				
Capital projects	-	24,452,453	-	24,452,453
Debt service	-	-	6,450,456	6,450,456
Public works	34,073,660	-	-	34,073,660
TOTAL FUND BALANCES	34,941,070	25,177,052	6,450,456	66,568,578
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 44,964,129	\$ 34,096,197	\$ 279,676,623	\$ 358,736,949

Macomb County, Michigan

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION –
DRAINAGE DISTRICTS COMPONENT UNIT

September 30, 2022

Total fund balances for governmental funds		\$ 66,568,578
<p>Amounts reported for governmental activities in the government-wide statement of net position are different because:</p>		
<p>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.</p>		
Capital assets		
Land	\$ 1,484,060	
Construction in progress	32,364,740	
Infrastructure	512,488,918	
Machinery, equipment, and vehicles	2,392,398	
Accumulated depreciation	<u>(183,407,453)</u>	
Capital assets, net of accumulated depreciation		365,322,663
<p>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.</p>		
Deferred outflows related to refunding debt		637,634
<p>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.</p>		
		(301,783,613)
<p>Special assessments receivable are not available to pay for current expenditures and therefore are recorded as deferred inflows of resources in the governmental funds.</p>		
		271,664,395
<p>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.</p>		
		<u>(3,425,360)</u>
Net position of governmental activities		<u>\$ 398,984,297</u>

Macomb County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
DRAINAGE DISTRICTS COMPONENT UNIT

Year Ended September 30, 2022

	Special Revenue	Capital Projects	Debt Service	Total Drainage Districts Component Unit
REVENUES				
Federal and state grants	\$ 1,240,652	\$ 43,431	\$ -	\$ 1,284,083
Charges for services	68,186,380	414,917	-	68,601,297
Interest and rent income	133,686	119,025	10,826,161	11,078,872
Special assessments	-	-	17,996,993	17,996,993
Other revenue	445,419	7,791,343	-	8,236,762
TOTAL REVENUES	70,006,137	8,368,716	28,823,154	107,198,007
EXPENDITURES				
Current				
Public works	72,359,459	2,602,186	-	74,961,645
Capital outlay	-	7,295,627	-	7,295,627
Debt service				
Principal	-	-	18,501,995	18,501,995
Interest and fees	-	-	11,241,729	11,241,729
TOTAL EXPENDITURES	72,359,459	9,897,813	29,743,724	112,000,996
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,353,322)	(1,529,097)	(920,570)	(4,802,989)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,228,406	1,897,163	3,125,569
Transfers out	(1,998,164)	(1,127,405)	-	(3,125,569)
TOTAL OTHER FINANCING SOURCES (USES)	(1,998,164)	101,001	1,897,163	-
NET CHANGE IN FUND BALANCES	(4,351,486)	(1,428,096)	976,593	(4,802,989)
Fund balances, beginning of year (1)	39,292,556	26,605,148	5,473,863	71,371,567
Fund balances, end of year	<u>\$ 34,941,070</u>	<u>\$ 25,177,052</u>	<u>\$ 6,450,456</u>	<u>\$ 66,568,578</u>

(1) - As restated. See Notes to the Basic Financial Statements, Note 21.

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, 2022

Net change in fund balances - total governmental funds		\$ (4,802,989)
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	\$ 21,137,010	
Current year depreciation expense	(10,384,400)	
Net book value of assets disposed	<u>1,752,390</u>	
		12,505,000
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.		18,501,995
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.		(91,091)
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		(17,354,303)
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:		
Decrease in accrued interest payable		<u>178,985</u>
Change in net position of governmental activities		<u>\$ 10,473,736</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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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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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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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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets (1)	\$ 882,572	\$ 897,288	\$ 915,034	\$ 934,211	\$ 962,906	\$ 977,518	\$1,013,165	\$1,038,270	\$1,065,824	\$1,177,107
Restricted (3)	90,301	93,368	141,828	188,667	219,968	115,987	133,214	148,170	169,759	196,383
Unrestricted (1) (2) (3) (4)	(40,158)	(30,484)	(61,211)	125,057	89,796	(147,562)	(110,614)	31,500	203,237	216,689
Total governmental activities net position	932,715	960,172	995,651	1,247,935	1,272,670	945,943	1,035,765	1,217,940	1,438,820	1,590,179
Business-type activities										
Net investment in capital assets (1)	672	782	1,685	1,807	1,774	1,677	1,545	1,406	1,331	1,383
Restricted (3)	19,713	24,331	28,339	50,179	36,703	17,097	26,702	43,979	55,315	98,595
Unrestricted (1) (2) (3) (4)	101,855	113,487	85,485	118,876	131,852	81,413	96,005	109,264	126,072	132,230
Total business-type units net position	122,240	138,600	115,509	170,862	170,329	100,187	124,252	154,649	182,718	232,208
Primary government										
Net investment in capital assets (1)	883,244	898,070	916,719	936,018	964,680	979,195	1,014,710	1,039,676	1,067,155	1,178,490
Restricted (3)	110,014	117,699	170,167	238,846	256,671	133,084	159,916	192,149	225,074	294,978
Unrestricted (1) (2) (3) (4)	61,697	83,003	24,274	243,933	221,648	(66,149)	(14,609)	140,764	329,309	348,919
Total primary government net position	<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>	<u>\$1,822,387</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)

	2013 (1)	2014	2015	2016	2017 (3)	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Legislative	\$ 1,202	\$ 1,191	\$ 1,487	\$ 1,265	\$ 1,645	\$ 1,612	\$ 1,714	\$ 1,334	\$ 1,240	\$ 1,724
Judicial	41,359	42,194	48,334	46,188	52,197	54,424	51,102	44,387	42,028	55,014
General government (1)	68,830	57,780	50,182	39,525	38,460	40,550	41,435	35,157	33,242	49,260
Public safety	79,398	75,849	81,402	82,462	91,771	97,943	89,161	81,885	76,184	99,785
Public works	68,159	71,027	71,867	81,973	85,650	98,982	85,255	74,621	59,761	87,584
Health and welfare	70,200	65,040	64,219	76,642	88,843	96,084	86,963	121,250	108,909	147,307
Community and economic development	-	-	-	-	3,715	4,157	3,758	44,922	7,366	4,711
Recreation and culture	234	147	139	144	175	147	151	111	124	155
Interest on long-term debt	1,543	1,357	7,542	9,483	9,278	8,717	8,628	5,998	7,390	6,505
Total governmental activities expenses	330,925	314,585	325,172	337,682	371,734	402,616	368,167	409,665	336,244	452,045
Business-type activities										
Delinquent tax collections	5,495	4,349	4,238	3,382	2,931	3,009	2,829	1,905	2,040	2,870
Community Mental Health (1)	220,322	229,654	245,394	235,220	235,200	236,738	225,055	213,128	223,172	248,460
Martha T Berry Medical Care Facility (2)	-	-	-	-	-	-	-	-	-	-
Freedom Hill Park	381	467	594	451	351	443	453	467	469	591
Interest on long-term debt	-	-	-	-	1,462	1,383	1,406	867	1,175	1,133
Total business-type activities expenses	226,198	234,470	250,226	239,053	239,944	241,573	229,743	216,367	226,856	253,054
Total primary government expenses	\$ 557,123	\$ 549,055	\$ 575,398	\$ 576,735	\$ 611,678	\$ 644,189	\$ 597,910	\$ 626,032	\$ 563,100	\$ 705,099
Program revenues										
Governmental activities										
Charges for services										
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 1	\$ 1	\$ 53	\$ 36
Judicial	5,517	5,273	6,306	6,329	6,349	6,843	6,339	5,700	5,529	5,566
General government	17,088	13,903	15,203	12,530	12,458	11,180	12,421	14,412	17,049	15,022
Public safety	16,542	15,955	20,257	21,329	21,644	23,928	24,964	23,843	23,890	26,808
Public works	19,693	20,831	20,407	16,182	14,219	14,645	24,200	17,182	18,635	41,942
Health and welfare	7,114	7,770	12,362	14,958	15,955	15,992	14,498	15,102	12,717	16,174
Community and economic development	-	-	-	-	209	222	365	743	1,301	1,425
Recreation and culture	6	-	59	47	47	29	25	28	41	40
Operating grants and contributions	50,079	46,665	49,586	48,009	55,244	59,099	60,168	198,481	121,212	146,852
Capital grants and contributions	72,746	76,970	73,402	79,190	78,704	92,600	101,494	109,190	112,126	163,074
Total governmental activities program revenues	188,785	187,367	197,582	198,574	204,829	224,541	244,475	384,682	312,553	416,939
Business-type activities										
Charges for services										
Delinquent tax collections	17,640	14,093	13,723	11,579	10,830	10,858	10,889	10,184	10,314	12,365
Community Mental Health	175,001	196,278	208,844	216,593	202,458	199,406	211,777	210,457	212,111	277,943
Martha T Berry Medical Care Facility (2)	-	-	-	-	-	-	-	-	-	-
Freedom Hill Park	232	400	671	274	298	199	234	217	284	323
Operating grants and contributions	35,802	29,256	17,957	14,444	15,927	16,686	18,827	16,354	17,740	8,563
Total business-type activities program revenues	228,675	240,027	241,195	242,890	229,513	227,149	241,727	237,212	240,449	299,194
Total primary government program revenues	\$ 417,460	\$ 427,394	\$ 438,777	\$ 441,464	\$ 434,342	\$ 451,690	\$ 486,202	\$ 621,894	\$ 553,002	\$ 716,133
Net (expense) revenue										
Governmental activities	\$ (142,140)	\$ (127,218)	\$ (127,590)	\$ (139,108)	\$ (166,905)	\$ (178,075)	\$ (123,692)	\$ (24,983)	\$ (23,691)	\$ (35,106)
Business-type activities	2,477	5,557	(9,031)	3,837	(10,431)	(14,424)	11,984	20,845	13,593	46,140
Total primary government net expenses	\$ (139,663)	\$ (121,661)	\$ (136,621)	\$ (135,271)	\$ (177,336)	\$ (192,499)	\$ (111,708)	\$ (4,138)	\$ (10,098)	\$ 11,034

(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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues										
Governmental activities										
Property taxes	\$ 109,501	\$ 113,049	\$ 117,745	\$ 115,859	\$ 118,649	\$ 123,095	\$ 128,421	\$ 131,892	\$ 137,428	\$ 145,859
Intergovernmental revenues - unrestricted	23,252	23,280	22,682	30,357	29,904	27,254	30,921	27,414	32,518	34,683
Investment earnings	424	1,793	480	729	44,376	-	54,596	46,778	73,748	6,376
Transfers	(6,065)	(8,571)	21,766	1,309	(1,289)	810	(424)	1,074	877	(609)
Total governmental activities general revenues	127,112	129,551	162,673	148,254	191,640	151,159	213,514	207,158	244,571	186,309
Business-type activities										
Investment earnings	309	294	317	894	10,698	-	12,860	10,524	15,350	4,255
Transfers	6,851	7,316	(13,981)	(1,167)	(800)	(719)	(779)	(972)	(874)	(910)
Total business-type activities general revenues	7,160	7,610	(13,664)	(273)	9,898	(719)	12,081	9,552	14,476	3,345
Total primary government general revenues	<u>\$ 134,272</u>	<u>\$ 137,161</u>	<u>\$ 149,009</u>	<u>\$ 147,981</u>	<u>\$ 201,538</u>	<u>\$ 150,440</u>	<u>\$ 225,595</u>	<u>\$ 216,710</u>	<u>\$ 259,047</u>	<u>\$ 189,654</u>
Change in net position										
Governmental activities	\$ (106)	\$ 1,961	\$ 23,565	\$ (18,651)	\$ 13,565	\$ 27,467	\$ 89,822	\$ 182,175	\$ 220,882	\$ 151,203
Business-type activities (1)	12,717	(1,421)	(9,827)	(10,704)	(4,526)	11,265	24,065	30,397	28,069	49,485
Total primary government change in net position	<u>\$ 12,611</u>	<u>\$ 540</u>	<u>\$ 13,738</u>	<u>\$ (29,355)</u>	<u>\$ 9,039</u>	<u>\$ 38,732</u>	<u>\$ 113,887</u>	<u>\$ 212,572</u>	<u>\$ 248,951</u>	<u>\$ 200,688</u>

(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)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General fund										
Nonspendable	\$ 659	\$ 596	\$ 6,075	\$ 4,933	\$ 4,244	\$ 3,577	\$ 4,439	\$ 4,199	\$ 5,020	\$ 4,685
Committed	-	-	6,527	-	-	-	-	-	-	-
Assigned	-	-	11,609	13,672	-	8,844	-	-	-	-
Unassigned	81,029	84,650	48,002	43,029	49,348	45,776	57,061	68,232	91,266	108,008
Total general fund	<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>	<u>\$ 112,693</u>
All other governmental funds										
Nonspendable	\$ 5,088	\$ 3,886	\$ 7,198	\$ 5,746	\$ 6,174	\$ 4,898	\$ 5,045	\$ 11,012	\$ 8,925	\$ 9,746
Restricted	76,122	81,258	106,454	78,367	82,774	99,147	115,034	123,884	149,395	162,787
Assigned	19,089	10,687	6,397	20,898	15,035	10,107	5,332	37,861	23,538	22,545
Unassigned	(2,970)	(2,508)	(4,400)	(3,730)	(4,582)	(2,638)	(1,887)	(4,143)	(5,332)	(6,072)
Total all other governmental funds	<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>	<u>\$ 189,006</u>

Source: Macomb County Finance Department

Macomb County, Michigan

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS, IN THOUSANDS

(Unaudited)

	2013	2014	2015	2016	2017 (1)	2018	2019	2020	2021	2022
Revenues										
Property taxes	\$ 110,952	\$ 113,690	\$ 116,742	\$ 115,175	\$ 119,563	\$ 122,784	\$ 128,235	\$ 134,138	\$ 137,004	\$ 142,986
Licenses and permits	1,985	2,305	2,634	2,831	2,682	2,912	3,057	3,020	3,163	3,288
Federal and state grants	135,606	142,994	144,565	159,199	165,392	177,278	198,705	332,886	264,381	321,964
Other grants	460	871	605	282	398	498	362	520	577	356
Charges for services	60,094	61,924	77,827	75,079	63,297	63,292	73,189	65,611	70,288	94,661
Charges to other funds for administrative services	5,195	6,201	5,720	11,704	11,405	11,111	11,022	13,290	13,275	13,899
Fines and forfeitures	932	802	1,024	1,148	1,100	1,611	1,343	910	810	1,553
Interest and rents	413	373	2,404	4,926	4,327	5,803	7,179	5,130	2,651	8,079
Other revenue	894	1,127	2,059	2,372	2,008	3,534	2,671	2,512	3,366	13,383
Total revenues	316,531	330,287	353,580	372,716	370,172	388,823	425,763	558,017	495,515	600,169
Expenditures										
Current										
Legislative	1,202	1,191	1,289	1,235	1,482	1,453	1,696	1,516	1,477	1,658
Judicial	40,393	41,252	42,334	43,388	46,041	45,953	48,993	47,924	49,053	52,166
General government	46,462	46,957	41,817	44,547	42,457	42,515	44,836	45,414	44,856	49,566
Public safety	76,599	73,041	67,419	75,544	78,717	80,626	83,255	85,422	85,811	91,871
Public works	63,038	71,867	84,051	90,053	84,063	88,245	104,605	102,185	105,620	200,062
Health and welfare	67,304	62,238	75,458	70,792	77,239	80,006	82,780	131,154	126,797	139,242
Community and economic development	-	-	-	-	3,346	3,582	3,691	49,687	8,792	4,535
Recreation and cultural	172	84	78	76	99	71	85	52	75	89
OPEB contributions	-	-	263,352	-	-	-	-	-	-	-
Other	781	1,212	957	1,838	1,855	2,092	2,339	1,145	1,902	2,903
Capital outlay	17,813	25,561	38,167	47,724	33,647	24,702	28,681	30,008	17,129	18,737
Debt service										
Principal	4,740	4,007	13,194	14,669	7,008	7,231	7,469	6,965	14,850	4,946
Interest and fees	1,604	1,317	5,842	9,527	2,174	2,002	1,809	1,597	1,375	1,019
Bond issuance costs	-	108	807	-	-	-	-	-	-	-
Total expenditures	320,108	328,835	634,765	399,393	378,128	378,478	410,239	503,069	457,737	566,794
Excess of revenues over (under) expenditures	(3,577)	1,452	(281,185)	(26,677)	(7,956)	10,345	15,524	54,948	37,778	33,375
Other financing sources (uses)										
Face amount of long-term debt	-	15,628	263,004	-	-	400	-	-	-	-
Transfers in	30,414	53,899	77,268	80,488	81,394	68,745	50,308	76,257	35,250	61,396
Transfers out	(35,536)	(56,381)	(50,310)	(78,758)	(83,361)	(62,771)	(50,520)	(75,184)	(41,261)	(66,053)
Bond discounts	-	1,404	516	-	-	-	-	-	-	-
Payment to refunding debt escrow agent	-	(16,450)	-	-	-	-	-	-	-	-
Total Other financing sources (uses)	(5,122)	(1,900)	290,478	1,730	(1,967)	6,374	(212)	1,073	(6,011)	(4,657)
Net change in fund balances	\$ (8,699)	\$ (448)	\$ 9,293	\$ (24,947)	\$ (9,923)	\$ 16,719	\$ 15,312	\$ 56,021	\$ 31,767	\$ 28,718
Debt service as % of noncapital expenditures	2.35%	1.97%	3.43%	7.86%	3.07%	2.95%	2.86%	2.03%	4.22%	1.50%

(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)

	2013	2014	2015	2016	2017 (1)	2018	2019	2020	2021	2022
Revenues										
Property taxes	\$ 109,895	\$ 112,610	\$ 115,629	\$ 114,025	\$ 118,423	\$ 120,887	\$ 126,259	\$ 130,171	\$ 134,144	\$ 140,932
Licenses and permits	1,640	1,706	1,714	1,541	1,577	1,541	1,534	1,455	1,644	1,682
Federal and state grants	25,728	30,162	31,406	39,059	38,952	36,560	40,570	68,406	41,325	43,674
Charges for services	36,827	36,856	35,637	38,648	41,918	43,023	43,610	41,392	44,536	40,041
Charges to other funds for administrative services	5,195	6,201	5,720	11,703	11,405	11,111	11,022	13,290	13,275	13,899
Fines and forfeitures	676	590	534	557	587	560	689	434	497	661
Interest and rents	278	226	2,124	4,551	3,810	4,552	4,824	3,258	2,275	7,381
Other revenue	210	155	148	148	177	213	878	59	113	295
Total revenues	180,449	188,506	192,912	210,232	216,849	218,447	229,386	258,465	237,809	248,565
Expenditures										
Current										
Legislative	1,202	1,191	1,289	1,235	1,482	1,453	1,696	1,516	1,477	1,658
Judicial	29,219	29,418	30,189	31,182	33,263	32,713	30,637	29,483	29,982	31,316
General government	44,855	45,220	39,897	42,678	41,019	41,270	43,742	44,187	43,658	48,330
Public safety	58,338	59,562	62,543	64,994	69,453	71,955	74,984	77,157	77,046	73,535
Public works	-	-	5,263	5,339	5,745	6,010	6,452	6,532	6,917	7,134
Health and welfare	17,249	16,848	17,664	17,647	18,657	19,308	18,890	15,019	16,057	17,987
Community and economic development	-	-	-	-	3,134	3,237	3,296	2,972	3,115	3,525
OPEB contributions	-	-	45,320	-	-	-	-	-	-	-
Other	781	1,212	957	1,838	1,855	2,092	2,339	1,145	1,902	2,903
Capital outlay	1,117	2,229	1,198	871	2,054	2,671	3,226	2,402	1,902	2,685
Total expenditures	152,761	155,680	204,320	165,784	176,662	180,709	185,262	180,413	182,056	189,073
Excess of revenues over (under) expenditures	27,688	32,826	(11,408)	44,448	40,187	37,738	44,124	78,052	55,753	59,492
Other financing sources (uses)										
Transfers in	21	-	35,255	8,063	8,158	13,404	8,143	8,000	8,151	8,000
Transfers out	(26,093)	(29,267)	(36,880)	(63,090)	(56,388)	(46,537)	(48,964)	(75,121)	(40,049)	(51,070)
Total other financing sources (uses)	(26,072)	(29,267)	(1,625)	(55,027)	(48,230)	(33,133)	(40,821)	(67,121)	(31,898)	(43,070)
Net change in fund balances	\$ 1,616	\$ 3,559	\$ (13,033)	\$ (10,579)	\$ (8,043)	\$ 4,605	\$ 3,303	\$ 10,931	\$ 23,855	\$ 16,422

(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			
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	40,402,809	4.4381	
2022	220,249	5,788,325	2,824,801	32,133,108	-	1,999,961	42,966,444	4.3852	

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		
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%	
2022	0.51%	13.47%	6.57%	74.80%	0.00%	4.65%	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)

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
County direct rate											
Operation		4.5685	4.5685	4.5685	4.5566	4.5242	4.4925	4.4592	4.4150	4.3721	4.3200
County drain debt		0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	-	-	-
County Veteran		0.0400	0.0400	0.0400	0.0398	0.0682	0.0676	0.0674	0.0667	0.0660	0.0652
Martha T. Berry Medical Care Facility		-	-	-	-	-	-	-	0.0990	-	-
Total direct rate		4.6135	4.6135	4.6135	4.6014	4.5974	4.5651	4.5316	4.5807	4.4381	4.3852
Overlapping rates											
Cities											
Center Line		37.5025	39.1266	38.6503	38.9765	38.5829	38.5829	37.1731	34.6003	34.2433	30.1632
Eastpointe		26.9612	27.1583	40.9612	40.0793	40.2567	44.0857	41.8388	27.0641	26.5963	26.0798
Fraser		20.8359	20.8664	23.2580	25.2780	27.3581	33.3798	31.7518	22.2621	21.3685	21.0210
Grosse Pointe Shores		17.8794	17.8794	17.8794	18.8794	18.8794	17.7031	17.7031	17.7031	17.7031	18.7031
Memphis		14.2953	14.2953	16.2953	16.2953	16.2007	16.0807	15.8571	15.8571	18.6160	18.2623
Mt. Clemens		18.6639	18.6639	24.8062	24.8045	24.6999	24.6880	24.6073	21.6528	21.5839	21.3112
New Baltimore		14.9165	14.9198	14.9003	14.8592	14.8155	14.1854	13.9779	13.5851	12.9782	13.3627
Richmond		16.6526	16.6526	16.6526	16.5593	16.4417	16.3117	16.2187	16.0873	15.8717	15.6637
Roseville		24.8494	24.8494	24.8494	25.1083	25.1081	25.0920	24.9171	23.7986	27.7134	27.6940
St. Clair Shores		20.5388	20.9950	21.2602	21.2309	24.4089	25.2168	24.9009	24.7145	23.9435	23.4090
Sterling Heights		12.6858	15.1858	15.1858	15.1858	16.1499	17.1804	16.2069	16.2069	16.6742	16.3800
Utica		22.6170	22.6753	22.5017	20.9864	21.3524	21.2867	21.0182	20.6313	20.0853	19.2513
Warren		27.8656	27.8656	27.7637	27.7742	27.7556	27.7556	27.5658	27.1471	27.2265	27.0913
Townships (rates range)	Low	3.2812	3.2812	3.5529	3.5296	3.4980	3.4905	0.7713	0.7671	0.7624	0.7543
	High	17.7116	17.6816	17.6916	17.6916	17.6274	17.1375	9.2999	9.2999	9.2999	9.5000
Villages (rates range)	Low	16.5354	16.5194	17.4276	17.4276	17.3836	17.3529	12.6643	11.7500	11.7500	11.7500
	High	18.8436	18.8436	19.2550	19.0326	18.9693	22.5077	14.5000	14.8705	14.8976	14.5368
School districts (rates range)											
Homestead (PRE)	Low	3.8500	3.8500	3.8500	3.8500	3.8500	3.7600	3.5000	3.5000	3.1132	3.2230
	High	19.5854	19.5854	18.8500	19.0354	18.9642	23.6826	23.6115	22.2510	19.3372	18.5550
Non-Homestead (Non-PRE)	Low	21.0500	21.0500	20.7500	20.4856	20.2751	21.0728	20.6621	20.4183	20.4183	20.2508
	High	29.4143	29.6000	31.0000	31.0000	29.8000	31.0000	31.0000	31.0000	31.0000	31.0000
Other countywide millages											
State Education Tax		6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
Intermediate school district		2.9430	2.9430	2.9430	2.9354	2.9147	2.8945	2.8744	4.7296	4.6845	4.6300
Community college		1.5312	1.5262	1.5302	1.4174	1.4072	1.4640	1.4531	1.4387	1.4247	1.4077
SMART Regional Transportation		0.5900	1.0000	1.0000	0.9974	0.9903	1.0000	0.9926	0.9827	0.9731	0.9500
Huron Clinton Metropolitan Park Authority		0.2146	0.2146	0.2146	0.2146	0.2140	0.2129	0.2117	0.2104	0.2089	0.2070
Zoo Authority		0.1000	0.1000	0.1000	0.0997	0.0989	0.0985	0.0977	0.9670	0.0957	0.0945
Art Authority		0.2000	0.2000	0.2000	0.1994	0.1979	0.1965	0.1950	0.1930	0.1911	0.1956

Source: Macomb County Equalization Department

Macomb County, Michigan

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

Taxpayer	Industry	2022			2013		
		Taxable Value	Rank	Percentage of Total County Taxable Value	Taxable Value	Rank	Percentage of Total County Taxable Value
CONSUMERS ENERGY	Utilities	\$ 378,152,694	1	1.15%	\$ 140,095,624	5	0.58%
DETROIT EDISON	Utilities	373,511,708	2	1.14%	288,048,814	3	1.19%
GENERAL MOTORS	Automotive	343,541,377	3	1.05%	440,092,481	1	1.83%
CHRYSLER	Automotive	156,453,851	4	0.48%	424,158,342	2	1.76%
INTERNATIONAL TRANS.	Utilities	130,839,291	5	0.40%	88,206,962	6	0.37%
ENBRIDGE ENERGY	Utilities	74,433,801	6	0.23%			0.00%
MEIJER	Retail	71,580,397	7	0.22%	43,113,706	8	0.18%
COMCAST	Telecommunications	64,645,166	8	0.20%	47,372,398	7	0.20%
KROGER	Retail	57,852,216	9	0.18%			0.00%
FORD	Automotive	55,977,562	10	0.17%	239,882,539	4	0.99%
WASHINGTON 10 STORAGE	Utilities				38,377,082	9	0.16%
GENERAL DYNAMICS	Aerospace				33,166,140	10	0.14%
		<u>\$ 1,706,988,063</u>		<u>5.22%</u>	<u>\$ 1,782,514,088</u>		<u>7.40%</u>

Source: Macomb County Equalization Department

Macomb County, Michigan

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

(Unaudited)

Fiscal Year	Taxes Levied (1)	Collected within the Fiscal Year of the Levy (2)		Subsequent Years Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2013	\$ 108,889,482	\$ 104,373,648	95.85%	4,515,834	108,889,482	100.00%
2014	110,588,899	106,617,266	96.41%	3,971,601	110,588,867	100.00%
2015	114,327,731	109,186,813	95.50%	5,140,558	114,327,371	100.00%
2016	113,477,469	108,171,633	95.32%	5,305,105	113,476,738	100.00%
2017	116,001,630	111,183,115	95.85%	4,814,842	115,997,957	100.00%
2018	120,171,383	115,133,213	95.81%	5,022,664	120,155,877	99.99%
2019	124,839,717	118,933,235	95.27%	5,867,159	124,800,394	99.97%
2020	129,371,743	124,405,004	96.16%	4,365,363	128,770,367	99.54%
2021	133,122,925	127,392,722	95.70%	4,270,937	131,663,659	98.90%
2022	141,054,041	134,495,683	95.35%	N/A	134,495,683	95.35%

(1) Current year tax levy is subject to change due to the fact that settlement at the county level has not been finalized for the current fiscal year as of date of ACFR publication.

(2) Tax levy is dated July 1, collections for the current fiscal year reflect a six month period (July 1 - December 31)

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	Total Primary Government Debt	Debt to Assessed Value	Debt Per Capita	Percentage of Personal Income Per Capita
			General Obligation Bonds	Infrastructure Loans	Activities				
					General Obligation Bonds				
2013	857,146	\$ 25,088,284	\$ 44,930,000	\$ 966,164	\$ -	\$ 45,896,164	0.18%	\$ 53.55	0.14%
2014	862,914	26,233,186	39,755,000	1,311,509	-	41,066,509	0.16%	47.59	0.12%
2015	865,031	29,029,993	289,727,371	1,149,313	44,732,825	335,609,509	1.16%	387.97	0.91%
2016	868,329	30,606,086	275,223,098	984,356	42,868,018	319,075,472	1.04%	367.46	0.85%
2017	870,867	32,302,241	260,255,596	816,578	41,217,116	302,289,290	0.94%	347.11	0.78%
2018	872,089	33,477,440	245,038,015	980,536	37,896,985	283,915,536	0.85%	325.56	0.71%
2019	872,389	35,889,949	229,405,316	776,603	36,184,684	266,366,603	0.74%	305.33	0.64%
2020	880,176	38,477,883	232,482,380	621,991	38,207,620	271,311,991	0.71%	308.25	0.59%
2021	877,385	40,402,809	207,519,045	461,726	36,105,955	244,086,726	0.60%	278.20	0.51%
2022	874,195	42,966,444	192,109,135	390,968	33,950,865	226,450,968	0.53%	259.04	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)

Year	Population	Assessed Value of Property (in thousands)	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	Net Debt to Assessed Value	Net Debt Per Capita	Net Percentage of Personal Income Per Capita
2013	857,146	\$ 25,088,284	\$ 44,930,000	\$ 3,049,441	\$ 41,880,559	0.17%	\$ 48.86	0.13%
2014	862,914	26,233,186	39,755,000	2,599,454	37,155,546	0.14%	43.06	0.11%
2015	865,031	29,029,993	334,460,196	2,617,902	331,842,294	1.14%	383.62	0.90%
2016	868,329	30,606,086	318,091,116	1,994,530	316,096,586	1.03%	364.03	0.84%
2017	870,867	32,302,241	301,472,712	2,038,746	299,433,966	0.93%	343.83	0.77%
2018	872,089	33,477,440	282,935,000	2,063,411	280,871,589	0.84%	322.07	0.70%
2019	872,389	35,889,949	265,590,000	175,688	265,414,312	0.74%	304.24	0.64%
2020	880,176	38,477,883	270,690,000	155,747	270,534,253	0.70%	307.36	0.59%
2021	877,385	40,402,809	243,625,000	128,273	243,496,727	0.60%	277.53	0.51%
2022	874,195	42,966,444	226,060,000	100,627	225,959,373	0.53%	258.48	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, 2022

(Unaudited)

	<u>Gross Amount Outstanding</u>	<u>Share of Overlapping Debt</u>	<u>Percent Overlapping</u>
Direct debt			
General County Bonds	\$ 192,109,135	\$ 192,109,135	100.0%
Department of Roads infrastructure loans	390,968	390,968	100.0%
Net direct debt	<u>\$ 192,500,103</u>	<u>\$ 192,500,103</u>	100.0%
Overlapping debt			
School districts	\$ 2,287,865,059	\$ 2,081,684,010	91.0%
Cities	486,919,435	476,012,166	97.8%
Township	251,219,381	251,219,381	100.0%
Villages	14,296,949	14,296,949	100.0%
Intermediate school districts	45,510,000	677,761	1.5%
Library	35,930,000	35,930,000	100.0%
Net overlapping debt	<u>3,121,740,824</u>	<u>2,859,820,267</u>	91.6%
Net direct and overlapping debt	<u>\$ 3,314,240,927</u>	<u>\$ 3,052,320,370</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

2022 Taxable Value		\$ 33,745,034,454
Debt Limit (10% of Assessed Taxable Value) (1)		3,374,503,445
Outstanding Long-term Debt	\$ 499,677,134	
Less:		
Amount available in debt service funds	101,452	
Special assessment bonds	<u>273,226,166</u>	
Total amount of debt applicable to debt limit		<u>226,349,516</u>

LEGAL DEBT MARGIN \$ 3,148,153,929

(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>
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	2,798,928,129	257,726,281	2,541,201,848	9.21%
2019	2,933,776,267	266,186,325	2,667,589,942	9.07%
2020	3,071,862,970	256,697,244	2,815,165,726	8.36%
2021	3,184,018,523	241,810,528	2,942,207,995	7.59%
2022	3,374,503,445	226,349,516	3,148,153,929	6.71%

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>
2013	857,146	\$ 32,808,977	\$ 38,277	9.4%
2014	862,914	34,582,141	40,076	7.9%
2015	865,031	36,775,063	42,513	5.7%
2016	868,329	37,517,023	43,206	5.2%
2017	870,867	38,700,459	44,439	4.3%
2018	872,089	40,184,989	46,079	4.1%
2019	872,389	41,427,136	47,487	4.3%
2020	880,176	45,940,786	52,195	12.0%
2021	877,385	47,605,155	54,258	5.9%
2022	874,195	N/A	N/A	3.7%

Sources:

Population - Federal Reserve Economic Data, table MIMACO9POP
 Per Capita Personal Income - Federal Reserve Economic Data, table PCPI26099
 Unemployment Rate - Federal Reserve Economic Data, table
 LAUCN260990000000003A

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	2022			2013		
		Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
General Motors	Automotive	25,306	1	5.75%	12,668	1	3.01%
Stellantis NV (formerly FCA US LLC)	Automotive	17,774	2	4.04%	10,406	2	2.47%
U.S. Government	Government	6,943	3	1.58%	6,671	3	1.58%
Ford Motor Company	Automotive	3,990	4	0.91%	4,135	4	0.98%
Ascension Michigan (formerly St. John)	Health Care	2,937	5	0.67%	3,558	5	0.84%
Utica Community Schools	Education	2,640	6	0.60%	2,711	7	0.64%
Macomb County	Government	2,429	7	0.55%	2,218	8	0.53%
Henry Ford Health System	Health Care	2,201	8	0.50%	3,328	6	0.79%
McLaren Health Care System	Health Care	1,969	9	0.45%	1,561	10	0.37%
General Dynamics Land Systems	Defense	1,826	10	0.41%	2,079	9	0.49%
Chippewa Valley Schools	Education	1,680	11	0.38%	1,245	14	0.30%
State of Michigan	Government	1,564	12	0.36%	1,343	12	0.32%
Warren Consolidated Schools	Education	1,403	13	0.32%	1,409	11	0.33%
Adient LLC	Automotive	1,206	14	0.27%			
Amazon.com Inc.	Ecommerce	1,175	15	0.27%			
Bridgewater Interiors LLC	Automotive	1,175	15	0.27%			
Macomb Intermediate School District	Education	1,080	17	0.25%	924	17	0.22%
Faurecia	Automotive				1,325	13	0.31%
L'Anse Creuse Public Schools	Education				1,123	15	0.27%
Art Van Furniture	Retail				1,016	16	0.24%
		<u>77,298</u>		<u>17.58%</u>	<u>57,720</u>		<u>13.69%</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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Legislative										
Board of Commissioners	19	19	19	19	20	20	20	20	19	20
Judicial										
Circuit Court	64	67	80	79	84	84	77	76	74	74
Family Counseling Services	1	1	1	1	1	1	1	1	1	1
District Court - Romeo	13	13	13	14	12	12	15	15	15	15
District Court - New Baltimore	17	17	17	15	15	15	17	17	17	17
Friend of the Court	118	107	107	107	108	108	107	106	101	105
Juvenile Court	50	46	46	46	46	46	55	55	51	51
Probate Court	31	28	28	28	29	29	29	30	28	31
Probation - District Court	5	5	5	5	5	5	-	-	-	-
Prosecuting Attorney	104	106	106	109	112	112	115	120	113	127
Public Defender's Office	-	-	-	-	-	-	5	10	18	39
Reimbursement	11	11	-	-	-	-	-	-	-	-
General Government										
Clerk / Register of Deeds	80	81	85	83	87	87	89	92	93	103
County Executive	9	9	9	10	10	10	10	11	10	10
Corporation Counsel	8	8	8	8	9	9	9	9	8	8
Equalization	10	10	10	10	10	10	10	10	10	10
Facilities & Operations	95	95	95	95	96	95	95	96	87	89
Finance	21	21	22	22	22	22	23	22	22	23
Human Resources & Labor Relations	22	24	22	24	24	24	24	25	24	26
Information Technology	36	36	36	38	39	39	40	40	37	38
MSU County Extension	8	8	7	7	7	8	7	7	5	5
Purchasing	16	16	16	16	16	16	17	17	15	15
Treasurer	26	26	28	28	28	28	28	28	26	26
Public Safety										
Community Corrections	11	11	10	11	13	13	14	14	13	15
Emergency Services	3	7	7	7	7	7	7	10	11	14
Sheriff	486	492	499	516	522	532	553	559	540	545
Technical Services	8	11	12	13	13	13	13	13	12	12
Public Works										
Department of Roads	232	232	250	255	265	265	268	272	272	275
Drainage District / Public Works	60	60	63	64	64	62	65	66	63	65
Health & Vulnerable Populations										
Child Care - Youth Home	123	121	121	121	122	121	123	122	89	87
Community Mental Health	335	341	345	345	346	346	345	346	346	346
Community Services Agency	182	171	172	213	220	231	217	223	226	252
Health & Community Services	2	2	2	2	2	2	2	2	2	1
Health Department	228	220	226	231	234	235	245	247	247	256
Macomb/St. Clair Employment	68	68	68	43	46	47	45	46	46	48
Medical Care Facility	238	245	238	273	331	330	305	286	310	310
Senior Citizen Services	15	3	3	-	-	-	-	-	-	-
Substance Abuse	10	10	13	13	13	13	12	13	13	13
Veterans Services/Affairs	10	11	11	11	11	11	13	14	17	16
Community & Economic Development	26	26	27	26	27	27	28	28	26	29
Recreation & Culture - Parks	-	-	-	-	-	-	1	1	1	1
Total	<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>	<u>3,118</u>

Source: Macomb County Budget

Macomb County, Michigan

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

(Unaudited)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Judicial:										
Circuit Court										
Caseload	19,372	19,242	19,329	19,149	19,237	18,678	18,379	13,314	15,485	17,222
District Court - Romeo										
Caseload	7,917	8,306	8,772	8,549	8,835	11,225	11,045	7,719	6,303	10,035
District Court - New Baltimore										
Caseload	12,300	9,833	12,937	15,625	15,717	15,020	17,251	12,195	10,201	16,762
General Government:										
County Clerk										
Birth records	5,453	6,492	6,111	5,825	5,582	6,179	6,246	2,277	3,342	3,193
Death records	5,158	5,001	5,713	5,943	5,836	6,278	5,883	8,140	8,585	8,220
Marriage licenses	4,877	4,996	5,180	5,142	4,997	4,959	4,630	3,245	4,762	3,743
Public Works										
Drainage Districts / Public Works										
Inspections	6,718	5,777	5,043	16,107	16,017	15,139	12,089	10,104	10,532	12,859
Public Safety:										
Sheriff										
Complaints handled	93,701	101,029	87,090	105,993	194,625	196,048	213,805	110,592	123,489	114,054
Inmate bookings	18,732	17,881	17,291	17,170	17,042	16,770	16,406	9,709	10,236	12,830
Arrests made	6,206	5,601	3,316	4,822	4,770	4,468	4,454	3,627	3,938	2,884
Crashes investigated	3,880	4,120	1,563	1,421	1,224	3,492	1,746	4,014	4,131	4,025
Health and Welfare:										
Health Department										
COVID-19 vaccines administered	-	-	-	-	-	-	-	1,237	291,265	29,055
All other vaccines administered	59,726	45,048	44,711	39,492	40,867	43,314	40,564	14,098	19,454	24,701
Animals received at animal shelter	3,219	2,009	4,276	4,678	4,671	4,061	4,153	2,362	2,528	2,532
Food service inspections	4,645	4,578	4,634	4,652	4,630	4,847	5,226	3,100	3,573	4,297
Forensic examinations	648	649	643	686	716	691	538	684	745	628

N/A - not available

Source: Macomb County Finance Department

Macomb County, Michigan

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

(Unaudited)

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Judicial										
Number of court buildings	5	5	5	5	5	5	5	4	4	4
Vehicles	4	4	4	4	3	3	3	2	2	2
General Government										
Number of buildings	7	7	7	7	7	7	7	7	7	7
Vehicles	55	54	63	60	50	51	57	51	50	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	-			
Marine patrol substations	2	2	2	2	1	1	1	1	1	1
Vehicles	157	147	168	173	177	189	206	190	199	221
Public Works										
Lane miles of roads maintained	2,335	2,393	2,397	2,508	2,508	2,510	2,518	2,512	2,523	2,523
Number of buildings	9	9	9	9	9	9	9	9	9	9
Vehicles	36	38	74	262	268	427	291	277	346	347
Health and Welfare										
Number of buildings	8	8	8	8	8	8	8	8	8	8
Vehicles	89	88	92	95	90	88	97	91	77	80
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	1

Source: Macomb County Finance Department

Macomb County, Michigan
SCHEDULE OF INSURANCE

As of December 31, 2022

(Unaudited)

Type of Coverage / Name of Company	Policy Period	Premium	Description
Public Entity Liability Pennsylvania Manufacturers	7-1-22 to 6-30-23	\$1,030,175	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	5-01-22 to 05-01-23	\$268,432 (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	7-1-22 to 6-30-23	\$497,829	Covers buildings & contents. Limit - up to \$300,000,000 - deductible \$100,000
Boiler & Machinery Affiliated FM Insurance Co	7-1-22 to 6-30-23	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	7-1-22 to 6-30-23	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.	8-1-22 to 7-31-23	\$45,853	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	08-01-22 to 07-31-23	\$8,986	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	08-21-22 to 08-01-23	\$198,570	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	1-1-22 to 12-31-22	\$460,639 County Active \$102,584 County Retirees \$5,504 Roads Active \$46,708 Roads Retirees	Active EE Basic Life 50,000

-CONTINUED-

Macomb County, Michigan

SCHEDULE OF INSURANCE (CONCLUDED)

As of December 31, 2022

(Unaudited)

Type of Coverage / Name of Company	Policy Period	Premium	Description
Dental Insurance Delta Dental	1-1-22 to 12-31-22	\$ 1,564,524 County Active \$1,298,541 County Retirees \$166,035 Roads Active \$175,613 Roads Retirees	\$1,000 annual maximum per individual/ calendar year
Dental Insurance Golden Dental	1-1-22 to 12-31-22	\$ 134,437 County Active \$16,581 Roads Active \$584 Roads Retirees	Unlimited annual benefit
Long Term Disability Insurance The Hartford	1-1-22 to 12-31-22	\$192,888 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	1-1-22 to 12-31-22	\$18,318,899 County Active \$ 2,806,926 County Retirees \$ 3,210,209 Roads Active \$639,066 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 HAP Self Insured Admin Fees	1-1-22 to 12-31-22	\$9,150,055 County Active \$1,894,923 County Retirees \$702,092 Roads Active \$217,761 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	1-1-22 to 12-31-22	\$7,212,768 County Active \$3,786,477 County Retirees \$488,975 Roads Active \$429,651 Roads Retirees	Self insured medical plan - includes vision
Health/Hospital Insurance BCBS Medicare Advantage	1-1-22 to 12-31-22	\$10,159,317 County Retirees \$1,318,798 Roads Retirees	Fully insured medical plan for Medicare eligible retirees
Hearing Care Audio Net Hearing	1-1-22 to 12-31-22	\$71,960 County Retirees \$13,400 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
2022	435,142,211	954,267

Macomb County, Michigan

STATE SHARED REVENUES AND COUNTY RESIDENTIAL BUILDING PERMITS ISSUED
LAST TEN YEARS

(Unaudited)

State shared revenues

<u>Fiscal Year Ended</u>	<u>State Revenue Sharing Payments</u>
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
2022	17,996,681

Source: Macomb County Finance Department

County residential building permits issued

<u>Year</u>	<u>Building Permits</u>
2013	1,861
2014	1,824
2015	1,867
2016	1,869
2017	2,307
2018	2,035
2019	1,999
2020	1,870
2021	1,719
2022	1,619

Source: SEMCOG Community Profile Report for Macomb County

Macomb County, Michigan

SCHEDULE OF LABOR FORCE AGREEMENTS

Year Ended December 31, 2022

(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.	101	12/31/2025
AFSCME Local 411 General & District Crt	Clerical	557	12/31/2025
AFSCME 411- Teachers	Teachers	38	12/31/2025
Building Trades Association	Carpenters, electricians, etc.	19	12/31/2025
Command Officers Association of Michigan	Sheriff - Lieutenants and Sergeants	62	12/31/2024
IUOE Local 547	Boiler Operators	5	12/31/2025
Macomb County Environmental Health Assoc.	Environmentalists	29	12/31/2025
MCPDSA	Correction officers	151	12/31/2025
Michigan Nurses Assoc	Nurses	42	12/31/2025
FOPLC	Deputies and Dispatchers	243	12/31/2024
PAOM - Animal Control	Animal Shelter	12	12/31/2025
POAM-Asst Prosecutors Assoc	APA's	66	12/31/2025
POAM-Juvenile Justice Center	Juvenile Justice Center	39	12/31/2025
POAM- Medical Examiner	Med Exam Invest/Forensic Invst	8	12/31/2025
POLC-Captains	Captains and Jail Administrator	5	12/31/2024
Road Technicians Association	Dept. of Road technicians	125	12/31/2025
Teamsters Local 214	Circuit Court / Friend of the Court	68	12/31/2025
TPOAM	Circuit Court Officers & Professional	53	12/31/2025
TPOAM	Juvenile Court and Justice Center	13	12/31/2025
TPOAM	I.T.	28	12/31/2025
TPOAM	Specialized Employees	34	12/31/2025
TPOAM	Staff Attorney's at PDO	6	12/31/2025
UAW Local 412 - Unit 75	Supervisors	76	12/31/2025
UAW Local 412 - Unit 95	Corporation Counsel	4	12/31/2025
UAW Local 412	MCCSA Professionals	20	12/31/2025
UAW Local 889	Specialized Offices	64	12/31/2025
UAW Local 889	Macomb Community Action	159	12/31/2025
UAW Local 889	Probate Court / Corporation Counsel	16	12/31/2025
Non-Affiliated	County and Roads	691	N/A
Total Employee Count		<u>2,734</u>	

Source: Macomb County Human Resources and Labor Relations