

MASON COUNTY, MICHIGAN

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Mason County, Michigan
Ludington, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Mason, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mason County Road Commission. The Mason County Road Commission represents 92% of the assets, 95% of net position, and 88% of the revenues of the component unit fund type. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mason County Road Commission, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Mason, as of December 31, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Mason's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2021, on our consideration of the County of Mason, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe to scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Mason, Michigan's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

East Lansing, Michigan
July 29, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Mason, we offer this narrative overview and analysis of the financial activities of the County, including limited information pertaining to the separately audited Road Commission for the year ended December 31, 2020. For more detailed information, the Road Commission's separately issued financial statements may be obtained from their administrative office. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the accompanying basic financial statements.

Financial Highlights

- * The assets and deferred outflows of the County primary government exceeded its liabilities and deferred inflows at the close of fiscal year by \$70,276,061.26 (*Net Position*). Of this amount \$35,985,132.56 (*unrestricted Net Position of the government funds*) may be used to meet the government's ongoing obligations to citizens and creditors.
- * The County's total Net Position increased by \$7,653,156.33 compared to 2019.
- * As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue funds, debt service and capital projects funds) reported combined ending fund balances of \$28,946,119.58 an increase of \$3,514,274.64 in comparison with the prior year. Of the fund balance amount, \$17,263,214.30 is *available for spending* at the government's discretion (*unassigned and assigned fund balance*.)
- * The general fund had an increase in fund balance of \$1,002,176.36 for 2020. At the end of the year, unassigned fund balance for the general fund was \$3,747,889.94 or approximately 26.4% of total general fund expenditures and net operating transfers out. Total fund balance for the general fund was \$10,152,311.83.

Using this Annual Report

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

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

Reporting the County as a Whole

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

These two statements report the County's *Net Position* and changes in them. One can think of the County's Net Position – the difference between assets, liabilities, and deferred outflows/inflows – as one way to measure the County's financial health or *financial position*. Over time, *increases or decreases* in the County's Net Position are an indicator of whether its *financial health* is improving or deteriorating. During 2020, the Net Position of the County increased by \$7,653,156.33 compared to 2019. The Statement of Net Position and the Statement of Activities present information about the following:

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

Business-type activities. Other functions of the County that are intended to recover all or a significant portion of their costs through user fees and charges are considered to be business-type activities. These include delinquent tax collections, airport, and the sewer system.

Component units. The County includes four legally separate entities in its financial statements: the Mason County District Library, the Mason County Drain Commission, Lake Improvement Districts, and the Mason County Road Commission. Although legally separate, these "component units" are important because the County is financially accountable for them.

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

The government-wide statement of Net Position and Statement of Activities can be found on pages 12-15 of this report.

Reporting the County's Most Significant Funds

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

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

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

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

The County maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the general fund, jail operations, road patrol, and public improvement, each of which are considered to be major funds. Data for the other 27 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in the report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for delinquent tax operations, airport, public works, medical care facility, and park operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for payroll fringe benefits, insurance costs, computer, and equipment costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements. At the end of the current fiscal year, the County is able to report positive balances in all three categories net investment in capital assets, restricted and unrestricted) of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Mason County's Changes in Net Position

	<u>Governmental Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Total</u>
Revenues	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>
Program revenues:						
Charges for services	\$ 1,736,197.28	\$ 1,706,649.32	\$13,168,414.17	\$12,667,290.15	\$14,904,611.45	\$ 14,373,939.47
Operating grants and contributions	2,818,666.26	3,184,934.39	0.00	60,719.77	2,818,666.26	3,245,654.16
Capital grants and contributions	0.00	0.00	256,243.45	14,883.95	256,243.45	14,883.95
General revenues:						
Property taxes and special assessments	12,960,691.83	13,785,535.04	1,934,218.64	2,013,857.76	14,894,910.47	15,799,392.80
Investment earnings	856,968.76	761,493.04	438,091.12	193,548.61	1,295,059.88	955,041.65
Gain (Loss) on sale of capital assets	(4,123.27)	(16,627.54)	1,000.00	0.00	(3,123.27)	(16,627.54)
Other revenues	1,684,051.30	509,973.91	600,384.10	1,209,078.41	2,284,435.40	1,719,052.32
Transfers	(186,300.00)	825,200.00	186,300.00	(825,200.00)	0.00	0.00
Total revenues	<u>19,866,152.16</u>	<u>20,757,158.16</u>	<u>16,584,651.48</u>	<u>15,334,178.65</u>	<u>36,450,803.64</u>	<u>36,091,336.81</u>
Expenses						
Legislative	523,106.28	382,231.23	0.00	0.00	523,106.28	382,231.23
Judicial	2,555,918.18	2,408,722.60	0.00	0.00	2,555,918.18	2,408,722.60
General government administration	3,755,969.65	3,684,489.15	0.00	0.00	3,755,969.65	3,684,489.15
Public safety	6,149,630.55	5,648,197.54	0.00	0.00	6,149,630.55	5,648,197.54
Public works	53,117.00	86,154.80	0.00	0.00	53,117.00	86,154.80
Health and welfare	1,925,062.41	1,678,252.76	0.00	0.00	1,925,062.41	1,678,252.76
Parks, recreation, and cultural	133,762.49	163,248.02	0.00	0.00	133,762.49	163,248.02
Miscellaneous	198,201.72	170,776.52	0.00	0.00	198,201.72	170,776.52
Delinquent tax collections and other Business-type activities	0.00	0.00	15,286,137.05	14,216,107.86	15,286,137.05	14,216,107.86
Total Expenses	<u>15,294,768.28</u>	<u>14,222,072.62</u>	<u>15,286,137.05</u>	<u>14,216,107.86</u>	<u>30,580,905.33</u>	<u>28,438,180.48</u>
Increase in net position	4,571,383.88	6,535,085.54	1,298,514.43	1,118,070.79	5,869,898.31	7,653,156.33
Net Position, beginning of year	35,872,217.70	40,263,911.66	21,084,056.03	22,358,993.27	56,956,273.73	62,622,904.93
Prior Period adjustment	(179,689.92)	0.00	(23,577.19)	0.00	(203,267.11)	0.00
Total Net Position, end of year	<u>\$40,263,911.66</u>	<u>\$46,798,997.20</u>	<u>\$22,358,993.27</u>	<u>\$23,477,064.06</u>	<u>\$62,622,904.93</u>	<u>\$70,276,061.26</u>

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the public work, par operations, delinquent tax, the medical care facility, and airport operations. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or *fiduciary*, for certain amounts on behalf of others. Fiduciary funds are used to account for the resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of these funds are *not* available to support the County's own programs. Amounts held by the County's fiduciary funds are reported in a separate Combining Balance Sheet of Fiduciary Funds. The accounting used in fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Additional Information

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

The combining statements referred to earlier in connection with nonmajor governmental, enterprise and internal service funds are presented as listed in the table of contents.

Mason County's Net Position

	<u>Governmental Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Business- type Activities</u>	<u>Total</u>	<u>Total</u>
	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>
Current and other assets	\$43,804,596.87	\$49,009,673.63	\$22,781,018.32	\$22,939,758.39	\$66,585,615.19	\$71,949,432.02
Noncurrent assets	13,145,824.45	13,851,030.57	7,157,892.89	7,061,192.67	20,303,717.34	20,912,223.24
Total Assets	56,950,421.32	62,860,704.20	29,938,911.21	30,000,951.06	86,889,332.53	92,861,655.26
Deferred outflows of resources	113,143.00	2,527,801.00	0.00	1,499,165.00	113,143.00	4,026,966.00
Current and other liabilities	1,011,455.55	985,193.22	946,876.07	739,857.68	1,958,331.62	1,725,050.90
Noncurrent liabilities	13,482,841.95	12,015,476.62	4,331,380.64	3,975,135.75	17,814,222.59	15,990,612.37
Total liabilities	14,494,297.50	13,000,669.84	5,278,256.71	4,714,993.43	19,772,554.21	17,715,663.27
Deferred inflows of resources	2,305,355.16	5,588,838.16	2,301,661.23	3,308,058.57	4,607,016.39	8,896,896.73
Net Position:						
Net investment in capital assets	11,223,433.60	10,644,921.48	7,362,587.50	7,207,345.13	18,586,021.10	17,852,266.61
Restricted	173,125.11	168,943.16	0.00	0.00	173,125.11	168,943.16
Unrestricted	28,867,352.95	35,985,132.56	14,996,405.77	16,269,718.93	43,863,758.72	52,254,851.49
Total Net Position	\$40,263,911.66	\$46,798,997.20	\$22,358,993.27	\$23,477,064.06	\$62,622,904.93	\$70,276,061.26

A portion of the County's net position, \$17,852,266.61 (25.4 percent), is its investment in capital assets (i.e. land, buildings, vehicles, equipment, and infrastructure). The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's assets, \$168,943.16 (0.2 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$52,254,851.49 (74.4 percent), may be used to meet the government's ongoing obligations to citizens and creditors. The County's net position increased by \$7,653,156.33 during the current fiscal year, \$6,535,085.54 increase for governmental activities and a \$1,118,070.79 increase for business-type activities.

Governmental activities. Governmental activities increased the County's net position by \$6,535,085.54. Key elements of this increase are as follows:

- The self-funded internal service funds had operating losses that were less than the amounts appropriated to those funds.
- The amount of the unfunded retiree health insurance liability decreased due to the full funding of Annual Required Contribution (ARC) requirements in 2020 and excellent investment results.
- The amount of the unfunded pension liability decreased due to excellent investment results. This was supplemented by the county providing funding in excess of the Annual Required Contribution (ARC) requirements in 2020.

Business-type activities. Net position of the County's business-type activities increased \$1,118,070.79. This increase in net position reflects excellent financial results in the business-type funds.

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

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

As of the year ended December 31, 2020, the County's governmental funds reported combined ending fund balances of \$28,946,119.58 an increase of \$3,514,274.64 in comparison with the prior year. Of the fund balance amount, \$17,263,214.30 constitutes *unassigned and assigned fund balance*, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the County. At the end of the year, unassigned fund balance of the general fund was \$3,747,889.94, while total fund balance was \$10,152,311.83.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 26.4 percent of the total general fund expenditures and transfers.

The fund balance of the County's general fund increased by \$1,002,176.36 during the current fiscal year. This is primarily attributable to departments keeping their expenditures under budgeted amounts and federal grants related to COVID-19 and state reimbursements of lost personal property taxes being higher than expected.

The Public Improvement Fund increased by \$748,951.17 as the County continued to follow its practice of earmarking funds to fund its five year capital improvement plan.

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

Unrestricted net position of the delinquent tax foreclosure, delinquent tax revolving, airport, public works operation and maintenance, medical care facility, and park operations funds at the end of the year amounted to \$441,355.93, \$5,317,799.35, \$535,114.92, \$1,459,924.94, \$8,097,542.94, and \$417,980.85, respectively. Factors concerning the finances of the delinquent tax fund have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Revenues in the general fund (including transfers in) increased by \$1,173,903.20 from the original budget to actual. Property taxes and federal grants were higher than anticipated.

The original budget was amended to decrease expenditures due to several cost savings experienced. The total change from original budget to final amended \$441,700. Expenditure were under budget in total by \$228,326.51.

Capital Assets

As of December 31, 2020, the County's investment in capital assets for its governmental activities amounted to \$10,644,921.48 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, equipment, and infrastructure. The total decrease in the County's investment in governmental capital assets for the current fiscal year was 5.15 percent. The County's business-type activities' net capital assets decreased by \$155,242.46. See note 9 for additional detail.

Mason County's Capital Assets

		<u>Governmental</u>	<u>Activities</u>
		<u>2019</u>	<u>2020</u>
Land and Improvements		\$ 1,021,673.59	\$ 1,021,673.59
Buildings and Improvements		17,948,840.28	17,948,840.28
Equipment and Vehicles		2,926,985.27	3,057,954.87
Subtotal		21,897,499.14	22,028,468.74
Less: Accumulated Depreciation		(10,674,065.54)	(11,383,547.26)
Total		<u>\$11,223,433.60</u>	<u>\$10,644,921.48</u>

		<u>Business-type</u>	<u>Activities</u>
		<u>2019</u>	<u>2020</u>
Land and Improvements		\$ 3,324,253.34	\$ 3,324,253.34
Buildings and Improvements		9,627,453.45	9,642,608.22
Sewer systems		1,295,909.11	1,533,120.06
Equipment and Vehicles		2,267,844.80	2,355,965.27
Subtotal		16,515,460.70	16,855,946.89
Less: Accumulated Depreciation		(9,152,873.11)	(9,648,601.76)
Total		<u>\$ 7,362,587.59</u>	<u>\$ 7,207,345.13</u>

Economic Factors and next Year's Budgets and Rates

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

- The uncertainty over the Federal and State's budget due to the COVID 19 pandemic will likely result in additional cuts in federal and state funding.
- Slow economic growth as a result of the COVID 19 pandemic and a small increase in the Consumers Price Index will result in property tax revenue showing flat growth.
- Weak interest investment earnings will have a negative impact on revenue and the financial stability of retirement plans due to the COVID 19 pandemic.
- Rising employee benefits costs will put pressure on expenditures.

Contacting the County Administrator

This management discussion and analysis is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mason County Administrator, 304 E. Ludington Avenue, Ludington, MI 49431.

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BASIC FINANCIAL STATEMENTS - OVERVIEW

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The Basic Financial Statements provide information of the governmental activities, business-type activities, aggregate totals of discretely presented component units, major funds, and the aggregate remaining funds, which collectively comprise the activities of the County of Mason, Michigan.

MASON COUNTY, MICHIGAN
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	COMPONENT UNITS
ASSETS				
Current assets				
Cash and cash equivalents	\$ 7,963,981.77	\$ 6,533,249.63	\$ 14,497,231.40	\$ 3,718,868.40
Investments	28,144,039.63	12,327,352.87	40,471,392.50	279,588.32
Receivables				
Property taxes	2,355,457.10	3,124,320.85	5,479,777.95	1,003,024.27
Accounts (net of allowance for doubtful accounts)	17,880.80	127,471.04	145,351.84	1,574,034.24
Special assessments	0.00	0.00	0.00	365,406.43
Other	84,026.00	34,058.75	118,084.75	30.40
Due from other governmental units				
Federal/State	465,737.71	648,922.81	1,114,660.52	0.00
Local	36,034.43	47,987.92	84,022.35	0.00
Inventories	0.00	0.00	0.00	754,149.00
Lease receivable	0.00	81,195.00	81,195.00	0.00
Internal balances - due from other funds	233.31	(233.31)	0.00	0.00
Deposits	9,760,954.08	0.00	9,760,954.08	0.00
Prepayments	181,328.80	15,432.83	196,761.63	84,293.90
TOTAL CURRENT ASSETS	49,009,673.63	22,939,758.39	71,949,432.02	7,779,394.96
Noncurrent assets				
Lease receivable	0.00	1,869,979.46	1,869,979.46	0.00
Internal balance - Advance	2,016,131.92	(2,016,131.92)	0.00	0.00
Net OPEB asset	1,189,977.17	0.00	1,189,977.17	202,957.00
Capital assets not being depreciated	223,802.00	662,703.65	886,505.65	22,542,895.00
Capital assets (net of accumulated depreciation)	10,421,119.48	6,544,641.48	16,965,760.96	27,889,219.62
TOTAL NONCURRENT ASSETS	13,851,030.57	7,061,192.67	20,912,223.24	50,635,071.62
TOTAL ASSETS	62,860,704.20	30,000,951.06	92,861,655.26	58,414,466.58
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows (Pension and OPEB)	2,527,801.00	1,499,165.00	4,026,966.00	527,308.00

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

MASON COUNTY, MICHIGAN
STATEMENT OF NET POSITION - Concluded
DECEMBER 31, 2020

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
LIABILITIES				
Current liabilities				
Accounts payable	\$ 634,414.61	\$ 192,360.45	\$ 826,775.06	\$ 1,016,866.22
Accrued liabilities	172,916.68	522,772.01	695,688.69	84,954.68
Due to individuals/agencies	34,985.79	23,445.25	58,431.04	0.00
Due to other governmental units				
State	133,180.23	0.00	133,180.23	0.00
Local	9,695.91	1,279.97	10,975.88	0.00
Advances from State	0.00	0.00	0.00	333,921.00
Bonds and notes payable	0.00	0.00	0.00	619,548.23
TOTAL CURRENT LIABILITIES	985,193.22	739,857.68	1,725,050.90	2,055,290.13
Noncurrent liabilities				
General obligation bonds and notes payable	0.00	0.00	0.00	1,221,016.00
Accrued post closure	467,640.00	0.00	467,640.00	0.00
Net Pension Liability	10,856,976.00	3,542,017.00	14,398,993.00	2,958,572.00
Unearned revenue	62,434.19	0.00	62,434.19	0.00
Compensated absences	628,426.43	433,118.75	1,061,545.18	0.00
TOTAL NONCURRENT LIABILITIES	12,015,476.62	3,975,135.75	15,990,612.37	4,179,588.00
TOTAL LIABILITIES	13,000,669.84	4,714,993.43	17,715,663.27	6,234,878.13
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows (Pension and OPEB)	3,251,084.00	1,333,665.00	4,584,749.00	649,241.00
Taxes levied for next fiscal year	2,337,754.16	1,974,393.57	4,312,147.73	1,368,430.70
DEFERRED INFLOWS OF RESOURCES	5,588,838.16	3,308,058.57	8,896,896.73	2,017,671.70
NET POSITION				
Net investment in capital assets	10,644,921.48	7,207,345.13	17,852,266.61	48,771,577.39
Restricted for County Roads	0.00	0.00	0.00	1,627,383.00
Restricted for special purposes	168,943.16	0.00	168,943.16	0.00
Unrestricted	35,985,132.56	16,269,718.93	52,254,851.49	290,264.36
TOTAL NET POSITION	\$ 46,798,997.20	\$ 23,477,064.06	\$ 70,276,061.26	\$ 50,689,224.75

MASON COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT			
Governmental activities			
Legislative	\$ 382,231.23	\$ 0.00	\$ 0.00
Judicial	2,408,722.60	322,474.55	1,304,612.25
General government administration	3,684,489.15	1,059,012.22	542,349.00
Public safety	5,648,197.54	242,507.53	950,848.62
Public works	86,154.80	19,578.69	0.00
Health and social services	1,678,252.76	46,772.74	387,124.52
Parks, recreation, and cultural	163,248.02	0.00	0.00
Miscellaneous	170,776.52	16,303.59	0.00
TOTAL GOVERNMENTAL ACTIVITIES	14,222,072.62	1,706,649.32	3,184,934.39
Business-type activities			
Parks operations	124,358.60	133,140.50	30,719.77
Public works operations and maintenance	1,002,060.55	167,101.24	0.00
Airport operations	504,456.69	149,529.59	30,000.00
Delinquent tax collections	12,301.43	332,273.94	0.00
Medical care facility	12,486,257.62	11,666,608.28	0.00
Delinquent tax foreclosure	86,672.97	218,636.60	0.00
TOTAL BUSINESS-TYPE ACTIVITIES	14,216,107.86	12,667,290.15	60,719.77
TOTAL PRIMARY GOVERNMENT	\$ 28,438,180.48	\$ 14,373,939.47	\$ 3,245,654.16
COMPONENT UNITS			
Drainage Districts	\$ 93,011.78	\$ 75,516.94	\$ 0.00
Lake Improvement District	130,455.53	183,494.40	0.00
District Library	982,512.51	109,360.33	4,617.96
Road Commission	7,676,656.00	2,261,242.00	6,374,943.00
TOTAL COMPONENT UNITS	\$ 8,882,635.82	\$ 2,629,613.67	\$ 6,379,560.96

General Revenues and Transfers

Taxes

Property taxes

Unrestricted investment earnings

Unrealized gain (loss) on investments

Gain (loss) on sale of capital assets

Other revenues

Transfers

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - January 1

Net Position - December 31

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				
PROGRAM REVENUES	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	COMPONENT UNITS
CAPITAL GRANTS AND CONTRIBUTIONS				
\$ 0.00	\$ (382,231.23)	\$ 0.00	\$ (382,231.23)	\$ 0.00
0.00	(781,635.80)	0.00	(781,635.80)	0.00
0.00	(2,083,127.93)	0.00	(2,083,127.93)	0.00
0.00	(4,454,841.39)	0.00	(4,454,841.39)	0.00
0.00	(66,576.11)	0.00	(66,576.11)	0.00
0.00	(1,244,355.50)	0.00	(1,244,355.50)	0.00
0.00	(163,248.02)	0.00	(163,248.02)	0.00
0.00	(154,472.93)	0.00	(154,472.93)	0.00
0.00	(9,330,488.91)	0.00	(9,330,488.91)	0.00
14,883.95	0.00	54,385.62	54,385.62	0.00
0.00	0.00	(834,959.31)	(834,959.31)	0.00
0.00	0.00	(324,927.10)	(324,927.10)	0.00
0.00	0.00	319,972.51	319,972.51	0.00
0.00	0.00	(819,649.34)	(819,649.34)	0.00
0.00	0.00	131,963.63	131,963.63	0.00
14,883.95	0.00	(1,473,213.99)	(1,473,213.99)	0.00
\$ 14,883.95	(9,330,488.91)	(1,473,213.99)	(10,803,702.90)	0.00
\$ 0.00	0.00	0.00	0.00	(17,494.84)
0.00	0.00	0.00	0.00	53,038.87
0.00	0.00	0.00	0.00	(868,534.22)
519,494.00	0.00	0.00	0.00	1,479,023.00
\$ 519,494.00	0.00	0.00	0.00	646,032.81
	13,785,535.04	2,013,857.76	15,799,392.80	955,223.13
	947,032.48	282,391.97	1,229,424.45	62,144.97
	(185,539.44)	(88,843.36)	(274,382.80)	(526.24)
	(16,627.54)	0.00	(16,627.54)	1,124,321.00
	509,973.91	1,209,078.41	1,719,052.32	146,106.29
	825,200.00	(825,200.00)	0.00	0.00
	15,865,574.45	2,591,284.78	18,456,859.23	2,287,269.15
	6,535,085.54	1,118,070.79	7,653,156.33	2,933,301.96
	40,263,911.66	22,358,993.27	62,622,904.93	47,755,922.79
\$	46,798,997.20	\$ 23,477,064.06	\$ 70,276,061.26	\$ 50,689,224.75

MASON COUNTY, MICHIGAN
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	GENERAL	JAIL OPERATIONS
ASSETS		
Cash and cash equivalents	\$ 1,026,864.51	\$ 482,790.89
Investments (Net of premiums/discounts)	8,083,754.67	975,286.31
Receivables		
Property taxes	0.00	1,175,973.47
Accounts (net of allowance for doubtful accounts)	7,192.37	3,855.29
Other	24,050.25	2,854.75
Due from state and federal government	275,616.96	15,098.69
Due from other units	36,034.43	0.00
Due from other funds	0.00	0.00
Advances to other funds	1,131,383.86	0.00
Prepaid expenditures	106,025.30	35,698.07
TOTAL ASSETS	\$ 10,690,922.35	\$ 2,691,557.47
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 341,981.58	\$ 55,903.51
Accrued liabilities	36,203.08	20,139.36
Due to other funds	14,104.92	0.00
Due to state and federal government	95,992.55	0.00
Due to other governmental units	0.00	0.00
Due to individuals	27,698.39	7,287.40
Unearned revenue	22,630.00	0.00
TOTAL LIABILITIES	538,610.52	83,330.27
Deferred inflows of resources		
Taxes levied for next fiscal year	0.00	1,175,973.47
Fund balances		
Nonspendable	1,237,093.68	35,698.07
Restricted	0.00	0.00
Committed	4,438,942.32	1,396,555.66
Assigned	728,385.89	0.00
Unassigned	3,747,889.94	0.00
TOTAL FUND BALANCE	10,152,311.83	1,432,253.73
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 10,690,922.35	\$ 2,691,557.47

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

ROAD PATROL	PUBLIC IMPROVEMENT	GOVERN- MENTAL OTHER	TOTAL GOVERN- MENTAL FUNDS
\$ 223,671.32	\$ 1,013,040.85	\$ 4,223,766.23	\$ 6,970,133.80
398,714.12	6,225,625.05	4,809,944.74	20,493,324.89
608,262.14	0.00	571,221.49	2,355,457.10
0.00	0.00	6,833.14	17,880.80
1,473.20	17,404.38	11,050.10	56,832.68
55,026.06	0.00	119,996.00	465,737.71
0.00	0.00	0.00	36,034.43
14,104.92	0.00	0.00	14,104.92
0.00	0.00	508,363.07	1,639,746.93
23,540.25	0.00	8,081.14	173,344.76
<u>\$ 1,324,792.01</u>	<u>\$ 7,256,070.28</u>	<u>\$ 10,259,255.91</u>	<u>\$ 32,222,598.02</u>
\$ 15,758.53	\$ 0.00	\$ 187,974.94	\$ 601,618.56
19,178.64	0.00	7,183.60	82,704.68
0.00	0.00	0.00	14,104.92
0.00	0.00	37,187.68	133,180.23
0.00	0.00	9,695.91	9,695.91
0.00	0.00	0.00	34,985.79
0.00	0.00	39,804.19	62,434.19
<u>34,937.17</u>	<u>0.00</u>	<u>281,846.32</u>	<u>938,724.28</u>
<u>608,262.14</u>	<u>0.00</u>	<u>553,518.55</u>	<u>2,337,754.16</u>
23,540.25	0.00	516,444.21	1,812,776.21
0.00	0.00	168,943.16	168,943.16
658,052.45	0.00	3,207,635.48	9,701,185.91
0.00	7,256,070.28	5,530,868.19	13,515,324.36
0.00	0.00	0.00	3,747,889.94
<u>681,592.70</u>	<u>7,256,070.28</u>	<u>9,423,891.04</u>	<u>28,946,119.58</u>
<u>\$ 1,324,792.01</u>	<u>\$ 7,256,070.28</u>	<u>\$ 10,259,255.91</u>	<u>\$ 32,222,598.02</u>

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MASON COUNTY, MICHIGAN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total fund balances for governmental funds		\$ 28,946,119.58
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land and land improvements	\$ 1,021,673.59	
Buildings and improvements	17,948,840.28	
Vehicles and equipment	3,057,954.87	
Accumulated depreciation	<u>(11,383,547.26)</u>	10,644,921.48
Internal service funds are used by management to charge costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	\$ 18,716,581.84	
Less: net capital assets included above	<u>(22,277.44)</u>	18,694,304.40
Accrued vacation and sick time earned by eligible employees is not payable in the current period and therefore is not reported in the funds. However, these amounts are included in the Statement of Net Position.		(628,426.43)
Net deferred inflows/outflows are not earned expended in the current period and therefore are not reported in the funds. However, these amounts are included in the Statement of Net Position.		(723,283.00)
Pensions earned by eligible employees is not payable in the current period and therefore is not reported in the funds. However, these amounts are included in the Statement of Net Position.		(10,856,976.00)
Net OPEB assets are not current financial resources and therefore are reported in the funds. However, these amounts are included in the Statement of Net Position.		1,189,977.17
Accrued post closure care for landfills is not payable in the current period and therefore is not reported in the funds. However, these amounts are included in the Statement of Net Position.		<u>(467,640.00)</u>
Net position of governmental activities		<u><u>\$ 46,798,997.20</u></u>

MASON COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	GENERAL	JAIL OPERATIONS
REVENUES		
General property taxes	\$ 11,318,823.45	\$ 1,162,873.84
Permits and regulatory licenses	77,830.00	0.00
Intergovernmental		
Federal/State	2,427,701.09	50,018.04
Charges for services	816,401.39	128,402.83
Fines and forfeitures	3,700.00	0.00
Interest and rents	233,474.64	29,924.10
Unrealized gain (loss) on investments	(106,907.75)	(19,046.35)
Miscellaneous	351,980.38	494.40
	<u>15,123,003.20</u>	<u>1,352,666.86</u>
TOTAL REVENUES		
	<u>15,123,003.20</u>	<u>1,352,666.86</u>
EXPENDITURES		
Current		
Legislative	409,503.05	0.00
Judicial	1,752,604.51	0.00
General government administration	3,278,159.75	0.00
Public safety	596,539.69	2,624,062.93
Public works	68,352.87	0.00
Health and social services	603,277.51	0.00
Recreation and cultural	36,495.00	0.00
Miscellaneous	112,400.11	0.00
Capital outlay	0.00	0.00
	<u>6,857,332.49</u>	<u>2,624,062.93</u>
TOTAL EXPENDITURES		
	<u>6,857,332.49</u>	<u>2,624,062.93</u>
Excess (deficiency) of revenues over expenditures	<u>8,265,670.71</u>	<u>(1,271,396.07)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	62,846.65	1,636,850.00
Transfers out	(7,326,341.00)	(99,250.00)
	<u>(7,263,494.35)</u>	<u>1,537,600.00</u>
TOTAL OTHER FINANCING SOURCES (USES)		
	<u>(7,263,494.35)</u>	<u>1,537,600.00</u>
Change in Fund Balance	1,002,176.36	266,203.93
FUND BALANCE, JANUARY 1	<u>9,150,135.47</u>	<u>1,166,049.80</u>
FUND BALANCE, DECEMBER 31	<u>\$ 10,152,311.83</u>	<u>\$ 1,432,253.73</u>

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

ROAD PATROL	PUBLIC IMPROVEMENT	OTHER GOVERN- MENTAL FUNDS	TOTAL GOVERN- MENTAL FUNDS
\$ 601,138.18 0.00	\$ 0.00 0.00	\$ 702,699.57 0.00	\$ 13,785,535.04 77,830.00
128,579.53	0.00	578,635.73	3,184,934.39
6,977.50	0.00	534,560.32	1,486,342.04
0.00	0.00	19,878.59	23,578.59
5,976.75	76,637.38	160,888.90	506,901.77
0.00	8,922.79	(7,354.01)	(124,385.32)
12,219.80	0.00	86,182.93	450,877.51
<u>754,891.76</u>	<u>85,560.17</u>	<u>2,075,492.03</u>	<u>19,391,614.02</u>
0.00	0.00	0.00	409,503.05
0.00	0.00	819,763.39	2,572,367.90
0.00	0.00	525,973.81	3,804,133.56
2,314,114.33	0.00	46,829.07	5,581,546.02
0.00	0.00	0.00	68,352.87
0.00	0.00	1,130,613.26	1,733,890.77
0.00	0.00	0.00	36,495.00
0.00	0.00	58,376.41	170,776.52
0.00	0.00	293,073.69	293,073.69
<u>2,314,114.33</u>	<u>0.00</u>	<u>2,874,629.63</u>	<u>14,670,139.38</u>
<u>(1,559,222.57)</u>	<u>85,560.17</u>	<u>(799,137.60)</u>	<u>4,721,474.64</u>
2,109,000.00 (98,275.00)	663,391.00 0.00	1,927,425.00 (82,846.65)	6,399,512.65 (7,606,712.65)
<u>2,010,725.00</u>	<u>663,391.00</u>	<u>1,844,578.35</u>	<u>(1,207,200.00)</u>
451,502.43	748,951.17	1,045,440.75	3,514,274.64
<u>230,090.27</u>	<u>6,507,119.11</u>	<u>8,378,450.29</u>	<u>25,431,844.94</u>
<u>\$ 681,592.70</u>	<u>\$ 7,256,070.28</u>	<u>\$ 9,423,891.04</u>	<u>\$ 28,946,119.58</u>

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MASON COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net change in fund balance - total governmental funds		\$ 3,514,274.64
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense.		
Vehicles and equipment	\$ 293,541.98	
Depreciation expense	<u>(855,426.56)</u>	(561,884.58)
Governmental funds do not record gains and losses from the disposal of capital assets.		(16,627.54)
Governmental funds report deposits into a trust fund as expense. However, in the Statement of Activities, the deposit and related income is recorded as a decrease in the Pension liability.		
		748,601.00
Governmental funds report deposits into a trust fund as expense. However, in the Statement of Activities, the deposit and related income is recorded as a decrease in the Retiree Health Insurance liability.		
		358,185.17
Internal service funds are used by management to charge costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities in the Statement of Activities.		
	\$ 2,423,307.35	
Add: depreciation expense included above	<u>5,554.98</u>	2,428,862.33
Estimates for accrued vacation and sick time, and accrued post closure care for landfills change on an annual basis. These changes either reduce or increase the governmental activities expenses on the Statement of Activities.		
		<u>63,674.52</u>
Changes in net position of governmental activities		<u><u>\$ 6,535,085.54</u></u>

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

MASON COUNTY, MICHIGAN
BALANCE SHEET - PROPRIETARY FUNDS
DECEMBER 31, 2020

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	PUBLIC WORKS	MEDICAL CARE FACILITY
ASSETS		
Current assets		
Cash and cash equivalents	\$ 329,967.67	\$ 3,107,103.63
Investments (net of premiums and discounts)	1,105,485.59	8,718,841.10
Receivables		
Property Taxes and Special Assessment Receivable	0.00	1,969,755.57
Accounts (net of allowance for doubtful accounts)	36,921.87	84,608.68
Leases receivable	81,195.00	0.00
Other	2,617.60	21,883.86
Deposit	0.00	0.00
Due from other funds	0.00	0.00
Due from other governmental units		
Other	29,331.75	648,922.81
Prepayments	0.00	0.00
TOTAL CURRENT ASSETS	1,585,519.48	14,551,115.65
Noncurrent assets		
Leases receivable	1,869,979.46	0.00
Long-term advances	0.00	0.00
Land	0.00	562,601.00
Sewer & water systems	1,415,828.06	0.00
Land improvements	0.00	214,224.46
Buildings	0.00	7,781,583.49
Equipment	0.00	1,602,591.71
Accumulated depreciation	(743,842.03)	(5,995,248.03)
NET NONCURRENT ASSETS	2,541,965.49	4,165,752.63
TOTAL ASSETS	4,127,484.97	18,716,868.28
DEFERRED OUTFLOWS OF RESOURCES - PENSION	0.00	1,499,165.00
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,127,484.97	\$ 20,216,033.28

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

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
DELINQUENT TAX REVOLVING	OTHER ENTERPRISE FUNDS	TOTAL PROPRIETARY FUNDS	INTERNAL SERVICE FUNDS
\$ 1,955,778.65	\$ 1,140,399.68	\$ 6,533,249.63	\$ 993,847.97
2,174,461.16	328,565.02	12,327,352.87	7,650,714.74
1,154,565.28	0.00	3,124,320.85	0.00
5,146.00	794.49	127,471.04	0.00
0.00	0.00	81,195.00	0.00
8,894.43	662.86	34,058.75	27,193.32
0.00	0.00	0.00	9,760,954.08
0.00	0.00	0.00	233.31
18,576.17	80.00	696,910.73	0.00
2,936.79	12,496.04	15,432.83	7,984.04
<u>5,320,358.48</u>	<u>1,482,998.09</u>	<u>22,939,991.70</u>	<u>18,440,927.46</u>
0.00	0.00	1,869,979.46	0.00
0.00	0.00	0.00	376,384.99
0.00	100,102.65	662,703.65	0.00
0.00	117,392.00	1,533,220.06	0.00
0.00	2,447,225.23	2,661,449.69	0.00
0.00	1,861,024.73	9,642,608.22	0.00
0.00	753,373.56	2,355,965.27	82,274.81
0.00	(2,909,511.70)	(9,648,601.76)	(59,997.37)
<u>0.00</u>	<u>2,369,606.47</u>	<u>9,077,324.59</u>	<u>398,662.43</u>
<u>5,320,358.48</u>	<u>3,852,604.56</u>	<u>32,017,316.29</u>	<u>18,839,589.89</u>
<u>0.00</u>	<u>0.00</u>	<u>1,499,165.00</u>	<u>0.00</u>
<u>\$ 5,320,358.48</u>	<u>\$ 3,852,604.56</u>	<u>\$ 33,516,481.29</u>	<u>\$ 18,839,589.89</u>

MASON COUNTY, MICHIGAN
BALANCE SHEET - PROPRIETARY FUNDS - Concluded
DECEMBER 31, 2020

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	PUBLIC WORKS	MEDICAL CARE FACILITY
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
Current liabilities		
Accounts payable	\$ 44,399.54	\$ 131,008.37
Accrued liabilities	0.00	521,556.93
Due to other governmental units		
Local	0.00	0.00
Other	0.00	21,616.09
Advances from other funds	1,951,174.46	0.00
Due to other funds	0.00	0.00
TOTAL CURRENT LIABILITIES	<u>1,995,574.00</u>	<u>674,181.39</u>
Noncurrent liabilities		
Compensated absences	0.00	433,118.75
Net pension liability	0.00	3,542,017.00
TOTAL NONCURRENT LIABILITIES	<u>0.00</u>	<u>3,975,135.75</u>
TOTAL LIABILITIES	<u>1,995,574.00</u>	<u>4,649,317.14</u>
Deferred inflows of resources		
Pension deferred inflows	0.00	1,333,665.00
Taxes levied for next fiscal year	0.00	1,969,755.57
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>0.00</u>	<u>3,303,420.57</u>
Net Position		
Net investment in capital assets	671,986.03	4,165,752.63
Restricted	0.00	0.00
Unrestricted	1,459,924.94	8,097,542.94
TOTAL NET POSITION	<u>2,131,910.97</u>	<u>12,263,295.57</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u>\$ 4,127,484.97</u>	<u>\$ 20,216,033.28</u>

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

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
DELINQUENT TAX REVOLVING	OTHER ENTERPRISE FUNDS	TOTAL PROPRIETARY FUNDS	INTERNAL SERVICE FUNDS
\$ 0.00	\$ 16,952.54	\$ 192,360.45	\$ 32,796.05
0.00	1,215.08	522,772.01	90,212.00
1,279.97	0.00	1,279.97	0.00
1,279.16	550.00	23,445.25	0.00
0.00	64,957.46	2,016,131.92	0.00
0.00	233.31	233.31	0.00
<u>2,559.13</u>	<u>83,908.39</u>	<u>2,756,222.91</u>	<u>123,008.05</u>
0.00	0.00	433,118.75	0.00
0.00	0.00	3,542,017.00	0.00
<u>0.00</u>	<u>0.00</u>	<u>3,975,135.75</u>	<u>0.00</u>
<u>2,559.13</u>	<u>83,908.39</u>	<u>6,731,358.66</u>	<u>123,008.05</u>
0.00	0.00	1,333,665.00	0.00
0.00	4,638.00	1,974,393.57	0.00
<u>0.00</u>	<u>4,638.00</u>	<u>3,308,058.57</u>	<u>0.00</u>
0.00	2,369,606.47	7,207,345.13	22,277.44
0.00	0.00	0.00	18,208,612.56
5,317,799.35	1,394,451.70	16,269,718.93	485,691.84
<u>5,317,799.35</u>	<u>3,764,058.17</u>	<u>23,477,064.06</u>	<u>18,716,581.84</u>
\$ <u><u>5,320,358.48</u></u>	\$ <u><u>3,852,604.56</u></u>	\$ <u><u>33,516,481.29</u></u>	\$ <u><u>18,839,589.89</u></u>

MASON COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	PUBLIC WORKS	MEDICAL CARE FACILITY
OPERATING REVENUES		
Charges for services	\$ 167,101.24	\$ 11,666,608.28
Reimbursements	431,047.54	98,291.32
Rentals	0.00	0.00
Other		
Administrative fees and penalties	0.00	0.00
Miscellaneous	26.92	429,032.79
TOTAL OPERATING REVENUES	598,175.70	12,193,932.39
OPERATING EXPENSES		
Personal services and fringe benefits	0.00	8,997,800.60
Utilities and telephone	12,335.77	250,961.82
Contractual services	706,470.64	604,483.97
Repairs and maintenance	424.57	34,727.16
Depreciation	36,459.12	251,808.37
Other	189,258.26	2,346,475.70
TOTAL OPERATING EXPENSES	944,948.36	12,486,257.62
OPERATING INCOME (LOSS)	(346,772.66)	(292,325.23)
NONOPERATING REVENUES (EXPENSES)		
Property taxes	0.00	2,013,857.76
State and federal grants	0.00	0.00
Unrealized gain (loss) on investments	(2,742.03)	(85,312.78)
Interest and fees	(57,112.19)	0.00
Interest on investments	29,265.08	179,879.87
TOTAL NONOPERATING REVENUES (EXPENSES)	(30,589.14)	2,108,424.85
INCOME (LOSS) BEFORE TRANSFERS	(377,361.80)	1,816,099.62
TRANSFERS IN (OUT)		
Transfers in	0.00	0.00
Transfers (out)	0.00	0.00
TOTAL TRANSFERS IN (OUT)	0.00	0.00
CHANGE IN NET POSITION	(377,361.80)	1,816,099.62
NET POSITION, JANUARY 1	2,509,272.77	10,447,195.95
NET POSITION, DECEMBER 31	\$ 2,131,910.97	\$ 12,263,295.57

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

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
DELINQUENT TAX REVOLVING	OTHER ENTERPRISE FUNDS	TOTAL PROPRIETARY FUNDS	INTERNAL SERVICE FUNDS
\$ 332,273.94	\$ 501,306.69	\$ 12,667,290.15	\$ 99,320.00
518.84	24,314.58	554,172.28	0.00
0.00	102,967.77	102,967.77	19,578.69
121,468.26	0.00	121,468.26	0.00
(21.87)	47,035.98	476,073.82	59,096.40
<u>454,239.17</u>	<u>675,625.02</u>	<u>13,921,972.28</u>	<u>177,995.09</u>
0.00	173,058.91	9,170,859.51	12,432.26
0.00	46,939.12	310,236.71	94.93
3,672.55	67,395.61	1,382,022.77	105,070.56
0.00	42,465.43	77,617.16	17,501.16
0.00	207,461.16	495,728.65	5,554.98
8,628.88	172,819.27	2,717,182.11	25,410.44
<u>12,301.43</u>	<u>710,139.50</u>	<u>14,153,646.91</u>	<u>166,064.33</u>
<u>441,937.74</u>	<u>(34,514.48)</u>	<u>(231,674.63)</u>	<u>11,930.76</u>
0.00	0.00	2,013,857.76	0.00
0.00	30,000.00	30,000.00	0.00
(788.55)	(0.00)	(88,843.36)	(61,154.12)
0.00	(5,348.76)	(62,460.95)	0.00
59,560.28	13,686.74	282,391.97	440,130.71
<u>58,771.73</u>	<u>38,337.98</u>	<u>2,174,945.42</u>	<u>378,976.59</u>
<u>500,709.47</u>	<u>3,823.50</u>	<u>1,943,270.79</u>	<u>390,907.35</u>
0.00	174,800.00	174,800.00	2,032,400.00
(750,000.00)	(250,000.00)	(1,000,000.00)	0.00
<u>(750,000.00)</u>	<u>(75,200.00)</u>	<u>(825,200.00)</u>	<u>2,032,400.00</u>
(249,290.53)	(71,376.50)	1,118,070.79	2,423,307.35
5,567,089.88	3,835,434.67	22,358,993.27	16,293,274.49
<u>\$ 5,317,799.35</u>	<u>\$ 3,764,058.17</u>	<u>\$ 23,477,064.06</u>	<u>\$ 18,716,581.84</u>

MASON COUNTY, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	PUBLIC WORKS	MEDICAL CARE FACILITY
CASH FLOWS FROM OPERATING ACTIVITIES		
Delinquent tax collections	\$ 0.00	\$ 0.00
Delinquent tax disbursements	0.00	0.00
Payments to benefit providers	0.00	(2,910,707.48)
Payments from customers	473,120.21	12,194,472.42
Payments to suppliers	(770,328.02)	(3,429,171.33)
Payments to employees	0.00	(6,979,317.91)
Other receipts (payments)	3,301.90	540,060.03
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(293,905.91)	(584,664.27)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital acquisitions	(237,210.95)	(55,597.24)
Interest paid	(57,112.19)	0.00
Lease receivable	(155,283.31)	0.00
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(449,606.45)	(55,597.24)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	0.00	2,013,857.76
Operating grants	0.00	0.00
Advances (to) from other funds	155,283.31	0.00
Transfers in (out)	0.00	0.00
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	155,283.31	2,013,857.76
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase / maturity of investments	333,767.15	(1,064,003.03)
Unrealized gain (loss) on investments	(2,742.03)	(85,312.78)
Interest received	29,265.08	179,879.87
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	360,290.20	(969,435.94)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(227,938.85)	404,160.31
CASH AND CASH EQUIVALENTS, JANUARY 1	557,906.52	2,702,943.32
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 329,967.67	\$ 3,107,103.63

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

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
DELINQUENT TAX REVOLVING	OTHER ENTERPRISE FUNDS	TOTAL PROPRIETARY FUNDS	INTERNAL SERVICE FUNDS
\$ 3,802,212.03	\$ 218,636.60	\$ 4,020,848.63	\$ 0.00
(3,000,789.31)	0.00	(3,000,789.31)	0.00
0.00	(48,248.86)	(2,958,956.34)	(1,172,109.45)
0.00	396,881.96	13,064,474.59	1,385,340.26
(15,260.71)	(326,815.42)	(4,541,575.48)	(157,281.98)
0.00	(124,747.09)	(7,104,065.00)	(14,154.90)
(156.71)	60,702.71	603,907.93	(3,195,632.86)
<u>786,005.30</u>	<u>176,409.90</u>	<u>83,845.02</u>	<u>(3,153,838.93)</u>
0.00	(47,678.00)	(340,486.19)	0.00
0.00	(5,348.76)	(62,460.95)	
<u>0.00</u>	<u>0.00</u>	<u>(155,283.31)</u>	<u>0.00</u>
<u>0.00</u>	<u>(53,026.76)</u>	<u>(558,230.45)</u>	<u>0.00</u>
0.00	0.00	2,013,857.76	0.00
0.00	30,000.00	30,000.00	0.00
0.00	(61,542.24)	93,741.07	139,737.24
<u>(750,000.00)</u>	<u>(75,200.00)</u>	<u>(825,200.00)</u>	<u>2,032,400.00</u>
(750,000.00)	(106,742.24)	1,312,398.83	2,172,137.24
(143,326.51)	301,185.94	(572,376.45)	607,460.07
(788.55)	(0.00)	(88,843.36)	(61,154.12)
<u>59,560.28</u>	<u>13,686.74</u>	<u>282,391.97</u>	<u>440,130.71</u>
<u>(84,554.78)</u>	<u>314,872.68</u>	<u>(378,827.84)</u>	<u>986,436.66</u>
(48,549.48)	331,513.58	459,185.56	4,734.97
<u>2,004,328.13</u>	<u>808,886.10</u>	<u>6,074,064.07</u>	<u>989,113.00</u>
\$ <u><u>1,955,778.65</u></u>	\$ <u><u>1,140,399.68</u></u>	\$ <u><u>6,533,249.63</u></u>	\$ <u><u>993,847.97</u></u>

MASON COUNTY, MICHIGAN
STATEMENT OF CASH FLOWS - Concluded
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	PUBLIC WORKS	MEDICAL CARE FACILITY
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ <u>(346,772.66)</u>	\$ <u>(292,325.23)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	36,459.12	251,808.37
Change in assets and liabilities:		
Decrease (Increase) in taxes receivable	0.00	(70,153.34)
Decrease (Increase) in accounts receivable	(4,947.79)	139,632.74
Decrease (Increase) in other receivables	4,139.54	11,183.70
Decrease (Increase) in due from other units	36,006.10	388,284.24
Decrease (Increase) due from other funds	0.00	0.00
Decrease (Increase) in prepayments	0.00	29,213.53
Decrease (Increase) in deferred outflows	0.00	(1,499,165.00)
Increase (Decrease) in accounts payable	(17,122.09)	(222,426.97)
Increase (Decrease) in other liabilities	<u>(1,668.13)</u>	<u>679,283.69</u>
Total adjustments	<u>52,866.75</u>	<u>(292,339.04)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ <u><u>(293,905.91)</u></u>	\$ <u><u>(584,664.27)</u></u>

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

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
DELINQUENT TAX REVOLVING	OTHER ENTERPRISE FUNDS	TOTAL PROPRIETARY FUNDS	INTERNAL SERVICE FUNDS
\$ 441,937.74	\$ (34,514.48)	\$ (231,674.63)	\$ 11,930.76
0.00	207,461.16	495,728.65	5,554.98
160,159.99	0.00	90,006.65	0.00
(4,649.40)	619.55	130,655.10	0.00
(1,105.79)	(70.30)	14,147.15	10,566.60
189,020.19	0.00	613,310.53	0.00
0.00	0.00	0.00	(233.31)
0.00	(76.20)	29,137.33	15,059.28
0.00	0.00	(1,499,165.00)	(3,105,162.70)
0.00	4,541.35	(235,007.71)	32,063.29
642.57	(1,551.18)	676,706.95	(123,617.83)
344,067.56	210,924.38	315,519.65	(3,165,769.69)
\$ 786,005.30	\$ 176,409.90	\$ 83,845.02	\$ (3,153,838.93)

MASON COUNTY, MICHIGAN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 4,196,021.43
Investments	5,858,941.69
Accounts receivable	415,744.59
Pledges receivable	115,000.00
Interest receivable	20,623.12
Prepaid items	<u>2,009.38</u>
TOTAL ASSETS	<u>10,608,340.21</u>
LIABILITIES	
Accounts payable	24.84
Bonds payable	37,550.00
Restitution payable	14,930.71
Undistributed taxes	722,171.98
Due to other units	1,764.48
Other current liabilities	185,044.16
Due to State of Michigan	<u>144,080.16</u>
TOTAL LIABILITIES	<u>1,105,566.33</u>
NET POSITION	
Restricted	<u>\$ 9,502,773.88</u>

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

MASON COUNTY, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Custodial Funds</u>
ADDITIONS	
Collections for other governments	\$ 21,321,051.77
Interest and dividends	<u>129,908.14</u>
TOTAL ADDITIONS	21,450,959.91
DEDUCTIONS	
Disbursements to other governments	<u>18,843,468.88</u>
NET CHANGE IN FIDUCIARY NET POSITION	2,607,491.03
NET POSITION, BEGINNING OF THE YEAR	<u>6,895,282.85</u>
NET POSITION, END OF THE YEAR	\$ <u><u>9,502,773.88</u></u>

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

MASON COUNTY, MICHIGAN
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2020

	DISTRICT LIBRARY	DRAIN
ASSETS		
Cash and cash equivalents	\$ 97,993.43	\$ 95,475.15
Investments	185,283.15	0.00
Receivables		
Accounts receivable	567.24	0.00
Taxes and special assessments	1,003,024.27	75,678.32
Interest receivable	0.00	29.29
Prepaid items	25,733.40	0.00
Due from other component units	0.00	0.00
Inventories	0.00	0.00
Net OPEB asset	0.00	0.00
Capital assets (net of accumulated depreciation)	2,024,158.06	354,673.56
TOTAL ASSETS	3,336,759.55	525,856.32
Deferred outflows of resources		
Pension Investment Experience and Contributions	173,582.00	0.00
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,510,341.55	\$ 525,856.32
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
Current liabilities		
Accounts payable	\$ 26,245.22	\$ 550.00
Accrued liabilities	7,561.68	0.00
Advances from State	0.00	0.00
Due to other component units	0.00	83,165.10
Bond and installment lease payable - current	37,932.23	0.00
	71,739.13	83,715.10
Noncurrent liabilities		
Bond and installment lease payable - long-term	0.00	0.00
Net Pension liability	621,607.00	0.00
	621,607.00	0.00
TOTAL LIABILITIES	693,346.13	83,715.10
Deferred inflows of resources		
Deferred inflows	154,425.00	0.00
Unavailable tax revenue	1,003,024.27	75,678.32
TOTAL DEFERRED INFLOWS OF RESOURCES	1,157,449.27	75,678.32
NET POSITION		
Net investment in capital assets	1,986,225.83	354,673.56
Restricted for		
Primary/Local Roads	0.00	0.00
Unrestricted	(326,679.68)	11,789.34
TOTAL NET POSITION	1,659,546.15	366,462.90
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 3,510,341.55	\$ 525,856.32

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

DRAIN REVOLVING	ROAD COMMISSION	LAKE IMPROVEMENT	TOTAL
\$ 77,549.98	\$ 3,106,458.00	\$ 341,391.84	\$ 3,718,868.40
15,479.90	0.00	78,825.27	279,588.32
0.00	1,573,467.00	0.00	1,574,034.24
0.00	0.00	289,728.11	1,368,430.70
1.11	0.00	0.00	30.40
0.00	46,819.00	11,741.50	84,293.90
83,165.10	0.00	0.00	83,165.10
0.00	754,149.00	0.00	754,149.00
0.00	202,957.00	0.00	202,957.00
0.00	48,053,283.00	0.00	50,432,114.62
<u>176,196.09</u>	<u>53,737,133.00</u>	<u>721,686.72</u>	<u>58,497,631.68</u>
<u>0.00</u>	<u>353,726.00</u>	<u>0.00</u>	<u>527,308.00</u>
\$ <u><u>176,196.09</u></u>	\$ <u><u>54,090,859.00</u></u>	\$ <u><u>721,686.72</u></u>	\$ <u><u>59,024,939.68</u></u>
\$ 0.00	\$ 987,071.00	\$ 3,000.00	\$ 1,016,866.22
0.00	257,420.00	0.00	264,981.68
0.00	333,921.00	0.00	333,921.00
0.00	0.00	0.00	83,165.10
0.00	581,616.00	0.00	619,548.23
<u>0.00</u>	<u>2,160,028.00</u>	<u>3,000.00</u>	<u>2,318,482.23</u>
0.00	1,040,989.00	0.00	1,040,989.00
0.00	2,336,965.00	0.00	2,958,572.00
<u>0.00</u>	<u>3,377,954.00</u>	<u>0.00</u>	<u>3,999,561.00</u>
<u>0.00</u>	<u>5,537,982.00</u>	<u>3,000.00</u>	<u>6,318,043.23</u>
0.00	494,816.00	0.00	649,241.00
0.00	0.00	289,728.11	1,368,430.70
<u>0.00</u>	<u>494,816.00</u>	<u>289,728.11</u>	<u>2,017,671.70</u>
0.00	46,430,678.00	0.00	48,771,577.39
0.00	1,627,383.00	0.00	1,627,383.00
176,196.09	0.00	428,958.61	290,264.36
<u>176,196.09</u>	<u>48,058,061.00</u>	<u>428,958.61</u>	<u>50,689,224.75</u>
\$ <u><u>176,196.09</u></u>	\$ <u><u>54,090,859.00</u></u>	\$ <u><u>721,686.72</u></u>	\$ <u><u>59,024,939.68</u></u>

MASON COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2020

		<u>PROGRAM REVENUES</u>
	EXPENSES	CHARGES FOR SERVICES
REVENUES		
Drainage districts	\$ 93,011.78	\$ 75,516.94
Lake Improvement district	130,455.53	183,494.40
District Library	982,512.51	109,360.33
Road Commission	<u>7,676,656.00</u>	<u>2,261,242.00</u>
TOTAL REVENUES	\$ <u>8,882,635.82</u>	\$ <u>2,629,613.67</u>
General revenues		
Property taxes		
Gain on sale of capital assets		
Unrealized gain (loss) on investments		
Miscellaneous		
Unrestricted investment earnings		
Total general revenues		
Change in net position		
Net position - January 1		
Net position - December 31		

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

PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	LAKE IMPROVEMENT & DRAINAGE DISTRICTS	ROAD COMMISSION	DISTRICT LIBRARY	TOTAL
\$ 0.00	\$ 0.00	\$ (17,494.84)	\$ 0.00	\$ 0.00	\$ (17,494.84)
0.00	0.00	53,038.87	0.00	0.00	53,038.87
4,617.96	0.00	0.00	0.00	(868,534.22)	(868,534.22)
<u>6,374,943.00</u>	<u>519,494.00</u>	<u>0.00</u>	<u>1,479,023.00</u>	<u>0.00</u>	<u>1,479,023.00</u>
\$ <u><u>6,379,560.96</u></u>	\$ <u><u>519,494.00</u></u>	<u>35,544.03</u>	<u>1,479,023.00</u>	<u>(868,534.22)</u>	<u>646,032.81</u>
		0.00	0.00	955,223.13	955,223.13
		0.00	1,124,321.00	0.00	1,124,321.00
		0.00	0.00	(526.24)	(526.24)
		0.00	65,003.00	81,103.29	146,106.29
		<u>6,177.69</u>	<u>50,471.00</u>	<u>5,496.28</u>	<u>62,144.97</u>
		<u>6,177.69</u>	<u>1,239,795.00</u>	<u>1,041,296.46</u>	<u>2,287,269.15</u>
		41,721.72	2,718,818.00	172,762.24	2,933,301.96
		<u>929,895.88</u>	<u>45,339,243.00</u>	<u>1,486,783.91</u>	<u>47,755,922.79</u>
		\$ <u><u>971,617.60</u></u>	\$ <u><u>48,058,061.00</u></u>	\$ <u><u>1,659,546.15</u></u>	\$ <u><u>50,689,224.75</u></u>

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MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: DESCRIPTION OF COUNTY AND FUND TYPES

The County of Mason, Michigan, having over 25 miles of Lake Michigan shoreline, covers an area of approximately 540 square miles with its county seat located in the City of Ludington. The County operates under a seven member elected Board of Commissioners and provides services to its more than 28,000 residents in areas including law enforcement, administration of justice, community enrichment and development, and human services.

A. Reporting Entity

All funds under direct control of the County of Mason are included in this report.

The funds that have been included in this report are those that meet the criteria established by the Governmental Accounting Standards Board (GASB). Those criteria include the appointment of a voting majority of the governing body, legal entity, and fiscal independence or dependence.

Blended Component Units

In conformity with U.S. GAAP, the financial statements of component units have been included in the financial reporting entity as blended component units.

For financial reporting purposes, the following component is reported as if it were part of the County's operations:

Building Authority Construction - Jail.

Discretely Presented Component Units

County Drain Funds - Each of the drainage or revolving drainage districts are separate legal entities, with the power to contract, to sue, to hold, manage and dispose of real and personal property, etc. The full faith and credit of the County may be given for the debt of the drainage districts.

County Road Commission Fund - The Road Commission is governed by three appointees of the County's Board who are not County Board members. The Road Commission is responsible for the construction and maintenance of the County's system of roads and bridges and is principally funded by State-collected vehicle fuel and registration taxes under Public Act 51. The County has budgetary control and appropriation authority over its activities; however, such has not been exercised.

District Library Fund – The District Library is a separate legal entity as created by Act 24, of Public Acts of 1989, as amended, and must operate as such pursuant to state law and in accordance with the agreement establishing the District Library. The County has a contractual arrangement with the District Library and thus may include it as a discretely presented component unit.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 1: DESCRIPTION OF COUNTY AND FUND TYPES - Continued

B. Measurement Focus, Basis of Accounting and Basis of Presentation

Under Governmental Accounting Standards Board's Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the annual financial report includes two separate sets of statements, the government-wide financial statements and the fund financial statements. The measurement focus, basis of accounting and basis of presentation differs between the government-wide financial statements and the fund financial statements. These differences, along with an explanation of the differing purposes and information provided by these separate financial statements, are described in the sections below.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the County's net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the County's various functions where elimination would distort the direct costs and program revenues reported for the various functions concerned.

Both the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The structure of these two statements is further described in the following two paragraphs.

Statement of Net Position – This statement is designed to display the financial position of the County. The County reports all capital assets, including infrastructure, and all long-term liabilities, such as long-term debt on the Statement of Net Position. The net position of the County is broken down into three categories, 1) net investment in capital assets; 2) restricted; and 3) unrestricted. Restrictions shown are those imposed by parties outside the County, such as creditors, grantors, contributors, laws, and regulations of other governments. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed. Internal service funds have been consolidated into the government or business-type activities that they primarily benefit.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 1: DESCRIPTION OF COUNTY AND FUND TYPES - Continued

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Continued

Government-Wide Financial Statements - Concluded

Statement of Activities – This statement demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues. Just as the Statement of Net Position includes all capital assets, the Statement of Activities includes all depreciation expenses. In the Statement of Activities, the operational internal service funds have been consolidated into the government or business-type activities that they primarily benefit.

Fund Financial Statements

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. All individual funds considered major are reported as separate columns in the fund financial statements.

As in the government-wide financial statements, as a general rule the effect of interfund activity has been eliminated from the fund financial statements. Exceptions to this general rule are charges between the County's various functions where elimination would distort the direct costs and program revenues reported for the various functions concerned.

The various funds are grouped, in the financial statements in this report, into three broad fund categories:

GOVERNMENTAL FUNDS

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. The current financial resources measurement focus results in the reporting of only near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. Under the modified accrual basis of accounting, revenues are recognized when they are susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered to be available if they are expected to be received within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, which are recorded when payment is due.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 1: DESCRIPTION OF COUNTY AND FUND TYPES - Continued

B. Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

GOVERNMENTAL FUNDS - Concluded

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes, investment earnings, and charges for services. Changes in the fair value of investments are recognized in interest revenues at the end of each year. Fines, forfeitures, and licenses and permit revenues are recorded when the County receives cash because they are not generally measurable until actually received. Shared revenues are recorded at the time of receipt or earlier if susceptible to accrual criteria, in which case, they are recorded when those criteria are met. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met.

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 another fund.

Jail Operations - Special Revenue Fund use to account for the financial resources of the operations of the County jail.

Road Patrol - Special Revenue Fund use to account for the financial resources of the sheriff's department road patrol.

Public Improvement - Capital Projects Fund that is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

PROPRIETARY FUNDS

All proprietary funds are accounted for using *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the fund net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Public Works - Enterprise Fund that is used to account for operations of the Mason County Department of Public Works. The Public works is responsible for the care and maintenance of the Mason County Sewage Disposal System as well as the post closure care of the Mason County Landfill and the Pere Marquette Landfill.

Medical Care Facility - An enterprise fund that is used for the operations of Oakview Medical Care Facility. Oakview is a medical care facility that offers a broad range of high quality, long-term health care services.

Delinquent Tax Revolving - An enterprise fund that is used to attempt to collect delinquent taxes within the County. Local units within the County are reimbursed funds they are owed for property taxes and the County then uses their power to collect those taxes.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 1: DESCRIPTION OF COUNTY AND FUND TYPES - Concluded

B. Measurement Focus, Basis of Accounting and Basis of Presentation - Concluded

FIDUCIARY FUNDS

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. These include only Custodial Funds.

C. General Capital Assets and Long-Term Liabilities

Capital Assets, which include land, buildings, land improvements, equipment, vehicles and infrastructure assets are reported in the applicable governmental, business-type activity or component unit columns in the government-wide financial statements. The capitalization thresholds are \$5,000 for buildings, land improvements, equipment, and vehicles. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of governmental activities are depreciated or amortized using the straight-line method over the following estimated useful lives:

ASSET	DEPRECIABLE LIFE
Buildings and improvements	5-40 years
Equipment and vehicles	3-20 years
Drains and land improvements	8-20 years
Sewer systems	40 years

In the government-wide financial statements and Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position.

Depreciation of all exhaustible capital assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on the Proprietary Fund balance sheet. The straight-line depreciation method is applied over the estimated useful lives of fixed assets held by Proprietary Funds. Estimated useful lives are:

ASSET	DEPRECIABLE LIFE
Buildings and improvements	5-40 years
Equipment and vehicles	3-20 years
Drains and land improvements	8-20 years
Sewer systems	40 years

Depreciation is computed on the sum-of-the-years-digits method for road equipment and the straight-line method for all other capital assets. The Uniform Accounting Procedures Manual for Michigan County Road Commissions provides for recording depreciation in the Road Commission Fund as a charge to various expense accounts and a credit to a depreciation credits account. Accordingly, the annual depreciation expense does not affect the available operating equities of the Road Commission Fund.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

A. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At the April board meeting, the County Finance Committee submits to the Board of Commissioners a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is formally adopted by resolution at the October Board of Commissioners' meeting.
4. Any revision to the budget must be approved by the Board of Commissioners.
5. Formal budgetary integration is employed as a management control device for the General Fund, Special Revenue Funds and Debt Service Funds.

Budgeted amounts are as originally adopted or amended by the Board of Commissioners during the year. Individual amendments were not material in relation to the original appropriations which were amended. Budget appropriations lapse at year-end.

B. Investments

Investments are stated at fair value (See Note 31)

C. Advances to other Funds

Noncurrent portions of long-term interfund loans receivable (reported in "Advance to" asset accounts) are equally offset by nonspendable fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets.

D. Restricted Assets

Certain resources of the County's Post Closure Care Trust Fund are set aside for the payment of post-closure cost of the Mason County Landfill - Scottville site, and are classified as restricted assets on the balance sheet because their use is limited by applicable Michigan Department of Environmental Quality rules.

E. Prepaid Items

Certain insurance premiums and other expenditures representing costs applicable to future periods are recorded as prepaid assets and charged as used. These prepaid assets recorded in the governmental funds do not reflect current appropriable resources and, therefore, an equivalent portion of fund balance is nonspendable.

F. Accounting Period

All financial presentations are for December 31, 2020 or the year then ended.

G. Inventories

Road Commission inventories are priced at cost as determined on the average unit cost method. Inventory items are charged to road construction and maintenance, equipment repairs and operations as used.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES – Concluded

H. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the County considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

NOTE 3: ACCUMULATED UNPAID VACATION, SICK PAY, AND OTHER EMPLOYEE BENEFIT AMOUNTS

Accumulated vacation and sick pay represents a contingent liability to the County which is not expected to be liquidated during the current year. Payments to employees for vacation and sick pay will be recorded as expenditures when the vacation and sick time is used and payments are actually made to the employees. Payments of accumulated vacation and sick pay benefits are also made to employees upon termination of employment. The County has accumulated sufficient funds in the Vacation and Sick Pay Trust Fund to provide payments of accumulated benefits to employees who terminate their employment. At December 31, 2020, the total accumulated vacation and sick pay liability was \$628,426.43 for governmental activities and \$433,118.75 for business-type activities.

County Road employees earn vacation leave in varying amounts depending on the number of years of service. Unpaid vacation leave at December 31, 2020 amounted to \$180,027.00. Sick leave is accumulated at the rate of one day for each month of service with accumulation not to exceed 656 hours or 82 days. Unpaid sick leave at December 31, 2020 amounted to \$0.00. Upon termination of employment, vacation is payable at 100 percent of the accumulated balance. Sick leave is payable at 50 percent only upon death or retirement. For future periods, sick pay will no longer accumulate.

NOTE 4: EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

P.A. 621 of 1978 provides that counties and other local units of government shall not incur expenditures in excess of the amounts appropriated in the formal budget document adopted by the County Board of Commissioners. For the year ended December 31, 2020, Mason County had formally adopted a budget for the General Fund, the Special Revenue Fund Types and the Debt Service Fund Types. The following General Fund departments' expenditures exceeded the amounts appropriated in the formal budget document as adopted by the County Board of Commissioners:

	BUDGET	ACTUAL	VARIANCE (UNFAVORABLE)
Audit	\$ 18,300.00	\$ 18,459.85	\$(159.85)
Medical Examiner	82,000.00	86,663.19	(4,663.19)

The following Special Revenue Funds had expenditures and transfers that exceeded the budgets approved by the County Board of Commissioners:

None

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 4: EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS - Concluded

The Road Commission follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 621, Public Act of 1978) as prescribed by the State of Michigan. Public Act 621 of 1978, section 18 (1), as amended, provides that a County Road Commission shall not incur expenditures in excess of amounts appropriated. As presented in the financial statements for the year ended December 31, 2020, the County Road Commission incurred expenditures which were in excess of the amounts appropriated as follows:

Expenditure Line Item	Total Budget	Amount of Expenditures	Budget Variance
Primary Road: Preservation – Structural Improvements	\$1,954,351.00	\$2,068,905.00	\$(114,554.00)
Local Road: Preservation – Structural Improvements	1,764,698.00	1,816,584.00	(51,886.00)
Local Road: Maintenance	2,558,816.00	2,903,297.00	(344,481.00)
State trunkline maintenance	597,478.00	606,704.00	(9,226.00)
Administrative Expense – Net	506,914.00	533,928.00	(27,014.00)
Equipment Expense - Net	701,407.00	714,082.00	(12,675.00)

NOTE 5: PROPERTY TAXES

The 2020 property tax revenue includes property taxes levied principally on July 1, 2020 and substantially collected in 2020. The “2020 property taxes” became a lien on July 1, 2020, and were collected by March 1, 2021, except for those taxes that were returned delinquent. Due to the migration of the County property taxes from a December levy to a July levy, the County did not record any property tax receivable or deferred inflow for general operating purposes at December 31, 2020 in the General Fund.

The total 2020 levy for the County was \$14,923,130.93, which was based upon the taxable value as of March 1, 2020 of \$2,028,024,256.00 at a millage rate of 7.3612. The component unit District Library received \$1,003,024.27 based on the same taxable value at a millage rate of .4947 mills.

By agreement with various taxing authorities in the County, the County purchased, at face value, the real property taxes receivable which became delinquent on March 1, 2020. These taxes, which are recorded in an Enterprise Fund at December 31, 2020, are pledged for repayment of advances, the proceeds of which were used to purchase such amounts due to the General Fund and other local units of government. Subsequent collections by the County, plus interest, fees and investment earnings, are used to repay the loans.

The County Board of Commissioners levied the following millage rates in 2020:

General Operating	5.0967
Road Patrol	0.3000
Oakview Medical Care Facility	0.9715
Mason County Jail Operating	0.5800
Senior Citizen	0.2700
Mason/Oceana 911 Operating	0.1400
Soldier and Sailor Relief	<u>0.0030</u>
Total	<u>7.3612</u>

Component unit Mason County District Library Board levied 0.4947 mills in 2020.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 6: LITIGATION

There is no pending litigation against the County as of December 31, 2020.

NOTE 7: RENTALS UNDER OPERATING LEASE

The County entered into an agreement with the State of Michigan to provide office space for the Department of Human Services. The original lease was for a fifteen-year period beginning on December 23, 1996. The Department of Human Services exercised their option to renew the lease for five additional years in 2016. The annual rental payments due from the State of Michigan for this lease renewal is \$29,400.00 payable in monthly installments of \$2,450.00. The lease renewal provides for an annual adjustment to reflect the actual cost of operations. The lease provides for the option of one additional five-year lease renewal for a total possible lease period of thirty years.

The following is a schedule of future minimum rental revenues on operating leases as of December 31, 2020:

YEAR ENDING	AMOUNT
December 31, 2021	\$ <u>29,400.00</u>
Total	\$ <u>29,400.00</u>

NOTE 8: LONG-TERM ADVANCES

The following are the interfund advances at December 31, 2020:

FUND	ADVANCES TO OTHER FUNDS	FUND	ADVANCES FROM OTHER FUNDS
General	\$ 1,131,383.86	Public works maintenance and operations	\$ 1,951,174.46
Landfill post closure	508,363.07		
Internal service			
Health and life	84,696.15		
Workers Compensation	<u>226,731.38</u>		
Subtotal	<u>1,951,174.46</u>		<u>1,951,174.46</u>
Internal service - Health and life	<u>64,957.46</u>	Airport operations	<u>64,957.46</u>
Internal service - Health and life	<u>7,670,000.00</u>	Internal service - Liability & Property	<u>7,670,000.00</u>
TOTAL	\$ <u><u>9,686,131.92</u></u>	TOTAL	\$ <u><u>9,686,131.92</u></u>

The advances were made for cash flow purposes. The \$7,670,000 advance was eliminated in the government wide statement.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 9: CAPITAL ASSETS

The following schedule summarizes the changes in capital assets for the year ending December 31, 2020:

	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2020</u>
GOVERNMENTAL ACTIVITIES				
Internal Service Funds				
Equipment and vehicles	\$ 82,274.81	\$ 0.00	\$ 0.00	\$ 82,274.81
Less: accumulated depreciation	<u>(54,442.39)</u>	<u>(5,554.98)</u>	<u>0.00</u>	<u>(59,997.37)</u>
Subtotal	<u>27,832.42</u>	<u>(5,554.98)</u>	<u>0.00</u>	<u>22,277.44</u>
Other governmental funds				
Capital assets not being depreciated				
Land	\$ <u>223,802.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>223,802.00</u>
Capital assets being depreciated				
Buildings and improvements	17,948,840.28	0.00	0.00	17,948,840.28
Land improvements	797,871.59	0.00	0.00	797,871.59
Equipment and vehicles	<u>2,844,710.46</u>	<u>293,541.98</u>	<u>(162,572.38)</u>	<u>2,975,680.06</u>
Total capital assets being depreciated	21,591,422.33	293,541.98	(162,572.38)	21,722,391.93
Less: accumulated depreciation	<u>(10,619,623.15)</u>	<u>(849,871.58)</u>	<u>145,944.84</u>	<u>(11,323,549.89)</u>
Net capital assets being depreciated	<u>10,971,799.18</u>	<u>(556,329.60)</u>	<u>(16,627.54)</u>	<u>10,398,842.04</u>
Total	<u>\$ 11,223,433.60</u>	<u>\$ (561,884.58)</u>	<u>\$ (16,627.54)</u>	<u>\$ 10,644,921.48</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ <u>662,803.65</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>662,803.65</u>
Capital assets being depreciated				
Buildings and improvements	9,627,453.45	15,154.77	0.00	9,642,608.22
Land improvements	2,661,449.69	0.00	0.00	2,661,449.69
Sewer system	723,308.65	237,210.95	0.00	960,519.60
Rural Development sewer project	455,208.46	0.00	0.00	455,208.46
Parks Commission sewer project	72,642.00	0.00	0.00	72,642.00
Parks Commission water project	44,750.00	0.00	0.00	44,750.00
Equipment and vehicles	<u>2,267,844.80</u>	<u>88,120.47</u>	<u>0.00</u>	<u>2,355,965.27</u>
Total capital assets being depreciated	15,852,657.05	340,486.19	0.00	16,193,143.24
Less: Accumulated Depreciation	<u>(9,152,873.11)</u>	<u>(495,728.65)</u>	<u>0.00</u>	<u>(9,648,601.76)</u>
Net capital assets being depreciated	<u>6,699,783.94</u>	<u>(155,242.46)</u>	<u>0.00</u>	<u>6,544,541.48</u>
Total	<u>\$ 7,362,587.59</u>	<u>\$ (155,242.46)</u>	<u>\$ 0.00</u>	<u>\$ 7,207,345.13</u>

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 9: CAPITAL ASSETS – Continued

	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2020</u>
<u>Component Unit – District Library:</u>				
Land– not being depreciated	\$ 16,800.00	\$ 0.00	\$ 0.00	\$ 16,800.00
Books	594,884.21	82,149.80	0.00	677,034.01
Building	<u>2,117,078.89</u>	<u>130,468.03</u>	<u>0.00</u>	<u>2,247,546.92</u>
Subtotal	2,728,763.10	212,617.83	0.00	2,941,380.93
Less: accumulated depreciation	<u>(763,092.49)</u>	<u>(154,130.38)</u>	<u>0.00</u>	<u>(917,222.87)</u>
Subtotal	<u>1,965,670.61</u>	<u>58,487.45</u>	<u>0.00</u>	<u>2,024,158.06</u>
<u>Component Unit – Drainage Districts:</u>				
Land – not being depreciated	\$ 9,800.00	\$ 0.00	\$ 0.00	\$ 9,800.00
Infrastructure	<u>2,409,319.44</u>	<u>0.00</u>	<u>0.00</u>	<u>2,409,319.44</u>
Subtotal	2,419,119.44	0.00	0.00	2,419,119.44
Less: accumulated depreciation	<u>(2,028,293.57)</u>	<u>(36,152.31)</u>	<u>0.00</u>	<u>(2,064,445.88)</u>
Subtotal	<u>390,825.87</u>	<u>(36,152.31)</u>	<u>0.00</u>	<u>354,673.56</u>
<u>Component Unit – Road Commission:</u>				
Capital assets not being depreciated				
Land and improvements	\$ 356,084.00	\$ 952.00	\$ 0.00	\$ 357,036.00
Infrastructure land improvements	<u>22,159,259.00</u>	<u>0.00</u>	<u>0.00</u>	<u>22,159,259.00</u>
Total capital assets not being depreciated	<u>22,515,343.00</u>	<u>952.00</u>	<u>0.00</u>	<u>22,516,295.00</u>
Capital assets being depreciated				
Buildings	1,318,123.00	0.00	0.00	1,318,123.00
Equipment – Road	7,323,591.00	1,721,948.00	1,563,438.00	7,482,101.00
Equipment – Shop	68,594.00	0.00	0.00	68,594.00
Equipment – Office	105,585.00	5,320.00	7,399.00	103,506.00
Equipment – Engineering	110,476.00	0.00	0.00	110,476.00
Equipment – Yard and storage	144,989.00	0.00	0.00	144,989.00
Infrastructure – Bridges	11,582,897.00	156,585.00	0.00	11,739,482.00
Infrastructure – Roads	<u>27,159,980.00</u>	<u>3,728,903.00</u>	<u>0.00</u>	<u>30,888,883.00</u>
Total capital assets being depreciated	47,814,235.00	5,612,756.00	1,570,837.00	51,856,154.00
Less: accumulated depreciation	<u>(25,024,568.00)</u>	<u>(2,507,847.00)</u>	<u>(1,213,249.00)</u>	<u>(26,319,166.00)</u>
Net capital assets being depreciated	<u>22,789,667.00</u>	<u>3,104,909.00</u>	<u>357,588.00</u>	<u>25,536,988.00</u>
Net capital assets – Road Commission	<u>45,305,010.00</u>	<u>3,105,861.00</u>	<u>357,588.00</u>	<u>48,053,283.00</u>
Total Net Component Units	<u>\$ 47,661,506.48</u>	<u>\$ 3,128,196.14</u>	<u>\$ 357,588.00</u>	<u>\$ 50,432,114.62</u>

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 9: CAPITAL ASSETS – Concluded

Depreciation expense for governmental activities was charged to the following function and activities of the primary government:

<u>Internal Service Funds</u>	\$ <u>5,554.98</u>
<u>Other Governmental Funds</u>	
Parks, recreation and cultural	126,753.02
Legislative	3,558.14
Judicial	30,637.17
General governmental administration	76,394.29
Public safety	522,691.46
Public works	10,111.18
Health and social services	<u>79,726.32</u>
	<u>849,871.58</u>
TOTAL	\$ <u>855,426.56</u>

NOTE 10: CASH, CASH EQUIVALENTS, AND INVESTMENTS

In accordance with Michigan Compiled Laws, the County is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of the State or the United States, but only if the bank, savings and loan association, savings bank, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of Michigan Compiled Laws.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures no more than 270 days after the date of purchase.
4. The United States government or federal agency obligations repurchase agreements.
5. Bankers acceptances of United States banks.
6. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

As of December 31, 2020, the carrying amount and bank balance for each type of deposit and investment is as follows:

	BOOK BALANCE	BANK BALANCE	FDIC INSURED
Cash deposits	\$ 22,409,126.23	\$ 22,497,393.09	\$ 1,759,601.87
Investments	46,609,922.51	47,492,047.33	4,888,570.91
Imprest cash	<u>2,995.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>\$ 69,022,043.74</u>	<u>\$ 69,989,440.42</u>	<u>\$ 6,648,172.78</u>

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 10: CASH AND INVESTMENTS - Continued

Financial Statement Presentation:

	CASH AND CASH EQUIVALENTS	INVESTMENTS (CERTIFICATES OF DEPOSIT)	INVESTMENTS (MARKETABLE SECURITIES)	TOTAL
Governmental				
funds	\$ 7,963,981.77	\$ 15,752,087.21	\$ 12,391,952.42	\$ 36,108,021.40
Proprietary funds	6,533,249.63	8,796,513.55	3,530,839.32	18,860,602.50
Fiduciary funds	4,196,021.43	3,036,086.70	2,822,854.99	10,054,963.12
Component units	<u>3,718,868.40</u>	<u>93,935.46</u>	<u>185,652.86</u>	<u>3,998,456.72</u>
	<u>\$ 22,412,121.23</u>	<u>\$ 27,678,622.92</u>	<u>\$ 18,931,299.59</u>	<u>\$ 69,022,043.74</u>

Deposits

There is a custodial credit risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of December 31, 2020, the carrying amount of the County's deposits were \$22,409,126.23 and the bank balance was \$22,497,393.09, of which \$1,759,601.87 was covered by federal depository insurance. The remaining balance of \$20,737,791.22 was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the County held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year-end.

Investments

As of December 31, 2020, the carrying amounts and market values for the investments were as follows:

INVESTMENT TYPE	CARRYING AMOUNT	WEIGHTED AVERAGE MATURITY	RATING	PERCENTAGE
Insured or registered for which the securities are held by the County's agent in the County's name:				
Federal Home Loan Mortgage Corporation	\$ 1,107,891.00	3.5 Years	AAA	5.8%
Municipal Bonds	15,566,945.57	5.0 Years	AAA	82.2%
Corporate Bonds	<u>2,256,463.02</u>	0.50 Years	A1	12.0%
	<u>\$ 18,931,299.59</u>			

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of December 31, 2020, the County's investments were rated by Moody's as noted above.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 10: CASH AND INVESTMENTS – Concluded

Interest Rate Risk

The County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by designating its investment portfolio with the objective of obtaining a rate of return through the economic cycles considering risk constraints and cash flow characteristics.

Custodial Credit Risk

The County will minimize custodial credit risk, which is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in possession of an outside party by diversifying its investments by institution to ensure that potential losses on individual securities do not exceed the income generated by the remainder of the portfolio.

NOTE 11: LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the primary government and component unit for the year ended December 31, 2020:

	BALANCE JANUARY 1, 2020	ADDITIONS (DEDUCTIONS)	BALANCE DECEMBER 31, 2020	DUE WITHIN ONE YEAR
BUSINESS TYPE ACTIVITIES				
Accrued vacation and sick pay	\$ 399,545.64	\$ 33,573.11	\$ 433,118.75	
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 399,545.64	\$ 33,573.11	\$ 433,118.75	\$ 0.00
Less: amount payable within one year			(0.00)	
LONG-TERM DEBT BUSINESS-TYPE ACTIVITIES			\$ 433,118.75	
GOVERNMENTAL ACTIVITIES PRIMARY GOVERNMENT				
Accrued post closure landfill costs	\$ 604,276.00	\$(136,636.00)	\$ 467,640.00	\$ 0.00
Accrued vacation and sick pay	555,464.95	72,961.48	628,426.43	0.00
TOTAL PRIMARY GOVERNMENT	\$ 1,159,740.95	\$(63,674.52)	\$ 1,096,066.43	\$ 0.00
Less: amount payable within one year			(0.00)	
LONG-TERM DEBT PRIMARY GOVERNMENT			\$ 1,096,066.43	

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 11: LONG-TERM OBLIGATIONS – Continued

COMPONENT UNITS	BALANCE JANUARY 1, 2020	ADDITIONS (DEDUCTIONS)	BALANCE DECEMBER 31, 2020	DUE WITHIN ONE YEAR
District Library				
\$400,000.00 2011 Mason County District Library General Obligation Limited Tax Bonds due in annual installments of \$30,000.00 to \$50,000.00 through April 1, 2021; interest at 5.00%.	<u>\$ 77,932.23</u>	<u>\$ (40,000.00)</u>	\$ 37,932.23	<u>\$ 37,932.23</u>
Less: amount payable within one year			(37,932.23)	
LONG-TERM DEBT DISTRICT LIBRARY			<u><u>\$ 0.00</u></u>	
Road Commission				
Installment purchase agreements	\$ 1,227,025.00	\$ 395,580.00	\$ 1,622,605.00	\$ 581,616.00
Compensated absences	<u>136,068.00</u>	<u>43,959.00</u>	<u>180,027.00</u>	<u>0.00</u>
TOTAL	<u><u>\$ 1,363,093.00</u></u>	<u><u>\$ 439,539.00</u></u>	<u><u>\$ 1,802,632.00</u></u>	<u><u>\$ 581,616.00</u></u>

The following is a summary of Road Commission outstanding debt at December 31, 2020:

Installment purchase agreement payable to West Shore Bank, secured by equipment, due in annual installments of \$35,000, including interest at 1.60% through 2027.	\$ 245,000.00
Installment purchase agreement payable to West Shore Bank, secured by equipment, due in annual installments of \$28,571, including interest at 2.20% through 2027.	200,000.00
Capital Lease Payable to Caterpillar Financial Services, Corp., secured by equipment, due in monthly installments of \$3,240, including interest at 5.07% through November 2024 and a \$103,360 balloon payment.	212,347.00

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 11: LONG-TERM OBLIGATIONS – Concluded

Capital Lease Payable to Shelby State Bank, secured by equipment, due in annual installments of \$24,156, including interest at 3.59% through 2027.	169,000.00
Capital Lease Payable to Caterpillar Financial Services, Corp., secured by equipment, due in monthly installments of \$3,406, including interest at 3.59% through February 2025 and a \$105,000 balloon payment	248,388.00
Installment purchase agreement payable to Shelby State Bank, secured by equipment, due in annual installments of \$19,174, including interest at 1.88% through 2027.	134,041.00
Capital Lease Payable to PACCAR Financial Services, Corp., secured by equipment, due in one annual installment of \$413,829, including interest at 5.91% in March 2021.	<u>413,829.00</u>
Subtotal	1,622,605.00
Compensated absences	<u>180,027.00</u>
Total	<u>\$ 1,802,632.00</u>

The annual requirements to amortize all debt outstanding as of December 31, 2020, including interest payments are as follows:

COMPONENT UNITS

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Road Commission			
2021	\$ 581,616.00	\$ 56,675.00	\$ 638,291.00
2022	170,658.00	26,953.00	197,611.00
2023	166,989.00	24,121.00	191,110.00
2024	271,751.00	18,714.00	290,465.00
2025	218,055.00	6,021.00	224,076.00
2026-2027	<u>213,536.00</u>	<u>4,732.00</u>	<u>218,268.00</u>
TOTAL	<u>\$ 1,622,605.00</u>	<u>\$ 137,216.00</u>	<u>\$ 1,759,821.00</u>
District Library			
2021	\$ <u>37,932.23</u>	\$ <u>948.31</u>	\$ <u>38,880.54</u>
TOTAL	<u>\$ 37,932.23</u>	<u>\$ 948.31</u>	<u>\$ 38,880.54</u>

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 12: PRIOR PERIOD ADJUSTMENTS

For the year ended December 31, 2020, there were no prior period adjustments that resulted in Fund Balance/Net Position restatements.

NOTE 13: TRANSFERS

The following are the transfers for the year ended December 31, 2020:

FUND	TRANSFER IN	FUND	TRANSFER OUT
Road Patrol	\$ 2,109,000.00	General	\$ 7,326,341.00
Friend of the Court	519,000.00		
Landfill Post Closure	40,000.00		
Junk Ordinance Administration	6,200.00		
Indigent Defense	153,500.00		
Jail Operations	1,636,850.00		
Law Library	15,000.00		
Social Welfare	35,000.00		
Child Care	416,000.00		
Equipment Replacement	530,600.00		
Public Improvement	663,391.00		
Airport	174,800.00		
Self-Insurance Liability	41,000.00		
Self-Insurance Workers Comp.	10,000.00		
Health, Life, & Pension Insurance	<u>976,000.00</u>		
Subtotal	<u>7,326,341.00</u>	Subtotal	<u>7,326,341.00</u>
General	62,846.65	Commun Develop Block Grant	45,703.39
		Victim's Right	<u>17,143.26</u>
Subtotal	<u>62,846.65</u>	Subtotal	<u>62,846.65</u>
Equipment Replacement	34,725.00	Jail Operations	99,250.00
Jail Construction	59,125.00		
Self-Insurance. – Workers Comp.	<u>5,400.00</u>		
Subtotal	<u>99,250.00</u>	Subtotal	<u>99,250.00</u>
Equipment Replacement	<u>98,275.00</u>	Road Patrol	<u>98,275.00</u>
Equipment Replacement	<u>20,000.00</u>	Register of Deeds Automation	<u>20,000.00</u>
Health, Life, & Pension Insurance	<u>750,000.00</u>	Delinquent Tax Revolving	<u>750,000.00</u>
Health, Life, & Pension Insurance	<u>250,000.00</u>	Delinquent Tax Foreclosure	<u>250,000.00</u>
TOTAL	<u>\$ 8,606,712.65</u>		<u>\$ 8,606,712.65</u>

These transfers were made for cash flow purposes.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following are the interfund receivables and payables at December 31, 2020:

FUND	DUE FROM OTHER FUNDS	FUND	DUE TO OTHER FUNDS
Revolving Drain – Component Unit	\$ 83,165.10	Drain – Component Unit	\$ 83,165.10
General Fund	14,104.92	Road Patrol	14,104.92
Self-Insurance Liability	<u>233.31</u>	Delinquent Tax Foreclosure	<u>233.31</u>
TOTAL	\$ <u>97,503.33</u>		\$ <u>97,503.33</u>

The interfund receivables and payables were made for cash flow purposes. The \$97,503.33 of governmental interfund receivable and payable was eliminated in the government wide statement.

NOTE 15: RISK FINANCING ACTIVITIES

It is the policy of the County of Mason not to purchase commercial insurance for all of the risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Instead, County management believes it is more economical to manage its risks internally and set aside assets for claim settlements in various internal service funds. The Worker's Compensation Insurance Fund has an annual retention of \$450,000.00 for each worker's compensation claim. The Self-Insurance Liability and Property Fund provides coverage for a maximum aggregate annual retention of \$100,000.00 for general liability. The Medical Care Facility Fund is used to account for the worker's compensation claims of the County Medical Care Facility. The County, through its insurance service organization, Michigan Municipal Risk Management Authority, has reinsurance with umbrella coverage for liability and property damage of \$15,000,000.00. The reinsurance for Worker's Compensation is the statutory maximum. Settled claims have not exceeded the retention amount in any of the past three fiscal years.

The County appropriates funds from the General Fund to pay to the Worker's Compensation Insurance Fund and the Self-Insurance Liability Fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses in the Worker's Compensation Insurance Fund. The reserve was \$1,328,059.71 at December 31, 2020 and is reported as restricted of the Worker's Compensation Insurance Fund net position. The claims liability of \$608.00 reported in the Worker's Compensation Insurance Fund at December 31, 2020 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Worker's Compensation Insurance Fund' claims liability amount in calendar year 2020 and 2019 were:

	2020	2019
Liability Balance January 1,	\$ 3,196.00	\$76,745.20
Claim payments	(2,209.29)	(57,840.57)
Changes in estimates	<u>(378.71)</u>	<u>(15,708.63)</u>
 Liability Balance December 31,	 <u>\$ 608.00</u>	 <u>\$ 3,196.00</u>

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 15: RISK FINANCING ACTIVITIES - concluded

The claims liability of \$89,604.00 reported in the Self-Insurance Liability Fund at December 31, 2020, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Self-Insurance Liability Fund's claims liability amount in calendar year 2020 and 2019 were:

	2020	2019
Liability Balance January 1,	\$ 181,152.33	\$ 130,812.62
Claim payments (net of reimbursement)	(11,102.88)	(57,462.00)
Changes in estimates	<u>(80,445.45)</u>	<u>107,801.71</u>
 Liability Balance December 31,	 <u>\$ 89,604.00</u>	 <u>\$ 181,152.33</u>

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

The County of Mason is required to maintain a membership retention fund with its insurance service organization, Michigan Municipal Risk Management Authority. The County records this retention amount as a deposit on the balance sheet of the Self-Insurance Liability Fund. The balance at December 31, 2020 is as follows:

Member Retention Deposit	<u>\$ 9,760,954.08</u>
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Mason County Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool established pursuant to the laws of the State of Michigan that authorize contracts between municipal corporations (inter-local agreements) to form group self-insurance pools, and to prescribe conditions to the performance of these contracts. The Pool was established for the purpose of making a self-insurance pooling program available which includes, but is not limited to, general liability coverage, auto liability coverage, property insurance coverage, stop loss insurance protection, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982.

The Mason County Road Commission pays an annual premium to the Pool for property (buildings and contents) coverage, automobile and equipment liability, errors or omissions, liability and bodily injury, property damage and personal injury liability. The agreement for the information of the Pool provides that the Pool will be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance to the limits determined necessary by the Pool Board. Settled claims for the general liability coverages have not exceeded the amount of coverage in any of the past three years. The Road Commission is also self-insured for worker's compensation as a member of the County Road Association Self Insurance Fund.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 16: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The County of Mason has two landfills under its jurisdiction. The Mason County Landfill located in Pere Marquette Charter Township has been closed since 1978. A 1994 settlement with the Environmental Protection Agency requires the County to perform certain maintenance and monitoring functions at the site for thirty years. The County records the liability for these post closure care costs as a long-term liability in governmental activities because these costs will be paid over a thirty-year period. The liability for post closure care costs for the landfill in Pere Marquette Charter Township at December 31, 2020 was \$84,400.00. These amounts are based on estimates of the cost to perform all post closure care in 2021. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The Mason County Landfill, located in the City of Scottville, discontinued operations in 1998. State and federal laws and regulations required the County to place a final cover on the Scottville landfill site in 1998. The County is also required to perform certain maintenance and monitoring functions at the site for thirty years following closure. The County records the liability for these post closure care costs in the as a long-term liability in governmental activities because these costs will be paid over a thirty-year period. The liability for post closure care cost for the landfill in Scottville at December 31, 2020 was \$383,240.00. These amounts are based on estimates of the cost to perform all the post closure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County was required by state and federal laws and regulations to make quarterly contributions to a trust fund to finance post closure care. At December 31, 2020, a balance of \$103,759.60 was held for this purpose. The County has assigned an additional \$1,978,044.85 in the Post Closure Care Trust Fund to finance post closure care costs.

The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by General Fund appropriations.

NOTE 17: CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended December 31, 2020 have not yet been conducted. Accordingly, the County's compliance with the program requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

NOTE 18: SELF-INSURANCE - HEALTH

The County has a self-insured medical reimbursement plan for eligible elected officials and employees. In general, the County is liable for benefits up to \$50,000 per contract; a family unit is considered one contract. Additionally, the County has stop-loss coverage if medical claims in the aggregate exceed \$882,832 per contract year. Benefit payments in excess of \$50,000 per contract or \$882,832 in aggregate are payable by Blue Cross Blue Shield of Michigan (BCBSM).

The County utilizes Blue Cross Blue Shield of Michigan (BCBSM) to administer benefits payable under this plan. Medical claim reimbursement payments to BCBSM including administrative fees and stop-loss insurance premiums totaled \$1,081,405 for the year ended December 31, 2020.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 19: JOINTLY GOVERNED ORGANIZATIONS

District Health Department No. 10

The Health Department is a joint venture as created under Public Act 368 of 1978 between ten (10) counties as detailed in the formation agreement between the counties and was established to provide public health services to the ten (10) participating regions. Each participating unit appoints two (2) of the twenty (20) members to the governing board. All ten (10) counties provide annual appropriations and pass-through the statutory amount of cigarette tax funding to subsidize operations. Some of the treasury functions of the Health Department rest with the County Treasurer but, for the most part, the relationship is fiduciary in nature. As a result, in accordance with GASB Statement No. 61, the pooled cash and cash equivalents of the Health Department, that are a part of the County's pooled accounts at year-end, are reflected as a fiduciary fund in the financial statements. The financial activities of the Health Department are accounted for and reported separately from the participating units. For the year ended September 30, 2020, the County contributed \$186,084.00 to cover its share of operational costs. Separate audited financial statements for their year ended September 30, 2020, are available at the Health Department's administrative offices.

Community Mental Health System

Mason County, Lake County, and Oceana County participate jointly in the operation of the West Michigan Community Mental Health System. The funding formula approved by the counties is based pro rata on each unit's population to the total population.

Member percentages of the net operating budget for the year ended December 31, 2020, were:

Mason County	45.00 percent
Lake County	15.00 percent
Oceana County	40.00 percent

Mason County's appropriation to West Michigan Community Mental Health System for the calendar year was \$139,750.00.

NOTE 20: FEDERAL GRANTS

ROAD COMMISSION

The Michigan Department of Transportation (MDOT) requires that all Road Commissions report all federal and state grants pertaining to their County. During the year ended December 31, 2020, the federal aid received and expended by the Road Commission was \$381,764 for MDOT contracted projects. Contracted projects are defined as projects performed by private contractors paid for and administrated by MDOT (they are included in MDOT's single audit). Local force account projects are projects where the Road Commission performs the work and would be subject to single requirements if they expend \$750,000 or more.

NOTE 21: DEFERRED COMPENSATION PLANS

The County of Mason has two deferred compensation plans, created in accordance with the Internal Revenue Code, Section 457. The plans, available to all employees, permit them to defer a portion of their current salary until the employee's termination, retirement, death, or unforeseeable emergency.

The County of Mason adopted a new 457-plan document, which incorporates the recent changes to the law governing 457 deferred compensation plans. The most notable change in the plan provides that the employer establishes a plan level trust in which all amounts deferred must be placed and held for the exclusive benefit of plan participants and their beneficiaries. As a result of this change, the plan assets are no longer subject to claims of the County's general creditors.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 21: DEFERRED COMPENSATION PLANS - concluded

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are for the exclusive benefit of the employee or their beneficiary.

It is the opinion of the County's legal counsel that the County has no liability for losses under the plans, but it does have the duty of care that would be required of an ordinary prudent investor. Therefore, the deferred compensation assets and liabilities have been removed from the County's fiduciary fund, as it is no longer required to be shown in the statements.

Mason County Road Commission offers all administrative Road Commission employees a deferred compensation plan created in accordance with IRC Section 457. Effective in 2001, the assets of the plan were held in a trust, custodial account, or annuity contract described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodial account is held by the custodian thereof for the exclusive benefit of the participants and beneficiaries of the Section 457 plans, and the assets may not be diverted to any other use.

In 1999, the Deferred Compensation Fund was treated as an expendable trust fund. During 1999, the assets of the Deferred Compensation Fund were placed in a trust and reported in an expendable trust fund. In accordance with GASB Statement No. 32 requirements, these assets are no longer reported in the financial statements.

NOTE 22: POST-EMPLOYMENT BENEFITS

Plan Administration

The County offers single employer post-employment health insurance benefits to its employees through a defined benefit plan. These benefits are provided by contractual agreement and are paid annually by the General Fund. The amounts are recorded as an expenditure when the fund liability is incurred. The benefit amounts incurred totaled \$278,585.06 during the year ended December 31, 2020. The total number of eligible retirees amounted to 29 on December 31, 2020. The County pays 94.48% of these costs. There are provisions for employee contributions. The County has a liability of \$4,327,104.00 for this benefit, based on an independent actuarial valuation. The County of Mason has established a Retirement Health Funding Vehicle with the Municipal Employees' Retirement System of Michigan. The Funding Vehicle had a balance of \$5,517,081.00 on December 31, 2020. The County of Mason met its Annual Required Contribution (ARC) requirements in 2020.

Contributions

Annually, the County contributes to the Retirement Health Funding Vehicle 100% of the Annual Required Contribution (ARC). Employee contracts for Teamsters effective January 1, 2016, no longer provide for paid retiree health insurance for new employees upon retirement. Effective October 9, 2012, the County no longer provides paid retiree health insurance for non-union employees hired after that date.

Discount rate. A single discount rate of 6.0 percent was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.0 percent. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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 plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 22: POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the net OPEB asset to changes in the discount rate. The following presents the net OPEB asset of the County, calculated using the single discount rate of 6.0 percent, as well as what the County's net OPEB asset would be if it were calculated using a single discount rate that is 1 percentage point lower (5.0 percent) or 1 percentage point higher (7.0 percent) than the current rate:

	1% DECREASE (5.0%)	CURRENT SINGLE DISCOUNT RATE (6.0%)	1% INCREASE (7.0%)
Net OPEB asset	\$ (893,651)	\$ (1,189,977)	\$ (1,459,399)

Sensitivity of the net OPEB asset to changes in the healthcare cost trend rate. The following presents the net OPEB asset of the County, calculated using the assumed trend rate of 9 percent decreasing to 3.75 percent, as well as what the County's net OPEB asset would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (8.0 percent decreasing to 2.75 percent) or 1 percentage point higher (10.0 percent decreasing to 4.75 percent) than the current rate:

	1% DECREASE	CURRENT HEALTHCARE COST TREND RATE	1% INCREASE
Net OPEB asset	\$ (1,518,555)	\$ (1,189,977)	\$ (816,804)

Funding Progress

For the year ended December 31, 2020, the County has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2019. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

Changes in Net OPEB Asset

	Increase (Decrease)		
	TOTAL OPEB LIABILITY	PLAN FIDUCIARY NET POSITION	NET OPEB ASSET
	(a)	(b)	(a) - (b)
Balances at 12/31/19	\$ <u>4,318,708</u>	\$ <u>5,031,598</u>	\$ <u>(712,890)</u>
Changes for the Year			
Service cost	117,413		117,413
Interest on Total OPEB Liability	254,287		254,287
Changes in experience	36,446		36,446
Changes of assumptions	(121,165)		(121,165)
Employer Contributions		392,144	(392,144)
Net investment income		381,539	(381,539)
Benefit payments, including employee refunds	(278,585)	(278,585)	0
Administrative expense		(9,615)	9,615
Net changes	<u>8,396</u>	<u>485,483</u>	<u>(477,087)</u>
Balances as of 12/31/20	\$ <u>4,327,104</u>	\$ <u>5,517,081</u>	\$ <u>(1,189,977)</u>

Deferred Outflows and Inflows of Resources Related to OPEB Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience (Gains)/Losses	\$ 30,024	\$ 344,492
Changes in Assumptions	202,783	99,815
Investment Earnings (Gains)/Losses	<u>153,818</u>	<u>61,220</u>
Total	<u>\$386,625</u>	<u>\$ 505,527</u>

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 22: POST-EMPLOYMENT BENEFITS - Continued

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

Year Ended December 31:	
2021	\$(16,024)
2022	(16,023)
2023	(45,793)
2024	(30,983)
2025	(10,079)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

The valuation used the following actuarial assumptions applied to all periods unless specified:

Price inflation	2.50%
Wage inflation	3.75%
Salary increase	3.75%-14.75% (including wage inflation)
Investment rate of return	6.00% (Net of OPEB investment expense)
Health care trend rate	9.00% (in the first year gradually decreasing to 3.75% in year 10)

Retirement age is based on an experience-based table of rates that are specific to the type of eligibility conditions. The marital status of members at the calculation date was assumed to continue throughout retirement. Life expectancies were based on the RP-2014 Mortality Combined Healthy Tables Projected 20 years with U.S. Projection Scale BB.

The expected rate of increase in healthcare insurance premiums was based on a combination of employer history, national trend surveys, and professional judgment.

The payroll growth rate has been updated to be consistent with the assumptions used in the December 31, 2017, MERS actuarial valuation.

Based on the historical and expected returns of the County's short-term investment portfolio, a discount rate of 6.0 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2020, was 15 years.

Investment Policy

The County has chosen to invest in the Short – Term Income Portfolio set up by MERS. The plan 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. The County Commission has the authority to establish and amend investment policies as they choose.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 22: POST-EMPLOYMENT BENEFITS – Continued

Concentrations

The Plan did not hold investment other than those explicitly guaranteed by the U.S. government in any one organization that represent 5 percent or more of the total plan's fiduciary net position.

Rate of Return

For the year ended December 31, 2020, the rate of return on plan investments, net of plan investment expenses was 3.40%

Net OPEB Expense

The County's Nets OPEB expense based on GASB Statement No. 75 was \$60,277 for the year ended December 31, 2020.

The following table provides a summary of the number of participants in the plan:

	County
Inactive Plan Members or beneficiaries currently receiving benefits	25
Inactive Plan Members entitled to but not yet receiving benefits	0
Active Plan Members	<u>63</u>
TOTAL	<u><u>88</u></u>

Postemployment Benefits Other than Pensions (OPEB)

Plan Description

The Road Commission provides postemployment health care to eligible employees and / or their spouses who retire from the Road Commission on or after attaining retirement age. This is a single employer defined benefit plan that is administered by the Road Commission. Benefits provided by the plan consist of a fixed payment of \$250 per month to the retiree from age 58 to age 65. The benefits are provided under the collective bargaining agreement for union employees and by resolution of the Board of County Road Commissioners for nonunion employees. The plan does not issue a publicly available report.

Funding Policy

The Mason County Road Commission Retiree Health Care Plan was established and is being funded under the authority of the Road Commission and under agreements with the unions representing various classes of employees. The plan's funding policy is that the Road Commission will contribute based on the required amounts determined by the actuarial valuation. Currently, benefit payments are made from general operating funds. Active participants do not make contributions to the plan. There is no long-term contract for the contributions to the plan. The plan has no legally required reserves. The Road Commission has no obligation to make contributions in advance of when benefit payments are due (in other words, this may be financed on a "pay-as-you-go" basis).

Annual OPEB Cost and Net OPEB Liability

The Road Commission's annual other postemployment benefit (OPEB) cost (expense) is calculated based the *actuarially determined contribution of the employer (ADC)*, an amount actuarially determined in accordance with the parameter of GASB Statement 75. The ADC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period of five years.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 22: POST-EMPLOYMENT BENEFITS - Continued

Participants Covered by the Benefit Terms

At the measurement Date, the following participants were covered by the benefit terms:

Active members	34
Inactive members	0
Retirees and beneficiaries	<u>6</u>
Total participants	<u><u>40</u></u>

Contributions

Expenditures for postemployment healthcare benefits are recognized as the benefit payments became due. During the year, the Road Commission paid current retiree benefits of \$19,500 and made and no advance funding contribution. The postemployment healthcare benefits and the advance funding payment were paid from the recorded as expenditures in the General Operating / Road Fund.

Net OPEB Liability (Asset)

The net OPEB Liability reported at year-end was determined using a measure of the total OPEB liability and OPEB net position as of December 31, 2020. The December 31, 2020 total OPEB asset was determined by and actuarial valuation performed as of that date. Changes in the Road Commission's proportionate share of the net OPEB liability during the year were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Asset
Balances at December 31, 2019	<u>\$ 102,356</u>	<u>\$ 238,930</u>	<u>\$(136,574)</u>
Service cost	9,168	-	9,168
Interest	3,488	-	3,488
Experience (gains)/losses	(8,041)	-	(8,041)
Change in actuarial assumptions	(9,797)	-	(9,797)
Contributions to OPEB trust	-	-	-
Contributions/benefit paid from general operating funds	-	19,500	(19,500)
Net investment income	-	46,995	(46,995)
Benefit payments including refunds of employee Contributions	(19,500)	(19,500)	-
Administrative expense	-	(67)	67
Other changes	<u>5,227</u>	<u>-</u>	<u>5,227</u>
Net changes	<u>(19,455)</u>	<u>46,928</u>	<u>(66,383)</u>
Balances as December 31, 2020	<u>\$ 82,901</u>	<u>\$ 285,858</u>	<u>\$(202,957)</u>

OPEB Expense and Deferred Outflows/ Inflows of Resources related to OPEB

During the year the Road Commission recognized a negative OPEB expense of (\$28,063). At year-end, the Road Commission reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows and Inflows of Resources Related to OPEB Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience (Gains)/Losses	\$ -	\$ 62,359
Changes in Assumptions	-	83,238
Investment Earnings (Gains)/Losses	-	25,164
Total	<u>\$ -</u>	<u>\$170,761</u>

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 22: POST-EMPLOYMENT BENEFITS - Continued

Road Commission – Continued

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

Year Ended December 31:	
2021	\$ (32,999)
2022	(29,373)
2023	(23,261)
2024	(24,733)
2025	(16,890)
Thereafter	(43,505)

Actuarial assumptions and other inputs - The total OPEB liability was determined by an actuarial valuation as of December 31, 2020 and the following actuarial assumptions, applies to all periods included in the measurement:

Salary Increases	3.50%
Investment rate of return	7.35% including inflation
20 year Aa municipal bond rate	1.93%
Mortality RP-2014 adjusted to 2006 Total Data Set, with MP-2018 mortality improvement scale.	

Discount Rate - The discount rate used to measure the total OPEB liability was 7.35%. Although the plan is currently will funded and able to make benefit payments from the trust, benefit payments for 2020 were still paid from general operating funds . Based on this assumption, the retirement Plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. There is no cross-over point or depletion date, therefore, the long-term expected rate of return was used to discount the projected benefits. This discount rate is used to determine the Total OPEB Liability.

The long-term expected rate of return on plan investments was determined using a building block method in which best-estimate ranges of expected future rates of return (expected returns, net of retirement 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 rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the retirement plan's target asset allocation as of December 31, 2020 are summarized below. The sum of each target allocation times its long-term expected real rate is 3.26%.

Expected Asset Class	Target Allocation	Long-Term Real Rate of Return
Global equity	60%	7.75%
Global fixed income	20%	3.75%
Private assets	20%	9.75%

Sensitivity of the Net OPEB Liability (Asset) to changes in the Discount Rate

The following presents the Road Commission's net OPEB liability (asset), calculated using the discount rate of 7.35%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (6.35%) or 1% higher (8.35%) than the current rate:

	<u>1% Decrease</u>	<u>Discount Current Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	<u>\$(200,723)</u>	<u>\$(202,957)</u>	<u>\$(205,083)</u>

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 22: POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rate

The Road Commission's net OPEB asset is not subject to changes in the healthcare cost trend rate due to the fixed monthly benefit amount.

NOTE 23: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

Plan Description

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

Benefits provided include plans with multipliers ranging from 1.50% to 2.75%. Vesting periods range from 6 to 10 years. Normal retirement age is 60 with early retirement at 55 with 15 years of service. Final average compensation is calculated based on 3 years. Member contributions are 0.

Employees covered by benefit terms: At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

	County	Library
Inactive employees or beneficiaries currently receiving benefits	211	12
Inactive employees entitled to but not yet receiving benefits	39	2
Active employees	<u>114</u>	<u>12</u>
TOTAL	<u>364</u>	<u>26</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions range from 3.68% to 32.99% based on annual payroll for open divisions.

Net Pension Liability

The employer's Net Pension Liability was measured as of December 31, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of December 31, 2020.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 23: DEFINED BENEFIT PENSION PLAN – Continued

Actuarial Assumptions

The total pension liability in the December 31, 2020 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation 3.0%. Salary increases: 3.00% in the long-term. Investment rate of return: 7.35%, net of investment expenses, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation for 2.5%. Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and a 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

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

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

Target Asset Class	Long-Term Expected Allocation	Real Rate of Return
Global Equity	60.0%	3.15%
Global Fixed Income	20.0%	0.25%
Private Investments	20.0%	1.45%

Discount Rate

The discount rate used to measure the total pension liability is 8.00% in 2020 and thereafter. The projection of cash flows used to determine the discount rate assumes the employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees.

Therefore, the long-term, expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Calculating Net Pension Liability for Mason County

Changes in Net Pension Liability	Increase (Decrease)		
	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET PENSION LIABILITY
	(a)	(b)	(a) - (b)
Balances at 12/31/19	\$ <u>62,395,009</u>	\$ <u>46,140,073</u>	\$ <u>16,254,936</u>
Changes for the Year			
Service cost	812,974		812,974
Interest on Total Pension Liability	4,626,655		4,626,655
Changes in experience	(90,891)		(90,891)
Changes in assumptions	1,886,631		1,886,631
Employer Contributions		3,394,345	(3,394,345)
Net investment income		6,013,667	(6,013,667)
Benefit payments, including employee refunds	(3,848,919)	(3,848,919)	
Other Changes	223,187		223,187
Administrative expense		(93,513)	93,513
Net changes	<u>3,609,637</u>	<u>5,465,580</u>	<u>(1,855,943)</u>
Balances as of 12/31/20	\$ <u>66,004,646</u>	\$ <u>51,605,653</u>	\$ <u>14,398,993</u>

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 23: DEFINED BENEFIT PENSION PLAN – Continued

Sensitivity of the Net Pension Liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.60%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.60%) or 1% higher (8.60%) than the current rate.

	Sensitivity to Changes in Discount Rate		
	1% DECREASE 6.60%	CURRENT DISCOUNT RATE (7.60%)	1% INCREASE 8.60%
Net Pension Liability at 12/31/20	<u>\$ 21,528,323</u>	<u>\$ 14,398,993</u>	<u>\$ 8,345,668</u>

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

For the year ended December 31, 2020, the employer recognized pension expense of \$2,287,876.

The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Investment Earnings (Gains)/Losses	\$2,069,446	\$3,829,345
Experience (Gains)/Losses	123,858	60,594
Changes in Assumptions	<u>1,257,754</u>	<u>-</u>
Total	<u>\$3,451,058</u>	<u>\$3,889,939</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2020. There were none reported in the current year.

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

Year ended	
2021	\$ 373,099
2022	663,446
2023	(969,857)
2024	(505,569)

Calculating Net Pension Liability for Mason County District Library

Changes in Net Pension Liability	TOTAL PENSION LIABILITY (a)	INCREASE (DECREASE) PLAN FIDUCIARY NET POSITION (b)	NET PENSION LIABILITY (a) - (b)
Balances at 12/31/19	<u>\$ 2,527,274</u>	<u>\$ 1,872,030</u>	<u>\$ 655,244</u>
Changes for the Year			
Service cost	35,892		35,892
Interest on Total Pension Liability	187,355		187,355
Changes in experience	8,584		8,584
Changes in assumptions	73,215		73,215
Employer Contributions		108,975	(108,975)
Net investment income		235,167	(235,167)
Benefit payments, including employee refunds	(160,039)	(160,039)	
Other Changes	1,718		1,718
Administrative expense		(3,741)	3,741
Net changes	<u>146,725</u>	<u>180,362</u>	<u>(33,637)</u>
Balances as of 12/31/20	<u>\$ 2,673,999</u>	<u>\$ 2,052,392</u>	<u>\$ 621,607</u>

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 23: DEFINED BENEFIT PENSION PLAN - Continued

Sensitivity of the Net Pension Liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.60%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.60%) or 1% higher (8.60%) than the current rate.

	Sensitivity to Changes in Discount Rate		
	1% DECREASE 6.60%	CURRENT DISCOUNT RATE (7.60%)	1% INCREASE 8.60%
Net Pension Liability at 12/31/20	\$ <u>887,854</u>	\$ <u>621,607</u>	\$ <u>394,056</u>

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

For the year ended December 31, 2020, the employer recognized pension expense of \$98,599.

The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Investment Earnings (Gains)/Losses	\$119,050	\$ 152,162
Experience (Gains)/Losses	5,722	2,263
Changes in Assumptions	<u>48,810</u>	<u>-</u>
Total	<u>\$173,582</u>	<u>\$154,425</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2020. There were none reported in the current year.

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

Year ended	
2021	\$ 28,049
2022	48,447
2023	(38,344)
2024	(18,995)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payment and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 23: DEFINED BENEFIT PENSION PLAN - Continued

ROAD COMMISSION

Plan Description

The Mason County Road Commission participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System (MERS) that covers all full-time employees of the Road Commission. MERS was established as a State-wide public employee pension plan by the Michigan Legislature under Public Act 135 of 1945 and is administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided

The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

01 – Union: Open Division

Retirement benefits are calculated at 2.00% of the employee's 5-year average salary times he employee's years of service (no maximum). Normal retirement age is 60 with early retirement at 55 with 30 years of service (unreduced), 50 with 25 years of service (reduced) or 55 with 15 years of service (reduced). The vesting period is 10 years.

10 – Staff: Open Division

Retirement benefits are calculated at 2.00% of the employee's 5-year average salary times he employee's years of service (no maximum). Normal retirement age is 60 with early retirement at 55 with 25 years of service (unreduced), 50 with 25 years of service (reduced) or 55 with 15 years of service (reduced). The vesting period is 10 years. Benefit terms for current retirees also provide for annual cost-of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date of 2.5% (non-compound).

Employees covered by benefit terms: At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	32
Inactive employees entitled to but not yet receiving benefits	5
Active employees	<u>37</u>
TOTAL	<u><u>74</u></u>

Funding Policy

The Road Commission is required to contribute the amounts necessary to fund the Michigan Municipal Employees Retirement System using the actuarial basis specified by statute. For the year ended December 31, 2020, the Road Commission's actuarially determined contribution was a combination of an actuarially calculated minimum required contribution and an additional voluntary monthly dollar amount of \$13,000 for the union group and \$7,000 for the staff group

Net Pension Liability

The Road Commission's Net Pension Liability was measured as of December 31, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of December 31, 2020.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 23: DEFINED BENEFIT PENSION PLAN - Continued

Actuarial Assumptions

The total pension liability in the December 31, 2020 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation 2.5%. Salary increases: 3.75% average in the long-term. Investment rate of return: 7.75%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation for 3%-4%.

Mortality rates used were based on the 2014 Group Annuity Mortality Table of a 50% Male and a 50% Female blend for non-disabled plan members and 50% Male and a 50% Female blend of 2014 Disabled Retiree Mortality Table for disabled plan members. The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study in 2015 that covers the period from January 1, 2009, through December 31, 2013).

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

Target Asset Class	Long-Term Expected	
	Allocation	Expected Rate of Return
Global Equity	55.5%	4.80%
Global Fixed Income	18.5%	0.70%
Real Assets	13.5%	1.31%
Diversifying Strategies	12.5%	0.94%

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes the employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

Project Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees.

Therefore, the long-term, expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Calculating Net Pension Liability for the Mason County Road Commission

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 23: DEFINED BENEFIT PENSION PLAN – Continued

Changes in Net Pension Liability	TOTAL PENSION LIABILITY (a)	Increase (Decrease) PLAN FIDUCIARY NET POSITION (b)	NET PENSION LIABILITY (a) - (b)
Balances at 12/31/19	\$ 8,470,880	\$ 5,986,187	\$ 2,484,693
Changes for the Year			
Service cost	166,933		166,933
Interest on Total Pension Liability	661,366		661,366
Difference between expected and actual experience	171,982		171,982
Changes in assumptions	250,783		250,783
Employer Contributions		626,006	(626,006)
Net investment income		786,463	(786,463)
Benefit payments, including employee refunds	(574,537)	(574,537)	
Other Changes	1,521		1,521
Administrative expense		(12,156)	12,156
Net changes	678,048	825,776	(147,728)
Balances as of 12/31/20	\$ 9,148,928	\$ 6,811,963	\$ 2,336,965

Sensitivity of the Net Pension Liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.60%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.60%) or 1% higher (8.60%) than the current rate.

Sensitivity to Changes in Discount Rate

	1% DECREASE 6.60%	CURRENT DISCOUNT RATE (7.60%)	1% INCREASE 8.60%
Net Pension Liability at 12/31/20	\$ 3,252,541	\$ 2,336,965	\$ 1,552,817

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued MERS financial report.

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

For the year ended December 31, 2020, the employer recognized pension expense of \$(318,135). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual experience	\$ 165,639	\$ 110,384
Changes in assumption	188,087	0
Net difference between projected and actual earnings on pension plan investments	0	213,671
Total	\$ 353,726	\$ 324,055

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 23: DEFINED BENEFIT PENSION PLAN – Concluded

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2020. There were none reported in the current year.

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

Year ended	<u>Net Amount</u>
2021	\$ (28,225)
2022	133,191
2023	(14,095)
2024	<u>(61,200)</u>
Total	\$ <u>29,671</u>

NOTE 24: ROAD COMMISSION STATE EQUIPMENT PURCHASE ADVANCE/HIGHWAY MAINTENANCE ADVANCE

State equipment purchase advance is determined by a formula applied to the book value of equipment of the previous fiscal year. This amount is adjusted each fiscal year in accordance with the formula, and would be refunded to the State Department of Transportation upon termination of the State Highway Maintenance contract. Equipment advance monies for fiscal year 2020 amounted to \$333,921.00.

NOTE 25: FUND BALANCE DEFICIT

At December 31, 2020, the County did not have any funds with a deficit fund balance.

NOTE 26: DEFERRED INFLOWS

The Deferred Inflows recorded by the County of Mason reflects property taxes that were levied in December, 2020, and recorded as property tax receivable and deferred inflows at December 31, 2020 in various Special Revenue Funds and Enterprise Funds.

NOTE 27: FUND BALANCES – GOVERNMENTAL FUNDS

In February, 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved have been replaced with five new classifications: non-spendable, restricted, committed, assigned and unassigned.

Non-spendable – assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact, such as the corpus of a permanent fund or foundation.

Restricted – amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 27: FUND BALANCES – GOVERNMENTAL FUNDS - Concluded

Committed – amounts constrained on use imposed by formal action of the government’s highest level of decision making authority (i.e., Board, Council, etc.)

Assigned – amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee, or a delegated municipality official.

Unassigned – all other resources; the remaining fund balance after non-spendable, restrictions, commitments, and assignments. This class only occurs in the General Fund except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classifications and Procedures

For committed fund balance, Mason County’s highest level of decision-making authority is the Board of Commissioners. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.

For assigned fund balance, the County Commissioners are authorized to assign amounts to a specific purpose. The authorization has been delegated by the County Commissioners to the County Administrator.

	GENERAL FUND	ROAD PATROL	PUBLIC IMPROVEMENT	JAIL OPERATIONS	NON-MAJOR FUNDS
Nonspendable					
Prepays	\$106,025.30	\$23,540.25	\$ 0.00	\$35,698.07	\$ 8,081.14
Long-term advance to enterprise fund	1,131,068.38	0.00	0.00	0.00	508,363.07
Restricted for					
Landfill perpetual care	0.00	0.00	0.00	0.00	103,759.60
Other	0.00	0.00	0.00	0.00	65,183.56
Committed for					
Loss of revenue sharing	2,536,728.25	0.00	0.00	0.00	0.00
Budget stabilization	1,902,214.07	0.00	0.00	0.00	0.00
Road Patrol	0.00	658,052.45	0.00	0.00	0.00
Senior citizens	0.00	0.00	0.00	0.00	297,727.27
Jail operations	0.00	0.00	0.00	1,396,555.66	0.00
Other	0.00	0.00	0.00	0.00	2,909,908.21
Assigned for					
Animal control	4,292.72	0.00	0.00	0.00	0.00
Employee benefits	724,093.17	0.00	0.00	0.00	0.00
Public improvement	0.00	0.00	7,256,070.28	0.00	0.00
Landfill perpetual care	0.00	0.00	0.00	0.00	1,978,044.85
Jail construction	0.00	0.00	0.00	0.00	353,896.60
Equipment replacement	0.00	0.00	0.00	0.00	3,198,926.74
Unassigned	3,747,889.94	0.00	0.00	0.00	0.00

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 28: UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It established 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. The County is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the County's financial statements for the 2021 fiscal year.

NOTE 29: SUBSEQUENT EVENTS

The County finances continue to be impacted by the outbreak of a novel strain of coronavirus (COVID-19). The extent of the impact on COVID-19 on the County's operation and financial performance will depend on certain developments, including duration and spread of the outbreak. The extent to which COVID-19 may impact the financial condition or results of operations is uncertain at this time.

NOTE 30: TAX ABATEMENTS

The County received reduced property tax revenues during 2020 as a result of industrial facilities tax exemptions (IFT's) and brownfield redevelopment agreements entered by cities, villages, townships, and authorities within the County.

The IFT's were entered into based upon the Plan Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements reduced 2020 County tax revenues as follows:

<u>FUND</u>	<u>AMOUNT</u>
General Fund	\$24,540.69
Soldiers and Sailors Fund	14.45
Jail Operations	2,792.71
Medical Care Facility	4,677.79
Senior Citizens	1,409.36
Road Patrol	1,444.50
911	674.10
Total	<u>\$35,553.60</u>

MASON COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2020

NOTE 30: TAX ABATEMENTS - Concluded

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, and amended. Under this act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The abatements reduced 2020 County tax revenues as follows:

<u>FUND</u>	<u>AMOUNT</u>
General Fund	\$31,659.72
Soldiers and Sailors Fund	18.64
Jail Operations	3,602.85
Medical Care Facility	6,034.77
Senior Citizens	1,818.20
Road Patrol	1,863.54
911	<u>869.65</u>
Total	<u>\$45,867.37</u>

NOTE 31: FAIR VALUE MEASUREMENT

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 below.

Instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The County has the following recurring fair value measurements as of December 31, 2020:

- Federal Home Loans of \$1,107,891.00 are valued using quoted market prices (Level 2 inputs).
- Corporate bonds of \$2,256,463.02 are valued using quoted market prices (Level 2 inputs)
- Municipal bonds of \$15,566,945.57 are valued using quoted market prices (Level 2 inputs).

The County has the following recurring fair value measurements as of December 31, 2020:

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

	<u>Fair Value Measurement Using</u>		
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Balance December 31, 2020			
\$ <u>18,931,299.59</u>	\$ _____	\$ <u>18,931,299.59</u>	\$ _____

REQUIRED SUPPLEMENTARY INFORMATION

MASON COUNTY, MICHIGAN
MAJOR GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>General Fund</u>				
REVENUES				
Taxes	\$ 10,655,850.00	\$ 11,309,975.00	\$ 11,318,823.45	\$ 8,848.45
Permits and regulatory licenses	92,500.00	76,775.00	77,830.00	1,055.00
Intergovernmental				
Federal/State	1,931,600.00	1,806,275.00	2,427,701.09	621,426.09
Charges for services	792,825.00	799,250.00	816,401.39	17,151.39
Fines and forfeitures	2,100.00	3,700.00	3,700.00	0.00
Interest and rents	136,900.00	116,850.00	126,566.89	9,716.89
Miscellaneous	337,325.00	342,400.00	351,980.38	9,580.38
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	13,949,100.00	14,455,225.00	15,123,003.20	667,778.20
EXPENDITURES				
Current				
Legislative	480,575.00	417,400.00	409,503.05	7,896.95
Judicial	1,821,300.00	1,822,050.00	1,752,604.51	69,445.49
General government administration	3,555,075.00	3,358,175.00	3,278,159.75	80,015.25
Public safety	695,725.00	649,425.00	596,539.69	52,885.31
Public works	60,875.00	69,125.00	68,352.87	772.13
Health and social services	681,084.00	619,584.00	603,277.51	16,306.49
Parks, recreation, and cultural	7,500.00	36,775.00	36,495.00	280.00
Miscellaneous	225,225.00	113,125.00	112,400.11	724.89
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	7,527,359.00	7,085,659.00	6,857,332.49	228,326.51
EXCESS OF REVENUES OVER EXPENDITURES				
	<hr/>	<hr/>	<hr/>	<hr/>
	6,421,741.00	7,369,566.00	8,265,670.71	896,104.71
OTHER FINANCING SOURCES (USES)				
Transfers in	0.00	62,875.00	62,846.65	(28.35)
Transfers out	(6,402,641.00)	(7,326,341.00)	(7,326,341.00)	0.00
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	(6,402,641.00)	(7,263,466.00)	(7,263,494.35)	(28.35)
CHANGE IN FUND BALANCE				
	<hr/>	<hr/>	<hr/>	<hr/>
	19,100.00	106,100.00	1,002,176.36	896,076.36
FUND BALANCE, JANUARY 1				
	<hr/>	<hr/>	<hr/>	<hr/>
	9,150,135.47	9,150,135.47	9,150,135.47	0.00
FUND BALANCE, DECEMBER 31				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 9,169,235.47	\$ 9,256,235.47	\$ 10,152,311.83	\$ 896,076.36

MASON COUNTY, MICHIGAN
MAJOR GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>Jail Operations</u>				
REVENUES				
Property taxes	\$ 1,151,000.00	\$ 1,156,650.00	\$ 1,162,873.84	\$ 6,223.84
Federal grants	0.00	13,400.00	50,018.04	36,618.04
Charges for services	108,850.00	112,100.00	128,402.83	16,302.83
Interest and rental	17,500.00	22,925.00	29,924.10	6,999.10
Unrealized gain on investments	0.00	0.00	(19,046.35)	(19,046.35)
Other	14,800.00	475.00	494.40	19.40
TOTAL REVENUES	1,292,150.00	1,305,550.00	1,352,666.86	47,116.86
EXPENDITURES				
Public Safety	2,829,750.00	2,843,150.00	2,624,062.93	219,087.07
TOTAL EXPENDITURES	2,829,750.00	2,843,150.00	2,624,062.93	219,087.07
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,537,600.00)	(1,537,600.00)	(1,271,396.07)	266,203.93
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,636,850.00	1,636,850.00	1,636,850.00	0.00
Operating transfers out	(99,250.00)	(99,250.00)	(99,250.00)	0.00
TOTAL OTHER FINANCING SOURCES (USES)	1,537,600.00	1,537,600.00	1,537,600.00	0.00
CHANGE IN FUND BALANCE	0.00	0.00	266,203.93	266,203.93
FUND BALANCE, JANUARY 1	1,166,049.80	1,166,049.80	1,166,049.80	0.00
FUND BALANCE, DECEMBER 31	\$ 1,166,049.80	\$ 1,166,049.80	\$ 1,432,253.73	\$ 266,203.93

MASON COUNTY, MICHIGAN
MAJOR GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - CONCLUDED
FOR THE YEAR ENDED DECEMBER 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>Road Patrol</u>				
REVENUES				
Taxes	\$ 575,575.00	\$ 575,575.00	\$ 601,138.18	\$ 25,563.18
Federal Grants	0.00	22,650.00	44,582.27	21,932.27
State Grants	23,500.00	23,500.00	83,997.26	60,497.26
Charges for services	4,500.00	4,500.00	6,977.50	2,477.50
Interest and rental	3,250.00	3,250.00	5,976.75	2,726.75
Other	0.00	4,925.00	12,219.80	7,294.80
TOTAL REVENUES	606,825.00	634,400.00	754,891.76	120,491.76
EXPENDITURES				
Public Safety	2,504,500.00	2,511,700.00	2,314,114.33	197,585.67
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,897,675.00)	(1,877,300.00)	(1,559,222.57)	318,077.43
OTHER FINANCING SOURCES (USES)				
Operating transfers in	2,109,000.00	2,109,000.00	2,109,000.00	0.00
Operating transfers out	(78,500.00)	(98,275.00)	(98,275.00)	0.00
TOTAL OTHER FINANCING SOURCES (USES)	2,030,500.00	2,010,725.00	2,010,725.00	0.00
CHANGE IN FUND BALANCE	132,825.00	133,425.00	451,502.43	318,077.43
FUND BALANCE, JANUARY 1	230,090.27	230,090.27	230,090.27	0.00
FUND BALANCE, DECEMBER 31	\$ 362,915.27	\$ 363,515.27	\$ 681,592.70	\$ 318,077.43

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MASON COUNTY, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY
NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS

	2020	2019	2018	2017
TOTAL PENSION LIABILITY				
Service cost	\$ 812,974	\$ 799,372	\$ 802,461	\$ 811,431
Interest	4,626,655	4,704,620	4,583,410	4,454,477
Benefit payments, including refunds	(3,848,919)	(3,633,308)	(3,328,956)	(3,032,275)
Other Changes	223,187	(71,967)	(46,420)	(154,030)
Changes in experience	(90,891)	371,574	(341,644)	(315,116)
Changes in assumptions	1,886,631	-	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	3,609,637	2,170,291	1,668,851	1,764,487
TOTAL PENSION LIABILITY - BEGINNING OF YEAR	62,395,009	60,224,718	58,555,867	56,791,380
TOTAL PENSION LIABILITY - END OF YEAR	\$ 66,004,646	\$ 62,395,009	\$ 60,224,718	\$ 58,555,867
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 3,394,345	\$ 2,961,219	\$ 2,774,978	\$ 2,300,547
Net investment income	6,013,667	5,595,726	(1,706,528)	5,181,500
Benefit payments, including refunds	(3,848,919)	(3,633,308)	(3,328,956)	(3,032,275)
Administrative expenses	(93,513)	(96,416)	(84,509)	(82,017)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	5,465,580	4,827,221	(2,345,015)	4,367,755
PLAN FIDUCIARY NET POSITION - BEGINNING OF YEAR	46,140,073	41,312,852	43,657,867	39,290,112
PLAN FIDUCIARY NET POSITION - END OF YEAR	\$ 51,605,653	\$ 46,140,073	\$ 41,312,852	\$ 43,657,867
COUNTY'S NET PENSION LIABILITY - ENDING	\$ 14,398,993	\$ 16,254,936	\$ 18,911,866	\$ 14,898,000
PLAN FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	78.18%	73.95%	68.60%	74.56%
COVERED PAYROLL	\$ 5,719,234	\$ 5,691,053	\$ 5,508,706	\$ 5,530,342
NET PENSION LIABILITY AS A % OF COVERED PAYROLL	251.76%	285.62%	343.31%	269.39%

2016	2015
\$ 758,736	\$ 744,392
3,992,329	3,954,611
(2,785,846)	(2,575,225)
39,771	(56,203)
818,706	-
3,050,011	-
5,873,707	2,067,575
50,917,673	48,850,098
<u>\$ 56,791,380</u>	<u>\$ 50,917,673</u>
\$ 2,367,247	\$ 1,646,746
4,048,534	(556,076)
(2,785,846)	(2,575,225)
(79,910)	(81,291)
3,550,025	(1,565,846)
35,740,087	37,305,933
<u>\$ 39,290,112</u>	<u>\$ 35,740,087</u>
<u>\$ 17,501,268</u>	<u>\$ 15,177,586</u>
69.18%	70.19%
<u>\$ 5,613,079</u>	<u>\$ 5,770,891</u>
311.79%	263.00%

MASON COUNTY, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Actuarially determined contribution	\$ 2,687,473	\$ 2,282,445	\$ 1,971,858	\$ 1,827,570
Contributions in relation to the actuarially determined contribution	<u>3,394,344</u>	<u>2,961,219</u>	<u>2,774,978</u>	<u>2,300,547</u>
CONTRIBUTION EXCESS	\$ <u>(706,871)</u>	\$ <u>(678,774)</u>	\$ <u>(803,120)</u>	\$ <u>(472,977)</u>
COVERED PAYROLL	\$ 5,719,234	\$ 5,691,053	\$ 5,508,706	\$ 5,530,342
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	59.35%	52.03%	50.37%	41.60%

Notes to Schedule of County Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	19 years
Asset valuation method	5-year smoothed
Inflation	2.50%
Salary increases	4.50%
Investment rate of return	8%
Retirement age	60
Mortality	50% Female/50% Male 2014 Group Annuity Mortality Table
Other information	None

	2016		2015		2014		2013		2012		2011
\$	1,556,342	\$	1,448,602	\$	1,363,117	\$	1,379,864	\$	1,140,536	\$	1,004,531
	<u>2,367,247</u>		<u>1,646,746</u>		<u>1,538,117</u>		<u>1,442,264</u>		<u>1,231,346</u>		<u>1,004,531</u>
\$	<u>(810,905)</u>	\$	<u>(198,144)</u>	\$	<u>(175,000)</u>	\$	<u>(62,400)</u>	\$	<u>(90,810)</u>	\$	<u>-</u>
\$	5,613,079	\$	5,770,891	\$	5,730,313	\$	5,833,397	\$	5,656,128	\$	5,942,012
	42.17%		28.54%		26.84%		24.72%		21.77%		16.91%

**MASON COUNTY, MICHIGAN
ROAD COMMISSION
SCHEDULE OF CHANGES IN THE
NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS**

	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY					
Service cost	\$ 166,933	162,474	152,624	\$ 143,552	\$ 134,411
Interest	661,366	633,665	640,651	612,520	605,095
Benefit payments, including refunds	(574,537)	(463,754)	(374,857)	(367,230)	(352,484)
Other Changes	1,521	(6,264)	(24,686)	(48,544)	(39,185)
Differences between expected and actual experience	171,982	73,305	-	10,624	(360,537)
Changes in assumptions	250,783	-	(441,536)	-	337,511
NET CHANGE IN TOTAL PENSION LIABILITY	678,048	399,426	(47,804)	350,922	324,811
TOTAL PENSION LIABILITY - BEGINNING OF YEAR	8,470,880	8,071,454	8,119,258	7,768,336	7,443,525
TOTAL PENSION LIABILITY - END OF YEAR	\$ 9,148,928	8,470,880	8,071,454	\$ 8,119,258	\$ 7,768,336
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 626,006	592,550	347,363	\$ 301,961	\$ 290,143
Net investment income	786,463	710,324	(213,430)	639,846	501,752
Benefit payments, including refunds	(574,537)	(463,754)	(374,857)	(367,230)	(352,484)
Other expense	-	-	-	-	1
Administrative expenses	(12,156)	(12,253)	(10,527)	(10,126)	(9,902)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	825,776	826,867	(251,451)	564,451	429,510
PLAN FIDUCIARY NET POSITION - BEGINNING OF YEAR	5,986,187	5,159,320	5,410,771	4,846,320	4,416,810
PLAN FIDUCIARY NET POSITION - END OF YEAR	\$ 6,811,963	5,986,187	5,159,320	\$ 5,410,771	\$ 4,846,320
COUNTY'S NET PENSION LIABILITY - ENDING	\$ 2,336,965	2,484,693	2,912,134	\$ 2,708,487	\$ 2,922,016
PLAN FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	74.46%	70.67%	63.92%	66.64%	62.39%
COVERED EMPLOYEE PAYROLL	\$ 1,808,066	1,768,083	1,616,727	\$ 1,536,826	\$ 1,458,502
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED -EMPLOYEE PAYROLL	129.25%	140.53%	180.13%	176.24%	200.34%

2015

\$ 145,384
576,243
(336,472)
(21,937)
-
-

363,218

7,080,307

\$ 7,443,525

\$ 252,898
(68,546)
(336,472)
(1)
(10,009)

(162,130)

4,578,940

\$ 4,416,810

\$ 3,026,715

59.34%

\$ 1,575,702

192.09%

**MASON COUNTY, MICHIGAN
ROAD COMMISSION
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CONTRIBUTIONS
LAST SIX FISCAL YEARS**

	2020	2019	2018	2017	2016
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 386,006	\$ 352,550	\$ 347,363	\$ 301,961	\$ 290,143
CONTRIBUTIONS IN RELATION TO THE					
ACTUARIALLY DETERMINED CONTRIBUTION	626,006	592,550	(347,363)	(301,961)	(290,143)
CONTRIBUTION DEFICIENCY (EXCESS)	(240,000)	(240,000)	\$ -	\$ -	\$ -
COVERED PAYROLL	1,808,066	1,768,083	1,616,727	1,536,826	1,458,502
CONTRIBUTIONS AS A PERCENTAGE					
OF COVERED PAYROLL	34.62%	33.51%	21.49%	19.65%	19.89%

NOTES TO SCHEDULE:

**ACTUARIALLY DETERMINED CONTRIBUTION RATES ARE CALCULATED AS OF
DECEMBER 31ST, TWO YEARS PRIOR TO THE END OF THE FISCAL YEAR IN
WHICH CONTRIBUTIONS ARE REPORTED.**

METHODS AND ASSUMPTIONS USE TO DETERMINE CONTRIBUTION RATES:

ACTUARIAL COST METHOD	ENTRY AGE
AMORTIZATION METHOD	LEVEL PERCENTAGE OF PAYROLL CLOSED
REMAINING AMORTIZATION PERIOD	21 YEARS
ASSET VALUATION METHOD	5 YEARS SMOOTHED MARKET
INFLATION	2.50%
SALARY INCREASES	3.75% AVERAGE, INCLUDING INFLATION
INVESTMENT RATE OF RETURN	7.75%
RETIREMENT AGE	IN THE 2017 ACTUARIAL VALUATION, EXPECTED RETIREMENT AGES OF GENERAL EMPLOYEES WERE ADJUSTED TO MORE CLOSELY REFLECT ACTUAL EXPERIENCE
MORTALITY	ASSUMPTIONS WERE BASED ON THE RP-2014 GROUP ANNUITY MORTALITY TABLE - BLENDED 50% MALE/ 50% FEMALE

	2015
\$	252,898
	(252,898)
\$	-
	1,575,702
	16.05%

MASON COUNTY, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF CHANGES IN THE ROAD COMMISSION
NET OPEB LIABILITY AND RELATED RATIOS
LAST THREE FISCAL YEARS

	2020	2019	2018
TOTAL OPEB LIABILITY			
Service cost	\$ 9,168	\$ 12,199	\$ 12,765
Interest	3,488	7,644	9,446
Benefit payments, including refunds	(19,500)	(13,250)	(8,000)
Changes in experience	(8,041)	(49,842)	(44,576)
Changes in assumptions	(9,797)	(92,249)	(4,971)
Other changes	5,227	-	-
NET CHANGE IN TOTAL OPEB LIABILITY	(19,455)	(135,498)	(35,336)
TOTAL OPEB LIABILITY - BEGINNING OF YEAR	102,356	237,854	273,190
TOTAL OPEB LIABILITY - END OF YEAR	\$ 82,901	\$ 102,356	\$ 237,854
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 19,500	\$ 35,000	\$ 29,750
Net investment income	46,995	5,231	2,947
Benefit payments, including refunds	(19,500)	(13,250)	(8,000)
Administrative expenses	(67)	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	46,928	26,981	24,697
PLAN FIDUCIARY NET POSITION - BEGINNING OF YEAR	238,930	211,949	187,252
PLAN FIDUCIARY NET POSITION - END OF YEAR	\$ 285,858	\$ 238,930	\$ 211,949
COUNTY'S NET OPEB (ASSET)/LIABILITY - ENDING	\$ (202,957)	\$ (136,574)	\$ 25,905
PLAN FIDUCIARY NET POSITION AS A % OF TOTAL OPEB LIABILITY	344.82%	233.43%	89.11%
COVERED PAYROLL	2,124,727	1,598,062	1,616,727
NET OPEB LIABILITY AS A % OF COVERED PAYROLL	-9.55%	-8.55%	1.60%
Schedule of Employer Contributions			
Actuarially determined employer contribution	\$ -	\$ 17,889	\$ 19,130
Contributions in relation to the actuarially determined contributions	19,500	13,250	8,000
Contribution deficiency/(excess)	\$ (19,500)	4,639	11,130
Covered Payroll	\$ 2,124,727	\$ 1,598,062	\$ 1,616,727
Contribution as percentage of covered payroll	0.92%	0.83%	0.49%

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MASON COUNTY, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF CHANGES IN THE DISTRICT LIBRARY
NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS

	2020	2019	2018	2017
TOTAL PENSION LIABILITY				
Service cost	\$ 35,892	\$ 37,926	\$ 37,025	\$ 37,210
Interest	187,355	192,431	188,740	181,385
Benefit payments, including refunds	(160,039)	(155,968)	(149,571)	(142,681)
Other Changes	1,718	(4,729)	(7,079)	(8,068)
Changes in experience	8,584	(6,789)	(20,239)	27,635
Changes in assumptions	73,215	-	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	146,725	62,871	48,876	95,481
TOTAL PENSION LIABILITY - BEGINNING OF YEAR	2,527,274	2,464,403	2,415,527	2,320,046
TOTAL PENSION LIABILITY - END OF YEAR	\$ 2,673,999	\$ 2,527,274	\$ 2,464,403	\$ 2,415,527
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 108,975	\$ 66,545	\$ 63,212	\$ 68,000
Net investment income	235,167	231,708	(71,974)	227,278
Benefit payments, including refunds	(160,039)	(155,968)	(149,571)	(142,681)
Administrative expenses	(3,741)	(3,990)	(3,622)	(3,604)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	180,362	138,295	(161,955)	148,993
PLAN FIDUCIARY NET POSITION - BEGINNING OF YEAR	1,872,030	1,733,735	1,895,690	1,746,697
PLAN FIDUCIARY NET POSITION - END OF YEAR	\$ 2,052,392	\$ 1,872,030	\$ 1,733,735	\$ 1,895,690
COUNTY'S NET PENSION LIABILITY - ENDING	\$ 621,607	\$ 655,244	\$ 730,668	\$ 519,837
PLAN FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	76.75%	74.07%	70.35%	78.48%
COVERED PAYROLL	\$ 379,740	\$ 288,046	\$ 302,109	\$ 296,648
NET PENSION LIABILITY AS A % OF COVERED PAYROLL	163.69%	227.48%	241.86%	175.24%

	2016	2015
\$	36,147	\$ 38,799
	165,524	162,167
	(128,858)	(113,037)
	6,132	4,697
	769	-
	<u>124,925</u>	<u>-</u>
	204,639	92,626
	<u>2,115,407</u>	<u>2,022,781</u>
\$	<u><u>2,320,046</u></u>	\$ <u><u>2,115,407</u></u>
\$	51,319	\$ 43,584
	184,334	(25,676)
	(128,858)	(113,037)
	<u>(3,640)</u>	<u>(3,775)</u>
	103,155	(98,904)
	<u>1,643,542</u>	<u>1,742,446</u>
\$	<u><u>1,746,697</u></u>	\$ <u><u>1,643,542</u></u>
\$	<u><u>573,349</u></u>	\$ <u><u>471,865</u></u>
	75.29%	77.69%
\$	<u><u>296,404</u></u>	\$ <u><u>291,721</u></u>
	193.43%	161.75%

MASON COUNTY, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
District Library

	2020	2019	2018	2017
Actuarially determined contribution	\$ 108,975	\$ 66,545	\$ 63,212	\$ 68,000
Contributions in relation to the actuarially determined contribution	<u>108,975</u>	<u>66,545</u>	<u>63,212</u>	<u>68,000</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
COVERED PAYROLL	\$ 379,740	\$ 288,046	\$ 302,109	\$ 296,648
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	28.70%	23.10%	20.92%	22.92%

Notes to Schedule of District Library Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	18 years
Asset valuation method	5-year smoothed
Inflation	2.50%
Salary increases	4.50%
Investment rate of return	8%
Retirement age	60
Mortality	50% Female/50% Male 2014 Group Annuity Mortality Table
Other information	None

	2016		2015		2014		2013		2012		2011
\$	51,319	\$	43,584	\$	42,231	\$	38,883	\$	39,745	\$	50,458
	<u>51,319</u>		<u>43,584</u>		<u>43,325</u>		<u>47,854</u>		<u>48,959</u>		<u>50,458</u>
	<u>-</u>		<u>-</u>		<u>(1,094)</u>		<u>(8,971)</u>		<u>(9,214)</u>		<u>-</u>
\$	296,404	\$	291,721	\$	315,674	\$	272,566	\$	277,718	\$	297,685
	17.31%		14.94%		13.72%		17.56%		17.63%		16.95%

MASON COUNTY, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF CHANGES IN THE COUNTY
NET OPEB (ASSET)/LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS

	2020	2019	2018
TOTAL OPEB LIABILITY			
Service cost	\$ 117,413	\$ 120,971	\$ 93,030
Interest	254,287	251,759	330,227
Benefit payments, including refunds	(278,585)	(368,388)	(349,258)
Changes is experience	36,446	(5,330)	(704,240)
Changes is assumptions	(121,165)	-	418,801
	<u>8,396</u>	<u>(988)</u>	<u>(211,440)</u>
NET CHANGE IN TOTAL OPEB LIABILITY			
	<u>8,396</u>	<u>(988)</u>	<u>(211,440)</u>
TOTAL OPEB LIABILITY - BEGINNING OF YEAR	<u>4,318,708</u>	<u>4,319,696</u>	<u>4,531,136</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 4,327,104</u>	<u>\$ 4,318,708</u>	<u>\$ 4,319,696</u>
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 392,144	\$ 492,038	\$ 559,475
Net investment income	381,539	161,677	80,556
Benefit payments, including refunds	(278,585)	(368,388)	(349,258)
Administrative expenses	(9,615)	(8,728)	(11,051)
	<u>485,483</u>	<u>276,599</u>	<u>279,722</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION			
	<u>485,483</u>	<u>276,599</u>	<u>279,722</u>
PLAN FIDUCIARY NET POSITION - BEGINNING OF YEAR	<u>5,031,598</u>	<u>4,754,999</u>	<u>4,475,277</u>
PLAN FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 5,517,081</u>	<u>\$ 5,031,598</u>	<u>\$ 4,754,999</u>
COUNTY'S NET OPEB (ASSET)/LIABILITY - ENDING	<u>\$ (1,189,977)</u>	<u>\$ (712,890)</u>	<u>\$ (435,303)</u>
PLAN FIDUCIARY NET POSITION AS A % OF TOTAL OPEB LIABILITY	127.50%	116.51%	110.08%
COVERED PAYROLL	<u>\$ 3,584,731</u>	<u>\$ 3,604,856</u>	<u>\$ 3,600,087</u>
NET OPEB LIABILITY AS A % OF COVERED PAYROLL	-33.20%	-19.78%	-12.09%

Includes amounts being paid outside of the trust.
Payroll provided separately by the employer.

2017

\$ 94,462
329,873
(340,813)
(73,862)
-

9,660

4,521,476

\$ 4,531,136

\$ 567,946
405,480
(340,813)
(9,837)

622,776

3,852,501

\$ 4,475,277

\$ 55,859

98.77%

\$ 3,843,786

1.45%

**MASON COUNTY, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF THE NET OPEB LIABILITY MULTIYEAR
FOR THE YEAR ENDED DECEMBER 31, 2020**

Health Benefits:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll ((b-a)/c)
2017	\$ 4,475,277	\$ 4,531,136	\$ 55,859	98.77%	\$ 3,843,786	1.45%
2018	\$ 4,754,999	\$ 4,319,696	\$ (435,303)	110.08%	\$ 3,600,087	-12.09%
2019	\$ 5,031,598	\$ 4,318,708	\$ (712,890)	116.51%	\$ 3,604,856	-19.78%
2020	\$ 5,517,081	\$ 4,327,104	\$ (1,189,977)	127.50%	\$ 3,584,731	-33.20%

Payroll provided separately by the employer.

**MASON COUNTY, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF CONTRIBUTIONS
LAST FOUR FISCAL YEARS
OPEB**

	2020	2019	2018	2017
Actuarially determined contribution	\$ 113,559	\$ 123,650	\$ 210,217	\$ 202,133
Contributions in relation to the actuarially determined contribution	392,144	492,038	559,475	567,946
CONTRIBUTION DEFICIENCY (EXCESS)	(278,585)	(368,388)	(349,258)	(365,813)
COVERED PAYROLL	\$ 3,584,731	\$ 3,604,856	\$ 3,600,087	\$ 3,843,786
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	10.94%	13.65%	15.54%	14.78%

Notes to Schedule of Contributions

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	16 years closed
Asset valuation method	Market Value of Assets
Inflation	2.50%
Wage inflation	3.75%
Salary increases	3.75% to 14.75% including wage inflation
Investment rate of return	6.00% net of OPEB plan investment expense
Retirement age	Experience based table of rates that are specific to the type of eligibility condition
Mortality	The RP-2014 Mortality Combined Healthy Tables Projected 20 years with U.S. Projection Scale BB
Health Care Trend Rates	Initial trend of 9.00% and gradually decreasing to an ultimate trend of 3.75% in year 10
Excise Tax	No load was applied in connection with the "Cadillac" tax
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death" from National Health Care Consultant groups and

Other information There were no new benefit changes reported during this year.

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GENERAL FUND

The General Fund is used to account for resources traditionally associated with local government, and any other activity for which a special fund has not been created.

**MASON COUNTY, MICHIGAN
BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2020**

ASSETS

Cash and cash equivalents	\$ 1,026,864.51
Investments - net	8,083,754.67
Accounts receivable	7,192.37
Interest receivable	24,050.25
Prepaid items	106,025.30
Advances to other funds	1,131,383.86
Due from other units	36,034.43
Due from federal and state governments	<u>275,616.96</u>
TOTAL ASSETS	\$ <u><u>10,690,922.35</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 341,981.58
Unearned revenue	22,630.00
Due to individuals	27,698.39
Due to federal and state governments	95,992.55
Due to other funds	14,104.92
Accrued liabilities	<u>36,203.08</u>
TOTAL LIABILITIES	<u>538,610.52</u>

FUND BALANCE

Nonspendable	1,237,093.68
Committed	4,438,942.32
Assigned	728,385.89
Unassigned	<u>3,747,889.94</u>
TOTAL FUND BALANCE	<u>10,152,311.83</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u><u>10,690,922.35</u></u>

MASON COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES	
General property taxes	\$ 11,318,823.45
Permits and regulatory licenses	77,830.00
Intergovernmental	
Federal	1,044,815.87
State	1,382,885.22
Charges for services	816,401.39
Interest and rents	126,566.89
Fines and forfeitures	3,700.00
Miscellaneous	<u>351,980.38</u>
TOTAL REVENUES	<u>15,123,003.20</u>
EXPENDITURES	
Legislative	409,503.05
Judicial	1,752,604.51
General government administration	3,278,159.75
Public safety	596,539.69
Public works	68,352.87
Health and social services	603,277.51
Recreation and cultural	36,495.00
Other	<u>112,400.11</u>
TOTAL EXPENDITURES	<u>6,857,332.49</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>8,265,670.71</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	62,846.65
Transfers out	<u>(7,326,341.00)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,263,494.35)</u>
CHANGE IN FUND BALANCE	1,002,176.36
FUND BALANCE, JANUARY 1	<u>9,150,135.47</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 10,152,311.83</u></u>

MASON COUNTY, MICHIGAN
STATEMENT OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
District Court	\$ 281,825.00	\$ 240,700.00	\$ 243,815.61	\$ 3,115.61
Friend of the Court	33,750.00	40,550.00	43,651.45	3,101.45
Probate Court	14,475.00	9,000.00	9,640.56	640.56
Juvenile Court	28,750.00	28,550.00	28,619.79	69.79
Family counseling service	2,925.00	2,350.00	2,385.00	35.00
Equalization Department	19,925.00	16,625.00	17,636.20	1,011.20
Prosecutor	34,850.00	12,375.00	15,710.23	3,335.23
County Clerk	83,750.00	73,450.00	75,531.99	2,081.99
Register of Deeds	295,025.00	381,600.00	388,291.67	6,691.67
Property tax collections	10,118,000.00	10,378,525.00	10,385,800.72	7,275.72
Personal Property Tax Reimburse.	366,950.00	727,100.00	727,113.99	13.99
Delinquent personal tax	1,375.00	1,825.00	1,832.68	7.68
Other taxes	50,125.00	79,625.00	81,159.06	1,534.06
Payment in lieu of tax	119,400.00	122,900.00	122,917.00	17.00
COVID-19 Grants	0.00	27,000.00	589,602.16	562,602.16
Probate Judge supplement	110,725.00	117,125.00	117,130.34	5.34
Judicial salary standardization	137,150.00	137,150.00	137,172.00	22.00
Court financing reimbursements	126,850.00	114,375.00	114,001.00	(374.00)
Emergency management	21,000.00	17,650.00	23,574.81	5,924.81
Veterans' Affairs Grant	41,650.00	36,575.00	44,959.06	8,384.06
State Revenue Sharing	521,625.00	398,875.00	398,890.00	15.00
County Incentive Program	126,775.00	104,825.00	104,825.00	0.00
Medical Marijuana Oversight Grant	0.00	6,750.00	6,763.04	13.04
911 Center	179,250.00	179,250.00	157,291.00	(21,959.00)
Drunk driving case flow	5,325.00	6,250.00	6,273.32	23.32
C.R.P. reimbursement	329,000.00	329,000.00	392,904.84	63,904.84
Victims' rights	39,325.00	39,325.00	38,044.86	(1,280.14)
Convention facility tax	154,925.00	155,625.00	155,642.50	17.50
Township liquor license	14,475.00	15,000.00	15,010.60	10.60
State survey/remonumentation	41,700.00	38,625.00	38,634.00	9.00
Drug case information management	475.00	700.00	719.62	19.62
Investment income	82,300.00	62,300.00	72,011.14	9,711.14
Rents and leases	54,600.00	54,550.00	54,555.75	5.75
Reimbursements - refunds	325,275.00	334,100.00	342,236.20	8,136.20
Friend of the Court - incentive programs	36,325.00	37,150.00	38,734.06	1,584.06
Other Treasurer's fees	7,350.00	1,625.00	1,653.75	28.75
Sheriff's Department	2,125.00	0.00	0.00	0.00
Sale of capital assets	9,600.00	4,150.00	4,173.00	23.00
Drain Commissioner	39,675.00	45,675.00	45,980.42	305.42
Animal control	68,975.00	57,250.00	58,889.78	1,639.78
Zoning department	21,500.00	19,150.00	19,225.00	75.00
TOTAL REVENUES	\$ 13,949,100.00	\$ 14,455,225.00	\$ 15,123,003.20	\$ 667,778.20

MASON COUNTY, MICHIGAN
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES				
Animal control	\$ 197,150.00	\$ 195,650.00	\$ 190,591.40	\$ 5,058.60
Audit	17,800.00	18,300.00	18,459.85	(159.85)
Board of Commissioners	204,175.00	141,000.00	134,304.51	6,695.49
Circuit Court	424,700.00	422,000.00	410,885.03	11,114.97
Contingency	79,400.00	0.00	0.00	0.00
County Administrator	265,525.00	265,525.00	264,325.86	1,199.14
County maintenance	162,325.00	148,525.00	142,295.49	6,229.51
Copy machine	17,600.00	15,600.00	14,708.01	891.99
County Clerk's Office	501,500.00	501,500.00	501,311.84	188.16
County Plat Board	300.00	0.00	0.00	0.00
Courthouse maintenance	172,425.00	154,425.00	151,685.07	2,739.93
Department of Public Works	50,975.00	45,575.00	45,112.37	462.63
District Court	655,700.00	647,775.00	622,130.30	25,644.70
District Health Dept. #10	186,084.00	186,084.00	186,084.00	0.00
Department of Corrections	8,025.00	5,525.00	4,037.66	1,487.34
Drain Commissioner	288,650.00	287,600.00	285,912.40	1,687.60
Drains at large	9,900.00	23,550.00	23,240.50	309.50
Emergency planning	107,925.00	110,425.00	104,936.77	5,488.23
Employee benefits	145,725.00	144,525.00	135,791.84	8,733.16
Extension office	102,175.00	102,175.00	102,084.93	90.07
Election and Board of Canvassers	170,000.00	67,000.00	57,538.06	9,461.94
Equalization Department	478,500.00	483,300.00	467,684.05	15,615.95
Fairgrounds	6,500.00	36,500.00	36,495.00	5.00
Family counseling service	4,000.00	4,000.00	0.00	4,000.00
Health Department	64,125.00	71,225.00	66,751.36	4,473.64
Household hazardous waste prog.	7,000.00	7,000.00	7,000.00	0.00
Insurance and surety	3,600.00	2,100.00	1,578.23	521.77
Jail annex maintenance	29,500.00	18,500.00	15,734.02	2,765.98
Jury Commission	14,000.00	10,000.00	8,168.96	1,831.04
Juvenile Court	95,000.00	90,000.00	82,658.43	7,341.57
Mason County Growth Alliance	30,000.00	0.00	0.00	0.00
Mason - Lake soil conservation	18,500.00	18,500.00	18,500.00	0.00
Mason - Oceana 911	179,250.00	179,250.00	157,291.00	21,959.00
Medical Examiner	147,000.00	82,000.00	86,663.19	(4,663.19)
Mental Health Authority	139,750.00	139,750.00	139,750.00	0.00
Michigan Association of Counties	10,875.00	10,875.00	10,872.68	2.32
Lakeshore Regional Partners	77,475.00	83,000.00	77,821.25	5,178.75
Parks and recreation	1,000.00	275.00	0.00	275.00
Planning commission and zoning	203,450.00	156,450.00	136,086.54	20,363.46
Probate Court	619,875.00	642,750.00	624,724.13	18,025.87
Prosecutor's Office	779,075.00	751,925.00	734,753.43	17,171.57

MASON COUNTY, MICHIGAN
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - Concluded
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES - Concluded				
Regional planning	\$ 7,650.00	\$ 7,650.00	\$ 7,633.98	\$ 16.02
Register of Deeds	279,700.00	279,000.00	273,178.78	5,821.22
Remonumentation	41,725.00	38,725.00	38,639.33	85.67
Scottville office maintenance	28,100.00	23,600.00	22,544.41	1,055.59
Tax allocation boards	1,400.00	1,400.00	1,364.79	35.21
Treasurer's Office	425,600.00	407,600.00	399,795.33	7,804.67
United Way 211 service	2,000.00	2,000.00	2,000.00	0.00
Veterans' Affairs Grant	43,550.00	39,525.00	39,107.71	417.29
Veterans' burial	<u>21,100.00</u>	<u>16,000.00</u>	<u>5,100.00</u>	<u>10,900.00</u>
TOTAL EXPENDITURES	\$ <u>7,527,359.00</u>	\$ <u>7,085,659.00</u>	\$ <u>6,857,332.49</u>	\$ <u>228,326.51</u>

SPECIAL REVENUE FUNDS

A Special Revenue Fund is used to finance particular activities and is created out of receipts of specific taxes or other earmarked revenues. Such funds are authorized by statutory provisions to pay for certain activities with some special form of continuing revenues.

Special Revenue Funds in Mason County are the Road Patrol, Senior Citizens, Friend of the Court, Solid Waste Management Plan, Brownfield Redevelopment Authority/Economic Development, Building Department, Courthouse Preservation, Register of Deeds Automation, Indigent Defense, Community Corrections, DARE Program, Victims' Assistance, Drug Law Enforcement, Jail Operations, County Law Library, Community Development Block Grant, Emergency Management Grant, Justice Training, Social Welfare, Child Care, Soldiers' and Sailors' Relief, Building Authority Operations, Junk Ordinance Administration, Landfill Perpetual Care, Principle Residence Exemption, Corrections Officers Training, and Concealed Pistol Licensing.

**MASON COUNTY, MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2020**

	ROAD PATROL	SENIOR CITIZENS	FRIEND OF THE COURT	LANDFILL PERPETUAL CARE
ASSETS				
Cash and cash equivalents	\$ 223,671.32	\$ 263,653.54	\$ 145,588.55	\$ 733,387.17
Investments - net	398,714.12	40,317.37	16,559.57	1,347,863.67
Taxes receivable	608,262.14	547,435.93	0.00	0.00
Accounts receivable	0.00	0.00	0.00	0.00
Interest receivable	1,473.20	0.00	0.00	2,155.06
Long-term advances	0.00	0.00	0.00	508,363.07
Prepaid items	23,540.25	1,092.75	1,513.65	0.00
Due from other funds	14,104.92	0.00	0.00	0.00
Due from state	55,026.06	0.00	0.00	0.00
TOTAL ASSETS	\$ 1,324,792.01	\$ 852,499.59	\$ 163,661.77	\$ 2,591,768.97
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 15,758.53	\$ 6,243.64	\$ 1,278.41	\$ 1,601.45
Due to individuals	0.00	0.00	0.00	0.00
Accrued expenses	19,178.64	0.00	3,843.92	0.00
Due to other units	0.00	0.00	0.00	0.00
Due to state	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	34,937.17	6,243.64	5,122.33	1,601.45
DEFERRED INFLOWS	608,262.14	547,435.93	0.00	0.00
FUND BALANCE				
Nonspendable for prepaid items	23,540.25	1,092.75	1,513.65	0.00
Nonspendable for advances	0.00	0.00	0.00	508,363.07
Restricted	0.00	0.00	0.00	103,759.60
Committed	658,052.45	297,727.27	157,025.79	0.00
Assigned	0.00	0.00	0.00	1,978,044.85
TOTAL FUND BALANCE	681,592.70	298,820.02	158,539.44	2,590,167.52
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 1,324,792.01	\$ 852,499.59	\$ 163,661.77	\$ 2,591,768.97

JUNK ORDINANCE ADMINISTRATION	SOLID WASTE MANAGEMENT PLAN	BROWNFIELD REDEVELOPMENT AUTHORITY/ ECONOMIC DEVELOPMENT	BUILDING DEPARTMENT
\$ 80,254.72	\$ 26,561.56	\$ 285,888.73	\$ 388,852.74
0.00	0.00	5,196.17	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
998.00	0.00	0.00	1,676.37
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
<u>81,252.72</u>	<u>26,561.56</u>	<u>291,084.90</u>	<u>390,529.11</u>
\$ 0.00	\$ 0.00	\$ 0.00	\$ 93,108.45
0.00	0.00	0.00	0.00
71.16	0.00	0.00	809.80
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
<u>71.16</u>	<u>0.00</u>	<u>0.00</u>	<u>93,918.25</u>
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
998.00	0.00	0.00	1,676.37
0.00	0.00	0.00	0.00
65,183.56	0.00	0.00	0.00
15,000.00	26,561.56	291,084.90	294,934.49
0.00	0.00	0.00	0.00
<u>81,181.56</u>	<u>26,561.56</u>	<u>291,084.90</u>	<u>296,610.86</u>
\$ <u>81,252.72</u>	\$ <u>26,561.56</u>	\$ <u>291,084.90</u>	\$ <u>390,529.11</u>

MASON COUNTY, MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - Continued
DECEMBER 31, 2020

	COURTHOUSE PRESERVATION	PRINCIPAL RESIDENCE EXEMPTION	REGISTER OF DEEDS AUTOMATION	INDIGENT DEFENSE
ASSETS				
Cash and cash equivalents	\$ 149,217.93	\$ 17,825.68	\$ 24,599.61	\$ 567,613.18
Investments - net	187,436.94	0.00	0.00	0.00
Taxes receivable	0.00	17,702.94	0.00	0.00
Accounts receivable	0.00	0.00	0.00	0.00
Interest receivable	584.64	0.00	0.00	0.00
Long-term advances	0.00	0.00	0.00	0.00
Prepaid items	0.00	0.00	0.00	0.00
Due from other funds	0.00	0.00	0.00	0.00
Due from state	0.00	0.00	0.00	0.00
TOTAL ASSETS	\$ 337,239.51	\$ 35,528.62	\$ 24,599.61	\$ 567,613.18
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 40,677.04
Due to individuals	0.00	0.00	0.00	0.00
Accrued expenses	0.00	0.00	0.00	1.96
Due to other units	0.00	9,695.91	0.00	0.00
Due to state	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	0.00	9,695.91	0.00	40,679.00
DEFERRED INFLOWS	0.00	0.00	0.00	0.00
FUND BALANCE				
Nonspendable for prepaid items	0.00	0.00	0.00	0.00
Nonspendable for advances	0.00	0.00	0.00	0.00
Restricted	0.00	0.00	0.00	0.00
Committed	337,239.51	25,832.71	24,599.61	526,934.18
Assigned	0.00	0.00	0.00	0.00
TOTAL FUND BALANCE	337,239.51	25,832.71	24,599.61	526,934.18
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 337,239.51	\$ 35,528.62	\$ 24,599.61	\$ 567,613.18

COMMUNITY CORRECTIONS	CONCEALED PISTOL LICENSING	DARE PROGRAM	CORRECTIONS OFFICERS TRAINING	DRUG LAW ENFORCEMENT
\$ 4,349.51	\$ 54,247.85	\$ 1,395.93	\$ 19,779.94	\$ 6,935.49
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	648.00	0.00	0.00	0.00
<u>4,349.51</u>	<u>54,895.85</u>	<u>1,395.93</u>	<u>19,779.94</u>	<u>6,935.49</u>
\$ <u>4,349.51</u>	\$ <u>54,895.85</u>	\$ <u>1,395.93</u>	\$ <u>19,779.94</u>	\$ <u>6,935.49</u>
\$ 0.00	\$ 3,321.00	\$ 0.00	\$ 0.00	\$ 0.00
0.00	0.00	0.00	0.00	0.00
0.00	125.20	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	5.00	0.00	159.00	0.00
<u>0.00</u>	<u>3,451.20</u>	<u>0.00</u>	<u>159.00</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
4,349.51	51,444.65	1,395.93	19,620.94	6,935.49
0.00	0.00	0.00	0.00	0.00
<u>4,349.51</u>	<u>51,444.65</u>	<u>1,395.93</u>	<u>19,620.94</u>	<u>6,935.49</u>
\$ <u>4,349.51</u>	\$ <u>54,895.85</u>	\$ <u>1,395.93</u>	\$ <u>19,779.94</u>	\$ <u>6,935.49</u>

MASON COUNTY, MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - Continued
DECEMBER 31, 2020

	JAIL OPERATIONS	COUNTY LAW LIBRARY	COMMUNITY DEVELOPMENT BLOCK GRANT
ASSETS			
Cash and cash equivalents	\$ 482,790.89	\$ 62,206.55	\$ 8,517.00
Investments - net	975,286.31	0.00	0.00
Taxes receivable	1,175,973.47	0.00	0.00
Accounts receivable	3,855.29	0.00	0.00
Interest receivable	2,854.75	0.00	0.00
Long-term advances	0.00	0.00	0.00
Prepaid items	35,698.07	0.00	0.00
Due from other funds	0.00	0.00	0.00
Due from state	<u>15,098.69</u>	<u>0.00</u>	<u>0.00</u>
TOTAL ASSETS	\$ <u>2,691,557.47</u>	\$ <u>62,206.55</u>	\$ <u>8,517.00</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 55,903.51	\$ 760.69	\$ 0.00
Due to individuals	7,287.40	0.00	0.00
Accrued expenses	20,139.36	0.00	0.00
Due to other units	0.00	0.00	0.00
Due to state	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL LIABILITIES	<u>83,330.27</u>	<u>760.69</u>	<u>0.00</u>
DEFERRED INFLOWS	<u>1,175,973.47</u>	<u>0.00</u>	<u>0.00</u>
FUND BALANCE			
Nonspendable for prepaid items	35,698.07	0.00	0.00
Nonspendable for advances	0.00	0.00	0.00
Restricted	0.00	0.00	0.00
Committed	1,396,555.66	61,445.86	8,517.00
Assigned	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL FUND BALANCE	<u>1,432,253.73</u>	<u>61,445.86</u>	<u>8,517.00</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ <u>2,691,557.47</u>	\$ <u>62,206.55</u>	\$ <u>8,517.00</u>

**EMERGENCY
MANAGEMENT
GRANT**

\$	15,275.78
	31,758.76
	0.00
	6,833.14
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	<u>0.00</u>
\$	<u><u>53,867.68</u></u>

**VICTIM'S
ASSISTANCE**

\$	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	<u>0.00</u>
\$	<u><u>0.00</u></u>

**JUSTICE
TRAINING**

\$	4,820.10
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	<u>0.00</u>
\$	<u><u>4,820.10</u></u>

\$	0.00
	0.00
	367.12
	0.00
	<u>0.00</u>
	<u>367.12</u>
	<u>0.00</u>

\$	0.00
	0.00
	0.00
	0.00
	<u>0.00</u>
	<u>0.00</u>
	<u>0.00</u>

\$	0.00
	0.00
	0.00
	0.00
	<u>0.00</u>
	<u>0.00</u>
	<u>0.00</u>

	0.00
	0.00
	0.00
	53,500.56
	<u>0.00</u>
	<u>53,500.56</u>

	0.00
	0.00
	0.00
	0.00
	<u>0.00</u>
	<u>0.00</u>

	0.00
	0.00
	0.00
	4,820.10
	<u>0.00</u>
	<u>4,820.10</u>

\$	<u><u>53,867.68</u></u>
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\$	<u><u>0.00</u></u>
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\$	<u><u>4,820.10</u></u>
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MASON COUNTY, MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - Concluded
DECEMBER 31, 2020

	SOCIAL WELFARE	CHILD CARE
ASSETS		
Cash and cash equivalents	\$ 58,901.80	\$ 734,601.87
Investments - net	0.00	0.00
Taxes receivable	0.00	0.00
Accounts receivable	0.00	0.00
Interest receivable	0.00	0.00
Long-term advances	0.00	0.00
Prepaid items	1,007.93	1,792.44
Due from other funds	0.00	0.00
Due from state	0.00	111,948.07
	<hr/>	<hr/>
TOTAL ASSETS	\$ 59,909.73	\$ 848,342.38
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 1,000.00	\$ 22,970.70
Due to individuals	0.00	0.00
Accrued expenses	36.00	1,928.44
Due to other units	0.00	0.00
Due to the state	0.00	37,023.68
	<hr/>	<hr/>
TOTAL LIABILITIES	1,036.00	61,922.82
	<hr/>	<hr/>
DEFERRED INFLOWS	0.00	0.00
	<hr/>	<hr/>
FUND BALANCE		
Nonspendable for prepaid items	1,007.93	1,792.44
Nonspendable for advances	0.00	0.00
Restricted	0.00	0.00
Committed	57,865.80	784,627.12
Assigned	0.00	0.00
	<hr/>	<hr/>
TOTAL FUND BALANCE	58,873.73	786,419.56
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 59,909.73	\$ 848,342.38
	<hr/> <hr/>	<hr/> <hr/>

SOLDIERS' AND SAILORS' RELIEF	BUILDING AUTHORITY OPERATIONS	TOTAL
\$ 31,809.23	\$ 118,860.90	\$ 4,511,607.57
0.00	0.00	3,003,132.91
6,082.62	0.00	2,355,457.10
0.00	0.00	10,688.43
0.00	0.00	7,067.65
0.00	0.00	508,363.07
0.00	0.00	67,319.46
0.00	0.00	14,104.92
0.00	7,399.93	190,120.75
<u>37,891.85</u>	<u>126,260.83</u>	<u>10,667,861.86</u>
<u>\$ 37,891.85</u>	<u>\$ 126,260.83</u>	<u>\$ 10,667,861.86</u>
\$ 0.00	\$ 1,897.56	\$ 244,520.98
0.00	0.00	7,287.40
0.00	0.00	46,501.60
0.00	0.00	9,695.91
0.00	0.00	37,187.68
<u>0.00</u>	<u>1,897.56</u>	<u>345,193.57</u>
<u>6,082.62</u>	<u>0.00</u>	<u>2,337,754.16</u>
0.00	0.00	67,319.46
0.00	0.00	508,363.07
0.00	0.00	168,943.16
31,809.23	124,363.27	5,262,243.59
0.00	0.00	1,978,044.85
<u>31,809.23</u>	<u>124,363.27</u>	<u>7,984,914.13</u>
<u>\$ 37,891.85</u>	<u>\$ 126,260.83</u>	<u>\$ 10,667,861.86</u>

MASON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	ROAD PATROL	SENIOR CITIZENS	FRIEND OF THE COURT	LANDFILL PERPETUAL CARE
REVENUES				
Taxes	\$ 601,138.18	\$ 559,974.24	\$ 0.00	\$ 0.00
Federal grants	44,582.27	0.00	0.00	0.00
State grants	83,997.26	0.00	0.00	0.00
Charges for services	6,977.50	0.00	7,720.00	0.00
Unrealized (loss) gain on investments	0.00	0.00	0.00	(9,210.10)
Interest and rents	5,976.75	2,811.17	421.78	43,111.84
Fines and forfeits	0.00	0.00	0.00	0.00
Other	12,219.80	0.00	0.00	13,401.97
TOTAL REVENUES	754,891.76	562,785.41	8,141.78	47,303.71
EXPENDITURES				
General government	0.00	0.00	0.00	0.00
Public safety	2,314,114.33	0.00	0.00	0.00
Health and welfare	0.00	509,263.86	0.00	0.00
Judicial	0.00	0.00	519,185.60	0.00
Landfill perpetual care	0.00	0.00	0.00	58,376.41
TOTAL EXPENDITURES	2,314,114.33	509,263.86	519,185.60	58,376.41
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,559,222.57)	53,521.55	(511,043.82)	(11,072.70)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,109,000.00	0.00	519,000.00	40,000.00
Transfers out	(98,275.00)	0.00	0.00	0.00
TOTAL OTHER FINANCING SOURCES (USES)	2,010,725.00	0.00	519,000.00	40,000.00
CHANGE IN FUND BALANCE	451,502.43	53,521.55	7,956.18	28,927.30
FUND BALANCE, JANUARY 1	230,090.27	245,298.47	150,583.26	2,561,240.22
FUND BALANCE, DECEMBER 31	\$ 681,592.70	\$ 298,820.02	\$ 158,539.44	\$ 2,590,167.52

JUNK ORDINANCE ADMINISTRATION	SOLID WASTE MANAGEMENT PLAN	BROWNFIELD REDEVELOPMENT AUTHORITY/ ECONOMIC DEVELOPMENT	BUILDING DEPARTMENT
\$ 0.00	\$ 0.00	\$ 136,589.04	\$ 0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	2,478.83	407,040.55
0.00	0.00	0.00	0.00
0.00	0.00	105.18	0.00
75.00	0.00	0.00	0.00
691.00	0.00	0.00	37.50
<u>766.00</u>	<u>0.00</u>	<u>139,173.05</u>	<u>407,078.05</u>
0.00	0.00	119,810.58	364,507.96
0.00	0.00	0.00	0.00
13,528.88	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
<u>13,528.88</u>	<u>0.00</u>	<u>119,810.58</u>	<u>364,507.96</u>
(12,762.88)	0.00	19,362.47	42,570.09
6,200.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
<u>6,200.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
(6,562.88)	0.00	19,362.47	42,570.09
87,744.44	26,561.56	271,722.43	254,040.77
<u>\$ 81,181.56</u>	<u>\$ 26,561.56</u>	<u>\$ 291,084.90</u>	<u>\$ 296,610.86</u>

MASON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - Continued
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	COURTHOUSE PRESERVATION	PRINCIPAL RESIDENCE EXEMPTION	REGISTER OF DEEDS AUTOMATION	INDIGENT DEFENSE
REVENUES				
Taxes	\$ 0.00	\$ 22.29	\$ 0.00	\$ 0.00
Federal grants	0.00	0.00	0.00	0.00
State grants	0.00	0.00	0.00	386,813.71
Charges for services	0.00	0.00	39,750.00	0.00
Unrealized gain on investments	0.00	0.00	0.00	0.00
Interest and rents	3,548.04	0.00	99.94	1,672.05
Fines and forfeits	16,303.59	0.00	0.00	0.00
Other	0.00	0.00	0.00	10,840.39
TOTAL REVENUES	19,851.63	22.29	39,849.94	399,326.15
EXPENDITURES				
General government	0.00	1,013.74	20,092.06	0.00
Public safety	0.00	0.00	0.00	0.00
Health and welfare	0.00	0.00	0.00	0.00
Judicial	0.00	0.00	0.00	300,577.79
Landfill perpetual care	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	1,013.74	20,092.06	300,577.79
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,851.63	(991.45)	19,757.88	98,748.36
OTHER FINANCING SOURCES (USES)				
Transfers in	0.00	0.00	0.00	153,500.00
Transfers out	0.00	0.00	(20,000.00)	0.00
TOTAL OTHER FINANCING SOURCES (USES)	0.00	0.00	(20,000.00)	153,500.00
CHANGE IN FUND BALANCE	19,851.63	(991.45)	(242.12)	252,248.36
FUND BALANCE, JANUARY 1	317,387.88	26,824.16	24,841.73	274,685.82
FUND BALANCE, DECEMBER 31	\$ 337,239.51	\$ 25,832.71	\$ 24,599.61	\$ 526,934.18

COMMUNITY CORRECTIONS	CONCEALED PISTOL LICENSING	DARE PROGRAM	CORRECTIONS OFFICERS TRAINING	DRUG LAW ENFORCEMENT
\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	23,678.00	0.00	6,035.20	0.00
0.00	0.00	0.00	0.00	0.00
0.00	280.08	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>0.00</u>	<u>23,958.08</u>	<u>0.00</u>	<u>6,035.20</u>	<u>0.00</u>
0.00	0.00	0.00	0.00	0.00
0.00	10,424.64	0.00	3,606.51	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
<u>0.00</u>	<u>10,424.64</u>	<u>0.00</u>	<u>3,606.51</u>	<u>0.00</u>
0.00	13,533.44	0.00	2,428.69	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	13,533.44	0.00	2,428.69	0.00
<u>4,349.51</u>	<u>37,911.21</u>	<u>1,395.93</u>	<u>17,192.25</u>	<u>6,935.49</u>
\$ <u><u>4,349.51</u></u>	\$ <u><u>51,444.65</u></u>	\$ <u><u>1,395.93</u></u>	\$ <u><u>19,620.94</u></u>	\$ <u><u>6,935.49</u></u>

MASON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - Continued
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	JAIL OPERATIONS	COUNTY LAW LIBRARY	COMMUNITY DEVELOPMENT BLOCK GRANT
REVENUES			
Taxes	\$ 1,162,873.84	\$ 0.00	\$ 0.00
Federal grants	50,018.04	0.00	0.00
State grants	0.00	0.00	0.00
Charges for services	128,402.83	0.00	0.00
Unrealized gain on investments	(19,046.35)	0.00	0.00
Interest and rents	29,924.10	0.00	0.00
Fines and forfeits	0.00	3,500.00	0.00
Other	494.40	0.00	8,517.00
TOTAL REVENUES	<u>1,352,666.86</u>	<u>3,500.00</u>	<u>8,517.00</u>
EXPENDITURES			
General government	0.00	0.00	0.00
Public safety	2,624,062.93	6,895.46	0.00
Health and welfare	0.00	0.00	30.00
Judicial	0.00	0.00	0.00
Landfill perpetual care	0.00	0.00	0.00
TOTAL EXPENDITURES	<u>2,624,062.93</u>	<u>6,895.46</u>	<u>30.00</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,271,396.07)</u>	<u>(3,395.46)</u>	<u>8,487.00</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,636,850.00	15,000.00	0.00
Transfers out	(99,250.00)	0.00	(45,703.39)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,537,600.00</u>	<u>15,000.00</u>	<u>(45,703.39)</u>
CHANGE IN FUND BALANCE	266,203.93	11,604.54	(37,216.39)
FUND BALANCE, JANUARY 1	<u>1,166,049.80</u>	<u>49,841.32</u>	<u>45,733.39</u>
FUND BALANCE, DECEMBER 31	<u>\$ 1,432,253.73</u>	<u>\$ 61,445.86</u>	<u>\$ 8,517.00</u>

EMERGENCY MANAGEMENT GRANT	VICTIM'S ASSISTANCE	JUSTICE TRAINING
\$ 0.00	\$ 0.00	\$ 0.00
23,045.50	0.00	0.00
0.00	0.00	2,428.20
0.00	0.00	0.00
0.00	0.00	0.00
569.93	0.00	0.00
0.00	0.00	0.00
20.00	0.00	0.00
<u>23,635.43</u>	<u>0.00</u>	<u>2,428.20</u>
0.00	0.00	0.00
22,902.26	0.00	3,000.20
0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00
<u>22,902.26</u>	<u>0.00</u>	<u>3,000.20</u>
733.17	0.00	(572.00)
0.00	0.00	0.00
0.00	(17,143.26)	0.00
0.00	(17,143.26)	0.00
733.17	(17,143.26)	(572.00)
52,767.39	17,143.26	5,392.10
\$ <u>53,500.56</u>	\$ <u>0.00</u>	\$ <u>4,820.10</u>

MASON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - Concluded
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	SOCIAL WELFARE	CHILD CARE
REVENUES		
Taxes	\$ 0.00	\$ 0.00
Federal grants	0.00	0.00
State grants	0.00	164,749.32
Charges for services	0.00	46,697.74
Unrealized gain on investments	0.00	0.00
Interest and rents	0.00	0.00
Fines and forfeits	0.00	0.00
Other	1,918.07	0.00
	<hr/>	<hr/>
TOTAL REVENUES	1,918.07	211,447.06
	<hr/>	<hr/>
EXPENDITURES		
General government	0.00	0.00
Public safety	0.00	0.00
Health and welfare	16,515.67	588,976.97
Judicial	0.00	0.00
Landfill perpetual care	0.00	0.00
	<hr/>	<hr/>
TOTAL EXPENDITURES	16,515.67	588,976.97
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,597.60)	(377,529.91)
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers in	35,000.00	416,000.00
Transfers out	0.00	0.00
	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	35,000.00	416,000.00
	<hr/>	<hr/>
CHANGE IN FUND BALANCE	20,402.40	38,470.09
FUND BALANCE, JANUARY 1	38,471.33	747,949.47
	<hr/>	<hr/>
FUND BALANCE, DECEMBER 31	\$ 58,873.73	\$ 786,419.56
	<hr/>	<hr/>

SOLDIERS' AND SAILORS' RELIEF	BUILDING AUTHORITY OPERATIONS	TOTAL
\$ 6,114.00	\$ 0.00	\$ 2,466,711.59
0.00	0.00	117,645.81
0.00	0.00	637,988.49
0.00	0.00	668,780.65
0.00	0.00	(28,256.45)
181.48	36,799.93	125,502.27
0.00	0.00	19,878.59
0.00	25.00	48,165.13
<u>6,295.48</u>	<u>36,824.93</u>	<u>4,056,416.08</u>
0.00	20,549.47	525,973.81
0.00	0.00	4,985,006.33
2,297.88	0.00	1,130,613.26
0.00	0.00	819,763.39
0.00	0.00	58,376.41
<u>2,297.88</u>	<u>20,549.47</u>	<u>7,519,733.20</u>
3,997.60	16,275.46	(3,463,317.12)
0.00	0.00	4,930,550.00
0.00	0.00	(280,371.65)
0.00	0.00	4,650,178.35
3,997.60	16,275.46	1,186,861.23
<u>27,811.63</u>	<u>108,087.81</u>	<u>6,798,052.90</u>
\$ <u>31,809.23</u>	\$ <u>124,363.27</u>	\$ <u>7,984,914.13</u>

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CAPITAL PROJECTS FUNDS

Capital Projects Funds are designed to account for the resources expended to acquire assets of a relatively permanent nature. (Enterprise Fund resources are not included in this category). These funds satisfy the special accounting requirements for bond proceeds and projects utilizing more than one funding source.

Capital Projects Funds provide a formal mechanism which enables administrators to ensure that revenues dedicated to certain purposes are used only for those purposes and further enables them to report to creditors, and other grantors of Capital Projects Fund revenue, that their requirements regarding the use of the revenue were fully satisfied.

In this category, Mason County administers the transactions of the Equipment Replacement Fund, Building Authority – Jail Construction Fund, and Public Improvement Fund.

**MASON COUNTY, MICHIGAN
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2020**

	EQUIPMENT REPLACEMENT	BUILDING AUTHORITY JAIL CONSTRUCTION	PUBLIC IMPROVEMENT	TOTAL
ASSETS				
Cash and cash equivalents	\$ 242,042.98	\$ 176,577.89	\$ 1,013,040.85	\$ 1,431,661.72
Investments	3,004,066.81	176,745.45	6,225,625.05	9,406,437.31
Interest receivable	<u>7,737.14</u>	<u>573.26</u>	<u>17,404.38</u>	<u>25,714.78</u>
TOTAL ASSETS	\$ <u>3,253,846.93</u>	\$ <u>353,896.60</u>	\$ <u>7,256,070.28</u>	\$ <u>10,863,813.81</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 15,116.00	\$ 0.00	\$ 0.00	\$ 15,116.00
Unearned revenue	<u>39,804.19</u>	<u>0.00</u>	<u>0.00</u>	<u>39,804.19</u>
TOTAL LIABILITIES	<u>54,920.19</u>	<u>0.00</u>	<u>0.00</u>	<u>54,920.19</u>
FUND BALANCE				
Assigned	<u>3,198,926.74</u>	<u>353,896.60</u>	<u>7,256,070.28</u>	<u>10,808,893.62</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>3,253,846.93</u>	\$ <u>353,896.60</u>	\$ <u>7,256,070.28</u>	\$ <u>10,863,813.81</u>

MASON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	EQUIPMENT REPLACEMENT	BUILDING AUTHORITY JAIL CONSTRUCTION	PUBLIC IMPROVEMENT	TOTAL
REVENUES				
Federal Grant	\$ 1,599.00	\$ 0.00	\$ 0.00	\$ 1,599.00
Interest	66,916.63	4,370.85	76,637.38	147,924.86
Unrealized gain (loss)	1,856.09	0.00	8,922.79	10,778.88
Charges for services	1,160.00	0.00	0.00	1,160.00
Other	<u>50,732.00</u>	<u>0.00</u>	<u>0.00</u>	<u>50,732.00</u>
TOTAL REVENUES	<u>122,263.72</u>	<u>4,370.85</u>	<u>85,560.17</u>	<u>212,194.74</u>
EXPENDITURES				
Capital outlay	<u>293,073.69</u>	<u>0.00</u>	<u>0.00</u>	<u>293,073.69</u>
TOTAL EXPENDITURES	<u>293,073.69</u>	<u>0.00</u>	<u>0.00</u>	<u>293,073.69</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(170,809.97)</u>	<u>4,370.85</u>	<u>85,560.17</u>	<u>(80,878.95)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>683,600.00</u>	<u>59,125.00</u>	<u>663,391.00</u>	<u>1,406,116.00</u>
CHANGE IN FUND BALANCE	<u>512,790.03</u>	<u>63,495.85</u>	<u>748,951.17</u>	<u>1,325,237.05</u>
FUND BALANCE, JANUARY 1	<u>2,686,136.71</u>	<u>290,400.75</u>	<u>6,507,119.11</u>	<u>9,483,656.57</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 3,198,926.74</u></u>	<u><u>\$ 353,896.60</u></u>	<u><u>\$ 7,256,070.28</u></u>	<u><u>\$ 10,808,893.62</u></u>

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INTERNAL SERVICE FUNDS

Internal Service Funds are established to finance and account for services and/or commodities furnished by a designated program to other programs within the County. Since the services and commodities are supplied exclusively to programs under the County's jurisdiction, they are distinguishable from those services which are rendered to the public in general and which are accounted for in general, special revenue and enterprise funds.

The County's Computer Network Fund, DPW Revolving Equipment Fund, Self-Insurance Liability Fund, Self-Insurance Workers' Compensation, and Self-Insurance Health Fund are operated as Internal Service Funds.

**MASON COUNTY, MICHIGAN
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
DECEMBER 31, 2020**

	COMPUTER NETWORK	DPW REVOLVING EQUIPMENT
ASSETS		
Cash	\$ 197,743.67	\$ 101,961.34
Investments	0.00	178,224.40
Prepaid items	7,984.04	0.00
Deposits	0.00	0.00
Due from other funds	0.00	0.00
Interest receivable	0.00	0.00
Long-term advances	0.00	0.00
Vehicles - net	0.00	22,277.44
	<hr/>	<hr/>
TOTAL ASSETS	\$ 205,727.71	\$ 302,463.18
	<hr/>	<hr/>
LIABILITIES AND NET POSITION		
LIABILITIES		
Accounts payable	\$ 32.20	\$ 189.41
Long-term advances	0.00	0.00
Accrued expenses	0.00	0.00
	<hr/>	<hr/>
TOTAL LIABILITIES	32.20	189.41
	<hr/>	<hr/>
NET POSITION		
Net investment in capital assets	0.00	22,277.44
Restricted for employee benefits	0.00	0.00
Unrestricted	205,695.51	279,996.33
	<hr/>	<hr/>
TOTAL NET POSITION	205,695.51	302,273.77
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	\$ 205,727.71	\$ 302,463.18
	<hr/>	<hr/>

SELF INSURANCE LIABILITY	SELF INSURANCE WORKERS COMP	SELF INSURANCE HEALTH, LIFE, AND PENSION	TOTAL
\$ 25,091.86	\$ 353,499.42	\$ 315,551.68	\$ 993,847.97
83.50	747,422.26	6,724,984.58	7,650,714.74
0.00	0.00	0.00	7,984.04
9,760,954.08	0.00	0.00	9,760,954.08
233.31	0.00	0.00	233.31
0.00	1,034.27	26,159.05	27,193.32
0.00	226,731.38	7,819,653.61	8,046,384.99
0.00	0.00	0.00	22,277.44
<u>\$ 9,786,362.75</u>	<u>\$ 1,328,687.33</u>	<u>\$ 14,886,348.92</u>	<u>\$ 26,509,589.89</u>
\$ 2,622.85	\$ 19.62	\$ 29,931.97	\$ 32,796.05
7,670,000.00	0.00	0.00	7,670,000.00
89,604.00	608.00	0.00	90,212.00
<u>7,762,226.85</u>	<u>627.62</u>	<u>29,931.97</u>	<u>7,793,008.05</u>
0.00	0.00	0.00	22,277.44
2,024,135.90	1,328,059.71	14,856,416.95	18,208,612.56
0.00	0.00	0.00	485,691.84
<u>2,024,135.90</u>	<u>1,328,059.71</u>	<u>14,856,416.95</u>	<u>18,716,581.84</u>
\$ <u>9,786,362.75</u>	\$ <u>1,328,687.33</u>	\$ <u>14,886,348.92</u>	\$ <u>26,509,589.89</u>

MASON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	COMPUTER NETWORK	DPW REVOLVING EQUIPMENT
OPERATING REVENUES		
Charges for services	\$ 99,320.00	\$ 0.00
Equipment rental	0.00	19,578.69
Other	1,324.00	0.00
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	100,644.00	19,578.69
	<hr/>	<hr/>
OPERATING EXPENSES		
Claims and benefits	0.00	0.00
Salaries and benefits	19,259.84	0.00
Contracted services	55,255.39	100.00
Utilities	94.93	0.00
Operating expense	12,631.13	6,144.57
Depreciation	0.00	5,554.98
Repairs and maintenance	0.00	1,747.58
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	87,241.29	13,547.13
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	13,402.71	6,031.56
	<hr/>	<hr/>
NONOPERATING INCOME		
Interest	0.01	4,996.03
Unrealized gain (loss) on investments	0.00	0.00
	<hr/>	<hr/>
TOTAL NONOPERATING INCOME	0.01	4,996.03
	<hr/>	<hr/>
INCOME (LOSS) BEFORE TRANSFERS	13,402.72	11,027.59
	<hr/>	<hr/>
TRANSFERS IN	0.00	0.00
	<hr/>	<hr/>
CHANGE IN NET POSITION	13,402.72	11,027.59
	<hr/>	<hr/>
NET POSITION, JANUARY 1	192,292.79	291,246.18
	<hr/>	<hr/>
NET POSITION, DECEMBER 31	\$ 205,695.51	\$ 302,273.77
	<hr/>	<hr/>

SELF INSURANCE LIABILITY	SELF INSURANCE WORKERS COMP	SELF INSURANCE HEALTH, LIFE, AND PENSION	TOTAL
\$ 0.00	\$ 0.00	\$ 0.00	\$ 99,320.00
0.00	0.00	0.00	19,578.69
<u>56,830.28</u>	<u>942.12</u>	<u>0.00</u>	<u>59,096.40</u>
<u>56,830.28</u>	<u>942.12</u>	<u>0.00</u>	<u>177,995.09</u>
(38,570.48)	15,599.01	16,143.89	(6,827.58)
0.00	0.00	0.00	19,259.84
11,102.88	1,812.29	36,800.00	105,070.56
0.00	0.00	0.00	94.93
6,633.34	1.40	0.00	25,410.44
0.00	0.00	0.00	5,554.98
<u>15,753.58</u>	<u>0.00</u>	<u>0.00</u>	<u>17,501.16</u>
<u>(5,080.68)</u>	<u>17,412.70</u>	<u>52,943.89</u>	<u>166,064.33</u>
<u>61,910.96</u>	<u>(16,470.58)</u>	<u>(52,943.89)</u>	<u>11,930.76</u>
70,465.11	25,648.65	339,020.91	440,130.71
<u>0.00</u>	<u>(500.94)</u>	<u>(60,653.18)</u>	<u>(61,154.12)</u>
<u>70,465.11</u>	<u>25,147.71</u>	<u>278,367.73</u>	<u>378,976.59</u>
<u>132,376.07</u>	<u>8,677.13</u>	<u>225,423.84</u>	<u>390,907.35</u>
<u>41,000.00</u>	<u>15,400.00</u>	<u>1,976,000.00</u>	<u>2,032,400.00</u>
173,376.07	24,077.13	2,201,423.84	2,423,307.35
<u>1,850,759.83</u>	<u>1,303,982.58</u>	<u>12,654,993.11</u>	<u>16,293,274.49</u>
\$ <u><u>2,024,135.90</u></u>	\$ <u><u>1,328,059.71</u></u>	\$ <u><u>14,856,416.95</u></u>	\$ <u><u>18,716,581.84</u></u>

**MASON COUNTY, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	COMPUTER NETWORK	DPW REVOLVING EQUIPMENT
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 13,402.71	\$ 6,031.56
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	0.00	5,554.98
(Increase) decrease in current assets		
Interest receivable	0.00	505.82
Due from other funds	0.00	0.00
Prepaid items	(669.19)	0.00
Deposits	0.00	0.00
Increase (decrease) in current liabilities		
Accounts payable	(138.32)	(94.20)
Due to individuals	0.00	0.00
Accrued expenses	(766.64)	0.00
	<u>11,828.56</u>	<u>11,998.16</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>11,828.56</u>	<u>11,998.16</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances to other funds	0.00	0.00
Transfers in	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	<u>0.00</u>	<u>0.00</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in investments	2.60	(5,242.88)
Unrealized gain (loss) on investments	0.00	0.00
Interest received	0.01	4,996.03
	<u>2.61</u>	<u>(246.85)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>2.61</u>	<u>(246.85)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,831.17	11,751.31
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>185,912.50</u>	<u>90,210.03</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 197,743.67</u></u>	<u><u>\$ 101,961.34</u></u>

SELF INSURANCE LIABILITY	SELF INSURANCE WORKERS COMP	SELF INSURANCE HEALTH, LIFE, AND PENSION	TOTAL
\$ 61,910.96	\$ (16,470.58)	\$ (52,943.89)	\$ 11,930.76
0.00	0.00	0.00	5,554.98
0.00	435.63	9,625.15	10,566.60
(233.31)	0.00	0.00	(233.31)
0.00	15,728.47	0.00	15,059.28
(3,105,162.70)	0.00	0.00	(3,105,162.70)
2,524.64	(160.80)	29,931.97	32,063.29
0.00	0.00	(86.42)	(86.42)
<u>(91,548.33)</u>	<u>(2,588.00)</u>	<u>(28,628.44)</u>	<u>(123,531.41)</u>
<u>(3,132,508.74)</u>	<u>(3,055.28)</u>	<u>(42,101.63)</u>	<u>(3,153,838.93)</u>
3,025,000.00	72,000.00	(2,957,262.76)	139,737.24
<u>41,000.00</u>	<u>15,400.00</u>	<u>1,976,000.00</u>	<u>2,032,400.00</u>
<u>3,066,000.00</u>	<u>87,400.00</u>	<u>(981,262.76)</u>	<u>2,172,137.24</u>
(1.70)	(5,984.91)	618,686.96	607,460.07
0.00	(500.94)	(60,653.18)	(61,154.12)
<u>70,465.11</u>	<u>25,648.65</u>	<u>339,020.91</u>	<u>440,130.71</u>
<u>70,463.41</u>	<u>19,162.80</u>	<u>897,054.69</u>	<u>986,436.66</u>
3,954.67	103,507.52	(126,309.70)	4,734.97
<u>21,137.19</u>	<u>249,991.90</u>	<u>441,861.38</u>	<u>989,113.00</u>
<u>\$ 25,091.86</u>	<u>\$ 353,499.42</u>	<u>\$ 315,551.68</u>	<u>\$ 993,847.97</u>

MASON COUNTY, MICHIGAN
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER
STATEMENT OF CASH FLOWS TO THE COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

		CASH	INVESTMENT	STATEMENT OF CASH FLOWS TOTAL
CASH AND CASH EQUIVALENTS, JANUARY 1	\$	989,113.00	\$ 0.00	\$ 989,113.00
NET DECREASE		<u>4,734.97</u>	<u>0.00</u>	<u>4,734.97</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$	<u><u>993,847.97</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 993,847.97</u></u>

ENTERPRISE FUNDS

Enterprise Funds are used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominately self-supporting by user charges. The significant characteristic of Enterprise Funds is that the accounting system must make it possible to show whether the activity is operated at a profit or loss, similar to comparable private enterprises. Thus, the financial statements of Enterprise Funds are self-contained and creditors, legislators, or the general public can evaluate the performance of the municipal enterprise on the same basis as they can the performance of investor-owned enterprises in the same industry.

The County's Park Operations Fund, Public Works Operations and Maintenance Fund, Airport Fund, Delinquent Tax Revolving Fund, Medical Care Facility Fund, and Delinquent Tax Foreclosure Fund are operated as Enterprise Funds.

MASON COUNTY, MICHIGAN
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2020

	PARK OPERATIONS	PUBLIC WORKS OPERATION AND MAINTENANCE	AIRPORT
ASSETS			
Cash	\$ 104,908.24	\$ 329,967.67	\$ 585,640.30
Investments	318,424.98	1,105,485.59	10,140.04
Interest receivable	662.86	2,617.60	0.00
Accounts receivable	0.00	36,921.87	794.49
Taxes receivable	0.00	0.00	0.00
Delinquent taxes receivable	0.00	0.00	0.00
Due from state	0.00	0.00	0.00
Due from federal	0.00	0.00	0.00
Due from other units	0.00	29,331.75	0.00
Lease receivable - current portion	0.00	81,195.00	0.00
Prepaid items	0.00	0.00	12,496.04
TOTAL CURRENT ASSETS	<u>423,996.08</u>	<u>1,585,519.48</u>	<u>609,070.87</u>
NONCURRENT ASSETS			
Lease receivable	0.00	1,869,979.46	0.00
Capital assets - net	338,694.11	671,986.03	2,030,912.36
TOTAL NONCURRENT ASSETS	<u>338,694.11</u>	<u>2,541,965.49</u>	<u>2,030,912.36</u>
TOTAL ASSETS	<u>762,690.19</u>	<u>4,127,484.97</u>	<u>2,639,983.23</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows (Pension and OPEB)	0.00	0.00	0.00
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 762,690.19</u>	<u>\$ 4,127,484.97</u>	<u>\$ 2,639,983.23</u>
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION			
LIABILITIES			
Accounts payable	\$ 614.83	\$ 44,399.54	\$ 7,995.81
Due to individuals	550.00	0.00	0.00
Due to other funds	0.00	0.00	0.00
Compensated absences	0.00	0.00	0.00
Accrued expenses	212.40	0.00	1,002.68
Advances from other funds	0.00	1,951,174.46	64,957.46
Net pension liability	0.00	0.00	0.00
Due to other units	0.00	0.00	0.00
TOTAL LIABILITIES	<u>1,377.23</u>	<u>1,995,574.00</u>	<u>73,955.95</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows (Pension and OPEB)	0.00	0.00	0.00
Unearned revenue	4,638.00	0.00	0.00
TOTAL DEFERRED INFLOWS	<u>4,638.00</u>	<u>0.00</u>	<u>0.00</u>
NET POSITION			
Net investment in capital assets	338,694.11	671,986.03	2,030,912.36
Unrestricted	417,980.85	1,459,924.94	535,114.92
TOTAL NET POSITION	<u>756,674.96</u>	<u>2,131,910.97</u>	<u>2,566,027.28</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u>\$ 762,690.19</u>	<u>\$ 4,127,484.97</u>	<u>\$ 2,639,983.23</u>

DELINQUENT TAX REVOLVING	MEDICAL CARE FACILITY	DELINQUENT TAX FORECLOSURE	TOTAL
\$ 1,955,778.65	\$ 3,107,103.63	\$ 449,851.14	\$ 6,533,249.63
2,174,461.16	8,718,841.10	0.00	12,327,352.87
8,894.43	21,883.86	0.00	34,058.75
5,146.00	84,608.68	0.00	127,471.04
0.00	1,969,755.57	0.00	1,969,755.57
1,154,565.28	0.00	0.00	1,154,565.28
0.00	572,302.20	0.00	572,302.20
0.00	76,620.61	0.00	76,620.61
18,576.17	0.00	80.00	47,987.92
0.00	0.00	0.00	81,195.00
2,936.79	0.00	0.00	15,432.83
<u>5,320,358.48</u>	<u>14,551,115.65</u>	<u>449,931.14</u>	<u>22,939,991.70</u>
0.00	0.00	0.00	1,869,979.46
<u>0.00</u>	<u>4,165,752.63</u>	<u>0.00</u>	<u>7,207,345.13</u>
<u>0.00</u>	<u>4,165,752.63</u>	<u>0.00</u>	<u>9,077,324.59</u>
<u>5,320,358.48</u>	<u>18,716,868.28</u>	<u>449,931.14</u>	<u>32,017,316.29</u>
<u>0.00</u>	<u>1,499,165.00</u>	<u>0.00</u>	<u>1,499,165.00</u>
<u>\$ 5,320,358.48</u>	<u>\$ 20,216,033.28</u>	<u>\$ 449,931.14</u>	<u>\$ 33,516,481.29</u>
\$ 0.00	\$ 131,008.37	\$ 8,341.90	\$ 192,360.45
1,279.16	21,616.09	0.00	23,445.25
0.00	0.00	233.31	233.31
0.00	433,118.75	0.00	433,118.75
0.00	521,556.93	0.00	522,772.01
0.00	0.00	0.00	2,016,131.92
0.00	3,542,017.00	0.00	3,542,017.00
1,279.97	0.00	0.00	1,279.97
<u>2,559.13</u>	<u>4,649,317.14</u>	<u>8,575.21</u>	<u>6,731,358.66</u>
0.00	1,333,665.00	0.00	1,333,665.00
<u>0.00</u>	<u>1,969,755.57</u>	<u>0.00</u>	<u>1,974,393.57</u>
<u>0.00</u>	<u>3,303,420.57</u>	<u>0.00</u>	<u>3,308,058.57</u>
0.00	4,165,752.63	0.00	7,207,345.13
<u>5,317,799.35</u>	<u>8,097,542.94</u>	<u>441,355.93</u>	<u>16,269,718.93</u>
<u>5,317,799.35</u>	<u>12,263,295.57</u>	<u>441,355.93</u>	<u>23,477,064.06</u>
<u>\$ 5,320,358.48</u>	<u>\$ 20,216,033.28</u>	<u>\$ 449,931.14</u>	<u>\$ 33,516,481.29</u>

MASON COUNTY, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	PARK OPERATIONS	PUBLIC WORKS OPERATION AND MAINTENANCE	AIRPORT
OPERATING REVENUES			
Charges for services	\$ 133,140.50	\$ 167,101.24	\$ 149,529.59
Rentals	0.00	0.00	102,967.77
Reimbursements	0.00	431,047.54	24,314.58
Administration fees and penalties	0.00	0.00	0.00
Other	45,653.72	26.92	1,382.26
TOTAL REVENUES	<u>178,794.22</u>	<u>598,175.70</u>	<u>278,194.20</u>
OPERATING EXPENSES			
Salary and benefits	49,039.03	0.00	124,019.88
Contracted services	0.00	706,470.64	19,218.99
Repairs and maintenance	14,527.57	424.57	27,937.86
Utilities and telephone	17,513.69	12,335.77	29,425.43
Depreciation	25,733.52	36,459.12	181,727.64
Other operating expenses	17,544.79	189,258.26	116,778.13
TOTAL EXPENSES	<u>124,358.60</u>	<u>944,948.36</u>	<u>499,107.93</u>
OPERATING INCOME (LOSS)	<u>54,435.62</u>	<u>(346,772.66)</u>	<u>(220,913.73)</u>
NONOPERATING INCOME (EXPENSE)			
Investment interest	7,600.09	29,265.08	2,390.61
Interest and fees	0.00	(57,112.19)	(5,348.76)
Federal Grant	0.00	0.00	30,000.00
Unrealized gain (loss) on investments	0.00	(2,742.03)	0.00
Property taxes	0.00	0.00	0.00
TOTAL NONOPERATING INCOME (EXPENSE)	<u>7,600.09</u>	<u>(30,589.14)</u>	<u>27,041.85</u>
INCOME BEFORE TRANSFERS	<u>62,035.71</u>	<u>(377,361.80)</u>	<u>(193,871.88)</u>
TRANSFERS IN (OUT)			
Transfers in	0.00	0.00	174,800.00
Transfers out	0.00	0.00	0.00
TOTAL OTHER FINANCING SOURCES (USES)	<u>0.00</u>	<u>0.00</u>	<u>174,800.00</u>
CHANGES IN NET POSITION	<u>62,035.71</u>	<u>(377,361.80)</u>	<u>(19,071.88)</u>
NET POSITION, JANUARY 1	<u>694,639.25</u>	<u>2,509,272.77</u>	<u>2,585,099.16</u>
NET POSITION, DECEMBER 31	<u>\$ 756,674.96</u>	<u>\$ 2,131,910.97</u>	<u>\$ 2,566,027.28</u>

DELINQUENT TAX REVOLVING	MEDICAL CARE FACILITY	DELINQUENT TAX FORECLOSURE	TOTAL
\$ 332,273.94	\$ 11,666,608.28	\$ 218,636.60	\$ 12,667,290.15
0.00	0.00	0.00	102,967.77
518.84	98,291.32	0.00	554,172.28
121,468.26	0.00	0.00	121,468.26
(21.87)	429,032.79	0.00	476,073.82
<u>454,239.17</u>	<u>12,193,932.39</u>	<u>218,636.60</u>	<u>13,921,972.28</u>
0.00	8,997,800.60	0.00	9,170,859.51
3,672.55	604,483.97	48,176.62	1,382,022.77
0.00	34,727.16	0.00	77,617.16
0.00	250,961.82	0.00	310,236.71
0.00	251,808.37	0.00	495,728.65
8,628.88	2,346,475.70	38,496.35	2,717,182.11
<u>12,301.43</u>	<u>12,486,257.62</u>	<u>86,672.97</u>	<u>14,153,646.91</u>
<u>441,937.74</u>	<u>(292,325.23)</u>	<u>131,963.63</u>	<u>(231,674.63)</u>
59,560.28	179,879.87	3,696.04	282,391.97
0.00	0.00	0.00	(62,460.95)
0.00	0.00	0.00	30,000.00
(788.55)	(85,312.78)	0.00	(88,843.36)
0.00	2,013,857.76	0.00	2,013,857.76
<u>58,771.73</u>	<u>2,108,424.85</u>	<u>3,696.04</u>	<u>2,174,945.42</u>
<u>500,709.47</u>	<u>1,816,099.62</u>	<u>135,659.67</u>	<u>1,943,270.79</u>
0.00	0.00	0.00	174,800.00
(750,000.00)	0.00	(250,000.00)	(1,000,000.00)
<u>(750,000.00)</u>	<u>0.00</u>	<u>(250,000.00)</u>	<u>(825,200.00)</u>
(249,290.53)	1,816,099.62	(114,340.33)	1,118,070.79
<u>5,567,089.88</u>	<u>10,447,195.95</u>	<u>555,696.26</u>	<u>22,358,993.27</u>
\$ <u><u>5,317,799.35</u></u>	\$ <u><u>12,263,295.57</u></u>	\$ <u><u>441,355.93</u></u>	\$ <u><u>23,477,064.06</u></u>

**MASON COUNTY, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	PARK OPERATIONS	PUBLIC WORKS OPERATION AND MAINTENANCE	AIRPORT
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 54,435.62	\$ (346,772.66)	\$ (220,913.73)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	25,733.52	36,459.12	181,727.64
(Increase) decrease in current assets			
Accounts receivable	0.00	(4,947.79)	619.55
Taxes receivable	0.00	0.00	0.00
Interest receivable	(70.30)	4,139.54	0.00
Prepaid items	0.00	0.00	(76.20)
Due from other units	0.00	36,006.10	0.00
Deferred outflows	0.00	0.00	0.00
Increase (decrease) in current liabilities			
Deferred inflows	0.00	0.00	0.00
Due to individuals	50.00	0.00	0.00
Due to other units	0.00	0.00	0.00
Due to other funds	0.00	(1,668.13)	0.00
Accrued expenses	(102.60)	0.00	(1,728.89)
Accounts payable	84.35	(17,122.09)	4,449.59
Unavailable revenue	(3.00)	0.00	0.00
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>80,127.59</u>	<u>(293,905.91)</u>	<u>(35,922.04)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Lease receivable	0.00	(155,283.31)	0.00
Interest paid	0.00	(57,112.19)	(5,348.76)
Capital purchases	(47,678.00)	(237,210.95)	0.00
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(47,678.00)</u>	<u>(449,606.45)</u>	<u>(5,348.76)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	0.00	0.00	174,800.00
Advances from other funds	0.00	155,283.31	(61,542.24)
Operating grants	0.00	0.00	30,000.00
Property taxes	0.00	0.00	0.00
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	<u>0.00</u>	<u>155,283.31</u>	<u>143,257.76</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in investments	(7,312.41)	333,767.15	45,803.33
Unrealized gain on investments	0.00	(2,742.03)	0.00
Interest received	7,600.09	29,265.08	2,390.61
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>287.68</u>	<u>360,290.20</u>	<u>48,193.94</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	32,737.27	(227,938.85)	150,180.90
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>72,170.97</u>	<u>557,906.52</u>	<u>435,459.40</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 104,908.24</u>	<u>\$ 329,967.67</u>	<u>\$ 585,640.30</u>

DELINQUENT TAX REVOLVING	MEDICAL CARE FACILITY	DELINQUENT TAX FORECLOSURE	TOTAL
\$ 441,937.74	\$ (292,325.23)	\$ 131,963.63	\$ (231,674.63)
0.00	251,808.37	0.00	495,728.65
(4,649.40)	139,632.74	0.00	130,655.10
160,159.99	(70,153.34)	0.00	90,006.65
(1,105.79)	11,183.70	0.00	14,147.15
0.00	29,213.53	0.00	29,137.33
189,020.19	388,284.24	0.00	613,310.53
0.00	(1,499,165.00)	0.00	(1,499,165.00)
0.00	936,247.00	0.00	936,247.00
673.85	(1,699.08)	0.00	(975.23)
(31.28)	0.00	0.00	(31.28)
0.00	0.00	233.31	(1,434.82)
0.00	(325,417.57)	0.00	(327,249.06)
0.00	(222,426.97)	7.41	(235,007.71)
0.00	70,153.34	0.00	70,150.34
<u>786,005.30</u>	<u>(584,664.27)</u>	<u>132,204.35</u>	<u>83,845.02</u>
0.00	0.00	0.00	(155,283.31)
0.00	0.00	0.00	(62,460.95)
0.00	(55,597.24)	0.00	(340,486.19)
<u>0.00</u>	<u>(55,597.24)</u>	<u>0.00</u>	<u>(558,230.45)</u>
(750,000.00)	0.00	(250,000.00)	(825,200.00)
0.00	0.00	0.00	93,741.07
0.00	0.00	0.00	30,000.00
0.00	2,013,857.76	0.00	2,013,857.76
<u>(750,000.00)</u>	<u>2,013,857.76</u>	<u>(250,000.00)</u>	<u>1,312,398.83</u>
(143,326.51)	(1,064,003.03)	262,695.02	(572,376.45)
(788.55)	(85,312.78)	0.00	(88,843.36)
59,560.28	179,879.87	3,696.04	282,391.97
<u>(84,554.78)</u>	<u>(969,435.94)</u>	<u>266,391.06</u>	<u>(378,827.84)</u>
(48,549.48)	404,160.31	148,595.41	459,185.56
<u>2,004,328.13</u>	<u>2,702,943.32</u>	<u>301,255.73</u>	<u>6,074,064.07</u>
\$ <u><u>1,955,778.65</u></u>	\$ <u><u>3,107,103.63</u></u>	\$ <u><u>449,851.14</u></u>	\$ <u><u>6,533,249.63</u></u>

MASON COUNTY, MICHIGAN
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER
STATEMENT OF CASH FLOWS TO THE COMBINING BALANCE SHEET
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	CASH	INVESTMENTS	STATEMENT OF CASH FLOWS TOTAL
CASH AND CASH EQUIVALENTS, JANUARY 1	\$ 6,074,064.07	\$ 0.00	\$ 6,074,064.07
NET INCREASE	<u>459,185.56</u>	<u>0.00</u>	<u>459,185.56</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ <u><u>6,533,249.63</u></u>	\$ <u><u>0.00</u></u>	\$ <u><u>6,533,249.63</u></u>

FIDUCIARY FUNDS

Fiduciary Funds are established to administer resources received and held by a governmental unit as the trustee or as the agent for others. Use of these funds facilitates the discharge of responsibilities placed upon the governmental unit by virtue of law or other similar authority.

In this category, Mason County administers the transactions of the Trust and Agency Fund, Current Tax Collection Fund, Library Penal Fund, Probate Court Trust, and Promise Zone Authority Fund.

MASON COUNTY, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL
DECEMBER 31, 2020

	TRUST AND AGENCY	CURRENT TAX COLLECTIONS	LIBRARY PENAL	DISTRICT #10 HEALTH DEPARTMENT	PROMISE ZONE AUTHORITY	TOTAL
ASSETS						
Cash & Cash						
Equivalents	\$ 945,618.19	\$ 0.00	\$ 51.22	\$ 2,482,313.89	\$ 768,038.13	\$ 4,196,021.43
Investments	0.00	0.00	0.00	5,858,941.69	0.00	5,858,941.69
Accounts Receivable	0.00	0.00	0.00	0.00	415,744.59	415,744.59
Pledges Receivable	0.00	0.00	0.00	0.00	115,000.00	115,000.00
Interest Receivable	0.00	0.00	0.00	20,623.12	0.00	20,623.12
Prepaid Expenses	0.00	0.00	0.00	0.00	2,009.38	2,009.38
TOTAL ASSETS	945,618.19	0.00	51.22	8,361,878.70	1,300,792.10	10,608,340.21
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Due to State						
of Michigan	144,080.16	0.00	0.00	0.00	0.00	144,080.16
Accounts payable	24.84	0.00	0.00	0.00	0.00	24.84
Bonds payable	37,550.00	0.00	0.00	0.00	0.00	37,550.00
Restitution payable	14,930.71	0.00	0.00	0.00	0.00	14,930.71
Undistributed taxes	722,171.98	0.00	0.00	0.00	0.00	722,171.98
Due to other units	1,713.26	0.00	51.22	0.00	0.00	1,764.48
Other current liabilities	25,147.24	0.00	0.00	0.00	159,896.92	185,044.16
TOTAL LIABILITIES	945,618.19	0.00	51.22	0.00	159,896.92	1,105,566.33
NET POSITION						
Restricted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8,361,878.70	\$ 1,140,895.18	\$ 9,502,773.88

SINGLE AUDIT

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

Board of Commissioners
County of Mason, Michigan
Ludington, Michigan

Report on Compliance for Each Major Federal Program

We have audited the County of Mason, Michigan's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Mason, Michigan's major federal programs for the year ended December 31, 2020. The County of Mason, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Mason County Road Commission, which received federal awards which are not included in the schedule of expenditures of federal awards. Our audit, described below, did not include the operations of the Mason County Road Commission because that entity engaged other auditors to perform their financial statement audit and did not meet the threshold for a single audit in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County of Mason, Michigan complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Clark, Schaefer, Hackett & Co.

East Lansing, Michigan
July 29, 2021

MASON COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL WARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL/GRANTOR/ PASS THROUGH GRANTOR PROGRAM TITLE NUMBER	ASSISTANCE LISTING NUMBER	PASS THROUGH ENTITY NUMBER	FEDERAL EXPENDITURE
<u>U.S. Department of Agriculture</u>			
<i>Passed through the Michigan Department of State Natural Resource and Environment</i>			
Forest Service Schools and Roads Cluster:			
Schools and Road - State	10.665	Public Act 182 of 1990	\$ <u>21,866.40</u>
Total U.S. Department of Agriculture			<u>21,866.40</u>
<u>U.S. Department of Justice</u>			
<i>Passed through the Michigan Department of State Police</i>			
COVID-19: Coronavirus Emergency Supplemental Funding (CESF) Grant	16.034	CESF-280-2020 CESF-8-53-0242 CESF-8-53-0273	53,367.31 12,215.87 <u>25,018.23</u> <u>90,601.41</u>
<i>Direct</i>			
Bulletproof Vest Partnership	16.607	N/A	<u>1,599.00</u>
Total U.S. Department of Justice			<u>92,200.41</u>
<u>U.S. Department of Transportation</u>			
<i>Passed through the Michigan Department of Transportation</i>			
COVID-19: CARES Act Operational Grant Funding	20.106	3-26-SBGP-117-2020	30,000.00
Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0439-14-01-00	<u>1,500.00</u>
Total U.S. Department of Transportation			<u>31,500.00</u>
<u>U.S. Department of the Treasury</u>			
<i>Passed through the Michigan Department of Treasury</i>			
COVID-19: Coronavirus Relief Fund	21.019	53-0000-CRLGG SLT0040-SLT0247 SLT0040-SLT0247	239,262.00 41,233.00 <u>313,106.06</u>
Total U.S. Department of the Treasury			<u>593,601.06</u>

MASON COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Concluded
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL/GRANTOR/ PASS THROUGH GRANTOR PROGRAM TITLE NUMBER	ASSISTANCE LISTING NUMBER	PASS THROUGH ENTITY NUMBER	FEDERAL EXPENDITURE
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through the Michigan Family Independence Agency</i>			
Child Support Enforcement	93.563	CSPA-13-5302	\$ 52,584.67
		CSFOC-13-5301	<u>340,320.17</u>
			<u>392,904.84</u>
 Title IV-D Incentive Program	 93.560	 CSFOC-13-5301	 <u>38,734.06</u>
Total U.S. Department of Health and Human Services			<u>431,638.90</u>
 <u>U.S. Department of Homeland Security</u>			
<i>Passed through the Michigan Department of State Police</i>			
Emergency Management Performance Grants	97.042	EMW-2020-EP-00023-S 01	22,074.81
 Homeland Security Grant Program	 97.067	 N/A	 <u>23,045.50</u>
Total U.S. Department of Homeland Security			<u>45,120.31</u>
 Total Expenditures of Federal Awards			 \$ <u>1,215,927.08</u>

**MASON COUNTY, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Section I – Summary of Auditors’ Results

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? ☐ Yes ☒ No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

Material weakness identified? ☐ Yes ☒ No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ No

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported with Title 2 CFR Section 200.516(a)? ☐ Yes ☒ No

Identification of major programs:

CFDA NUMBER	NAME OF FEDERAL PROGRAM OR CLUSTER
21.019	COVID Coronavirus Relief Local Government Grants (CRLGG) Program
21.019	COVID First Responder Hazard Pay Premiums Report
21.019	COVID Public Safety & Public Health Payroll Reimbursement Program (PSPHPR)

Dollar threshold for distinguish between Type A and Type B Programs? \$750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

Section II – Findings and Questioned Costs

Findings – Financial Statement Audit: NONE

Section III – Federal Award Findings and Questioned Costs

MAJOR FEDERAL AWARDS PROGRAM AUDIT

NONE

MASON COUNTY, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Mason County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Uniform Guidance*. The County has elected not to use the de minimis 10% allocation.

The County's reporting entity is defined in Note 1 to the financial statements. The County's financial statements includes the operations of the Mason County Road Commission discretely presented component unit, which received federal awards that are not included in the Schedule for the year ended December 31, 2020 as this entity was audited separately.

NOTE 2: RECONCILIATION TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal/State revenue (per financial statements)	\$3,184,934.39
Add: USDA Federal Funds Forest Service pass through funds	21,866.40
Less: Portions of grant funding considered "State" funding	<u>(1,990,873.71)</u>
	<u>\$1,215,927.08</u>

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

**Board of Commissioners
County of Mason, Michigan
Ludington, Michigan**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Mason, Michigan, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County of Mason, Michigan's basic financial statements and have issued our report thereon dated July 29, 2021. Our report includes a reference to other auditors who audited the financial statements of Mason County Road Commission discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

East Lansing, Michigan
July 29, 2021

