

Bay County,
Michigan



Year Ended
December 31,
2020

Comprehensive
Annual Financial
Report

Prepared by:
Bay County Finance Department

BAY COUNTY, MICHIGAN

Table of Contents

Page

INTRODUCTORY SECTION

The Board of Commissioners	2
Letter of Transmittal	3
GFOA Certificate of Achievement	7
Organizational Chart	8

FINANCIAL SECTION

Independent Auditors' Report	13
Management's Discussion and Analysis	16
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	33
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities	35
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	36
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	38
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	39
911 Service Special Revenue Fund	40
Department on Aging Special Revenue Fund	41
Mosquito Control Special Revenue Fund	42
Health Department/District Health Special Revenue Fund	43
Statement of Net Position – Proprietary Funds	44
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	46
Statement of Cash Flows – Proprietary Funds	47
Statement of Fiduciary Net Position - Fiduciary Funds	49
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	50
Combining Statement of Net Position – Component Units	51
Combining Statement of Activities – Component Units	53
Notes to Financial Statements	56

BAY COUNTY, MICHIGAN

Table of Contents

	<u>Page</u>
Required Supplementary Information	
Employees' Retirement System	
Schedule of Changes in Net Pension Asset and Related Ratios	110
Schedule of the Net Pension Asset	111
Schedule of Contributions	112
Notes to Required Supplementary Information	113
VEBA Trust - Retiree Healthcare Plan	
Schedule of Changes in Net OPEB Liability and Related Ratios	114
Schedule of the Net OPEB Liability	115
Schedule of Contributions	116
Notes to Required Supplementary Information	117
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds:	
Combining Balance Sheet	121
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	125
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	129
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	146
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	147
Combining Statement of Cash Flows	148
Internal Service Funds:	
Combining Statement of Net Position	151
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	152
Combining Statement of Cash Flows	153
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position - Pension and Other Employee Benefits - Employee's Retirement System and VEBA Trust	156
Combining Statement of Changes in Fiduciary Net Position - Pension and Other Employee Benefits - Employees' Retirement System and VEBA Trust	157
Combining Statement of Fiduciary Net Position - Custodial Funds	158
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	160
Component Units:	
Statement of Net Position and Balance Sheet - Library System Component Unit	163
Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balance - Library System Component Unit	164
Combining Statement of Net Position and Balance Sheet - Drain Commission Component Unit	165
Combining Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances - Drain Commission Component Unit	167

BAY COUNTY, MICHIGAN

Table of Contents

	<u>Page</u>	
STATISTICAL SECTION (UNAUDITED)		
Table		
1	Net Position by Component	171
2	Changes in Net Position	173
3	Fund Balances of Governmental Funds	177
4	Changes in Fund Balances of Governmental Funds	179
5	Governmental Activities Tax Revenue By Year	181
6	Assessed and Estimated Actual Value of Taxable Property	182
7	Property Tax Rates – Direct and Overlapping Governments	184
8	Principal Property Taxpayers	186
9	Property Tax Levies and Collections	187
10	Ratios of Outstanding Debt by Type	188
11	Ratios of General Bonded Debt Outstanding	190
12	Direct and Overlapping Governmental Activities Debt	191
13	Legal Debt Margin Information	192
14	Pledged-Revenue Coverage	194
15	Demographic and Economic Statistics	196
16	Principal Employers	197
17	Full-time Equivalent Government Employees by Function/Program	199
18	Operating Indicators by Function/Program	201
19	Capital Asset Statistics by Function/Program	203

INTRODUCTORY SECTION

THE BOARD OF COMMISSIONERS

ERNIE KRYGIER
CHAIRMAN

KIM COONAN
VICE CHAIRMAN

VAUGHN J. BEGICK
SERGEANT AT ARMS

MARIE FOX
JAYME JOHNSON

KAYSEY RADTKE
THOMAS M. HEREK

ROBERT REDMOND
FINANCIAL ANALYST

ADMINISTRATION

JAMES A. BARCIA
COUNTY EXECUTIVE

JAN HISTED
FINANCE OFFICER

KIMBERLY PRIESSNITZ
ASSISTANT FINANCE OFFICER

INDEPENDENT AUDITORS
REHMANN ROBSON



Jan M. Histed
Finance Officer
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Kimberly A. Priessnitz
Assistant Finance Officer
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Frances A. Moore
Purchasing/Housing Rehab
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Julie A. Coppens
Information Systems Manager
coppensj@baycounty.net

June 30, 2021

Bay County Board of Commissioners and
Citizens of Bay County, Michigan:

The Comprehensive Annual Financial Report (CAFR) of Bay County, Michigan, for the calendar year ended December 31, 2020, is hereby submitted. State Law requires each municipality within the state of Michigan to file an audit report annually with the Michigan Department of Treasury within six months from the end of its fiscal year. This report was prepared by the Bay County Finance Department.

Responsibility for both the accuracy of the data completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government based upon a comprehensive framework of internal control that has been established for this purpose. Since the cost of internal control should not exceed anticipated benefits of such controls, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Bay County Board of Commissioners has engaged with Rehmann Robson CPAs & Consultants, Independent Auditors to meet the requirements of the state statutes. The independent auditors' unmodified opinion for the year ended December 31, 2020, is included at the front of the financial section of this report.

As a recipient of federal and state awards, the County is also responsible for ensuring that adequate internal control is in place to allow for compliance with applicable laws and regulations in the Federal Single Audit Act Amendments of 1996 and 2 CFR 200. The internal control is subject to periodic evaluation by management and the independent auditors of the County. These reports are available in Bay County's separately issued Single Audit Report.

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

31, 2020, average nationwide unemployment rate was 6.7%, while the 2020 statewide rate was 8.2%. All of the unemployment rates for 2020 were greatly impacted by the Covid-19 pandemic which commenced in March 2020.

Most recently, the county's state equalized values (SEV) of real property have increased 1.63%, 2.81% and 5.54% for 2018, 2019 and 2020 respectively. For 2021, Bay County is projecting an increase of \$145,902,362 or 4.34% in our state equalized values of real property which totals \$3,509,268,326. The state equalized value of personal property decreased by 1.78% or \$3,909,028 in 2018, increased by 2.52% or \$5,445,853 in 2019, and increased by 25.92% or \$57,322,893 in 2020. For 2021, Bay County is projecting a decrease of -6.61% or \$18,405,960 in personal property. The County's SEV for both real and personal property is projected to increase by 3.50% or \$3,641,836,075 to \$3,769,332,477.

Bay County and all of its departments worked unendingly to respond to the 2019 Novel Coronavirus (Covid-19) Pandemic in its attempt to reduce the transmission of this serious virus and to ensure the health and safety of our county residents and all Bay County staff members. The County followed all of the Covid-19 recommendations and guidelines given by the State of Michigan's Health and Human Services, State of Michigan Governor's Executive Orders, Centers for Disease Control and Prevention (CDC), and all local Health Department Health/Emergency Orders, in the process of trying to flatten the infection curve. Throughout calendar year 2020 and into 2021, Bay County has experienced a substantial loss of operating revenue as a result of building closures, service restrictions and the State's Stay at Home Orders. The Federal Government helped to mitigate this loss of revenue by enacting The Coronavirus Aid, Relief, and Economic Security (CARES) Act. Bay County utilized the CARES funding by participating in the First Responder Hazard Pay Grant, Public Safety Public Health Grant, Coronavirus Relief Local Government Grant, Sheriff's Department Covid-19 Reimbursement Grant and the CDBG Cares Funding Reimbursement Grant.

The Bay County Health Department continues to work too organize, monitor and document all Covid-19 vaccinations given to all county residents and holding numerous vaccination clinics throughout the county. This is no small task, to say the least. The Covid-19 pandemic is currently in its fifteenth (15) month of existence, and is expected to continue throughout calendar year 2021 as additional variants of the disease are continuing to surface throughout the United States and the World.

During the time of the Covid-19 Pandemic, the Bay County Housing Department (BCHD), partnered with MHT Housing, Inc. (MHT), a non-profit developer, to complete a rehabilitation and renovation of the property using Low Income Housing Tax Credits (LIHTCs), tax exempt bond financing, and Michigan State Housing Development Authority (MSHDA) housing trust funds. This partnership was the result of a Streamlined Voluntary Conversion Plan (SVC Plan), which is subject to the requirements of 24 CFR part 972, that proposed to convert 100 dwelling units to Section 8 Housing Choice Voucher (HCV) tenant-based assistance, and to remove one dwelling building, one non-dwelling building, and 5.62 acres of land at Center Ridge Arms, (CRA) from its Section 9 public housing inventory. The closing of the project was recorded on March 31, 2021. BCHD met with the Center Ridge Arms residents to discuss the proposed SVC Plan in August, 2020. BCHD Administration explained the specific requirements and rights that each of the residents have under 24 CFR, part 972. The proposed conversion does not negatively impact affordable housing within Bay County as all of the units will continue as affordable housing for low-income families.

The economic expansion of Uptown Bay City, a Brownfield Redevelopment Site, continued during the calendar year 2020. This additional site expansion allows for an increase in both businesses

and residents in Bay County as well as, a rise in the local tax-base. The community of Bay City uptown area and Shaheen Development were honored with Michigan Municipal League's 2019 Community Excellence Award. This award is to recognize innovative solutions taking place in Michigan's cities, villages & urban townships. It's the highest and most prestigious award given to a community by the state wide League. Uptown Bay City took a 43 acre river front site, formerly blighted property, that had primarily been a manufacturing/industrial site for over 100 years and transformed it into an award winning mixed-use, walkable, urban feel project.

Bay County has made its final remaining general obligation debt issuance payment, for the Library Refinance bond. The final principal payment on this bond was \$1,370,000 and was paid in November of 2020.

FINANCIAL POLICIES

Relevant Financial Policies

In accordance with the County's General Financial Policy and amended Bay County Ordinance No. 28, which mandates the General Fund establish and maintain a reserve for a long-term advance to the Budget Stabilization Fund at a minimum of 5% to a maximum of 20% (modified with resolution 2016-202) of the General Fund's current year adopted operating budget. The level of restriction at the end of December 31, 2020 was \$7,143,781, which is equal to 19.74% of the County's five most recent *General Fund Operating Budgets*. If funds are available, additional funding will be provided in the future. The Budget Stabilization Fund, in accordance with MCL section 141.443, can be used to cover a General Fund, fund deficit, to prevent a reduction in the level of public services or in the number of employees where revenues are not sufficient to cover expenditures, or to cover expenditures arising because of a natural disaster to the extent that such expenditures are not covered by federal or state funds.

The 100% Tax Payment Fund Policy, which governs transfers from the 100% Tax Payment Fund to the General Fund, mandates that a reserve in an amount equal to 20% of the total amount of the most recent delinquent tax settlement with the local taxing units be established within the 100% Tax Payment Fund and that the funds in the reserve shall only be used if necessary to meet the last annual delinquent tax settlement obligations to the local taxing units.

Cash balances are invested according to the Statement of Investment Policy adopted by the Board of Commissioners. The Board of Commissioners has authorized the Bay County Treasurer to invest surplus funds of the county in accordance with those investments permitted by Act 20 of the Michigan Public Acts of 1943 as amended, M.C.L. 129.91. During the year, excess cash was invested in interest bearing demand deposit accounts, bank money market investments, commercial paper and bank certificate of deposits in the CDAR's program fully insured. Other investments include debt obligations of the State of Michigan and its' political subdivisions; including, counties, cities, school districts and universities. Additional investments include debt instruments issued by United States Federal Government Sponsored Enterprises, including Federal Home Loan Bank, Federal Home Loan Mortgaging Corporation, Federal National Mortgage Association and Federal Farm Credit Bank.

Budgetary Controls

Bay County prepares, adopts and maintains budgetary controls on an annual basis. Governmental fund types of Bay County are under formal budgetary control. Activities of the General Fund, Special Revenue funds and Debt Service funds are included in the annual appropriated budget. The level of budgetary control, that is, the level at which expenditures cannot legally exceed the appropriated amount, is established on a function level within these individual funds. Capital Project funds are budgeted by project. Enterprise funds and Internal

Service funds, which are proprietary funds, and the Pension Trust Fund, Health Care Trust Fund and Private Purpose Trust Funds, which are fiduciary funds, are also subject to budgetary controls and are budgeted by function as well.

The Board of Commissioners is authorized to make adjustments to the various budgets as deemed necessary. Elected officials and department/division heads are authorized to amend budgets under their control subject to the provisions of the County's General Appropriation Budget Act Resolution.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to counties, for their Comprehensive Annual Financial Report (CAFR). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

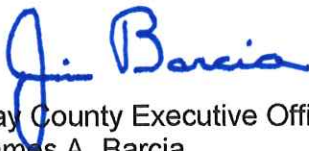
In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. This CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

Bay County, Michigan, received a Certificate of Achievement for its 2014 through 2019 CAFR for fiscal year ending date of December 31. We believe that our current CAFR meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

In addition, the Bay County Health Department has met all standards set by the Michigan Local Public Health Accreditation Program and as of December 2019, has been awarded a three year accreditation which is effective 2019 through 2021. This accreditation process looks at a mandatory standards-based system for accrediting local public health departments.

Preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and other County departments, including various elected and appointed officials. We would like to express our appreciation to everyone who assisted in and contributed to the preparation of this report. We would also like to thank the Board of Commissioners for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Sincerely,



Bay County Executive Office
James A. Barcia
County Executive



Bay County Finance Department
Jan M. Histed
Finance Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Bay County
Michigan**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

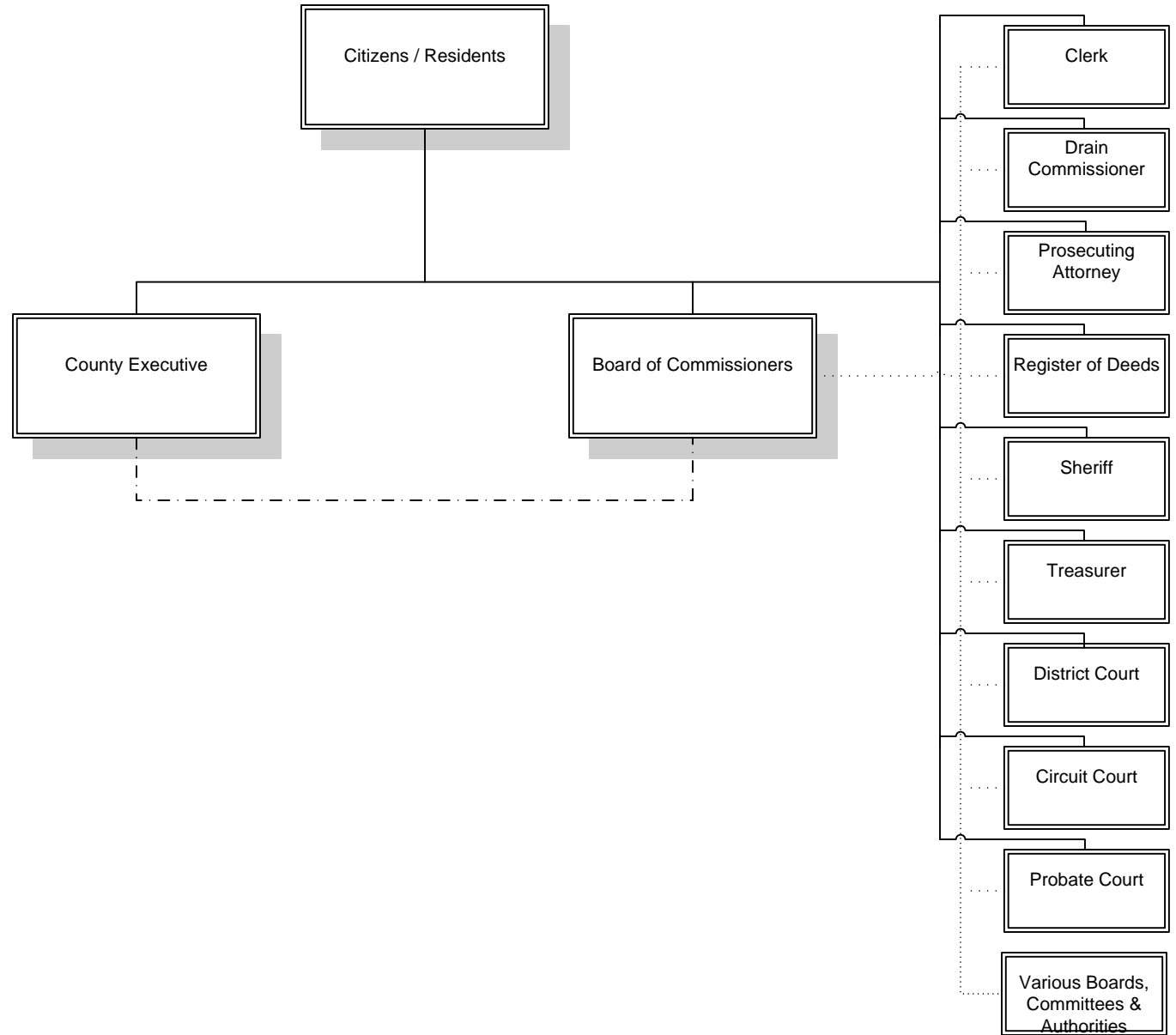
December 31, 2019

Christopher P. Morill

Executive Director/CEO



Bay County Organizational Chart 2020



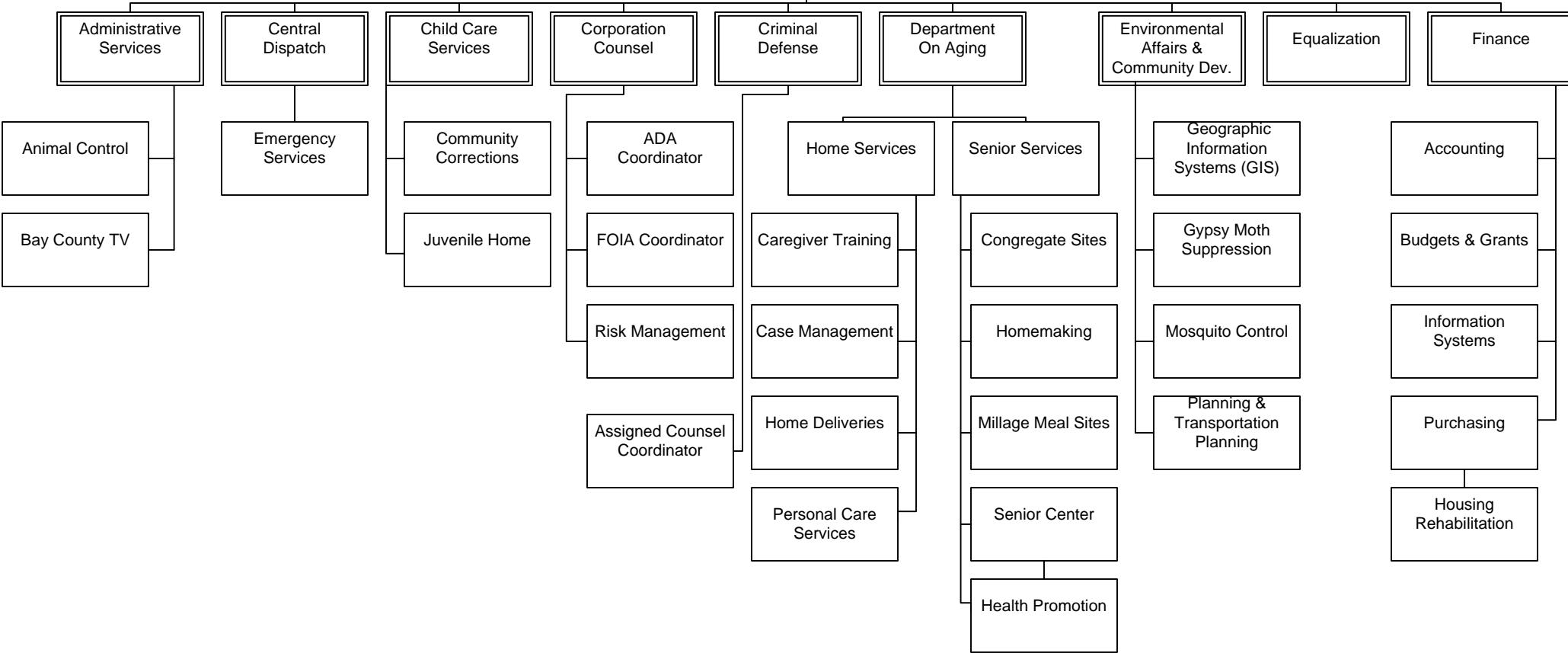
Legend:

- Direct Control _____
- Coordinated Budget/Personnel, etc.
- Legislative Coordination - - - - -



Bay County Organizational Chart
County Executive 2020

County Executive



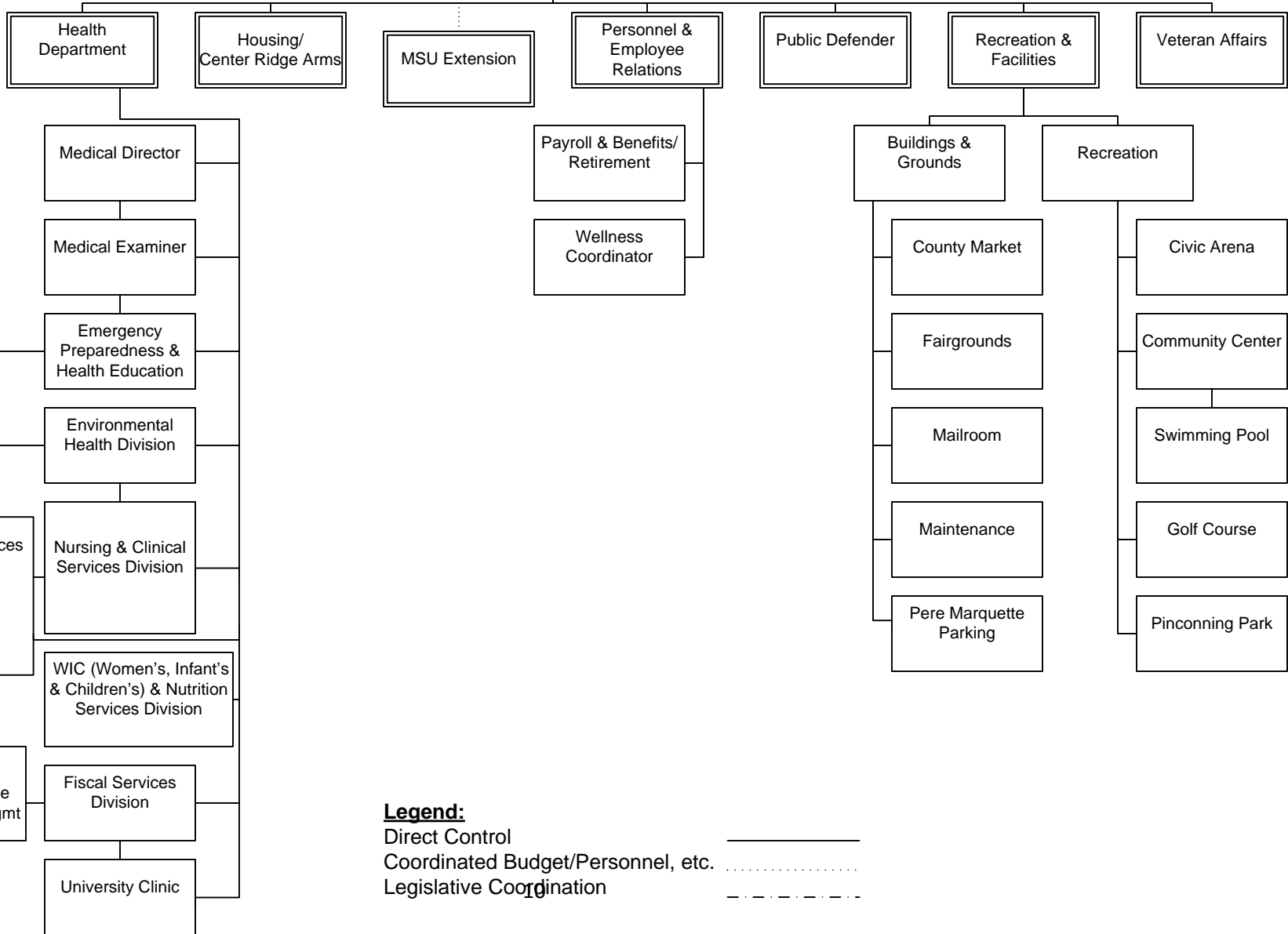
Legend:

- Direct Control _____
- Coordinated Budget/Personnel, etc.
- Legislative Coordination - - - - -



Bay County Organizational Chart
County Executive 2020 (Cont.)

County Executive



Legend:

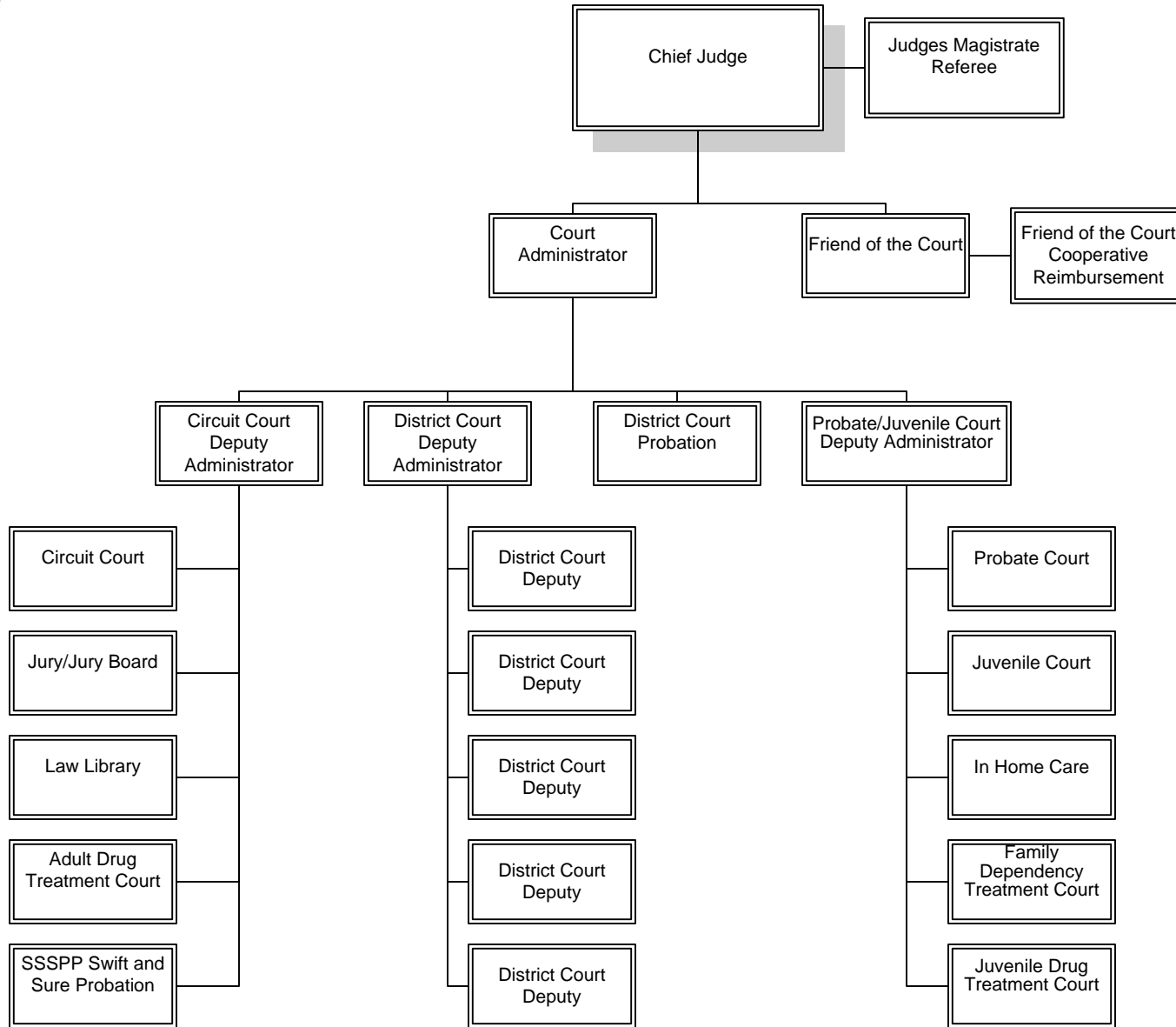
Direct Control _____

Coordinated Budget/Personnel, etc.

Legislative Coordination - - - - -



Bay County Organization Chart 2020



Legend:
 Direct Control _____
 Coordinated Budget/Personnel, etc.
 Legislative Coordination - - - - -

FINANCIAL SECTION

The Financial Section contains:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Financial Statements and Schedules

INDEPENDENT AUDITORS' REPORT

June 30, 2021

Board of Commissioners
Bay County, 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 **Bay County, Michigan** (the "County"), 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.

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bay County Road Commission component unit, Bay County Department of Water and Sewer component unit, or the Bay County Housing enterprise fund, which represent the indicated percentages of aggregate discretely presented component units and aggregate remaining funds total assets and deferred outflows of resources, net position and revenues, as applicable:

	Percent of Total Assets and Deferred Outflows	Percent of Total Net Position	Percent of Total Revenues
Bay County Road Commission	46%	60%	38%
Bay County Department of Water and Sewer	39%	24%	35%
Bay County Housing	0%	0%	1%

Rehmann is an independent member of Nexia International.



Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bay County Road Commission component unit, Bay County Department of Water and Sewer component unit and the Bay County Housing enterprise fund are based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bay County, Michigan, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report June 30, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Rehmann Lobson LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

BAY COUNTY, MICHIGAN

Management's Discussion and Analysis

As management of Bay County, Michigan, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

■ Total primary government net position	\$ 74,018,761
■ Unrestricted primary government net position (deficit)	(26,717,799)
■ Change in primary government net position	4,875,033
■ Fund balances, governmental funds	30,683,446
■ Changes in fund balances, governmental funds	3,627,451
■ Unassigned fund balance, general fund	9,133,702
■ Change in fund balance, general fund	3,684,769
■ Primary government debt outstanding	53,479,312
■ Change in primary government debt	(2,835,117)

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, community and economic development, health and welfare, public works, judicial, legislative, and recreation and culture. The business-type activities of the County include the medical care facility, 100% tax payment, water plant, golf course, housing, delinquent property tax foreclosure and commissary.

The government-wide financial statements include not only the County itself (known as the primary government), but also the following component units that are considered legally separate entities: Road Commission, Library System, Department of Water and Sewer, Drain Commission, Bay Area Narcotics Enforcement Team, and Land Bank for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. Financial statements for the Road Commission, Bay Area Narcotics Enforcement, and Department of Water and Sewer were issued separately from the County and other component units. The Bay County Building Authority, although legally separate, functions for all practical purposes as a department of the County and, therefore, has been included as an integral part of the primary government.

BAY COUNTY, MICHIGAN

Management's Discussion and Analysis

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general, 911 service, department on aging, mosquito control, and health department /district health funds, each of which are considered to be major funds. Data from the other 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 this report.

The County adopts an annual appropriated budget for its general, special revenue and debt service funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary funds. The County maintains two different types of proprietary funds: enterprise funds and internal service 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 its medical care facility, 100% tax payment, water plant, golf course, housing, delinquent property tax foreclosure, and commissary operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Bay County uses internal service funds to account for its self-insurance services. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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 medical care facility, 100% tax payment and water plant funds, each of which are considered to be major funds. Individual fund data for the nonmajor enterprise funds and internal service funds are provided in the form of combining statements elsewhere in this report.

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

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

BAY COUNTY, MICHIGAN

Management's Discussion and Analysis

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. This information can be found in the required supplementary information, as listed in the table of contents.

The combining statements and schedules referred to earlier in connection with nonmajor governmental and proprietary funds, as listed in the table of contents, can be found after the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Bay County, as the following table demonstrates, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$74,018,761 at the close of the most recent fiscal year. Explanations for significant changes are described below.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 77,150,935	\$ 49,859,361	\$ 83,064,304	\$ 75,440,689	\$ 160,215,239	\$ 125,300,050
Capital assets, net	39,233,359	40,672,897	23,073,520	22,756,109	62,306,879	63,429,006
Total assets	116,384,294	90,532,258	106,137,824	98,196,798	222,522,118	188,729,056
Deferred outflows of resources	4,583,112	15,130,766	4,177,391	8,365,586	8,760,503	23,496,352
Liabilities						
Long-term debt	2,663,476	3,537,065	50,815,836	52,777,364	53,479,312	56,314,429
Other liabilities	37,398,058	38,530,102	29,214,783	31,840,478	66,612,841	70,370,580
Total liabilities	40,061,534	42,067,167	80,030,619	84,617,842	120,092,153	126,685,009
Deferred inflows of resources	24,412,002	12,204,558	12,759,705	4,192,113	37,171,707	16,396,671
Net position						
Net investment in capital assets	38,915,759	39,191,317	23,073,520	22,756,109	61,989,279	61,947,426
Restricted	31,243,817	25,193,354	7,503,464	7,459,588	38,747,281	32,652,942
Unrestricted (deficit)	(13,665,706)	(12,993,372)	(13,052,093)	(12,463,268)	(26,717,799)	(25,456,640)
Total net position	\$ 56,493,870	\$ 51,391,299	\$ 17,524,891	\$ 17,752,429	\$ 74,018,761	\$ 69,143,728

The largest portion of the County's net position, \$61,989,279 (83.7%), reflects its investment in capital assets (e.g., land, construction in progress, land improvements, buildings and improvements, machinery and equipment, office furniture and equipment, and vehicles) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$38,747,281 (52.3%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$26,717,799.

BAY COUNTY, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 10,015,203	\$ 11,826,181	\$ 24,525,552	\$ 25,488,484	\$ 34,540,755	\$ 37,314,665
Operating grants and contributions	13,971,937	15,404,296	3,078,462	327,852	17,050,399	15,732,148
Capital grants and contributions	22,783	8,973	-	-	22,783	8,973
General revenues:						
Property taxes	22,430,445	21,927,262	2,101,420	2,085,704	24,531,865	24,012,966
Unrestricted investment earnings	700,956	1,119,554	2,142,552	2,650,402	2,843,508	3,769,956
Other revenue	1,935,003	377,845	343,930	625,477	2,278,933	1,003,322
Total revenues	49,076,327	50,664,111	32,191,916	31,177,919	81,268,243	81,842,030
Expenses						
General government	12,665,385	13,591,696	-	-	12,665,385	13,591,696
Public safety	11,097,308	12,631,034	-	-	11,097,308	12,631,034
Community and economic development	153,712	277,078	-	-	153,712	277,078
Health and welfare	12,725,614	13,032,796	-	-	12,725,614	13,032,796
Public works	1,179	1,222	-	-	1,179	1,222
Judicial	6,729,137	7,433,823	-	-	6,729,137	7,433,823
Legislative	380,664	401,401	-	-	380,664	401,401
Recreation and culture	1,355,089	1,810,035	-	-	1,355,089	1,810,035
Interest on long-term debt	45,668	99,791	-	-	45,668	99,791
Medical care facility	-	-	27,538,902	29,610,337	27,538,902	29,610,337
100% tax payment	-	-	154,351	165,930	154,351	165,930
Golf course	-	-	482,001	553,822	482,001	553,822
Housing	-	-	746,704	806,809	746,704	806,809
Water plant	-	-	1,988,748	2,042,084	1,988,748	2,042,084
Delinquent property tax foreclosure	-	-	189,969	238,095	189,969	238,095
Commissary	-	-	138,779	171,420	138,779	171,420
Total expenses	45,153,756	49,278,876	31,239,454	33,588,497	76,393,210	82,867,373

continued...

BAY COUNTY, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Change in net position before transfers	\$ 3,922,571	\$ 1,385,235	\$ 952,462	\$ (2,410,578)	\$ 4,875,033	\$ (1,025,343)
Transfers	1,180,000	1,280,000	(1,180,000)	(1,280,000)	-	-
Change in net position	5,102,571	2,665,235	(227,538)	(3,690,578)	4,875,033	(1,025,343)
Net position:						
Beginning of year	51,391,299	48,726,064	17,752,429	21,443,007	69,143,728	70,169,071
Net position, end of year	\$ 56,493,870	\$ 51,391,299	\$ 17,524,891	\$ 17,752,429	\$ 74,018,761	\$ 69,143,728

concluded.

Governmental Activities. Governmental activities increased the County's net position by \$5,102,571 compared to an increase of \$2,665,235 in the prior year.

Charges for services decreased by \$1,810,978 which was mainly due to the closure of the court facility and our recreational programs, during the covid-19 pandemic. The County was not generating rental fees or fees for services during the 9-month period of March through December of 2020, due to the health emergency orders and stay at home orders related to Covid -19 pandemic.

Operating grants and contributions decreased by \$1,432,359 which was mainly due to a reduction in general fund operating transfers to the Health Department of (\$487,860), the Child Care Fund of (\$345,149), and Indigent Defense of (\$61,157). These funds were able to generate adequate operating revenues to cover their programs reduced costs for FY 2020. These savings are mainly a result of the reduction in wages and benefits in these programs by utilizing the State's Workshare Program. There was also a reduction in various reimbursement grants that did not need to cover travel and conference expenditures as FY 2020 had no approved travel in many of its programs.

Other revenue increased by \$1,557,158 which was mainly due to the recording of the Michigan Municipal Risk Management Authority (MMRMA) retention amount of \$1,612,148, that is being held and invested to cover future lawsuits on behalf of the County.

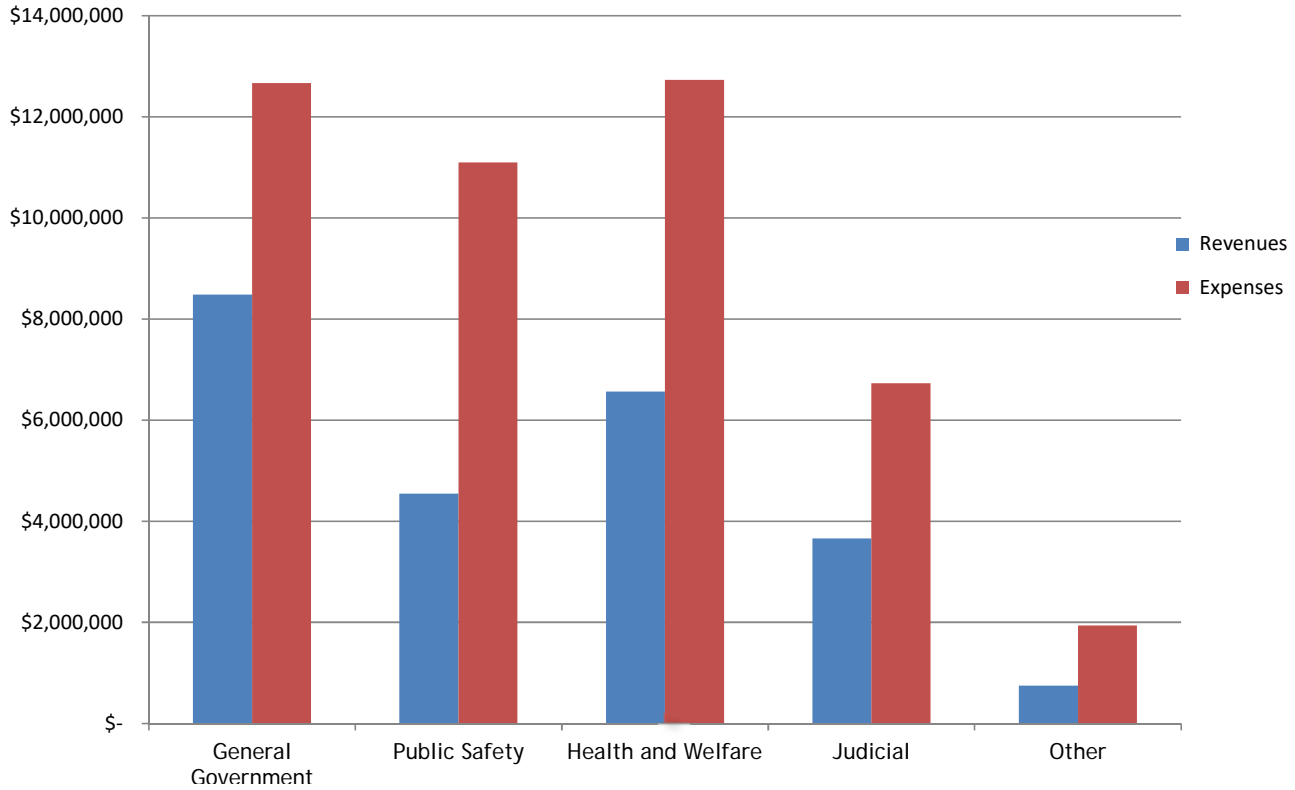
Expenses for general government decreased by \$926,311 which was mainly due to the reduction in wages and benefits due to the utilization of the State's Workshare Program during the Covid-19 pandemic. This program was used to retain our current workforce during a Stay at Home Order issued by the State.

Expenses for public safety decreased by \$1,533,726 which was mainly due to the reduction in the jail inmate population due to the Covid-19 pandemic. We experienced savings in the jail such as clothing, laundry, food and health care costs for the inmates. We also utilized a Sheriff's Department CARES reimbursement grant of \$58,008 which covered the custodial supplies for cleaning and sanitizing the jail during the pandemic.

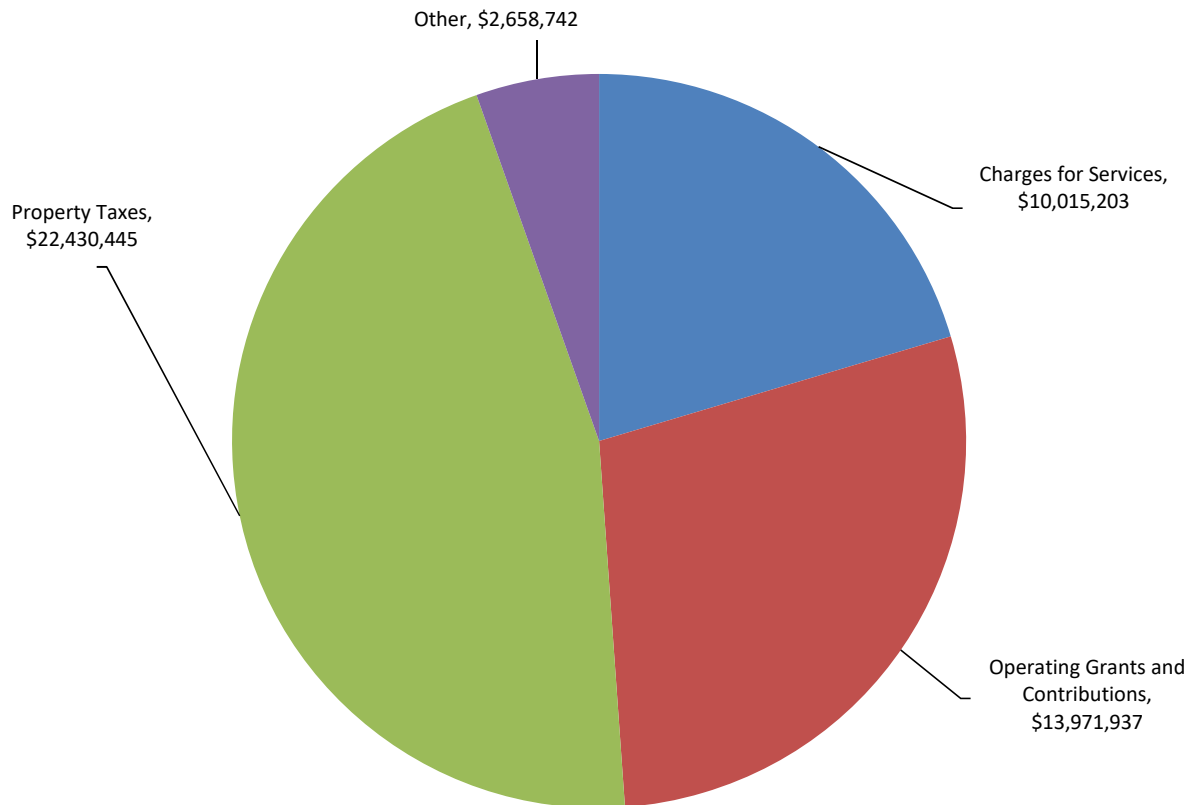
Expenses for judicial decreased by \$704,686. This was mainly due to the reduction in wages and benefits throughout all of our courts by utilizing the State's Workshare Program. We also experienced the temporary closure of our Drug Court Program which resulted in a reduction in our contracted services.

Business-Type Activities. Business-type activities decreased the County's net position by \$227,538 compared to an decrease of \$3,690,578 in the prior year. See the discussions of the enterprise funds below for further information on the business-type activities.

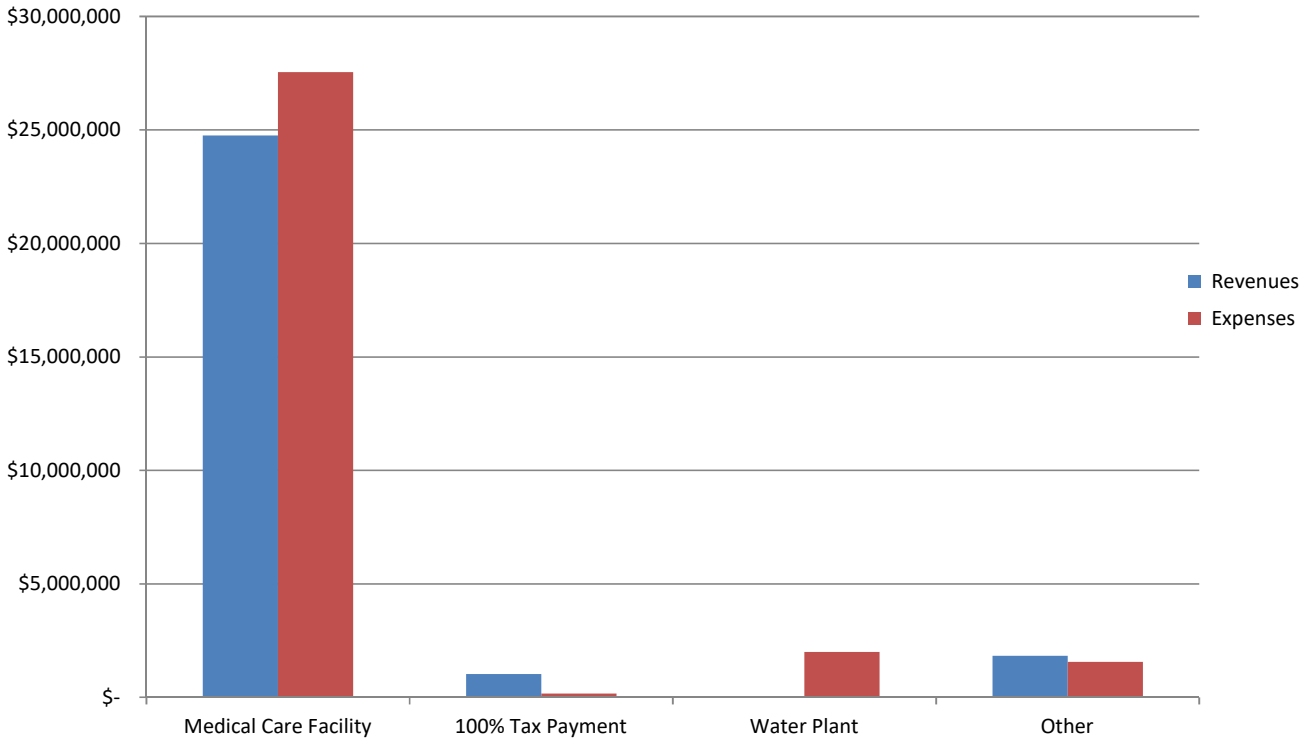
Governmental Activities Program Expenses and Revenues



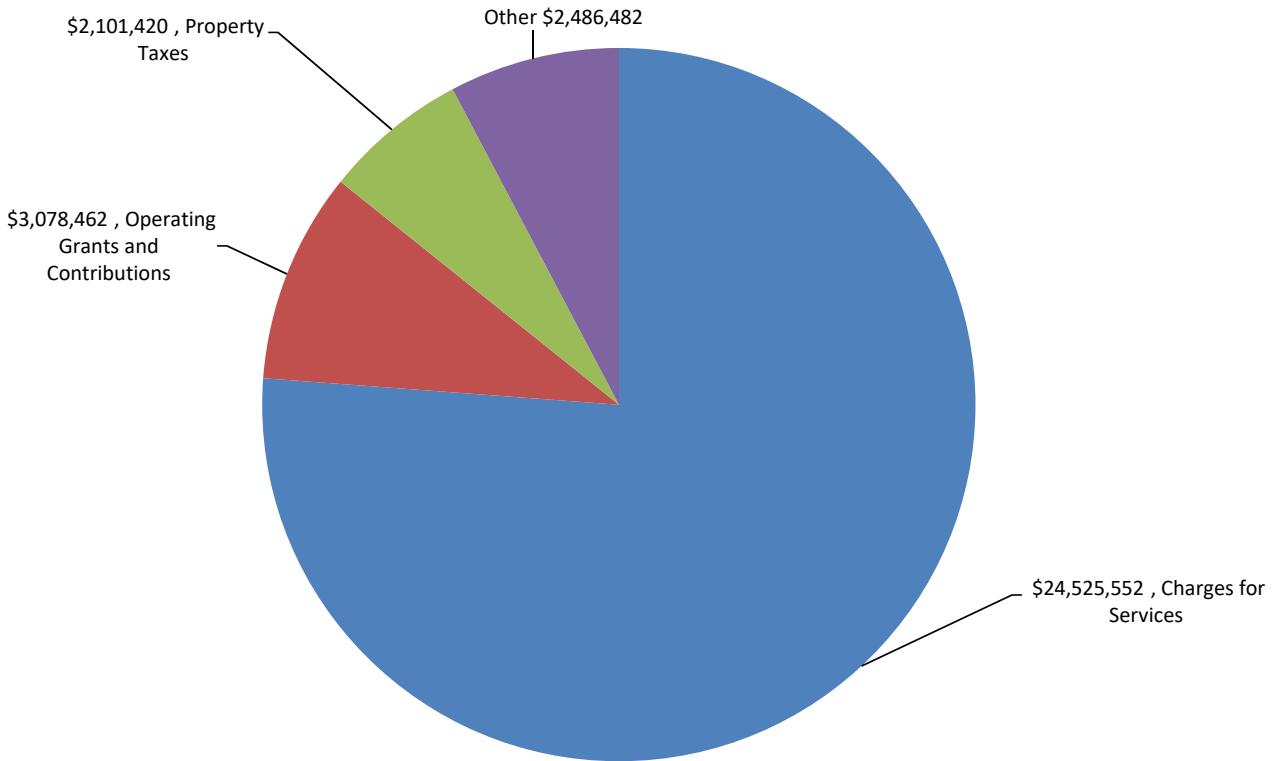
Revenues by Source/Governmental Activities



Business-Type Activities Program Expenses and Revenues



Revenues by Source/Business-Type Activities



BAY COUNTY, MICHIGAN

Management's Discussion and Analysis

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$30,683,446, an increase of \$3,627,451 compared to the prior year. Of this amount, \$7,143,781 is committed fund balance and \$3,134,729 is assigned fund balance. The underlying distinction between the two is that committed fund balance has been designated by the highest level of decision making authority and formal action is needed to establish, modify, or rescind a commitment. An additional \$9,133,702 is unassigned and available for spending at the government's discretion. The remainder of fund balance is not available for new spending and is either nonspendable (\$993,151) or restricted (\$10,278,083).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$9,133,702 while total fund balance amounted to \$17,739,979. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 30.2% of total general fund expenditures, while total fund balance represents 58.7% of that same amount.

Fund balance of the County's general fund increased by \$3,684,769 during the current fiscal year. The increase was primarily due to the County's utilization of the State of Michigan's Workshare Program and the participation in the CARES grant funding made available due to the Covid-19 pandemic. When following the Stay at Home Emergency Order issued by Michigan's Governor Whitmer, the County did not lay off their employees during the pandemic, but scheduled them at reduced hours and pay and the unworked hours were covered by the States' Unemployment fund. This program enabled us to retain our current workforce. The CARES grants were designed to cover wages and benefits of essential workers, who were spending the majority of their time responding to the pandemic, and to cover lost revenue sharing dollars due to the County.

Fund balance of the County's 911 service fund increased by \$67,350 during the current fiscal year. The fund balance increase was primarily due to receiving CARES funding from the Federal Government to cover hazard pay and wages and benefits of essential workers during the Covid-19 pandemic. Total fund balance at year end was \$1,275,723.

The fund balance of the department on aging fund at year end was \$2,342,570, a decrease of \$368,770. One of the primary reasons for the decrease in fund balance was due to the increased indirect costs (use of County central services) expense from the previous year.

The fund balance of the mosquito control fund at year end was \$1,278,378, an increase of \$156,244. This increase was primarily the result of an increase in State – Local Stabilization funds and interest earned revenue that exceeded the 2020 budgeted projection and previous fiscal year actuals.

The fund balance of the Health Department /District Health fund at year end was \$3,397,318, an increase of \$32,583. This increase was primarily the result of a decrease in indirect costs (use-of County central services) expenditures from the previous year. This expense savings resulted in additional funds available to net to fund balance.

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

BAY COUNTY, MICHIGAN

Management's Discussion and Analysis

The medical care facility's net position as of year end, decreased \$327,810 to \$7,260,165. Charges for services revenue decreased by \$2,998,292 mainly due to the reduction in census. The occupancy rate fell 13.7% from an 2019 average rate of 87.2% to 73.5% in 2020 as a result of the COVID-19 pandemic. This decrease in charges for service revenue was offset by an increase in the state of Michigan reimbursement of \$1,935,639 for excess Certified Public expenditure (CPE) Reimbursement revenue received in 2020. There was no CPE reimbursement revenue recorded in 2019. Additionally, the Facility received federal grants in the current year totaling \$2,890,711 due to the COVID-19 pandemic. This amount consisted of CARES Act distributions totaling \$1,040,298 in direct general distributions and another \$1,850,413 in state pass through dollars for COVID testing, personal protection equipment and for infection prevention and control. Further, retiree benefits decreased by \$2,393,031 as a result of GASB 68 and 75 decreasing accrued benefits.

The 100% tax payment fund's net position as of year end, was \$8,140,794, an increase of \$116,281. This was the result of \$253,781 transfer in from the Delinquent Tax Foreclosure Fund.

The water plant fund's net position as of year end was \$73,726, a decrease of \$231. This fund was created to account for the capital lease with the Department of Water and Sewer component unit for the water plant as well as the related long-term debt.

General fund budgetary highlights. The differences between the original budget and final amended budget for expenditures resulted in a 3.0% increase (\$944,102) in expenditures budget; whereas the difference between the original budget and final amended budget for revenues resulted in a 8.0% increase (\$2,557,491) in revenues budget; finally, the original budget for total other financing sources (uses) was amended resulting in a 29.0% increase (\$299,684) in net other financing uses. The original budget shows a decrease of \$720,993 in fund balance which was affected by budgetary adjustments. Budget adjustments of \$1,313,705 resulted in a budgeted increase to fund balance of \$592,712. Significant budgetary differences are briefly summarized as follows:

- A \$167,855 increase in expenditures for prior year open purchase orders to be filled in 2020.
- Increase 2020 budget for COVID-19, CARES, First Responders Hazard Pay and Public Safety Public Health grant revenue in the amount of \$1,517,022.

Significant general fund actual to budget variances are as follows:

- A negative \$715,161 variance in federal revenue was primarily the result of grants being under utilized due to COVID-19 restrictions.
- A negative \$586,598 variance in charges for services was due to County building and the Courts being closed to the public most of the 2020 year due to COVID-19 restrictions.
- A positive \$817,725 variance in reimbursements, refunds, and other revenues was primarily the result of unbudgeted refund from MMRMA for risk management.
- For 2020, general government expenditures were \$661,539 under budget due to the following: \$219,114 of wages and fringes saved because of furlough employees, \$190,439 not spend on projects budgeted in Building & Grounds activity, and \$207,347 of CDBG grant expenditures not spent due to COVID-19.
- For 2020, public safety expenditures were \$822,095 under budget due to \$169,796 of under spending in wages and fringes, \$144,000 under spending in administrative services expenses due to credit from the Inmates insurance provider, \$109,473 under spending in contractual services due to COVID-19 , \$300,000 under spending in jail repair and projects not being done due to COVID-19 restrictions.
- Judicial expenditures were \$451,859 under budget due to the Court being closed most of the 2020 year. There was \$240,200 under spending in wages and fringes, \$210,000 under spending in jury fees and contractual expenses due to COVID-19 restrictions.
- For 2020, recreation and culture expenditures were \$544,464 under budget due to \$321,259 of unspent wages and fringes, \$160,000 under spent utilities and repairs at the Civic Ice Arena.

BAY COUNTY, MICHIGAN

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets - The County's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounted to \$62,306,879 (net of accumulated depreciation). This investment in capital assets includes land, construction work in progress, land improvements, buildings and improvements, machinery and equipment, office furniture and equipment, and vehicles. The total decrease in the County's investment in capital assets for the current fiscal year was 1.8% (a 3.5% decrease and 1.4% increase for governmental activities and business-type activities, respectively).

Major capital asset events during the current fiscal year included the following:

- The Bay County Market and property was sold with a net sale of \$233,847.
- Leased computer hardware in the amount of \$397,000 was installed throughout the County for server upgrades.
- Five new sheriff vehicles were purchased and put into service in the amount of \$182,127.
- Medical Care Facility continued its major renovations into 2020 and recorded capital asset additions related to this renovation of \$2.1 million. The Medical Care Facility also transferred approximately \$1.3 million of asset into service from construction in progress.

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,211,953	\$ 2,211,953	\$ 257,559	\$ 257,559	\$ 2,469,512	\$ 2,469,512
Construction work in progress	-	-	1,759,537	986,666	1,759,537	986,666
Land improvements	635,291	687,565	2,167	7,366	637,458	694,931
Buildings and improvements	31,797,275	33,126,763	18,415,458	19,047,986	50,212,733	52,174,749
Machinery and equipment	1,775,914	1,980,797	1,759,973	1,807,235	3,535,887	3,788,032
Office equipment and furniture	2,054,205	2,048,830	875,159	636,829	2,929,364	2,685,659
Vehicles	758,721	616,988	3,667	12,468	762,388	629,456
Total	\$ 39,233,359	\$ 40,672,896	\$ 23,073,520	\$ 22,756,109	\$ 62,306,879	\$ 63,429,005

Additional information on the County's capital assets can be found in Note 6 to the financial statements.

BAY COUNTY, MICHIGAN

Management's Discussion and Analysis

Long-Term Debt. At the end of the current fiscal year, the County's primary government had total outstanding debt of \$53,479,312. The general obligations bonds were paid off during the year. The remainder of the County debt is comprised of a capital lease payable, revenue bonds, Drinking Water Revolving Funds (DWRF) loans, net of premiums and discounts, and compensated absences.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Primary Government						
General obligation bonds	\$ -	\$ 1,370,000	\$ -	\$ -	\$ -	\$ 1,370,000
Capital lease payable	317,600	-	-	-	317,600	-
Bond premium	-	111,580	-	-	-	111,580
Revenue bonds	-	-	27,705,000	28,200,000	27,705,000	28,200,000
Bond discount	-	-	(31,307)	(32,730)	(31,307)	(32,730)
DWRF loans	-	-	23,115,000	24,585,000	23,115,000	24,585,000
Compensated absences	2,345,876	2,055,485	27,143	25,094	2,373,019	2,080,579
Total	\$ 2,663,476	\$ 3,537,065	\$ 50,815,836	\$ 52,777,364	\$ 53,479,312	\$ 56,314,429

The County's total gross long-term debt of \$53,479,312 is equivalent to \$519 per capita or 1.8% of the County's taxable value of property of \$2,945,577,103.

The County's total debt decreased \$2,835,117 or 5.0% during the current fiscal year. This decrease is a result of principal payments made during the year of \$3,414,400 along with the change in compensated absences and bond premium/discounts.

The County's current bond ratings are as follows:

	Moody's	Standard and Poor's
Limited tax obligations	Aa3	AA-
Insured limited tax obligations	Aaa	AAA
Unlimited tax obligations	unrated	unrated
Revenue bonds	unrated	AA

Current state statutes (Article 7, Section II, Michigan Constitution of 1963) limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The County's current debt limit and margin (amounts expressed in thousands) is as follows:

Debt limit	\$ 364,184
Debt margin	310,163
Net debt as a percent of limit	14.83%

Additional information on the County's long-term debt can be found in Note 9 to the financial statements.

BAY COUNTY, MICHIGAN

Management's Discussion and Analysis

Economic Factors and Next Year's Budget and Rates

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

- All County union contract agreements are currently in effect until December 31, 2022.
- The County continues to monitor its Health Care costs as Covid-19 costs are impacting insurance costs.
- The County continues to apply for new grant funds to provide increased services to its residents.
- The County will continue to monitor the Covid-19 pandemic economic impact on its budget and local economy.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in Bay County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, Bay County Building, 515 Center Avenue, Suite 701, Bay City, Michigan 48708-5128.

BASIC FINANCIAL STATEMENTS

BAY COUNTY, MICHIGAN

Statement of Net Position

December 31, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 12,927,457	\$ 5,435,125	\$ 18,362,582	\$ 24,582,396
Investments	19,454,632	3,791,998	23,246,630	5,020,934
Receivables	13,742,863	61,162,158	74,905,021	19,536,423
Internal balances	(9,980)	9,980	-	-
Prepaid items and other assets	541,545	331,492	873,037	2,144,873
Inventories	14,895	65,465	80,360	1,432,890
Advance to component unit	675,319	-	675,319	-
Net pension asset	29,804,204	12,268,086	42,072,290	12,549,561
Capital assets not being depreciated	2,211,953	2,017,096	4,229,049	42,770,334
Capital assets being depreciated, net	37,021,406	21,056,424	58,077,830	150,937,190
Total assets	116,384,294	106,137,824	222,522,118	258,974,601
Deferred outflows of resources				
Deferred pension amounts	1,982,007	1,202,173	3,184,180	3,401,590
Deferred OPEB amounts	2,601,105	2,975,218	5,576,323	2,367,174
Total deferred outflows of resources	4,583,112	4,177,391	8,760,503	5,768,764
Liabilities				
Accounts payable and accrued liabilities	4,563,117	4,261,478	8,824,595	4,189,071
Unearned revenue	734,540	317,635	1,052,175	-
Long-term debt:				
Due within one year	372,635	2,040,772	2,413,407	3,862,750
Due in more than one year	2,290,841	48,775,064	51,065,905	62,566,205
Net OPEB liability, due in more than one year	32,100,401	24,635,670	56,736,071	25,753,405
Total liabilities	40,061,534	80,030,619	120,092,153	96,371,431
Deferred inflows of resources				
Deferred pension amounts	15,614,952	5,966,795	21,581,747	5,883,149
Deferred OPEB amounts	2,811,647	1,940,622	4,752,269	2,432,133
Taxes levied for a subsequent period	5,985,403	4,852,288	10,837,691	5,100,000
Total deferred inflows of resources	24,412,002	12,759,705	37,171,707	13,415,282
Net position				
Net investment in capital assets	38,915,759	23,073,520	61,989,279	135,487,630
Restricted for:				
Pension benefits	16,171,259	7,503,464	23,674,723	7,713,971
Insurance claims	4,727,275	-	4,727,275	-
Health and welfare	4,358,224	-	4,358,224	-
Home rehabilitation	2,145,235	-	2,145,235	-
Pest control	1,725,771	-	1,725,771	-
Other	2,116,053	-	2,116,053	7,468,656
Unrestricted (deficit)	(13,665,706)	(13,052,093)	(26,717,799)	4,286,395
Total net position	\$ 56,493,870	\$ 17,524,891	\$ 74,018,761	\$ 154,956,652

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

BAY COUNTY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2020

Functions / Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities:						
General government	\$ 13,518,106	\$ (852,721)	\$ 3,396,688	\$ 5,064,845	\$ 22,783	\$ (4,181,069)
Public safety	10,970,437	126,871	1,750,627	2,795,973	-	(6,550,708)
Community and economic development	213,150	(59,438)	163,753	41,302	-	51,343
Health and welfare	12,683,086	42,528	2,657,864	3,908,790	-	(6,158,960)
Public works	1,179	-	168	-	-	(1,011)
Judicial	6,130,300	598,837	1,509,130	2,153,775	-	(3,066,232)
Legislative	380,664	-	-	-	-	(380,664)
Recreation and culture	1,405,092	(50,003)	536,973	7,252	-	(810,864)
Interest on long-term debt	45,668	-	-	-	-	(45,668)
Total governmental activities	45,347,682	(193,926)	10,015,203	13,971,937	22,783	(21,143,833)
Business-type activities:						
Medical care facility	27,518,105	20,797	21,863,484	2,890,711	-	(2,784,707)
100% tax payment	145,102	9,249	1,018,879	-	-	864,528
Golf course	458,285	23,716	523,256	-	-	41,255
Housing	641,744	104,960	278,836	187,751	-	(280,117)
Water plant	1,988,748	-	-	-	-	(1,988,748)
Delinquent property tax foreclosure	183,796	6,173	644,198	-	-	454,229
Commissary	133,898	4,881	196,899	-	-	58,120
Total business-type activities	31,069,678	169,776	24,525,552	3,078,462	-	(3,635,440)
Total primary government	\$ 76,417,360	\$ (24,150)	\$ 34,540,755	\$ 17,050,399	\$ 22,783	\$ (24,779,273)
Component units						
Road Commission	\$ 17,210,188	\$ -	\$ 4,665,136	\$ 12,642,429	\$ 3,557,906	\$ 3,655,283
Library System	6,407,657	3,637	23,339	445,704	2,619	(5,939,632)
Department of Water and Sewer	21,367,855	-	19,543,674	-	-	(1,824,181)
Drain Commission	1,178,867	20,513	13,618	176,032	375,282	(634,448)
Bay Area Narcotics Enforcement Team	303,921	-	-	601,975	-	298,054
Bay County Landbank	10,077	-	5,050	-	-	(5,027)
Total component units	\$ 46,478,565	\$ 24,150	\$ 24,250,817	\$ 13,866,140	\$ 3,935,807	\$ (4,449,951)

continued...

BAY COUNTY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (21,143,833)	\$ (3,635,440)	\$ (24,779,273)	\$ (4,449,951)
General revenues:				
Property taxes	22,430,445	2,101,420	24,531,865	12,669,876
Unrestricted investment earnings	700,956	2,142,552	2,843,508	594,229
Other revenue	1,935,003	343,930	2,278,933	600,059
Transfers - internal activities	1,180,000	(1,180,000)	-	-
Total general revenues and transfers	26,246,404	3,407,902	29,654,306	13,864,164
Change in net position	5,102,571	(227,538)	4,875,033	9,414,213
Net position, beginning of year	51,391,299	17,752,429	69,143,728	145,542,439
Net position, end of year	\$ 56,493,870	\$ 17,524,891	\$ 74,018,761	\$ 154,956,652

concluded.

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

BAY COUNTY, MICHIGAN

Balance Sheet

Governmental Funds
December 31, 2020

	Special Revenue Funds			
	General Fund	911 Service	Department on Aging	Mosquito Control
Assets				
Cash and cash equivalents	\$ 1,180,315	\$ 461,012	\$ 974,680	\$ 520,276
Investments	14,569,224	777,645	1,464,641	834,284
Receivables:				
Accounts, net	943,297	21	23,785	-
Property taxes, net	1,445,550	1,907,434	1,499,142	1,498,519
Interest	63,754	4,384	7,553	4,011
Due from other governmental units	1,887,219	161,315	108,929	21,233
Due from component units	173,694	-	-	-
Inventories	14,895	-	-	-
Due from other funds	108,829	-	-	-
Prepaid items and other assets	245,549	51,338	-	-
Advance to component unit	675,319	-	-	-
Total assets	\$ 21,307,645	\$ 3,363,149	\$ 4,078,730	\$ 2,878,323
Liabilities				
Accounts payable	\$ 841,475	\$ 26,765	\$ 52,854	\$ 8,956
Accrued liabilities	928,770	55,576	82,489	16,247
Due to other funds	645,484	2,115	2,217	1,162
Due to component units	116,425	-	-	-
Due to other governmental units	277,588	-	-	-
Deposits	47,668	-	-	-
Unearned revenue	67,948	-	24,397	-
Total liabilities	2,925,358	84,456	161,957	26,365
Deferred inflows of resources				
Unavailable revenue - property taxes	642,308	3,265	3,005	2,382
Taxes levied for a subsequent period	-	1,999,705	1,571,198	1,571,198
Total deferred inflows of resources	642,308	2,002,970	1,574,203	1,573,580
Fund balances				
Nonspendable	935,763	51,338	-	-
Restricted	151,494	1,224,385	2,342,570	1,278,378
Committed	7,143,781	-	-	-
Assigned	375,239	-	-	-
Unassigned	9,133,702	-	-	-
Total fund balances	17,739,979	1,275,723	2,342,570	1,278,378
Total liabilities, deferred inflows of resources and fund balances	\$ 21,307,645	\$ 3,363,149	\$ 4,078,730	\$ 2,878,323

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

Special Revenue Funds		
Health Department /District Health	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,268,364	\$ 1,928,125	\$ 9,332,772
-	886,731	18,532,525
33,145	2,015,249	3,015,497
-	804,202	7,154,847
-	2,716	82,418
658,108	470,767	3,307,571
-	-	173,694
-	-	14,895
-	-	108,829
-	6,050	302,937
-	-	675,319
<u>\$ 4,959,617</u>	<u>\$ 6,113,840</u>	<u>\$ 42,701,304</u>
\$ 95,675	\$ 177,112	\$ 1,202,837
109,566	121,768	1,314,416
1,928	109,203	762,109
-	-	116,425
924,752	-	1,202,340
-	-	47,668
<u>430,378</u>	<u>211,817</u>	<u>734,540</u>
<u>1,562,299</u>	<u>619,900</u>	<u>5,380,335</u>
-	1,160	652,120
-	843,302	5,985,403
-	844,462	6,637,523
-	6,050	993,151
1,672,648	3,608,608	10,278,083
-	-	7,143,781
1,724,670	1,034,820	3,134,729
-	-	9,133,702
<u>3,397,318</u>	<u>4,649,478</u>	<u>30,683,446</u>
<u>\$ 4,959,617</u>	<u>\$ 6,113,840</u>	<u>\$ 42,701,304</u>

BAY COUNTY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
To Net Position of Governmental Activities
December 31, 2020

Fund balances - total governmental funds	\$ 30,683,446
Amounts reported for <i>governmental activities</i> 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.	
Capital assets not being depreciated	2,211,953
Capital assets being depreciated, net	37,021,406
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.	
Deferred inflow for property taxes receivable	652,120
Certain pension and OPEB-related amounts, such as the net pension asset, net OPEB liability and related deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension asset	29,693,650
Deferred outflows related to the net pension asset	1,974,710
Deferred inflows related to the net pension asset	(15,558,003)
Net OPEB liability	(32,100,401)
Deferred outflows related to the net OPEB liability	2,601,105
Deferred inflows related to the net OPEB liability	(2,811,647)
Internal service funds are used by management to charge the costs of self insurance to individual governmental funds. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.	
	4,788,177
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Capital lease payable	(317,600)
Accrued liability to Historical Preservation	(442)
Compensated absences	(2,344,604)
Net position of governmental activities	<u>\$ 56,493,870</u>

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

BAY COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2020

	Special Revenue Funds			
	General Fund	911 Service	Department on Aging	Mosquito Control
Revenues				
Property taxes	\$ 16,516,285	\$ 1,972,545	\$ 1,549,830	\$ 1,549,791
Licenses and permits	206,342	-	-	-
Federal	3,506,455	185,347	854,414	-
State	4,733,875	391,859	97,310	77,051
Interest, rents and royalties	997,705	39,863	64,818	37,620
Charges for services	2,738,890	-	12,224	1,092
Fines and forfeits	316,641	-	-	-
Reimbursements, refunds, and other revenues	4,780,909	721	365,733	3,738
Total revenues	<u>33,797,102</u>	<u>2,590,335</u>	<u>2,944,329</u>	<u>1,669,292</u>
Expenditures				
Current:				
General government	11,751,722	-	-	-
Public safety	9,768,501	2,179,644	-	-
Community and economic development	172,886	-	-	-
Health and welfare	892,611	-	2,800,980	1,390,562
Public works	1,179	-	-	-
Judicial	6,078,852	-	-	-
Legislative	380,698	-	-	-
Recreation and culture	1,101,550	-	-	-
Debt service:				
Principal	79,400	-	-	-
Interest and other fees	-	-	-	-
Total expenditures	<u>30,227,399</u>	<u>2,179,644</u>	<u>2,800,980</u>	<u>1,390,562</u>
Revenues over (under) expenditures	<u>3,569,703</u>	<u>410,691</u>	<u>143,349</u>	<u>278,730</u>
Other financing sources (uses)				
Insurance recoveries/proceeds	32,082	-	-	-
Proceeds from the sale of capital assets	233,847	-	-	-
Issuance of long-term debt	397,000	-	-	-
Transfers in	3,151,409	-	6,200	-
Transfer out	(3,699,272)	(343,341)	(518,319)	(122,486)
Total other financing sources (uses)	<u>115,066</u>	<u>(343,341)</u>	<u>(512,119)</u>	<u>(122,486)</u>
Net change in fund balances	<u>3,684,769</u>	<u>67,350</u>	<u>(368,770)</u>	<u>156,244</u>
Fund balances, beginning of year	<u>14,055,210</u>	<u>1,208,373</u>	<u>2,711,340</u>	<u>1,122,134</u>
Fund balances, end of year	<u>\$ 17,739,979</u>	<u>\$ 1,275,723</u>	<u>\$ 2,342,570</u>	<u>\$ 1,278,378</u>

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

Special Revenue Funds		
Health Department /District Health	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 830,667	\$ 22,419,118
225,836	69,596	501,774
1,807,823	110,159	6,464,198
631,341	978,270	6,909,706
-	39,823	1,179,829
19,239	50,193	2,821,638
-	7,455	324,096
1,078,938	2,594,923	8,824,962
<u>3,763,177</u>	<u>4,681,086</u>	<u>49,445,321</u>
-	298,173	12,049,895
-	134,504	12,082,649
-	44,681	217,567
4,432,744	3,175,901	12,692,798
-	-	1,179
-	1,285,426	7,364,278
-	-	380,698
-	267,458	1,369,008
-	-	-
-	1,370,000	1,449,400
-	54,800	54,800
<u>4,432,744</u>	<u>6,630,943</u>	<u>47,662,272</u>
<u>(669,567)</u>	<u>(1,949,857)</u>	<u>1,783,049</u>
-	-	32,082
-	-	233,847
-	-	397,000
1,262,614	2,430,458	6,850,681
<u>(560,464)</u>	<u>(425,326)</u>	<u>(5,669,208)</u>
<u>702,150</u>	<u>2,005,132</u>	<u>1,844,402</u>
32,583	55,275	3,627,451
<u>3,364,735</u>	<u>4,594,203</u>	<u>27,055,995</u>
<u>\$ 3,397,318</u>	<u>\$ 4,649,478</u>	<u>\$ 30,683,446</u>

BAY COUNTY, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
 To Change in Net Position of Governmental Activities
 For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds \$ 3,627,451

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

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

Capital assets purchased/constructed	977,714
Depreciation	(2,417,251)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.

Change in unavailable state revenue	(597,208)
Change in deferred property taxes receivable	11,327

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Issuance of long-term debt	(397,000)
Principal payments on long-term debt	1,449,400
Amortization of bond premium	111,580

Internal service funds are used by management to charge the costs of self insurance to individual governmental funds. The net increase (decrease) in net position of the internal service funds is reported with governmental activities.

Net operating loss from governmental activities internal service funds	(64,737)
Interest revenue from governmental activities internal service funds	33,304
Transfers out of governmental activities internal service funds	(1,473)

Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Historical preservation	16
Change in the net pension asset and related deferred amounts	2,568,126
Change in accrued interest payable on bonds	9,133
Change in the net OPEB liability and related deferred amounts	82,290
Change in the accrual for compensated absences	(290,101)

Change in net position of governmental activities \$ 5,102,571

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

BAY COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 16,322,109	\$ 16,322,109	\$ 16,516,285	\$ 194,176
Licenses and permits	230,700	237,745	206,342	(31,403)
Federal	1,989,371	4,221,616	3,506,455	(715,161)
State	4,816,153	4,854,853	4,733,875	(120,978)
Interest, rents and royalties	1,181,264	1,181,264	997,705	(183,559)
Charges for services	3,050,488	3,325,488	2,738,890	(586,598)
Fines and forfeits	620,000	620,000	316,641	(303,359)
Reimbursements, refunds, and other revenues	3,958,683	3,963,184	4,780,909	817,725
Total revenues	32,168,768	34,726,259	33,797,102	(929,157)
Expenditures				
Current:				
General government	12,273,280	12,413,261	11,751,722	(661,539)
Public safety	10,042,920	10,590,596	9,768,501	(822,095)
Community and economic development	262,202	257,515	172,886	(84,629)
Health and welfare	848,836	893,836	892,611	(1,225)
Public works	2,300	2,300	1,179	(1,121)
Judicial	6,321,913	6,530,711	6,078,852	(451,859)
Legislative	452,511	465,560	380,698	(84,862)
Recreation and culture	1,651,729	1,646,014	1,101,550	(544,464)
Debt service:				
Principal	-	-	79,400	79,400
Total expenditures	31,855,691	32,799,793	30,227,399	(2,572,394)
Revenues over expenditures	313,077	1,926,466	3,569,703	1,643,237
Other financing sources (uses)				
Insurance recoveries/proceeds	6,000	53,664	32,082	(21,582)
Proceeds from the sale of capital assets	-	233,847	233,847	-
Issuance of long-term debt	-	-	397,000	397,000
Transfers in	3,016,729	3,016,729	3,151,409	134,680
Transfers out	(4,056,799)	(4,637,994)	(3,699,272)	(938,722)
Total other financing sources (uses)	(1,034,070)	(1,333,754)	115,066	1,448,820
Net change in fund balance	(720,993)	592,712	3,684,769	3,092,057
Fund balance, beginning of year	14,055,210	14,055,210	14,055,210	-
Fund balance, end of year	\$ 13,334,217	\$ 14,647,922	\$ 17,739,979	\$ 3,092,057

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

BAY COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - 911 Service Special Revenue Fund
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,928,733	\$ 1,928,733	\$ 1,972,545	\$ 43,812
Federal	-	150,000	185,347	35,347
State	363,212	363,212	391,859	28,647
Interest, rents and royalties	80,000	80,000	39,863	(40,137)
Reimbursements, refunds, and other revenues	3,264	3,264	721	(2,543)
Total revenues	2,375,209	2,525,209	2,590,335	65,126
Expenditures				
Current:				
Public safety	2,514,130	2,553,101	2,179,644	(373,457)
Revenues over (under) expenditures	(138,921)	(27,892)	410,691	438,583
Other financing uses				
Transfers out	(345,396)	(345,396)	(343,341)	(2,055)
Net change in fund balance	(484,317)	(373,288)	67,350	440,638
Fund balance, beginning of year	1,208,373	1,208,373	1,208,373	-
Fund balance, end of year	\$ 724,056	\$ 835,085	\$ 1,275,723	\$ 440,638

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

BAY COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Department on Aging Special Revenue Fund
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,515,791	\$ 1,515,791	\$ 1,549,830	\$ 34,039
Federal	591,157	815,964	854,414	38,450
State	108,576	108,576	97,310	(11,266)
Interest, rents and royalties	6,000	6,000	64,818	58,818
Charges for services	35,682	35,682	12,224	(23,458)
Reimbursements, refunds, and other revenues	351,555	399,570	365,733	(33,837)
Total revenues	2,608,761	2,881,583	2,944,329	62,746
Expenditures				
Current:				
Health and welfare	3,354,594	3,622,652	2,800,980	(821,672)
Revenues over (under) expenditures	(745,833)	(741,069)	143,349	884,418
Other financing sources (uses)				
Transfers in	6,200	6,200	6,200	-
Transfers out	(518,319)	(518,319)	(518,319)	-
Total other financing sources (uses)	(512,119)	(512,119)	(512,119)	-
Net change in fund balance	(1,257,952)	(1,253,188)	(368,770)	884,418
Fund balance, beginning of year	2,711,340	2,711,340	2,711,340	-
Fund balance, end of year	\$ 1,453,388	\$ 1,458,152	\$ 2,342,570	\$ 884,418

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

BAY COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Mosquito Control Special Revenue Fund
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,515,791	\$ 1,515,791	\$ 1,549,791	\$ 34,000
State	60,667	60,667	77,051	16,384
Interest, rents and royalties	12,000	12,000	37,620	25,620
Charges for services	-	-	1,092	1,092
Reimbursements, refunds, and other revenues	-	-	3,738	3,738
Total revenues	<u>1,588,458</u>	<u>1,588,458</u>	<u>1,669,292</u>	<u>80,834</u>
Expenditures				
Current:				
Health and welfare	<u>1,687,404</u>	<u>1,741,058</u>	<u>1,390,562</u>	<u>(350,496)</u>
Revenues over (under) expenditures	(98,946)	(152,600)	278,730	431,330
Other financing uses				
Transfers out	<u>(122,486)</u>	<u>(122,486)</u>	<u>(122,486)</u>	<u>-</u>
Net change in fund balance	(221,432)	(275,086)	156,244	431,330
Fund balance, beginning of year	<u>1,122,134</u>	<u>1,122,134</u>	<u>1,122,134</u>	<u>-</u>
Fund balance, end of year	<u>\$ 900,702</u>	<u>\$ 847,048</u>	<u>\$ 1,278,378</u>	<u>\$ 431,330</u>

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

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Health Department/District Health Special Revenue Fund
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Licenses and permits	\$ 259,500	\$ 259,500	\$ 225,836	\$ (33,664)
Federal	1,282,976	2,297,290	1,807,823	(489,467)
State	462,567	800,411	631,341	(169,070)
Charges for services	49,687	49,687	19,239	(30,448)
Reimbursements, refunds, and other revenues	1,059,891	1,222,087	1,078,938	(143,149)
Total revenues	3,114,621	4,628,975	3,763,177	(865,798)
Expenditures				
Current:				
Health and welfare	4,304,632	5,840,835	4,432,744	(1,408,091)
Revenues over (under) expenditures	(1,190,011)	(1,211,860)	(669,567)	542,293
Other financing sources (uses)				
Transfers in	1,750,474	1,750,474	1,262,614	(487,860)
Transfers out	(560,463)	(560,464)	(560,464)	-
Total other financing sources (uses)	1,190,011	1,190,010	702,150	(487,860)
Net change in fund balance	-	(21,850)	32,583	54,433
Fund balance, beginning of year	3,364,735	3,364,735	3,364,735	-
Fund balance, end of year	\$ 3,364,735	\$ 3,342,885	\$ 3,397,318	\$ 54,433

BAY COUNTY, MICHIGAN

Statement of Net Position

Proprietary Funds
December 31, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities
	Medical Care Facility	100% Tax Payment	Water Plant	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,327,360	\$ 1,724,706	\$ 1,517,209	\$ 865,850	\$ 5,435,125	\$ 3,594,685
Investments	701,123	2,587,051	-	503,824	3,791,998	922,107
Accounts receivable, net of allowance	1,369,358	138,006	-	3,275	1,510,639	4,691
Property taxes receivable	4,613,431	3,155,226	-	-	7,768,657	-
Accrued interest receivable	-	549,586	490,991	1,418	1,041,995	3,990
Current portion of lease receivable	-	-	2,025,000	-	2,025,000	-
Inventories	61,632	-	-	3,833	65,465	-
Due from other funds	-	12,163	-	14,316	26,479	643,300
Due from component units	-	-	-	25,000	25,000	-
Due from other governmental units	1,381,372	89,285	-	-	1,470,657	155
Prepaid items and other assets	317,844	-	-	13,648	331,492	238,608
Total current assets	9,772,120	8,256,023	4,033,200	1,431,164	23,492,507	5,407,536
Noncurrent assets:						
Lease receivable, net of current portion	-	-	47,320,210	-	47,320,210	-
Net pension asset	11,867,639	88,375	-	312,072	12,268,086	110,554
Capital assets not being depreciated	1,789,625	-	-	227,471	2,017,096	-
Capital assets being depreciated, net	20,361,517	-	-	694,907	21,056,424	-
Total noncurrent assets	34,018,781	88,375	47,320,210	1,234,450	82,661,816	110,554
Total assets	43,790,901	8,344,398	51,353,410	2,665,614	106,154,323	5,518,090
Deferred outflows of resources						
Deferred pension amounts	1,175,743	5,833	-	20,597	1,202,173	7,297
Deferred OPEB amounts	2,938,822	4,855	-	31,541	2,975,218	-
Total deferred outflows of resources	4,114,565	10,688	-	52,138	4,177,391	7,297
Liabilities						
Current liabilities:						
Accounts payable	1,980,111	710	-	121,925	2,102,746	770
Accrued liabilities	676,077	3,039	490,991	37,233	1,207,340	7,234
Deposits payable	19,974	-	-	-	19,974	-
Due to other funds	-	16,411	-	88	16,499	-
Due to other governmental units	-	6,464	-	-	6,464	-
Estimated insurance claims payable	924,954	-	-	-	924,954	670,985
Unearned revenue	256,888	-	-	60,747	317,635	-
Current portion of bonds payable	-	-	2,023,233	-	2,023,233	-
Compensated absences	-	7,293	-	10,246	17,539	1,272
Total current liabilities	3,858,004	33,917	2,514,224	230,239	6,636,384	680,261

continued...

BAY COUNTY, MICHIGAN

Statement of Net Position

Proprietary Funds
December 31, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities
	Medical Care Facility	100% Tax Payment	Water Plant	Nonmajor Enterprise Funds	Total	Internal Service Funds
Liabilities (continued)						
Noncurrent liabilities:						
Bonds payable, net of current portion	\$ -	\$ -	\$ 48,765,460	\$ -	\$ 48,765,460	\$ -
Compensated absences, net of current portion	-	-	-	9,604	9,604	-
Net OPEB liability	24,267,217	123,659	-	244,794	24,635,670	-
Total noncurrent liabilities	24,267,217	123,659	48,765,460	254,398	73,410,734	-
Total liabilities	28,125,221	157,576	51,279,684	484,637	80,047,118	680,261
Deferred inflows of resources						
Deferred pension amounts	5,760,516	45,524	-	160,755	5,966,795	56,949
Deferred OPEB amounts	1,907,276	11,192	-	22,154	1,940,622	-
Taxes levied for a subsequent period	4,852,288	-	-	-	4,852,288	-
Total deferred inflows of resources	12,520,080	56,716	-	182,909	12,759,705	56,949
Net position						
Investment in capital assets	22,151,142	-	-	922,378	23,073,520	-
Restricted for:						
Pension benefits	7,282,866	48,684	-	171,914	7,503,464	60,902
Insurance claims	-	-	-	-	-	4,727,275
Unrestricted (deficit)	(22,173,843)	8,092,110	73,726	955,914	(13,052,093)	-
Total net position	\$ 7,260,165	\$ 8,140,794	\$ 73,726	\$ 2,050,206	\$ 17,524,891	\$ 4,788,177

concluded.

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

BAY 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					Governmental Activities
	Medical Care Facility	100% Tax Payment	Water Plant	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 21,863,484	\$ 1,018,879	\$ -	\$ 1,643,189	\$ 24,525,552	\$ 7,600,436
Program grants and subsidies	-	-	-	187,751	187,751	-
Other	-	-	-	27,070	27,070	-
Total operating revenues	21,863,484	1,018,879	-	1,858,010	24,740,373	7,600,436
Operating expenses						
Personnel services	17,951,260	131,709	-	260,519	18,343,488	6,368,307
Supplies	-	7,644	-	73,121	80,765	-
Other services	7,790,963	14,998	-	1,078,089	8,884,050	1,296,866
Depreciation	1,740,836	-	-	145,724	1,886,560	-
Total operating expenses	27,483,059	154,351	-	1,557,453	29,194,863	7,665,173
Operating income (loss)	(5,619,575)	864,528	-	300,557	(4,454,490)	(64,737)
Nonoperating revenues (expenses)						
Property and other taxes	2,101,420	-	-	-	2,101,420	-
Reimbursements, refunds and rebates	316,860	-	-	-	316,860	-
Federal revenue	2,890,711	-	-	-	2,890,711	-
State revenue	-	-	-	-	-	-
Interest income	38,617	97,972	1,988,517	17,446	2,142,552	33,304
Interest expense	-	-	(1,988,748)	-	(1,988,748)	-
Loss on sale of capital assets	(55,843)	-	-	-	(55,843)	-
Total nonoperating revenues (expenses)	5,291,765	97,972	(231)	17,446	5,406,952	33,304
Income (loss) before transfers	(327,810)	962,500	(231)	318,003	952,462	(31,433)
Transfers						
Transfers in	-	253,781	-	-	253,781	-
Transfers out	-	(1,100,000)	-	(333,781)	(1,433,781)	(1,473)
Net transfers	-	(846,219)	-	(333,781)	(1,180,000)	(1,473)
Change in net position	(327,810)	116,281	(231)	(15,778)	(227,538)	(32,906)
Net position, beginning of year	7,587,975	8,024,513	73,957	2,065,984	17,752,429	4,821,083
Net position, end of year	\$ 7,260,165	\$ 8,140,794	\$ 73,726	\$ 2,050,206	\$ 17,524,891	\$ 4,788,177

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

BAY COUNTY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds					Governmental
	Medical Care Facility	100% Tax Payment	Water Plant	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities						
Cash received from customers	\$ 18,489,338	\$ 1,330,315	\$ -	\$ 1,943,729	\$ 21,763,382	\$ -
Cash received from interfund services provided	-	-	-	-	-	10,393,255
Cash received from quality assurance program	2,009,215	-	-	-	2,009,215	-
Cash received from quality measure initiative	480,219	-	-	-	480,219	-
Cash received from CPE reimbursement	1,935,639	-	-	-	1,935,639	-
Cash paid for quality assurance assessment	(1,212,968)	-	-	-	(1,212,968)	-
Cash payments to suppliers for goods and services	(7,782,989)	(22,642)	-	(803,600)	(8,609,231)	(1,226,109)
Cash payments to employees and related taxes and insurance	(19,206,103)	(125,487)	-	(516,606)	(19,848,196)	(6,464,186)
Net cash provided by (used in) operating activities	(5,287,649)	1,182,186	-	623,523	(3,481,940)	2,702,960
Cash flows from noncapital financing activities						
Taxes received	2,244,184	-	-	-	2,244,184	-
Reimbursements, refunds, and rebates received	316,860	-	-	-	316,860	-
Change in resident trust deposits	4,256	-	-	-	4,256	-
Intergovernmental grant proceeds	1,509,339	-	-	-	1,509,339	-
Payments received on capital lease receivable	-	-	1,986,494	-	1,986,494	-
Principal paid on long-term debt	-	-	(1,965,000)	-	(1,965,000)	-
Interest paid on long-term debt	-	-	(2,000,831)	-	(2,000,831)	-
Transfers in	-	253,781	-	-	253,781	-
Transfers out	-	(1,100,000)	-	(333,781)	(1,433,781)	(1,473)
Net cash provided by (used in) noncapital financing activities	4,074,639	(846,219)	(1,979,337)	(333,781)	915,302	(1,473)
Cash flows from capital and related financing activities						
Acquisition and construction of capital assets	(2,210,420)	-	-	(49,394)	(2,259,814)	-
Cash flows from investing activities						
Proceeds from sale of investments	3,149,683	185,059	-	233,782	3,568,524	226,999
Purchases of investments	-	-	-	(261,466)	(261,466)	-
Interest received	69,961	169,158	2,002,023	17,370	2,258,512	36,163
Net cash provided by (used in) investing activities	3,219,644	354,217	2,002,023	(10,314)	5,565,570	263,162
Net change in cash and cash equivalents	(203,786)	690,184	22,686	230,034	739,118	2,964,649
Cash and cash equivalents, beginning of year	1,531,146	1,034,522	1,494,523	635,816	4,696,007	630,036
Cash and cash equivalents, end of year	\$ 1,327,360	\$ 1,724,706	\$ 1,517,209	\$ 865,850	\$ 5,435,125	\$ 3,594,685

continued...

BAY COUNTY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities
	Medical Care Facility	100% Tax Payment	Water Plant	Nonmajor Proprietary Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (5,619,575)	\$ 864,528	\$ -	\$ 300,557	\$ (4,454,490)	\$ (64,737)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	1,740,836	-	-	145,724	1,886,560	-
Bad debts	81,779	-	-	-	81,779	-
Changes in assets and liabilities that provided (used) cash:						
Accounts receivable, net	712,260	15,901	-	72,490	800,651	(1,604)
Property tax receivable	-	357,311	-	-	357,311	-
Inventories	(5,079)	-	-	2,521	(2,558)	-
Due from other funds	-	(4,052)	-	5,015	963	2,892,086
Due from other governmental units	-	(53,251)	-	-	(53,251)	(44)
Prepaid items and other assets	(127,711)	-	-	(234)	(127,945)	71,902
Accounts payable	(1,948,500)	584	-	61,786	(1,886,130)	28
Accrued liabilities	565,639	(343)	-	(18,960)	546,336	(20,320)
Due to other funds	-	(4,660)	-	44	(4,616)	-
Due to other governmental units	-	(397)	-	-	(397)	(1,145)
Estimated insurance claims payable	-	-	-	-	-	(97,647)
Unearned revenue	256,888	-	-	28,474	285,362	-
Net pension asset	(9,023,027)	(64,861)	-	(229,772)	(9,317,660)	(107,755)
Deferred outflows - pension	4,136,421	31,270	-	109,741	4,277,432	(2,879)
Deferred inflows - pension	4,858,287	30,365	-	107,701	4,996,353	55,144
Net OPEB liability	(1,575,527)	5,478	-	8,432	(1,561,617)	(24,736)
Deferred outflows - OPEB	(99,481)	2,855	-	7,389	(89,237)	5,167
Deferred inflows - OPEB	759,141	7,418	-	14,606	781,165	(790)
Compensated absences	-	(5,960)	-	8,009	2,049	290
Net cash provided by (used in) operating activities	<u>\$ (5,287,649)</u>	<u>\$ 1,182,186</u>	<u>\$ -</u>	<u>\$ 623,523</u>	<u>\$ (3,481,940)</u>	<u>\$ 2,702,960</u>

concluded.

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

BAY COUNTY, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds
December 31, 2020

	Pension and Other Employee Benefits Trust's	Custodial Funds
Assets		
Investments, at fair value:		
Equities	\$ 196,283,475	\$ -
Fixed income	101,293,944	13,172,368
Commingled funds	93,507,748	-
Mutual funds	100,484,252	-
Money market	8,103,083	-
Total investments, at fair value	<u>499,672,502</u>	<u>13,172,368</u>
Cash and cash equivalents	-	<u>9,347,342</u>
Receivables:		
Contributions receivable	1,027,700	-
Interest and dividends	678,931	-
Total receivables	<u>1,706,631</u>	<u>-</u>
Other current assets:		
Prepaid items and other assets	1,691,701	-
Net pension asset	77,320	-
Due from other governmental units	-	2,352
Due from other custodial funds	-	20,507
Total other current assets	<u>1,769,021</u>	<u>22,859</u>
Total assets	<u>503,148,154</u>	<u>22,542,569</u>
Deferred outflows of resources - pensions	<u>5,103</u>	<u>-</u>
Liabilities		
Accounts payable	912,640	26,441
Accrued liabilities	1,949,021	120,528
Accrued vacation and sick pay	4,388	-
Due to component units	-	115,477
Due to other governmental units	-	22,220,714
Due to other custodial funds	-	20,507
Deposits	-	37,870
Unearned revenue	15,197	-
Total liabilities	<u>2,881,246</u>	<u>22,541,537</u>
Deferred inflows of resources - pensions	<u>39,830</u>	<u>-</u>
Net position		
Restricted for:		
Inmates	-	1,032
Pension benefits	420,429,755	-
Postemployment healthcare benefits	79,802,426	-
Total net position	<u>\$ 500,232,181</u>	<u>\$ 1,032</u>

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

BAY COUNTY, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2020

	Pension and Other Employee Benefits Trust's	Custodial Funds
Additions		
Investment income:		
Net appreciation in fair value of investments	\$ 63,405,233	\$ -
Interest and dividends	8,441,504	-
Total investment earnings	<u>71,846,737</u>	<u>-</u>
Investment expense	(2,134,054)	-
Net investment income	<u>69,712,683</u>	<u>-</u>
Contributions:		
Employer	8,775,056	-
Plan members	2,206,654	-
Total contributions	<u>10,981,710</u>	<u>-</u>
Other:		
State education tax collected for other governments	-	16,566,025
Real estate transfer tax collected for other governments	-	2,130,964
Fees and fines collected on behalf of other governments	-	998,444
Collections from or on behalf of inmates	-	563,022
Other taxes collected for other governments	-	22,612
Other	115,262	-
Total other	<u>115,262</u>	<u>20,281,067</u>
Total additions	<u>80,809,655</u>	<u>20,281,067</u>
Deductions		
Participant benefits (including refunds of contributions)	24,039,929	-
Administrative expenses	431,673	-
Payments of state education tax to other governments	-	16,566,025
Payments of real estate transfer tax to other governments	-	2,130,964
Fees and fines remitted to other governments	-	998,444
Payments to or on behalf of inmates	-	563,010
Payments of other taxes to other governments	-	22,612
Total deductions	<u>24,471,602</u>	<u>20,281,055</u>
Change in net position	56,338,053	12
Net position		
Beginning of year	<u>443,894,128</u>	<u>1,020</u>
End of year	<u>\$ 500,232,181</u>	<u>\$ 1,032</u>

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

BAY COUNTY, MICHIGAN

Combining Statement of Net Position

Component Units
December 31, 2020

	Road Commission	Library System	Department of Water and Sewer	Drain Commission
Assets				
Cash and cash equivalents	\$ 68,389	\$ 6,452,809	\$ 11,420,673	\$ 5,483,528
Investments	3,341,215	-	-	1,679,719
Receivables	2,540,987	5,486,774	3,874,639	7,212,029
Due from primary government	-	-	-	231,902
Prepaid items and other assets	176,007	208,624	430,458	1,323,840
Inventories	1,080,654	-	352,236	-
Net pension asset	7,388,508	2,442,788	2,718,265	-
Capital assets not being depreciated	37,348,905	107,487	3,014,817	2,222,725
Capital assets being depreciated, net	65,946,094	1,933,393	78,965,443	4,064,622
Total assets	117,890,759	16,631,875	100,776,531	22,218,365
Deferred outflows of resources				
Deferred pension amounts	2,092,060	343,244	966,286	-
Deferred OPEB amounts	1,376,407	285,220	705,547	-
Total deferred outflows of resources	3,468,467	628,464	1,671,833	-
Liabilities				
Accounts payable and accrued liabilities	1,439,486	145,775	2,237,714	142,900
Due to primary government	-	-	-	173,694
Long-term debt:				
Due within one year	550,486	17,120	2,552,529	742,615
Due in more than one year	3,065,643	154,080	53,783,283	5,563,199
Net OPEB liability, due in more than one year	18,746,319	1,735,153	5,271,933	-
Total liabilities	23,801,934	2,052,128	63,845,459	6,622,408
Deferred inflows of resources				
Deferred pension amounts	3,414,804	1,137,825	1,330,520	-
Deferred OPEB amounts	1,869,105	135,250	427,778	-
Taxes levied for a subsequent period	-	5,100,000	-	-
Total deferred inflows of resources	5,283,909	6,373,075	1,758,298	-
Net position				
Net investment in capital assets	100,694,285	2,040,880	28,228,017	4,420,410
Restricted for:				
Debt service	-	-	-	7,468,656
Pension benefits	6,065,764	1,648,207	-	-
Unrestricted (deficit)	(14,486,666)	5,146,049	8,616,590	3,706,891
Total net position	\$ 92,273,383	\$ 8,835,136	\$ 36,844,607	\$ 15,595,957

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

Bay Area Narcotics Enforcement Team	Bay County Landbank	Total
\$ 1,048,569	\$ 108,428	\$ 24,582,396
-	-	5,020,934
190,092	-	19,304,521
-	-	231,902
-	5,944	2,144,873
-	-	1,432,890
-	-	12,549,561
76,400	-	42,770,334
27,638	-	150,937,190
<u>1,342,699</u>	<u>114,372</u>	<u>258,974,601</u>
-	-	3,401,590
-	-	<u>2,367,174</u>
-	-	<u>5,768,764</u>
24,502	-	3,990,377
-	25,000	198,694
-	-	3,862,750
-	-	62,566,205
-	-	<u>25,753,405</u>
<u>24,502</u>	<u>25,000</u>	<u>96,371,431</u>
-	-	5,883,149
-	-	2,432,133
-	-	<u>5,100,000</u>
-	-	<u>13,415,282</u>
104,038	-	135,487,630
-	-	7,468,656
-	-	7,713,971
<u>1,214,159</u>	<u>89,372</u>	<u>4,286,395</u>
<u>\$ 1,318,197</u>	<u>\$ 89,372</u>	<u>\$ 154,956,652</u>

BAY COUNTY, MICHIGAN

Combining Statement of Activities

Component Units

For the Year Ended December 31, 2020

Functions / Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component units						
Road Commission						
Governmental activities:						
Highways and streets	\$ 17,210,188	\$ -	\$ 4,665,136	\$ 12,642,429	\$ 3,557,906	\$ 3,655,283
Library System						
Governmental activities:						
Recreation and culture	6,407,657	3,637	23,339	445,704	2,619	(5,939,632)
Department of Water and Sewer						
Business-type activities:						
Water	16,424,559	-	14,435,511	-	-	(1,989,048)
Sewer	4,943,296	-	5,108,163	-	-	164,867
Total Department of Water and Sewer	21,367,855	-	19,543,674	-	-	(1,824,181)
Drain Commission						
Governmental activities:						
Public works	1,121,984	20,513	13,618	176,032	375,282	(577,565)
Interest on long-term debt	56,883	-	-	-	-	(56,883)
Total Drain Commission	1,178,867	20,513	13,618	176,032	375,282	(634,448)
Bay Area Narcotics Enforcement Team						
Governmental activities:						
Public safety	303,921	-	-	601,975	-	298,054
Bay County Landbank						
Governmental activities:						
General government	10,077	-	5,050	-	-	(5,027)
Total component units	\$ 46,478,565	\$ 24,150	\$ 24,250,817	\$ 13,866,140	\$ 3,935,807	\$ (4,449,951)

continued...

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

BAY COUNTY, MICHIGAN

Combining Statement of Activities

Component Units

For the Year Ended December 31, 2020

	Road Commission	Library System	Department of Water and Sewer	Drain Commission
Change in net position				
Net (expense) revenue	\$ 3,655,283	\$ (5,939,632)	\$ (1,824,181)	\$ (634,448)
General revenues:				
Property taxes	-	5,659,023	-	7,010,853
Unrestricted investment earnings	43,286	215,439	226,223	109,281
Gain on sale of capital assets	64,952	-	6,954	-
Other revenue	-	-	-	526,578
Total general revenues	<u>108,238</u>	<u>5,874,462</u>	<u>233,177</u>	<u>7,646,712</u>
Change in net position	3,763,521	(65,170)	(1,591,004)	7,012,264
Net position, beginning of year	<u>88,509,862</u>	<u>8,900,306</u>	<u>38,435,611</u>	<u>8,583,693</u>
Net position, end of year	<u>\$ 92,273,383</u>	<u>\$ 8,835,136</u>	<u>\$ 36,844,607</u>	<u>\$ 15,595,957</u>



Bay Area Narcotics Enforcement Team	Bay County Landbank	Total
\$ 298,054	\$ (5,027)	\$ (4,449,951)
-	-	12,669,876
-	-	594,229
-	-	71,906
1,575	-	528,153
<u>1,575</u>	<u>-</u>	<u>13,864,164</u>
299,629	(5,027)	9,414,213
<u>1,018,568</u>	<u>94,399</u>	<u>145,542,439</u>
<u>\$ 1,318,197</u>	<u>\$ 89,372</u>	<u>\$ 154,956,652</u>

concluded.

NOTES TO FINANCIAL STATEMENTS

BAY COUNTY, MICHIGAN

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bay County, Michigan (the "County") was incorporated in 1857. The County operates under the unified form of government and provides services to its 103,126 residents in many areas, including law enforcement, administration of justice, community enrichment and development, and human services.

The accounting policies of Bay County conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies:

Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County's reporting entity because they are entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the combined financial statement (see note below for description) to emphasize that it is legally separate from the government.

Blended Component Unit

Bay County Building Authority ("the Building Authority") - The seven-member authority is appointed by the Bay County Board of Commissioners and its activity is dependent upon Board actions. The purpose of the Building Authority is to finance through tax-exempt bonds the construction of public facilities for use by the County, with the bonds secured by lease agreements with, and serviced through lease payments from, the County. The Building Authority is reported as if it were part of the primary government because its sole purpose is to finance the construction of the County's public buildings. The Building Authority's activity is recorded in various debt service and capital projects funds.

Discretely Presented Component Units

Bay County Road Commission (the "Road Commission") - The Road Commission is governed by a Board comprised of three elected county-at-large officials who are not members of the Bay County Board of Commissioners. The County does not have appropriation authority or budgetary control over the activities of the Road Commission; however, the nature and significance of the relationship between the primary government and the Road Commission is such that exclusion would cause the reporting entity's financial statements to be misleading. 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 Road Commission's activities are reported discretely as a governmental fund type. Complete financial statements of the Road Commission can be obtained from its administrative offices at 2600 East Beaver Road, Kawkawlin, Michigan, 48631.

Bay County Library System (the "Library System") - The Library System is governed by a Board comprised of five appointees of the Bay County Board of Commissioners who are not County Board members. The County, which is the Library System's taxing authority, also has appropriation authority, but not budgetary control, over its activities. The Library System provides services and materials in a variety of formats to satisfy the educational, personal, and professional interests of the Bay County community, with funds primarily raised through local property taxes. The Library System's activities are reported discretely as a governmental fund type. Separate financial statements are not prepared for the Library System.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Bay County Department of Water and Sewer (the "Department of Water and Sewer") - The Department of Water and Sewer is governed by a Board consisting of three elected county-at-large officials who are not members of the Bay County Board of Commissioners. The County does not have appropriation authority or budgetary control over the activities of the Department of Water and Sewer; however, the nature and significance of the relationship between the primary government and the Department of Water and Sewer is such that exclusion would cause the reporting entity's financial statements to be misleading. Periodically, the Department of Water and Sewer requests and receives a pledge of the full faith and credit of Bay County as secondary security on bond issues. The Department of Water and Sewer provides a healthful and continuous water supply service and an environmentally sound, convenient, and continuous wastewater disposal service to Bay County communities. The Department of Water and Sewer debt service and capital project activities are reported discretely. Complete financial statements of the Department of Water and Sewer can be obtained from its administrative offices at 3933 Patterson Road, Bay City, Michigan, 48706.

Bay County Drain Commission (the "Drain Commission") - Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The County Drain Commissioner has sole responsibility to administer the drainage district established pursuant to Chapters 3 and 4 of the Drain Code. The Drainage Board or Drain Commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district. The County employs all full-time employees and the elected officials of the Drain Commissioner. The Drain Commissioner deposits its receipts with the County Treasurer. The nature and significance of the relationship between the primary government and the Drain Commissioner is such that exclusion would cause the reporting entity's financial statements to be misleading. Separate financial statements are not prepared for the Drain Commission.

Bay Area Narcotics Enforcement Team ("BAYANET") – BAYANET is governed by a Board who are not members of the Bay County Board of Commissioners. The County has appropriation authority and budgetary control over the activities of BAYANET though the County Board's approval of BAYANET's annual budget and any amendments as well as the monthly expenditures. BAYANET funds are held with the County Treasurer and the County acts as a fiduciary for BAYANET. BAYANET is an instrument of six counties and the State Police formed to organize a multi-jurisdictional/multi-tiered investigative task force designed to singularly combat the proliferation of narcotic trafficking in the eastern Mid-Michigan area. Complete financial statements of BAYANET can be obtained from its administrative offices at P.O. Box 676, Freeland, Michigan 48623, or by viewing it on the Michigan Department of Treasury Website.

Bay County Landbank (the "Landbank") - The Landbank is governed by a Board which consists of the Bay County Treasurer, Bay County Executive, and five other board members appointed by the Bay County Board of Commissioners. The County can impose its will on the Landbank by removing Board members at will. The County does not have appropriation authority or budgetary control over the activities of the Landbank, but utilizes the Landbank to manage its tax-foreclosed and vacant properties. Funds for the Landbank are kept separately from the primary government. The Landbank is a public body corporate organized pursuant to the Michigan Land Bank Authority and the Treasurer of Bay County, Michigan. The Landbank was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties on behalf of Bay County. Separate financial statements are not prepared for the Landbank.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Fiduciary Component Units

The Bay County Employees' Retirement System and the Bay County Voluntary Employees Beneficiary Association Trust (collectively the "Plans") are multiple-employer defined benefit contributory retirement plans which provide pension and retiree healthcare benefits covering certain full-time employees of Bay County and its component units as well as an unrelated entity. The Plans are administered through qualified trusts. The County provides significant administrative support to the Plans and the County is financially accountable for the Plans, as it is obligated to make employer contributions; accordingly, they are included as fiduciary component units in the County's financial statements. Plan amendments are under the authority of County Ordinances. The changes in required contributions are subject to collective bargaining agreements and approval by the Retirement Board.

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

BAY COUNTY, MICHIGAN

Notes To Financial Statements

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

The County reports the following major governmental funds:

The *general fund* is the principal operating fund of Bay County. It accounts for all the financial resources of the general government, except those accounted for and reported in another fund.

The *911 service special revenue fund* accounts for revenues received from property taxes and grants to provide countywide central dispatching services for police, fire, and other emergency situations.

The *department on aging special revenue fund* accounts for revenues received from property taxes, federal and state grants, and contributions to provide services and programs for County residents 60 years of age and older.

The *mosquito control special revenue fund* accounts for revenues received from property taxes to provide countywide mosquito pest control services.

The *health department / district health special revenue fund* is used to account for revenue received from the General Fund, State grants, and fees to provide health protection, maintenance, and improvement for the residents of Bay County.

The government reports the following major enterprise funds:

The *medical care facility fund* was established to account for the operations of the facility, which is a licensed skilled nursing home that provides long-term, highly skilled care to the residents of Bay County. Revenues are primarily received from patients, third-party payers, and property taxes.

The *100% tax payment fund* is used to account for advances by the County to other local operating units and County funds for delinquent property taxes. Advances are repaid from collections of delinquent taxes, including interest and collection fees.

The *water plant fund* accounts for long-term debt related to the construction of the County's water plant, which is leased to the Department of Water and Sewer (DWS) component unit. DWS operates the water plant and provides the necessary resources to the County for the debt service payments. Once the related debt obligations are repaid the title of the water plant will transfer to DWS.

Additionally, the County reports the following fund types:

The *special revenue funds* account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The *enterprise funds* account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

The *internal service funds* provide insurance coverage for workers' compensation, sickness and accident, unemployment compensation, and health insurance to other departments or agencies of the government on a cost reimbursement basis.

The *custodial funds* account for assets held by the County in a custodial capacity for other individuals, governments and entities. Primarily this includes undistributed collections and withholdings such as state education taxes, current property taxes, state jail booking fees, state real estate transfer taxes, and library penal fines.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating items*. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the medical care facility, the 100% tax payment, and nonmajor enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County allocates indirect expenses primarily comprised of central governmental services to operating functions and programs benefiting from those services. Central services include County management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocating methodologies. These charges are separately reported in the statement of activities. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions or programs include certain divisions within public services and parks.

Restricted net position represents amounts that are subject to restrictions beyond the County's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

For purposes of the statement of cash flows, the County considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value, as determined by the custodian under the direction of the Board of County Commission, with the assistance of a valuation service.

Receivable and Payables

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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

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

Inventory and Prepaids

Inventories are valued at cost using either the first-in, first-out or specific identification method. The costs of inventories are recorded as assets when purchased and charged to expenditures when used, which is the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements, which is the consumption method.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the County), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated 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.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Major outlays for capital assets and improvements are capitalized as projects when constructed. Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

	Years
Building and improvements	5-50
Machinery and equipment	3-20
Vehicles	3-7
Office furniture and equipment	3-20
Land improvements (infrastructure)	2-50

The County reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred the asset is written down to its net realizable value and a current charge to income is recognized.

In the Drain Commission component unit, infrastructure includes only those infrastructure assets acquired subsequent to January 1, 2003. In the Road Commission component unit, infrastructure is reported retrospectively from 1980, except for right-of-ways, bridges, and traffic signals, which are required to be reported despite the date of purchase. Roads are removed from the capital assets at the time the group of individually recorded roads have fully been depreciated.

Depreciation is recorded on the capital assets of the Road Commission component unit over the estimated useful lives (ranging from 5 to 50 years) of the assets, using the sum-of-years digits method for road equipment as prescribed by the Uniform Accounting Procedures for Michigan County Road Commissions, which does not vary significantly from the straight-line basis, and straight-line method for all other capital assets.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources related to pension and OPEB plans.

Unearned Revenue

Unearned revenue consists of amounts received prior to the delivery of goods/services or expenditure on allowable costs.

Long-term Obligations

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

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

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Compensated Absences

Bay County, including its component units, except for the Road Commission and Department of Water and Sewer, has an employee benefit plan that allows employees to accumulate unused sick days up to a maximum of 90 days, except for the Medical Care Facility, which has no limit for accumulating unused sick days. The Road Patrol employees hired before September 15, 1989 and all correctional facility officers may accumulate unused sick days up to a maximum of 120 days. Road patrol employees hired after September 15, 1989 may accumulate a maximum of 90 days. Probate Court employees may accumulate a maximum of 60 unused sick days. Employees may either use these sick days when ill or receive payment for 50 percent of the unused portion at time of retirement, subject to certain limitations. Most employees are also allowed to accumulate unused vacation days, subject to certain limitations. Generally, all employees can accumulate and carry forward a maximum of 30 days; hours accumulated in excess of 30 days must be used by December 31.

Employees of the Road Commission, a component unit, are granted sick leave and vacation in varying amounts, based on administrative policy and contracts with union employees. In accordance with these policies and contracts, individual employees have a vested right upon termination of employment to receive payment of unused sick and vacation. The dollar amount of these vested rights are accrued in the government-wide statements (statement of net position).

The Department of Water and Sewer, a component unit, has an employee benefit plan that allows employees to accumulate unused sick days up to a maximum of 70 days. Union employees may either use these sick days when ill or receive payment for 70% of the unused portion at time of retirement. All other employees receive 85% of the unused portion at time employment is terminated. Employees are also allowed to accumulate unused vacation days. Employees can accumulate a maximum of 30 days to carry over at the end of the year.

Accumulated sick and vacation is accrued when incurred in the proprietary funds. A liability for these amounts is reported governmental funds only if they matured, for example, as a result of employee resignations and retirements.

The long-term portion of unpaid sick and vacation pay that is applicable to governmental fund types is reported in the governmental activities in the Statement of Net Position.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods. Additionally, the County reports deferred inflows of resources related to its pension and OPEB plans.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Fund Equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners has delegated the authority to assign fund balance to the County Administrator/Controller or his/her designee. Unassigned fund balance is the residual classification for the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

The County Board of Commissioners has formally established a budget stabilization arrangement under which it commits general fund balance up to 20 percent of the most recent general fund budget, as originally adopted, or 20 percent of the average of the County's five recent general fund budgets, as amended, whichever is less. The committed fund balance can be used to cover a general fund deficit; to prevent a reduction in the level of public services or in the number of employees at any time in a fiscal year when the budgeted revenue is not being collected in an amount sufficient to cover budgeted expenses; to prevent a reduction in the level of public services or in the number of employees when in preparing the budget for the next fiscal year the estimate revenue does not appear sufficient to cover estimated expenses; and to cover expenses arising because of natural disaster. This commitment may be used if one of the several potential qualifying events occurs (as detailed in a Board of Commissioners resolution) and the Board of Commissioners, by 2/3 vote of members present, affirms the qualifying event. As of year end, the balance in the stabilization arrangement was \$7,143,781.

Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services and to service debt. The accompanying financial statements generally reflect such transactions as transfers. Subsidies are also recorded as transfers.

Internal service funds are used and record charges for services to all County departments and funds as operating revenue. All affected County funds record these payments to the Internal service funds as operating expenditures or expenses.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Pensions and Retiree Healthcare

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The County utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the financial statements.

2. BUDGETARY INFORMATION

Governmental funds are under formal budgetary control. Capital project funds are budgeted by project. The County follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Ninety days prior to the beginning of the fiscal year, in accordance with the provisions of Public Act 139 of 1963 as amended by Public Act 100 of 1980 and in conformance with Act 2, Public Act 1968 as amended by Act 621 of 1978, the County Executive submits a proposed operating budget to the Ways and Means Committee, which recommends formal adoption by the Bay County Board of Commissioners. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain comments.
3. Prior to January 1, the budget is legally enacted by a budget adopting resolution.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Budgets shown in the financial statements were prepared on the same modified accrual basis that is used to reflect actual results. The Board of Commissioners has legal control over expenditures on a function level for the general fund and all special revenue funds. The circuit, district, and probate courts, have a legal level of control over expenditures is on a total basis (lump sum) encompassing all of their operations. Expenditures are limited to appropriations for each function level of budget data presented. The Board of Commissioners is authorized to make adjustments to the various budgets as deemed necessary. Elected officials and department/division heads are authorized to amend budgets under their control, subject to provisions of the General Appropriation Budget Act Resolution. Such adjustments and amendments have been reflected in the budgeted amounts shown in the financial statements. There were no supplemental appropriations that were deemed material. The County does not employ encumbrance accounting as an extension of formula budgetary integration in the governmental funds. All unexpended appropriations lapse at year-end, unless specifically reappropriated by Board action.

3. EXCESS OF EXPENDITURES OVER BUDGET

State statutes provide that a local unit shall not incur expenditures in excess of the amounts appropriated. Excess of expenditures or transfers out over appropriations individual funds are as follows:

Fund	Appropriations	Actual Expenditures	Excess Expenditures over Appropriations
General Fund:			
Debt service - principal	\$ -	\$ 79,400	\$ 79,400
Child Care:			
Transfers out	132,494	200,738	68,244
Indigent Defense:			
Transfers out	38,729	80,973	42,244
Building Authority Debt Service:			
Transfers out	-	368	368

The above items represent violations of the County's budgeting policies. Revenues were sufficient to cover all expenditures.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

4. DEPOSITS AND INVESTMENTS

A reconciliation of cash and cash equivalents and investments as shown in the basic financial statements for the County's deposits and investments is as follows:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and cash equivalents	\$ 18,362,582	\$ 24,582,396	\$ 42,944,978
Investments	23,246,630	5,020,934	28,267,564
Statement of Fiduciary Net Position			
Pension and other employee benefits trust's:			
Investments	499,672,502	-	499,672,502
Other fiduciary funds:			
Cash and cash equivalents	9,347,342	-	9,347,342
Investments	13,172,368	-	13,172,368
Total	\$ 563,801,424	\$ 29,603,330	\$ 593,404,754

Deposits and investments

Bank deposits:

Checking, savings, and money market \$ 47,128,711

Investments:

Equities:

Domestic equities 187,430,934
 Mutual funds 100,484,252
 Commingled funds 87,748,664
 Foreign equities 6,106,095
 Real estate 2,046,268
 American depository receipts 700,178

Total equities 384,516,391

Fixed income:

Domestic corporate bonds 63,073,610
 Foreign corporate bonds 6,324,926
 Commingled funds 5,759,084
 Government agencies 1,147,107
 Government bonds** 42,973,384
 Municipal bonds** 32,066,837

Total fixed income 151,344,948

Money market and other similar investments 10,382,684

Total investments 546,244,023

Cash on hand 32,020

Total **\$ 593,404,754**

** The following investments, at fair value, include call options:

Government bonds	\$ 8,086,741
Municipal bonds	9,308,874

BAY COUNTY, MICHIGAN

Notes To Financial Statements

The County has adopted an official investment policy which is in accordance with investments permitted by Act 20 of the Michigan Public Acts of 1943 as amended, Act 196 PA 1997 (the Act). The Act generally allows the County to deposit funds in banks, savings and loan associations, and credit unions in the State of Michigan. The Act also provides for investment in U.S. government obligations; certificates of deposit of banks, savings and loans, and credit unions; commercial paper; repurchase agreements; bankers' acceptances; and, with some restrictions, mutual funds. Pension and Other Employee Benefits Trust's are also allowed to invest in corporate stocks and bonds. Pension and Other Employee Benefits Trust's investments are subject to a number of restrictions as to type, quality and concentration of investments. All investments are reported at fair value.

Investments by type are shown below:

	Investment Type			
	Equities	Fixed Income	Money Market and Other Similar Investments	Total
Less than 1 year	\$ -	\$ 10,014,427	\$ 1,003,010	\$ 11,017,437
1 - 5 years	406,692	50,926,911	689,430	52,023,033
6 - 10 years	-	41,768,329	587,160	42,355,489
More than 10 years	-	42,876,197	-	42,876,197
No maturity	384,109,699	5,759,084	8,103,084	397,971,867
Total	\$ 384,516,391	\$ 151,344,948	\$ 10,382,684	\$ 546,244,023

	Investment Type			
	Equities	Fixed Income	Money Market and Other Similar Investments	Total
AAA	\$ -	\$ 27,595,219	\$ -	\$ 27,595,219
AA	-	10,984,135	-	10,984,135
A	-	19,281,784	-	19,281,784
BAA	529,882	28,948,095	-	29,477,977
BA	-	3,934,675	-	3,934,675
B	-	756,124	-	756,124
Not rated	383,986,509	59,844,916	10,382,684	454,214,109
Total	\$ 384,516,391	\$ 151,344,948	\$ 10,382,684	\$ 546,244,023

Investment and Deposit Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments. The County's investment policy does not have specific limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity dates for each investment are identified above for investments held at year-end.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified above. The County's investment policy does not have specific limits on investment credit risk. The ratings for each investment are identified above for investments held at year-end.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end \$42,271,952 of the County's bank balance of \$45,777,937 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk 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 or collateral securities that are in the possession of an outside party. State law does not require a policy for investment custodial credit risk. However, the County's investment policy states that no more than 60 percent of the County investment portfolio will be invested with a single financial institution. However, while uninsured and unregistered, the County's funds are not exposed to custodial credit risk since the securities are held in the counterparty's trust department in the County's name.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified above. The County's investment policy states that with the exception of U.S. Treasury securities and authorized pools, no more than 60 percent of the County investment portfolio should be invested in a single security type. No single investment represents more than five percent of the County's investments. All investments held at year-end are reported above.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. Any investments noted as foreign are investments in U.S. subsidiaries of foreign entities and are traded in U.S. dollars, therefore the investments are not subject to foreign currency risk.

Investments and Securities Lending

A contract approved by the Bay County Board of Commissioners permits the Bay County Employees' Retirement System and the VEBA Trust (the "Plans") to lend its securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The Plans' custodial bank manages the securities lending program and receives securities or cash as collateral. The collateral securities cannot be pledged or sold by the Plans unless the borrower defaults. Collateral securities and cash are initially pledged at 102 percent of the fair value of United States securities lent and 105 percent of the fair value of non-United States securities, and may not fall below 100 percent during the term of the loan.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

There are no restrictions on the amount of the securities that can be loaned. Securities on loan at year-end are classified in the previous schedule of investments according to the category for the collateral received on the securities lent. At year-end the Plans have no credit risk exposure to borrowers because the amounts the Plans owe the borrowers exceed the amounts the borrowers owe the System. The contract with the Plans' custodian requires it to indemnify the Plans if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the Plans for income distributions by the securities' issuers while the securities are on loan. The VEBA Trust and Employees' Retirement System had the following securities on loan as December 31, 2020:

	ERS		VEBA	
	Fair Value of Underlying Securities	Cash Collateral Received	Fair Value of Underlying Securities	Cash Collateral Received
Government agencies	\$ 574,924	\$ 585,844	\$ 255,242	\$ 258,030
Domestic corporate bonds	1,978,690	2,019,543	289,446	295,460
Domestic equities	2,393,793	2,449,862	41,528	42,432
Total	\$ 4,947,407	\$ 5,055,249	\$ 586,216	\$ 595,922

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 assets. 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. The County had the following recurring fair value measurements as of year end:

Investment Type	Level 1	Level 2	Level 3	Total Fair Value
Domestic equities	\$ 156,803,288	\$ -	\$ 30,627,646	\$ 187,430,934
Mutual funds	100,484,252	-	-	100,484,252
Commingled funds - equity	-	-	87,748,664	87,748,664
Foreign equities	6,106,095	-	-	6,106,095
Real estate	2,046,268	-	-	2,046,268
American depository receipts	700,178	-	-	700,178
Domestic corporate bonds	-	63,073,610	-	63,073,610
Foreign corporate bonds	-	6,324,926	-	6,324,926
Commingled funds - fixed income	-	-	5,759,084	5,759,084
Government agencies	-	1,147,107	-	1,147,107
Government bonds	-	42,973,384	-	42,973,384
Municipal bonds	-	32,066,837	-	32,066,837
	\$ 266,140,081	\$ 145,585,864	\$ 124,135,394	535,861,339

Investments carried at amortized cost:

Money market funds and other similar investments	10,382,684
	\$ 546,244,023

The following is a description of the valuation methodology used for assets recorded at fair value. There have been no changes from the prior year in the methodologies used.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Certain domestic and foreign equities, real estate, mutual funds, and american depository receipts classified as Level 1 of the fair value hierarchy are valued based on quoted market prices in active markets.

Domestic and foreign corporate bonds, government agencies, government bonds, and municipal bonds are classified as Level 2 of the fair value hierarchy and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Certain equities and commingled funds are classified as Level 3. Level 3 investments are financial assets that are considered the most illiquid and the hardest to value. Since they are not traded frequently it is difficult to get an accurate market price. These asset values are received from the individual investment managers fund statements and are priced based on calculations and assumptions from quoted prices of similar assets.

5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables in the primary government and component units are as follows:

	Governmental Activities	Business-type Activities	Component Units
Accounts:			
Current	\$ 1,442,853	\$ 1,550,336	\$ 425,078
Noncurrent	2,013,663	-	-
Property taxes	7,407,256	7,768,657	5,100,000
Special assessments:			
Current	-	-	509,761
Noncurrent	-	-	6,049,455
Capital lease:			
Current	-	2,025,000	-
Long-term	-	47,320,210	-
Interest	86,408	1,041,995	65,369
Intergovernmental:			
Current	3,307,726	1,470,657	4,992,563
Long-term	-	-	2,169,295
Due from component units	173,694	25,000	-
Due from primary government	-	-	231,902
Less: allowance for uncollectible accounts	(688,737)	(39,697)	(7,000)
Total	\$ 13,742,863	\$ 61,162,158	\$ 19,536,423

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Governmental funds report deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Resources intended to provide financing for a subsequent period are also reported as deferred inflows of resources.

	Unavailable	Subsequent Years' Resources	Total
State revenue receivable			
Component unit -			
Library system	\$ 266,734	\$ -	\$ 266,734
Property taxes receivable			
Governmental activities:			
General fund	\$ 642,308	\$ -	\$ 642,308
911 service fund	3,265	1,999,705	2,002,970
Department on aging fund	3,005	1,571,198	1,574,203
Mosquito control fund	2,382	1,571,198	1,573,580
Nonmajor governmental funds	1,160	843,302	844,462
Total governmental activities	652,120	5,985,403	6,637,523
Business-type activities -			
Medical care facility	-	4,852,288	4,852,288
Component unit -			
Library system	-	5,100,000	5,100,000
Total	\$ 652,120	\$ 15,937,691	\$ 16,589,811

BAY COUNTY, MICHIGAN

Notes To Financial Statements

6. CAPITAL ASSETS

Primary government

Capital assets activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 2,211,953	\$ -	\$ -	\$ -	\$ 2,211,953
Capital assets, being depreciated:					
Land improvements	3,634,657	-	-	-	3,634,657
Buildings and improvements	65,970,714	24,400	(266,505)	-	65,728,609
Machinery and equipment	4,809,047	50,339	(124,127)	-	4,735,259
Office furniture and equipment	5,422,857	433,104	(195,966)	-	5,659,995
Vehicles	2,720,035	469,871	(266,711)	-	2,923,195
	<u>82,557,310</u>	<u>977,714</u>	<u>(853,309)</u>	<u>-</u>	<u>82,681,715</u>
Less accumulated depreciation for:					
Land improvements	(2,947,092)	(52,274)	-	-	(2,999,366)
Buildings and improvements	(32,843,951)	(1,353,888)	266,505	-	(33,931,334)
Machinery and equipment	(2,828,250)	(255,222)	124,127	-	(2,959,345)
Office furniture and equipment	(3,374,027)	(427,729)	195,966	-	(3,605,790)
Vehicles	(2,103,047)	(328,138)	266,711	-	(2,164,474)
	<u>(44,096,367)</u>	<u>(2,417,251)</u>	<u>853,309</u>	<u>-</u>	<u>(45,660,309)</u>
Total capital assets being depreciated, net	<u>38,460,943</u>	<u>(1,439,537)</u>	<u>-</u>	<u>-</u>	<u>37,021,406</u>
Governmental activities capital assets, net	<u>\$ 40,672,896</u>	<u>\$ (1,439,537)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,233,359</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 257,559	\$ -	\$ -	\$ -	\$ 257,559
Construction in progress	986,666	2,100,072	(55,843)	(1,271,358)	1,759,537
	<u>1,244,225</u>	<u>2,100,072</u>	<u>(55,843)</u>	<u>(1,271,358)</u>	<u>2,017,096</u>
Capital assets, being depreciated:					
Land improvements	771,553	-	-	-	771,553
Buildings and improvements	32,562,219	55,163	-	876,379	33,493,761
Machinery and equipment	3,654,250	38,799	(6,993)	147,507	3,833,563
Office furniture and equipment	997,037	65,780	-	247,472	1,310,289
Vehicles	163,526	-	-	-	163,526
	<u>38,148,585</u>	<u>159,742</u>	<u>(6,993)</u>	<u>1,271,358</u>	<u>39,572,692</u>
Less accumulated depreciation for:					
Land improvements	(764,187)	(5,199)	-	-	(769,386)
Buildings and improvements	(13,514,233)	(1,564,070)	-	-	(15,078,303)
Machinery and equipment	(1,847,015)	(233,568)	6,993	-	(2,073,590)
Office furniture and equipment	(360,208)	(74,922)	-	-	(435,130)
Vehicles	(151,058)	(8,801)	-	-	(159,859)
	<u>(16,636,701)</u>	<u>(1,886,560)</u>	<u>6,993</u>	<u>-</u>	<u>(18,516,268)</u>
Total capital assets being depreciated, net	<u>21,511,884</u>	<u>(1,726,818)</u>	<u>-</u>	<u>1,271,358</u>	<u>21,056,424</u>
Business-type activities capital assets, net	<u>\$ 22,756,109</u>	<u>\$ 373,254</u>	<u>\$ (55,843)</u>	<u>\$ -</u>	<u>\$ 23,073,520</u>

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

Depreciation of governmental activities by function

General government	\$ 1,443,672
Public safety	393,488
Health and welfare	381,510
Recreation and culture	95,843
Judicial	102,738
	<u>2,417,251</u>

Depreciation of business-type activities by function

Medical Care Facility	\$ 1,740,836
Housing	123,760
Golf Course	21,964
	<u>1,886,560</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Discretely presented component units

Activity for the Road Commission for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 400,237	\$ -	\$ -	\$ -	\$ 400,237
Land improvements	36,230,862	8,145	-	-	36,239,007
Right of ways	349,661	-	-	-	349,661
Wetlands	360,000	-	-	-	360,000
	<u>37,340,760</u>	<u>8,145</u>	<u>-</u>	<u>-</u>	<u>37,348,905</u>
Capital assets, being depreciated:					
Buildings and improvements	2,883,209	6,759	(2,043)	-	2,887,925
Road equipment	12,626,722	933,386	(171,023)	-	13,389,085
Shop equipment	117,218	-	(10,464)	-	106,754
Office equipment	170,592	-	(2,701)	-	167,891
Engineering equipment	127,430	-	(575)	-	126,855
Yard and storage	1,396,051	-	-	-	1,396,051
Infrastructure:					
Roads	89,340,846	11,505,504	(3,568,999)	-	97,277,351
Bridges	20,856,065	1,364,158	-	-	22,220,223
Traffic signals	700,550	-	-	-	700,550
	<u>128,218,683</u>	<u>13,809,807</u>	<u>(3,755,805)</u>	<u>-</u>	<u>138,272,685</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,123,363)	(69,166)	2,043	-	(2,190,486)
Road equipment	(10,918,065)	(780,702)	162,032	-	(11,536,735)
Shop equipment	(112,212)	(2,736)	10,464	-	(104,484)
Office equipment	(149,060)	(8,253)	2,701	-	(154,612)
Engineering equipment	(113,385)	(6,551)	575	-	(119,361)
Yard and storage	(1,340,430)	(31,392)	-	-	(1,371,822)
Infrastructure:					
Roads	(42,661,743)	(4,904,391)	3,568,999	-	(43,997,135)
Bridges	(11,810,152)	(458,470)	-	-	(12,268,622)
Traffic signals	(551,420)	(31,914)	-	-	(583,334)
	<u>(69,779,830)</u>	<u>(6,293,575)</u>	<u>3,746,814</u>	<u>-</u>	<u>(72,326,591)</u>
Total capital assets being depreciated, net	<u>58,438,853</u>	<u>7,516,232</u>	<u>(8,991)</u>	<u>-</u>	<u>65,946,094</u>
Road Commission capital assets, net	<u>\$ 95,779,613</u>	<u>\$ 7,524,377</u>	<u>\$ (8,991)</u>	<u>\$ -</u>	<u>\$ 103,294,999</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Activity for the Library System for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 107,487	\$ -	\$ -	\$ -	\$ 107,487
Capital assets, being depreciated:					
Land improvements	138,559	-	-	-	138,559
Buildings and improvements	1,274,465	-	-	-	1,274,465
Machinery and equipment	238,483	9,253	-	-	247,736
Office furniture and equipment	1,181,760	-	-	-	1,181,760
Books and a/v materials	2,468,140	348,946	(424,241)	-	2,392,845
Vehicles and other	237,499	-	-	-	237,499
	<u>5,538,906</u>	<u>358,199</u>	<u>(424,241)</u>	<u>-</u>	<u>5,472,864</u>
Less accumulated depreciation for:					
Land improvements	(81,784)	(4,036)	-	-	(85,820)
Buildings and improvements	(916,930)	(15,521)	-	-	(932,451)
Machinery and equipment	(152,001)	(9,910)	-	-	(161,911)
Office furniture and equipment	(929,897)	(29,360)	-	-	(959,257)
Books and a/v materials	(1,249,269)	(407,780)	424,241	-	(1,232,808)
Vehicles and other	(143,718)	(23,506)	-	-	(167,224)
	<u>(3,473,599)</u>	<u>(490,113)</u>	<u>424,241</u>	<u>-</u>	<u>(3,539,471)</u>
Total capital assets being depreciated, net	<u>2,065,307</u>	<u>(131,914)</u>	<u>-</u>	<u>-</u>	<u>1,933,393</u>
Library System capital assets, net	<u>\$ 2,172,794</u>	<u>\$ (131,914)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,040,880</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Activity for the Department of Water & Sewer for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 607,217	\$ -	\$ -	\$ -	\$ 607,217
Construction in progress	2,502,724	959,311	(1,054,435)	-	2,407,600
	<u>3,109,941</u>	<u>959,311</u>	<u>(1,054,435)</u>	<u>-</u>	<u>3,014,817</u>
Capital assets, being depreciated:					
Buildings and improvements	14,858,788	-	-	-	14,858,788
Improvements other than buildings	4,766,905	-	-	-	4,766,905
Machinery and equipment	19,958,169	218,965	(45,702)	-	20,131,432
Water system	57,784,314	651,090	-	-	58,435,404
Sewer system	29,015,912	1,080,034	-	-	30,095,946
	<u>126,384,088</u>	<u>1,950,089</u>	<u>(45,702)</u>	<u>-</u>	<u>128,288,475</u>
Less accumulated depreciation for:					
Buildings and improvements	(10,576,424)	(327,384)	-	-	(10,903,808)
Improvements other than buildings	(1,645,942)	(624,766)	-	-	(2,270,708)
Machinery and equipment	(12,503,956)	(1,514,507)	45,702	-	(13,972,761)
Water system	(4,925,617)	(1,239,117)	-	-	(6,164,734)
Sewer system	(15,348,613)	(662,408)	-	-	(16,011,021)
	<u>(45,000,552)</u>	<u>(4,368,182)</u>	<u>45,702</u>	<u>-</u>	<u>(49,323,032)</u>
Total capital assets being depreciated, net	<u>81,383,536</u>	<u>(2,418,093)</u>	<u>-</u>	<u>-</u>	<u>78,965,443</u>
Department of Water & Sewer capital assets, net	<u>\$ 84,493,477</u>	<u>\$ (1,458,782)</u>	<u>\$ (1,054,435)</u>	<u>\$ -</u>	<u>\$ 81,980,260</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Activity for the Drain Commission for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 333,173	\$ -	\$ -	\$ -	\$ 333,173
Construction in progress	781,678	1,191,618	-	(83,744)	1,889,552
	<u>1,114,851</u>	<u>1,191,618</u>	<u>-</u>	<u>(83,744)</u>	<u>2,222,725</u>
Capital assets, being depreciated:					
Land improvements (infrastructure)	5,777,347	54,431	-	83,744	5,915,522
Buildings	171,681	-	-	-	171,681
Machinery and equipment	739,488	54,330	(6,950)	-	786,868
Vehicles	295,735	38,165	(50,128)	-	283,772
	<u>6,984,251</u>	<u>146,926</u>	<u>(57,078)</u>	<u>83,744</u>	<u>7,157,843</u>
Less accumulated depreciation for:					
Land improvements (infrastructure)	(1,968,122)	(238,902)	-	-	(2,207,024)
Buildings	(171,681)	-	-	-	(171,681)
Machinery and equipment	(479,282)	(45,877)	6,950	-	(518,209)
Vehicles	(200,266)	(33,455)	37,414	-	(196,307)
	<u>(2,819,351)</u>	<u>(318,234)</u>	<u>44,364</u>	<u>-</u>	<u>(3,093,221)</u>
Total capital assets being depreciated, net	<u>4,164,900</u>	<u>(171,308)</u>	<u>(12,714)</u>	<u>83,744</u>	<u>4,064,622</u>
Drain Commission capital assets, net	<u>\$ 5,279,751</u>	<u>\$ 1,020,310</u>	<u>\$ (12,714)</u>	<u>\$ -</u>	<u>\$ 6,287,347</u>

Activity for BAYANET for the year ended December 31, 2020, was as follows:

Capital assets, not being depreciated:					
Construction in progress	\$ -	\$ 76,400	\$ -	\$ -	\$ 76,400
Capital assets, being depreciated:					
Furniture and equipment	42,034	18,986	(6,783)	-	54,237
Less accumulated depreciation for:					
Furniture and equipment	(19,854)	(7,084)	339	-	(26,599)
Total capital assets being depreciated, net	<u>22,180</u>	<u>11,902</u>	<u>(6,444)</u>	<u>-</u>	<u>27,638</u>
BAYANET capital assets, net	<u>\$ 22,180</u>	<u>\$ 88,302</u>	<u>\$ (6,444)</u>	<u>\$ -</u>	<u>\$ 104,038</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

7. PAYABLES

Accounts payable and accrued liabilities are as follows:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 1,203,607	\$ 2,102,746	\$ 1,429,910
Wages, fringe benefits and other accrued liabilities	1,322,092	1,207,340	1,408,334
Deposits	47,668	19,974	20,000
Due to other governmental units	1,202,340	6,464	1,132,133
Due to component unit	116,425	-	-
Due to primary government	-	-	198,694
Estimated insurance claims payable	670,985	924,954	-
Total	\$ 4,563,117	\$ 4,261,478	\$ 4,189,071

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

	Due from Other Funds	Due to Other Funds
General fund	\$ 108,829	\$ 645,484
911 service fund	-	2,115
Department on aging fund	-	2,217
Mosquito control fund	-	1,162
Health Department /district health fund	-	1,928
Nonmajor governmental funds	-	109,203
100% tax payment fund	12,163	16,411
Nonmajor enterprise funds	14,316	88
Internal service funds	643,300	-
Total	\$ 778,608	\$ 778,608

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The general fund has a long-term advance of \$675,319 to the drain component unit to provide resources for the construction and maintenance of County drains. The drain component unit records this advance within long-term debt. See Note 9 for specific repayment terms.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Transfers Out	Transfers In		
	General Fund	Department on Aging Fund	Health Department/ District Health Fund
General fund	\$ -	\$ 6,200	\$ 1,262,614
911 service fund	343,341	-	-
Department on aging fund	518,319	-	-
Mosquito control fund	122,486	-	-
Health Department /district health fund	560,464	-	-
Nonmajor governmental funds	425,326	-	-
100% tax payment fund	1,100,000	-	-
Nonmajor enterprise funds	80,000	-	-
Internal service funds	1,473	-	-
	<u>\$ 3,151,409</u>	<u>\$ 6,200</u>	<u>\$ 1,262,614</u>

Transfers Out	Transfers In		
	Nonmajor Governmental Funds	100% Tax Payment Fund	Total
General fund	\$ 2,430,458	\$ -	\$ 3,699,272
911 service fund	-	-	343,341
Department on aging fund	-	-	518,319
Mosquito control fund	-	-	122,486
Health Department /district health fund	-	-	560,464
Nonmajor governmental funds	-	-	425,326
100% tax payment fund	-	-	1,100,000
Nonmajor enterprise funds	-	253,781	333,781
Internal service funds	-	-	1,473
	<u>\$ 2,430,458</u>	<u>\$ 253,781</u>	<u>\$ 7,104,462</u>

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

BAY COUNTY, MICHIGAN

Notes To Financial Statements

9. LONG-TERM DEBT

Long-term debt activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental activities:					
General obligation bonds	\$ 1,370,000	\$ -	\$ (1,370,000)	\$ -	\$ -
Direct borrowings:					
Capital lease payable	-	397,000	(79,400)	317,600	79,400
Total installment debt	1,370,000	397,000	(1,449,400)	317,600	79,400
Deferred amounts:					
Bond premium	111,580	-	(111,580)	-	-
Compensated absences	2,055,485	2,529,461	(2,239,070)	2,345,876	293,235
Total governmental activities	3,537,065	2,926,461	(3,800,050)	2,663,476	372,635
Business-type activities -					
Direct borrowings:					
Revenue bonds	28,200,000	-	(495,000)	27,705,000	515,000
DWRF loans	24,585,000	-	(1,470,000)	23,115,000	1,510,000
Total installment debt	52,785,000	-	(1,965,000)	50,820,000	2,025,000
Deferred amounts:					
Bond discount	(32,730)	-	1,423	(31,307)	(1,767)
Compensated absences	25,094	42,993	(40,944)	27,143	17,539
Total business-type activities	52,777,364	42,993	(2,004,521)	50,815,836	2,040,772
Total primary government	\$ 56,314,429	\$ 2,969,454	\$ (5,804,571)	\$ 53,479,312	\$ 2,413,407

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year-end, \$1,272 of internal service funds compensated absences are included with the governmental activities amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Primary Government

The County issues general obligation bonds, installment purchase contracts, and capital leases to provide funds for the acquisition, renovation, and / or construction of major capital facilities and purchase of major equipment. The original amount of debt issued is as follows:

	Governmental Activities	Business-type Activities
General obligation bonds	\$ 9,650,000	\$ -
Capital lease payable	397,000	-
Revenue bonds	-	30,000,000
DWRF loans	-	29,545,285

The water plant enterprise fund entered into a capital lease agreement with the department of water and sewer (DWS). DWS will operate the water facility and provide the funding for the revenue bonds and DWRF loans as the payments become due. Once the obligations are repaid the title for the water plant will transfer to DWS.

The capital lease payable, loans and bonds payable are direct obligations and pledge the full faith and credit of the government. The capital lease payable is due through 2024 in annual principal-only payments of \$79,400. At year end, the total cost of the asset is \$397,000 and the accumulated depreciation is \$79,400. Revenue bonds are secured by the revenue generated by the local municipalities that participate in the Bay Area Water Treatment Plant. The capital lease payable, revenue bonds, and DWRF loans currently outstanding are as follows:

Obligation	Interest Rates	Amount
Governmental activities		
Capital lease payable	0%	\$ 317,600
Business-type activities		
Revenue bonds	4.00 - 5.25%	\$ 27,705,000
DWRF loans	2.00 - 2.50%	23,115,000
Total		\$ 50,820,000

Annual debt service requirements to maturity for installment debt are as follows:

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 79,400	\$ -	\$ 2,025,000	\$ 1,946,383
2022	79,400	-	2,080,000	1,890,222
2023	79,400	-	2,140,000	1,832,437
2024	79,400	-	2,205,000	1,763,169
2025	-	-	2,265,000	1,699,829
2026-2030	-	-	10,925,000	7,455,318
2031-2035	-	-	12,515,000	5,556,259
2036-2040	-	-	9,610,000	3,401,999
2041-2043	-	-	7,055,000	751,829
	\$ 317,600	\$ -	\$ 50,820,000	\$ 26,297,444

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Component Units

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Road Commission- Direct borrowings:					
Installment purchase agreements	\$ -	\$ 2,925,000	\$ (324,286)	\$ 2,600,714	\$ 550,486
Compensated absences	1,043,142	372,968	(400,695)	1,015,415	-
Total	\$ 1,043,142	\$ 3,297,968	\$ (724,981)	\$ 3,616,129	\$ 550,486

Road Commission.

Direct obligations currently outstanding are as follows:

Obligation	Interest Rates	Amount
Installment purchase agreement - Hoppler Drain	2.60%	\$ 896,000
Installment purchase agreement - Tebo Erickson Drain	2.50%	1,019,000
Installment purchase agreement - Waldo Drain	3.50%	685,714
		<u>\$ 2,600,714</u>

Annual debt service requirements to maturity for Road Commission long-term obligations are as follows:

Year Ended December 31,	Principal	Interest
2021	\$ 550,486	\$ 68,480
2022	539,286	53,634
2023	539,286	38,787
2024	539,286	23,941
2025	318,085	9,095
2026	114,285	-
	<u>\$ 2,600,714</u>	<u>\$ 193,937</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Library System - Compensated absences	\$ 122,597	\$ 197,119	\$ (148,516)	\$ 171,200	\$ 17,120

BAY COUNTY, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Department of Water & Sewer-					
General obligation bonds	\$ 3,265,000	\$ -	\$ (350,000)	\$ 2,915,000	\$ 240,000
Direct borrowings:					
Capital lease - due to primary government	52,785,000	-	(1,965,000)	50,820,000	2,025,000
Equipment lease payable	-	18,811	(1,568)	17,243	6,270
	<u>52,785,000</u>	<u>18,811</u>	<u>(1,966,568)</u>	<u>50,837,243</u>	<u>2,031,270</u>
Total installment debt	56,050,000	18,811	(2,316,568)	53,752,243	2,271,270
Other postemployment benefits and pension payable (see below)	2,388,413	-	(219,118)	2,169,295	219,118
Compensated absences	<u>354,543</u>	<u>59,731</u>	<u>-</u>	<u>414,274</u>	<u>62,141</u>
Total	<u>\$ 58,792,956</u>	<u>\$ 78,542</u>	<u>\$ (2,535,686)</u>	<u>\$ 56,335,812</u>	<u>\$ 2,552,529</u>

Department of Water & Sewer.

Other Postemployment Benefits and Pension Payable: The Board of County Road Commissioners of Bay County entered into a cost sharing agreement for the water plant on behalf of the parties of the Water Supply Agreement. As part of this agreement the DWS will pay Bay City the sum of \$143,647 per annum as a partial reimbursement for Bay City's obligation of OPEB liabilities and \$75,471 per annum as a partial reimbursement for Bay City's obligation for Municipal Employees Retirement System (MERS) contributions for retirees and eligible retirees. These annual payments will continue until 2033 and are reported above as OPEB and MERS payable.

General obligation bonds and capital leases are issued by the County to finance construction projects managed and administered by the DWS.

These bonds and capital lease are direct obligations, and pledge the full faith and credit of the County and the associated municipalities and authorities. The bonds are issued as 10 to 30-year serial bonds with varying amounts of principal maturing each year. General obligation bonds and capital and equipment leases currently outstanding are as follows:

Obligation	Interest Rates	Amount
General obligation bonds	2.25 - 4.375%	\$ 2,915,000
Capital lease	2.00 - 5.25%	50,820,000
Equipment lease	2.00 - 5.25%	17,243
		<u>\$ 53,752,243</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Annual debt service requirements to maturity for DWS long-term obligations are as follows:

Year Ended December 31,	Direct Borrowings		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 2,031,270	\$ 1,946,384	\$ 240,000	\$ 123,269
2022	2,086,270	1,890,222	250,000	113,669
2023	2,144,703	1,832,438	260,000	103,669
2024	2,205,000	1,767,169	270,000	93,269
2025	2,265,000	1,699,828	285,000	81,794
2026-2030	10,925,000	7,455,316	1,610,000	216,075
2031-2035	12,515,000	5,556,256	-	-
2036-2040	9,610,000	3,402,000	-	-
2041-2043	7,055,000	753,638	-	-
	<u>\$ 50,837,243</u>	<u>\$ 26,303,251</u>	<u>\$ 2,915,000</u>	<u>\$ 731,745</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Drain Commission- Direct borrowings: Advance from primary government	\$ 827,349	\$ -	\$ (152,030)	\$ 675,319	\$ 156,415
Bonds payable	-	5,630,495	-	5,630,495	586,200
Total	<u>\$ 827,349</u>	<u>\$ 5,630,495</u>	<u>\$ (152,030)</u>	<u>\$ 6,305,814</u>	<u>\$ 742,615</u>

Drain Commission. The County issued advances to the Drain Commission to finance certain drainage district construction projects. The original amount of the advances was \$1,514,899. The Drain Commission also issued bonds with an original amount of \$5,630,495.

These are direct obligations, and pledge the full faith and credit of the Drain Commission and the respective drainage districts. Outstanding advances are as follows:

Obligation	Interest Rates	Amount
Advance from primary government	2.50% - 3.00%	\$ 675,319
Tebo Erickson drain bond payable	1.95%	1,662,495
Hoppler drain bond payable	2.21%	2,200,000
Waldo drain bond payable	2.00%-3.00%	1,768,000
		<u>\$ 6,305,814</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Annual debt service requirements to maturity for the long-term debt are as follows:

Year Ended December 31,	Direct Borrowings		Bonds Payable	
	Principal	Interest	Principal	Interest
2021	\$ 156,415	\$ 19,703	\$ 586,200	\$ 95,830
2022	160,927	15,192	918,699	127,961
2023	165,570	10,550	918,699	90,900
2024	131,395	5,772	918,699	71,669
2025	61,012	1,830	918,699	52,439
2026-2030	-	-	798,299	116,219
2031-2035	-	-	289,000	64,005
2036-2040	-	-	282,200	21,063
	<u>\$ 675,319</u>	<u>\$ 53,047</u>	<u>\$ 5,630,495</u>	<u>\$ 640,086</u>

10. DEFINED BENEFIT PENSION PLAN

Plan Description - The County maintains an agent multiple employer defined benefit plan, the Bay County Employees' Retirement System (the "Plan"), covering substantially all employees of the primary government. Employees of the County's component units and related organizations, including Road Commission, Library System, and Department of Water and Sewer participate in the County's plan. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The Plan issues stand-alone financial statements, which may be obtained from the County Finance Department.

Death and Disability Benefits - The Plan also provides non-duty death and disability benefits to members after 10 years of credited service. The 10 year service provision is waived for duty disability and death benefits.

Retirement eligibility varies depending on employer, division, and date of hire. Requirements for normal retirement range from age 55 to 62 with 8 years of service to 30 years of service, regardless of age. Early retirement options are also available at age 55 with 8 to 10 years of service or 25 years of service, regardless of age. The detailed summary annual report (SAR) is distributed annually to all Bay County retirement system members. Membership of the Plan for Bay County and its component units was as follows at year end:

	Primary Government	Component Units	Total
Retirees and beneficiaries receiving benefits	679	179	858
Terminated plan members entitled to, but not yet receiving benefits	48	7	55
Active plan members	823	140	963
	<u>1,550</u>	<u>326</u>	<u>1,876</u>

Basis of Accounting. Detail information about the Plan's fiduciary net position is available in the separately issued financial statements. The Plan's financial statements are prepared on the accrual basis of accounting using the economic resources measurement focus. Member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Pension Ordinance. Administrative expenses are financed through investment earnings.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Funding Policy/Contributions - The Plan benefit provisions and contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners, who also administers the plan, in accordance with County policies, union contracts, and plan provisions. The County's policy is to fund normal costs which are based on actuarially determined rates, expressed as percentages of annual covered payroll, and which are sufficient to accumulate assets to pay benefits when due. The provisions of the Plan require the County to contribute at an actuarially determined rate. Plan members contribute at a rate of 3.72% to 4.73% of their annual salary. The Library portion of the plan is closed to new hires as of January 1, 2012 and therefore, the annual plan member contribution is fixed at \$37,785 for the year ended December 31, 2020. The employer contribution current rates, which were determined through an actuarial valuation are as follows:

General county	0.00%
Sheriff's department	0.00%
Department of water and sewer	14.42%
Medical care facility	1.37%
Road commission	18.29%
Library	\$ 7,906

Amounts received from employer contributions for the year ended December 31, 2020 are as follows:

	Contributions
Primary government	\$ 157,311
Component units	1,163,278
	<u>\$ 1,320,589</u>

Actuarial Assumptions. The total pension liability was calculated as of December 31, 2019 from an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.75% to 8.50% including inflation
Investment rate of return	7.25%, net of investment and administrative expense including inflation
Mortality tables	The RP-2014 Employee Generational The RP-2014 Healthy Annuitant Generational The RP-2014 Disabled Generational

Rationale for the assumptions used was based on an experience study issued August 1, 2017 for the five-year period ended December 31, 2015.

Single Discount Rate. A single discount rate of 7.25% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.25%. 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 pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Long-term Expected Real Rate of Return. The long-term expected rate of return on the Plan's investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return at December 31, 2019 for each major asset class included in the Plan's target asset allocation as disclosed above are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic equity	48.0%	7.5%
International equity	20.0%	8.5%
U.S. fixed income	25.0%	2.5%
Real estate	7.0%	4.5%
	<u>100.0%</u>	

Changes in the Net Pension Asset. The components of the change in the net pension asset are summarized as follows:

	Primary Government and Component Units		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balance at December 31, 2018	\$ 254,841,406	\$ 268,529,271	\$ (13,687,865)
Changes for the year:			
Service cost	4,204,664	-	4,204,664
Interest on the total pension liability	18,052,689	-	18,052,689
Difference between expected and actual experience	(2,138,494)	-	(2,138,494)
Employer contributions	-	1,197,464	(1,197,464)
Employee contributions	-	1,721,903	(1,721,903)
Net investment income	-	59,850,265	(59,850,265)
Benefit payments and refunds	(15,882,249)	(15,882,249)	-
Administrative expenses	-	(212,320)	212,320
Net changes	<u>4,236,610</u>	<u>46,675,063</u>	<u>(42,438,453)</u>
Balance at December 31, 2019	<u>\$ 259,078,016</u>	<u>\$ 315,204,334</u>	<u>\$ (56,126,318)</u>

The net pension asset is allocated as follows:

Primary government	\$ 42,072,290
Pension Trust	77,320
Component units	12,549,561
Component unit fiduciary funds not included within this report	<u>1,427,147</u>
	<u>\$ 56,126,318</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

	Primary Government		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balance at December 31, 2018	\$ 191,380,289	\$ 201,659,575	\$ (10,279,286)
Changes for the year:			
Service cost	3,157,610	-	3,157,610
Interest on the total pension liability	13,557,172	-	13,557,172
Difference between expected and actual experience	(1,605,962)	-	(1,605,962)
Employer contributions	-	899,269	(899,269)
Employee contributions	-	1,293,111	(1,293,111)
Net investment income	-	44,946,232	(44,946,232)
Benefit payments and refunds	(11,927,220)	(11,927,220)	-
Administrative expenses	-	(159,468)	159,468
Net changes	3,181,600	35,051,924	(31,870,324)
Balance at December 31, 2019	\$ 194,561,889	\$ 236,711,499	\$ (42,149,610)
	Component Units		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balance at December 31, 2018	\$ 63,461,117	\$ 66,869,696	\$ (3,408,579)
Changes for the year:			
Service cost	1,047,054	-	1,047,054
Interest on the total pension liability	4,495,517	-	4,495,517
Difference between expected and actual experience	(532,532)	-	(532,532)
Employer contributions	-	298,195	(298,195)
Employee contributions	-	428,792	(428,792)
Net investment income	-	14,904,033	(14,904,033)
Benefit payments and refunds	(3,955,029)	(3,955,029)	-
Administrative expenses	-	(52,852)	52,852
Net changes	1,055,010	11,623,139	(10,568,129)
Balance at December 31, 2019	\$ 64,516,127	\$ 78,492,835	\$ (13,976,708)

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net Pension Asset to Changes in the Discount Rate. The following table presents the System's net pension asset, calculated using a single discount rate of 7.25%, as well as what the System's net pension asset would be if it were calculated using a single discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Primary government	\$ (20,205,747)	\$ (42,149,610)	\$ (60,644,385)
Component units	(6,700,160)	(13,976,708)	(20,109,479)
County's net pension asset	<u>\$ (26,905,907)</u>	<u>\$ (56,126,318)</u>	<u>\$ (80,753,864)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2020, the County recognized pension expense of \$(1,231,604). At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Primary Government and Component Units	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 1,394,581	\$ 4,254,967	\$ (2,860,386)
Change in proportionate share	2,411,025	2,411,025	-
Changes of assumptions	1,972,307	-	1,972,307
Net difference between projected and actual earnings on pension plan investments	-	21,537,288	(21,537,288)
Component unit fiduciary funds not included within this report	(507,629)	(698,554)	190,925
	<u>5,270,284</u>	<u>27,504,726</u>	<u>(22,234,442)</u>
Contributions subsequent to measurement date	1,320,589	-	1,320,589
Total	<u>\$ 6,590,873</u>	<u>\$ 27,504,726</u>	<u>\$ (20,913,853)</u>

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 1,047,299	\$ 3,195,382	\$ (2,148,083)
Change in proportionate share	503,516	2,252,163	(1,748,647)
Changes of assumptions	1,481,157	-	1,481,157
Net difference between projected and actual earnings on pension plan investments	-	16,174,032	(16,174,032)
	<u>3,031,972</u>	<u>21,621,577</u>	<u>(18,589,605)</u>
Contributions subsequent to measurement date	157,311	-	157,311
Total	<u>\$ 3,189,283</u>	<u>\$ 21,621,577</u>	<u>\$ (18,432,294)</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Component Units	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 347,282	\$ 1,059,585	\$ (712,303)
Change in proportionate share	1,907,509	158,862	1,748,647
Changes of assumptions	491,150	-	491,150
Net difference between projected and actual earnings on pension plan investments	-	5,363,256	(5,363,256)
Component unit fiduciary funds not included within this report	(507,629)	(698,554)	190,925
	<u>2,238,312</u>	<u>5,883,149</u>	<u>(3,644,837)</u>
Contributions subsequent to measurement date	1,163,278	-	1,163,278
Total	<u>\$ 3,401,590</u>	<u>\$ 5,883,149</u>	<u>\$ (2,481,559)</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 total pension liability for the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Primary Government	Component Units	Total
2021	\$ (5,627,667)	\$ (630,575)	\$ (6,258,242)
2022	(5,516,150)	(1,375,676)	(6,891,826)
2023	(759,167)	230,377	(528,790)
2024	(6,575,621)	(1,884,124)	(8,459,745)
2025	(111,000)	15,161	(95,839)
	<u>\$ (18,589,605)</u>	<u>\$ (3,644,837)</u>	<u>\$ (22,234,442)</u>

Payable to the Pension Plan. As of year end, the County had outstanding contributions due to the plan in the amount of \$111,349.

11. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS

The County also sponsors an agent multiple-employer retiree healthcare plan through a Voluntary Employees Beneficiary Association (“VEBA”) trust (the “Plan”). The Plan is a defined benefit public retiree healthcare plan established effective October 1, 2001 and covers substantially all employees of the primary government, employees of the County’s component units (Road Commission, Library System, Department of Water and Sewer, and an unrelated entity (Bay Arenac Behavioral Health (BABH)). The purpose of the Plan is to provide medical and healthcare benefits for the welfare of certain retirees of the participating entities, and the spouses and dependents of such retirees, who are participants in the Bay County Employees' Retirement System. Benefits under the Plan are provided pursuant to a group contract issued by Blue Cross Blue Shield of Michigan. The County Board of Commissioners has the authority to establish and amend benefit provisions. The Plan issues stand-alone financial statements, which may be obtained from the County Finance Department. As of 2012, the Plan is closed with the exception of the Department of Water and Sewer and the Library.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

The Plan is a contributory defined benefit plan which covers substantially all employees of Bay County and component units. At year end, participants in the Plan consisted of:

	Primary Government	Component Units	Total
Retired members and beneficiaries	606	-	606
Active plan members	681	156	837
	<u>1,287</u>	<u>156</u>	<u>1,443</u>

Employees become eligible for postemployment benefits if they reach normal retirement age while working for the County. Benefits for employees begin the first month following their date of retirement. For Bay County general and sheriff groups, employees hired after January 1, 2012 are not eligible for this postemployment benefit. For Bay County Medical Care Facility, employees hired after January 15, 2010 are not eligible for this postemployment benefit. For the Road Commission, employees hired after January 1, 2016 are not eligible for this postemployment benefit. The Library is open to full-time employees and the Department of Water and Sewer and BABH are open to all employees.

The insurance for general County retirees is paid for by the employer, with required copayments, if any, determined annually. In addition, some bargaining units' contracts provide for the County paying 50 percent of the retirees' current (at the time of retirement) spouses' insurance. Premiums for all other dependents covered on the policy are at the expense of the retiree.

Road Commission, Department of Water and Sewer, and Bay County Medical Care Facility retirees have 100 percent of their premiums paid for by the County. The County also pays 100 percent of premiums for spouses of retirees of the Road Commission and Bay Medical Care Facility.

The Library pays 50% of the health insurance premiums for employees who retire between the ages of 60 and 65. Employees who retire at age 65 or later are entitled to 100% employer paid health insurance. Spousal premiums are at the expense of the retiree.

The postemployment benefits are financed on a pay-as-you-go basis. The amount of expenditures for the benefits is recognized during the period incurred. The premiums are paid by the County. Employees make no contribution directly to the County for their share of the premiums.

Basis of Accounting. Detail information about the Plan's fiduciary net position is available in the separately issued financial statements. The Plan's financial statements are prepared on the accrual basis of accounting using the economic resources measurement focus. Member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Pension Ordinance. Administrative expenses are financed through investment earnings.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Funding Policy/Contributions - The Plan benefit provisions and contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners, who also administers the plan, in accordance with County policies, union contracts, and plan provisions. The County's current policy is to fund the plan on a pay-as-you-go basis with additional amounts contributed into the VEBA trust fund. The employer contribution current rates, which were determined through an actuarial valuation are as follows:

General county	\$	2,951,048
Sheriff's department		778,865
Department of water and sewer		722,513
Medical care facility		2,932,125
Road commission		3,798,890
Library		95,350

Amounts received from employer contributions for the year ended December 31, 2020 are as follows:

	Contributions	
Primary government	\$	4,679,551
Component units		1,863,372
	\$	<u>6,542,923</u>

Actuarial Assumptions. The total OPEB liability was calculated as of December 31, 2019 from an actuarial valuation as of the same date, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% to 8.50% including wage inflation
Investment rate of return	7.00%, net of investment and administrative expense including inflation
Healthcare trend rates	9.00% trend, gradually decreasing to 3.50% in year 10
Mortality tables	The RP-2014 Employee Generational The RP-2014 Healthy Annuitant Generational The RP-2014 Disabled

Rationale for the assumptions used was based on an experience study issued August 1, 2017 for the five-year period ended December 31, 2015.

Single Discount Rate. A single discount rate of 7.00% 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 7.00%. 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.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Long-term Expected Real Rate of Return. The long-term expected rate of return on the Plan's investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return at December 31, 2019 for each major asset class included in the Plan's target asset allocation as disclosed above are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic equity	49.0%	7.5%
International equity	21.0%	8.5%
U.S. fixed income	23.0%	2.5%
Real estate	7.0%	4.5%
	<u>100.0%</u>	

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

	Primary Government and Component Units		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2018	<u>\$ 128,392,398</u>	<u>\$ 36,415,168</u>	<u>\$ 91,977,230</u>
Changes for the year:			
Service cost	1,686,202	-	1,686,202
Interest	8,878,469	-	8,878,469
Difference between expected and actual experience	(2,187,790)	-	(2,187,790)
Employer contributions	-	6,855,355	(6,855,355)
Net investment income	-	7,641,774	(7,641,774)
Benefit payments and refunds	(4,800,459)	(4,800,459)	-
Administrative expenses	-	(59,788)	59,788
Net changes	<u>3,576,422</u>	<u>9,636,882</u>	<u>(6,060,460)</u>
Balance at December 31, 2019	<u>\$ 131,968,820</u>	<u>\$ 46,052,050</u>	<u>\$ 85,916,770</u>

The net OPEB liability is allocated as follows:

Primary government	\$ 56,736,071
Component units	25,753,405
Component unit fiduciary funds not included within this report	<u>3,427,294</u>
	<u>\$ 85,916,770</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

	Primary Government		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2018	\$ 84,785,332	\$ 24,047,157	\$ 60,738,175
Changes for the year:			
Service cost	1,113,502	-	1,113,502
Interest	5,862,995	-	5,862,995
Difference between expected and actual experience	(1,444,731)	-	(1,444,731)
Employer contributions	-	4,527,009	(4,527,009)
Net investment income	-	5,046,343	(5,046,343)
Benefit payments and refunds	(3,170,036)	(3,170,036)	-
Administrative expenses	-	(39,482)	39,482
Net changes	2,361,730	6,363,834	(4,002,104)
Balance at December 31, 2019	\$ 87,147,062	\$ 30,410,991	\$ 56,736,071

	Component Units		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2018	\$ 43,607,066	\$ 12,368,011	\$ 31,239,055
Changes for the year:			
Service cost	572,700	-	572,700
Interest	3,015,474	-	3,015,474
Difference between expected and actual experience	(743,059)	-	(743,059)
Employer contributions	-	2,328,346	(2,328,346)
Net investment income	-	2,595,431	(2,595,431)
Benefit payments and refunds	(1,630,423)	(1,630,423)	-
Administrative expenses	-	(20,306)	20,306
Net changes	1,214,692	3,273,048	(2,058,356)
Balance at December 31, 2019	\$ 44,821,758	\$ 15,641,059	\$ 29,180,699

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the County, calculated using the discount rate of 7.00%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Primary government	\$ 67,349,422	\$ 56,736,071	\$ 47,888,260
Component units	34,642,996	29,180,699	24,630,062
County's net OPEB liability	\$ 101,992,418	\$ 85,916,770	\$ 72,518,322

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability of the County, calculated using the healthcare cost trend rate of 9.00% decreasing to 3.50% in year 10, as well as what the County's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or higher than the current rate:

	1% Decrease (8.0%)	Current Trend Rate (9.0%)	1% Increase (10.0%)
Primary government	\$ 46,814,729	\$ 56,736,071	\$ 68,744,677
Component units	24,077,920	29,180,699	35,357,008
County's net OPEB liability	<u>\$ 70,892,649</u>	<u>\$ 85,916,770</u>	<u>\$ 104,101,685</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2020, the County recognized OPEB expense of \$6,134,898. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government and Component Units	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 3,379,646	\$ (3,379,646)
Changes in assumptions	-	346,418	(346,418)
Change in proportionate share	1,589,482	1,589,482	-
Net difference between projected and actual earnings on pension plan investments	-	2,146,955	(2,146,955)
Component unit fiduciary funds not included within this report	(188,908)	(278,099)	89,191
	<u>1,400,574</u>	<u>7,184,402</u>	<u>(5,783,828)</u>
Contributions subsequent to measurement date	6,542,923	-	6,542,923
Total	<u>\$ 7,943,497</u>	<u>\$ 7,184,402</u>	<u>\$ 759,095</u>

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 2,231,784	\$ (2,231,784)
Changes in assumptions	-	228,761	(228,761)
Change in proportionate share	896,772	873,961	22,811
Net difference between projected and actual earnings on pension plan investments	-	1,417,763	(1,417,763)
	<u>896,772</u>	<u>4,752,269</u>	<u>(3,855,497)</u>
Contributions subsequent to measurement date	4,679,551	-	4,679,551
Total	<u>\$ 5,576,323</u>	<u>\$ 4,752,269</u>	<u>\$ 824,054</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Component Units	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 1,147,862	\$ (1,147,862)
Changes in assumptions	-	117,657	(117,657)
Change in proportionate share	692,710	715,521	(22,811)
Net difference between projected and actual earnings on pension plan investments	-	729,192	(729,192)
Component unit fiduciary funds not included within this report	(188,908)	(278,099)	89,191
	<u>503,802</u>	<u>2,432,133</u>	<u>(1,928,331)</u>
Contributions subsequent to measurement date	1,863,372	-	1,863,372
	<u>\$ 2,367,174</u>	<u>\$ 2,432,133</u>	<u>\$ (64,959)</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 total OPEB liability for the year ending December 31, 2021. Other 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,	Primary Government	Component Units	Total
2021	\$ (1,215,119)	\$ (566,362)	\$ (1,781,481)
2022	(977,095)	(533,125)	(1,510,220)
2023	(668,451)	(374,383)	(1,042,834)
2024	(994,832)	(454,461)	(1,449,293)
	<u>\$ (3,855,497)</u>	<u>\$ (1,928,331)</u>	<u>\$ (5,783,828)</u>

Payable to the OPEB Plan. As of year end, the County had outstanding contributions due to the Plan in the amount of \$63,798.

For governmental activities, net OPEB liability is generally liquidated by the general fund.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

12. FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS

	Plan Net Position		
	Employees' Retirement System	VEBA Trust	Total
Assets			
Investments, at fair value:			
Equities	\$ 178,612,820	\$ 17,670,655	\$ 196,283,475
Fixed income	90,511,444	10,782,500	101,293,944
Commingled funds	87,748,664	5,759,084	93,507,748
Mutual funds	55,576,051	44,908,201	100,484,252
Money market	6,621,550	1,481,533	8,103,083
Total investments	419,070,529	80,601,973	499,672,502
Receivables:			
Contributions	827,444	200,256	1,027,700
Interest and dividends	623,409	55,522	678,931
Total receivables	1,450,853	255,778	1,706,631
Other current assets:			
Prepaid items and other assets	1,686,613	5,088	1,691,701
Net pension asset	77,320	-	77,320
Total other current assets	1,763,933	5,088	1,769,021
Total assets	422,285,315	80,862,839	503,148,154
Deferred outflow of resources - pension	5,103	-	5,103
Liabilities			
Accounts payable	552,227	360,413	912,640
Accrued liabilities	1,249,021	700,000	1,949,021
Accrued vacation and sick pay	4,388	-	4,388
Unearned revenue	15,197	-	15,197
Total liabilities	1,820,833	1,060,413	2,881,246
Deferred inflow of resources - pension	39,830	-	39,830
Net position			
Restricted for:			
Employees' retirement system	420,429,755	-	420,429,755
Postemployment healthcare benefits	-	79,802,426	79,802,426
Total net position	\$ 420,429,755	\$ 79,802,426	\$ 500,232,181

BAY COUNTY, MICHIGAN

Notes To Financial Statements

	Plan Changes in Net Position		
	Employees' Retirement System	VEBA Trust	Total
Additions			
Investment income:			
Net appreciation in fair value of investments	\$ 53,387,858	\$ 10,017,375	\$ 63,405,233
Interest and dividends	6,787,031	1,654,473	8,441,504
Less investment expense	(1,974,321)	(159,733)	(2,134,054)
Total investment income	<u>58,200,568</u>	<u>11,512,115</u>	<u>69,712,683</u>
Contributions:			
Employer	2,232,133	6,542,923	8,775,056
Plan members	2,206,654	-	2,206,654
Total contributions	<u>4,438,787</u>	<u>6,542,923</u>	<u>10,981,710</u>
Other revenue	<u>115,262</u>	<u>-</u>	<u>115,262</u>
Total additions	<u>62,754,617</u>	<u>18,055,038</u>	<u>80,809,655</u>
Deductions			
Benefit payments	19,742,161	4,297,768	24,039,929
Administrative expenses	341,250	90,423	431,673
Total deductions	<u>20,083,411</u>	<u>4,388,191</u>	<u>24,471,602</u>
Change in net position	<u>42,671,206</u>	<u>13,666,847</u>	<u>56,338,053</u>
Net position, beginning of year	<u>377,758,549</u>	<u>66,135,579</u>	<u>443,894,128</u>
Net position, end of year	<u>\$ 420,429,755</u>	<u>\$ 79,802,426</u>	<u>\$ 500,232,181</u>

13. SELF-INSURANCE

The County is self-funded for risks associated with workers' compensation, sickness and accident insurance (short-term disability), unemployment compensation and healthcare. The self-insurance program for workers' compensation (except for the Bay County Medical Care Facility enterprise fund), short-term disability and unemployment is accounted for in the Self-Insurance Fund, an internal service fund. Contributions are paid to the Self-Insurance fund as a percentage of payroll, with the rates being determined by an independent actuary. The Bay County Medical Care Facility participates in its own, stand-alone self-insured program for workers' compensation and healthcare benefits. The activity of this program is accounted for in the Medical Care Facility enterprise fund, with claims being paid as they are incurred. The County's self-insurance program for healthcare became effective January 1, 2001, and is accounted for in the Healthcare Self-Insurance Fund, an internal service fund. The contributions which are paid to the Healthcare Self-Insurance Fund are determined by an independent consultant.

For the area of unemployment compensation, the County is categorized as a reimbursing employer in the State of Michigan. Employee sickness and accident benefit limits are established by way of contract negotiations with the County's eleven bargaining units and by the Board of Commissioners for the County's nonrepresented employees.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Specifically in the area of workers' compensation, the County purchases excess insurance to reduce its exposure to significant claim losses. Excess insurance allows recovery of a portion of the losses from the excess insurer, although it does not discharge the primary liability of the Self-Insurance fund as direct insurer of the risks. During 2019, Bay County purchased excess insurance from Midwest Employers Casualty. The self-insured retention is \$450,000 per occurrence. The maximum limit of indemnity per occurrence is statutory. The employers' liability maximum limit of indemnity is \$1,000,000 per occurrence.

The County estimates the liability for claims that have been incurred through December 31, 2020, including both claims that have been reported as well as those that have not yet been reported and estimates of both future payments of losses and related claim adjustment expenses. Estimated liabilities for unpaid claims are based on historical claim payments, including related legal and administrative expenses. Neither the County nor the Bay Medical Care Facility has experienced settlements in excess of insurance coverage during the past three years.

General Liability

The County is self-insured for general liability insurance coverage with Michigan Municipal Risk Management Authority ("MMRMA"). Bay County's contributions to this fund are determined each year by MMRMA based on its review of an application filed by the County, which identifies County assets such as property, vehicles, buildings, and equipment. Bay County's retention levels and policy coverage through MMRMA are as follows:

Coverage	Self Insured Retention (excess of deductible)
Liability	\$150,000
Vehicle Physical Damage \$1,000 deductible per vehicle	\$15,000 per vehicle \$30,000 per occurrence
Property and Crime \$1,000 deductible per occurrence	N/A

Limits of Coverage (including member's self-insured retention per occurrence)

The County's limits of liability coverage range from \$2,000 to \$10,000,000 per occurrence depending on type of occurrence. The County's limits of property and crime coverage range from \$10,000 to \$99,974,305 per occurrence depending on type of occurrence. In addition to the County's coverage from MMRMA, the combined members' have an aggregate \$5,000,000 terrorism liability coverage, \$300,000,000 of aggregate property coverage, a \$100,000,000 earthquake aggregate loss limit, a \$100,000,000 flood aggregate loss limit, and a \$50,000,000 terrorism per occurrence loss limit for all members.

In the area of life insurance, the County is experienced rated and pays premiums to the Standard with whom the County has entered into a contractual agreement.

There have been no significant changes in insurance coverage in the past two years. There have been no claim settlements that have exceeded excess insurance limits.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

Changes in the estimated claims liabilities for workers' compensation claims (excluding the Medical Care Facility) are as follows for the years ended December 31:

	2020	2019
Claims liability, beginning of year	\$ 337,098	\$ 249,734
Claims incurred, including changes in estimates	(31,579)	456,813
Claims payments and adjustments	<u>(110,285)</u>	<u>(369,449)</u>
Claims liability, end of year	<u>\$ 195,234</u>	<u>\$ 337,098</u>

Changes in the estimated claims liabilities for workers' compensation claims of the Medical Care Facility are as follows for the years ended December 31:

	2020	2019
Claims liability, beginning of year	\$ 152,198	\$ 94,233
Claims incurred, including changes in estimates	225,040	166,899
Claims payments and adjustments	<u>(131,419)</u>	<u>(108,934)</u>
Claims liability, end of year	<u>\$ 245,819</u>	<u>\$ 152,198</u>

Changes in the estimated claims liabilities for healthcare claims (excluding the Medical Care Facility) are as follows for the years ended December 31:

	2020	2019
Claims liability, beginning of year	\$ 431,534	\$ 443,115
Claims incurred, including changes in estimates	6,235,731	6,008,132
Claims payments and adjustments	<u>(6,191,514)</u>	<u>(6,019,713)</u>
Claims liability, end of year	<u>\$ 475,751</u>	<u>\$ 431,534</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

The Medical Care Facility is self-insured for healthcare claims. The Medical Care Facility is covered by a stop-loss policy that covers individual claims over \$15,000. Changes in the estimated claims liabilities for healthcare claims of the Medical Care Facility are as follows for the years ended December 31:

	2020	2019
Claims liability, beginning of year	\$ 200,491	\$ 200,215
Claims incurred, including changes in estimates	2,915,063	3,063,094
Claims payments and adjustments	<u>(2,972,380)</u>	<u>(3,062,818)</u>
Claims liability, end of year	<u>\$ 143,174</u>	<u>\$ 200,491</u>

General Liability – Road Commission Component Unit

The Road Commission joined together with other Road Commissions to form the Michigan County Road Commission Self-Insurance Pool, a public entity risk pool currently operating as a common risk management and insurance program for liability insurance. The Road Commission pays an annual premium to the pool for its general insurance coverage. The agreement for formation of the Michigan County Road Commission Self-Insurance Pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for large claims. The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining. The Road Commission continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

General Liability – Department of Water and Sewer Component Unit

The Department of Water and Sewer is self-insured for workers' compensation claims. This program is administered by an independent company which furnishes safety inspection, claims review, and claims processing services. The employers' liability maximum limit of indemnity per occurrence is \$1,000,000 and the self-insured retention per occurrence is \$450,000. Net cost for the current year was \$241,349.

The Department of Water and Sewer is further insured for general, automobile, and errors or omissions claims as a member of the Michigan County Road Commission Self-Insurance Pool and is insured for liabilities up to a limit of \$10,500,000 per occurrence, subject to a \$1,000 deductible. The Department of Water and Sewer would be responsible for losses in excess of the limit. Payments made for the current year were \$43,066.

The Department of Water and Sewer is further insured as a member of the Michigan County Road Commission Self-Insurance Pool for building, contents, off-road equipment and licensed vehicles claims and is insured for the lessor of the scheduled value of property or the cost of repairs or replacement, subject to a \$500 deductible. Payments made for the current year were \$203,443.

The Department of Water and Sewer became self-insured for healthcare claims effective February 1, 2006. Blue Cross Blue Shield of Michigan administers the claims and provides \$75,000 specific stop loss coverage in a combined contract with DWS and Bay County Road Commission. Payments made for the current year were \$1,067,498.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

14. PROPERTY TAXES

The County property tax is levied each July 1st and December 1st on the taxable valuation of property located in the County as of the preceding December 31. On July or December 1, the property tax attachment is an enforceable lien on property and is payable by the last day of the next September or February, respectively.

Although the County's 2020 ad valorem tax is levied and collectible by December 1, 2020, it is the County's policy for all governmental fund types (with the exception below) to recognize revenues from the current tax levy in the year when the proceeds of the levy are budgeted and made available for financing County operations.

The taxable value of real and personal property for the December 1, 2019 levy totaled \$2,812,091,092. The taxable value of real and personal property for the July 1, 2020 levy totaled \$2,945,577,103. The tax levy for fiscal year 2020 operations was based on the following rates:

General operating	5.7257 mills
Mosquito control	.5500 mills
Gypsy moth	.1000 mills
911 central dispatch	.7000 mills
County library	1.8953 mills
Senior citizens	.5500 mills
Soldiers' Relief	.1000 mills
Historical society	.0952 mills
Medical care	.7500 mills

The County annually reimburses the local taxing authorities in Bay County the face value of the real property taxes, which are returned to the County Treasurer on March 1 as delinquent.

Tax Abatements

Industrial property tax abatements are granted by the State of Michigan under public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GAAP. Property taxes abated by the County in 2020 amounted to \$184,082, related to IFT exemptions.

The Brownfield Redevelopment Financing Act, 1996 PA 381, as amended (Act 381), authorizes Brownfield Redevelopment Authorities (BRAs) to facilitate the implementation of Brownfield Plans and associated Work Plans that promote the revitalization, redevelopment, and reuse of contaminated, blighted, functionally obsolete, or historic resources. Act 381 authorizes and permits the use of school and local tax increment financing to help reduce the burden of Brownfield related costs when redeveloping affected properties. Accordingly, such agreements meet the criteria of "tax abatements" under GAAP. Property taxes abated by the County in 2020 amount to \$389,997, related to brownfield exemptions.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

15. FUND BALANCES - GOVERNMENTAL FUNDS

Generally accepted accounting principles (GAAP) 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 resources reported in governmental funds. Detail information of fund balances of governmental funds is as follows:

	General Fund	911 Service Fund	Department on Aging Fund	Health Department /District Health Fund	Mosquito Control Fund	Nonmajor Funds	Total
Nonspendable:							
Inventory	\$ 14,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,895
Prepays	245,549	51,338	-	-	-	6,050	302,937
Long-term advance	675,319	-	-	-	-	-	675,319
Total nonspendable	935,763	51,338	-	-	-	6,050	993,151
Restricted for:							
General county services	151,494	-	-	-	-	-	151,494
911 services	-	1,224,385	-	-	-	-	1,224,385
Division on aging	-	-	2,342,570	-	-	-	2,342,570
Health department	-	-	-	1,672,648	-	-	1,672,648
Mosquito control	-	-	-	-	1,278,378	-	1,278,378
Friend of the court	-	-	-	-	-	337,780	337,780
Gypsy moth control	-	-	-	-	-	444,727	444,727
Register of deeds	-	-	-	-	-	94,507	94,507
Concealed pistol licensing	-	-	-	-	-	155,471	155,471
Local C.F.O. training	-	-	-	-	-	57,304	57,304
Drug law enforcement	-	-	-	-	-	24,375	24,375
Home rehabilitation	-	-	-	-	-	2,145,235	2,145,235
Child care/social services	-	-	-	-	-	1,125	1,125
Soldiers' relief	-	-	-	-	-	332,392	332,392
Historical preservation	-	-	-	-	-	15,692	15,692
Total restricted	151,494	1,224,385	2,342,570	1,672,648	1,278,378	3,608,608	10,278,083
Committed for:							
Budget Stabilization	7,143,781	-	-	-	-	-	7,143,781
Assigned for:							
General county services	375,239	-	-	-	-	-	375,239
Health department	-	-	-	1,724,670	-	-	1,724,670
Law library	-	-	-	-	-	9,712	9,712
Community corrections	-	-	-	-	-	36,486	36,486
Social welfare	-	-	-	-	-	40,447	40,447
Child care	-	-	-	-	-	933,042	933,042
Child care social/services	-	-	-	-	-	15,133	15,133
Total assigned	375,239	-	-	1,724,670	-	1,034,820	3,134,729
Unassigned	9,133,702	-	-	-	-	-	9,133,702
Total fund balances, governmental funds	\$ 17,739,979	\$ 1,275,723	\$ 2,342,570	\$ 3,397,318	\$ 1,278,378	\$ 4,649,478	\$ 30,683,446

BAY COUNTY, MICHIGAN

Notes To Financial Statements

16. NET POSITION

Restricted Net Position

The composition of the County's restricted net position, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Restricted for:			
Pension benefits	\$ 16,171,259	\$ 7,503,464	\$ 7,713,971
Insurance claims	4,727,275	-	-
Health and welfare	4,358,224	-	-
Home rehabilitation	2,145,235	-	-
Pest control	1,725,771	-	-
Other:			
Public safety	1,516,138	-	-
Judicial	337,780	-	-
Debt service	-	-	7,468,656
Register of deeds	94,507	-	-
Donor restrictions	167,628	-	-
	<u>\$ 31,243,817</u>	<u>\$ 7,503,464</u>	<u>\$ 15,182,627</u>

Net Investment in Capital Assets

The composition of net investment in capital assets as of December 31, 2020, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Assets not being depreciated	\$ 2,211,953	\$ 2,017,096	\$ 42,770,334
Assets being depreciated, net	37,021,406	21,056,424	150,937,190
	<u>39,233,359</u>	<u>23,073,520</u>	<u>193,707,524</u>
Related debt:			
Due within one year	372,635	2,040,772	3,862,750
Due more than one year	2,290,841	48,775,064	62,566,205
Less:			
Non-capital debt	-	(50,788,693)	-
Unspent bond proceeds	-	-	(4,438,877)
Compensated absences	(2,345,876)	(27,143)	(1,600,889)
Retiree benefit obligation	-	-	(2,169,295)
	<u>317,600</u>	<u>-</u>	<u>58,219,894</u>
Net investment in capital assets	<u>\$ 38,915,759</u>	<u>\$ 23,073,520</u>	<u>\$ 135,487,630</u>

BAY COUNTY, MICHIGAN

Notes To Financial Statements

17. COMMITMENTS, CONTINGENCIES, AND PENDING LITIGATION

The County is a defendant in various lawsuits. It is the opinion of County management and its counsel that the outcome of these lawsuits now pending will not materially affect the operations or the financial position of the County.

Under the terms of certain Federal and State grants, periodic audits are required and certain costs may be questioned as not representing appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies.

At December 31, 2020, the County Drain Commission had total outstanding commitments related to the Waldo Intercounty Drain, Hoppler Creek Drain, and Tebo-Erickson Drain projects in the approximate amount of \$4,636,000.

As of December 31, 2020, the Medical Care Facility has a commitment balance of \$6,203,102 related to its renovation project.

As of December 31, 2020, BAYANET has an outstanding commitment for the second and final payment of the Raid Van in the amount of \$73,600.

18. SUBSEQUENT EVENT

Bay County ("County") and Center Ridge MHT Inc., ("MHT") partnered to form Center Ridge MM, LLC, ("CRMM"). The County owns 51% of CRMM with MHT owning the remaining 49%. CRMM partnered with National Equity Fund, Inc. ("NEF") to create Center Ridge Arms Limited Dividend Housing Association, LLC ("CRALDHA"). CRMM owns .01% of CRALDHA and is the managing member. NEF owns the remaining 99.99% of CRALDHA. The intent is for CRALDHA to redevelop, manage and own what was the County's 100-unit low income residential property known as Center Ridge Arms ("CRA").

On March 31, 2021, Bay County transferred ownership of CRA, which included all real estate, personal property and assignment of interests and existing leases and contracts, to CRALDHA for the amount of \$1,880,000 which was paid in the form of a cash flow note with repayment over a 50 year period and interest charged at 1.62%.

The purpose of the transfer was to allow for the application and execution of the U.S. Department of Housing & Urban Development's ("HUD") Streamlined Voluntary Conversion of CRA to convert the traditional public housing to a tenant based assistance program, to allow for CRALDHA to apply for and obtain tax credits, and to obtain financing through the Michigan State Housing Development Authority ("MSHDA") to rehabilitate the CRA building.

The County will receive indirect costs for continuing to cover certain limited administrative expenditures for County employees who provide services at the facility pursuant to an Employee Lease Agreement. An asset management fee will also be charged and received by Bay County based on the number of units within the building, and 50% of the development fee for the rehabilitation will be received upon completion of the renovation.

BAY COUNTY, MICHIGAN

Notes To Financial Statements

19. CORONAVIRUS (COVID-19) AND CARES ACT FUNDING

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

Medical Care Facility

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the Facility for providing emergency services to its residents, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. The Federal Government requires the Facility to comply with certain terms and conditions outlined by the U.S. Department of Health and Human Services (Department). Final reporting for the Provider Relief Fund is currently incomplete pending the release of further guidance and the opening of a reporting portal by the Department.

The Facility recognized revenue of \$2,890,711 during the year ended December 31, 2020, from various federal funding sources to be used to respond to the impacts of the COVID-19 pandemic, including \$1,040,298 from the Provider Relief Fund for eligible expenses (\$468,328) and lost revenue (\$571,970), and \$1,850,413 from the Michigan Department of Health and Human Services (MDHHS) for reimbursement of costs for COVID-19 testing, personal protective equipment, and for infection prevention and control.

For 2020, the Facility recognized revenue based on the terms and conditions and available frequently asked questions (FAQs) issued by the Department as of December 31, 2020. The Facility has asserted that it has met the conditions and restrictions outlined within the Department’s terms, conditions and FAQs. However, the amounts recognized as revenue for the year ended December 31, 2020, are subject to further review and adjustment based on potential updated guidance that may be issued by the Department subsequent to December 31, 2020.



REQUIRED SUPPLEMENTARY INFORMATION

BAY COUNTY, MICHIGAN

Required Supplementary Information

Employees' Retirement System

Schedule of Changes in Net Pension Asset and Related Ratios

	Year Ending December 31,					
	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 4,204,664	\$ 4,154,779	\$ 4,082,245	\$ 4,033,693	\$ 3,995,877	\$ 3,941,541
Interest	18,052,689	17,454,630	17,280,650	17,018,949	16,521,779	15,873,703
Changes in benefits	-	-	-	300,125	-	-
Differences between expected and actual experience	(2,138,494)	2,243,847	(3,927,946)	(3,434,251)	-	2,048,465
Changes in assumptions	-	-	-	8,000,602	-	-
Benefit payments, including refunds of member contributions	(15,882,249)	(15,375,944)	(14,767,057)	(14,250,784)	(13,564,472)	(12,935,261)
Net change in total pension liability	4,236,610	8,477,312	2,667,892	11,668,334	6,953,184	8,928,448
Total pension liability, beginning of year	254,841,406	246,364,094	243,696,202	232,027,868	225,074,684	216,146,236
Total pension liability, end of year	259,078,016	254,841,406	246,364,094	243,696,202	232,027,868	225,074,684
Plan fiduciary net position						
Employer contributions	1,197,464	1,526,177	1,784,822	1,958,204	2,165,361	2,574,104
Employee contributions	1,721,903	1,645,878	1,664,592	1,759,828	1,591,066	1,669,919
Net investment income (loss)	59,850,265	(17,819,901)	48,824,494	19,028,272	1,861,801	19,045,651
Benefit payments, including refunds of member contributions	(15,882,249)	(15,375,944)	(14,767,057)	(14,250,784)	(13,564,472)	(12,935,261)
Administrative expenses	(212,320)	(162,313)	(278,665)	(287,391)	(248,428)	(193,343)
Net change in fiduciary net position	46,675,063	(30,186,103)	37,228,186	8,208,129	(8,194,672)	10,161,070
Fiduciary net position, beginning of year	268,529,271	298,715,374	261,487,188	253,279,059	261,473,731	251,312,661
Fiduciary net position, end of year	315,204,334	268,529,271	298,715,374	261,487,188	253,279,059	261,473,731
Net pension asset	\$ (56,126,318)	\$ (13,687,865)	\$ (52,351,280)	\$ (17,790,986)	\$ (21,251,191)	\$ (36,399,047)
Fiduciary net position as a percentage of total pension asset	121.66%	105.37%	121.25%	107.30%	109.16%	116.17%
Covered payroll	\$ 38,040,191	\$ 37,281,066	\$ 37,891,976	\$ 37,854,795	\$ 37,463,853	\$ 36,274,550
Net pension asset as a percentage of covered payroll	-147.54%	-36.72%	-138.16%	-47.00%	-56.72%	-100.34%

See notes to required supplementary information.

BAY COUNTY, MICHIGAN

Required Supplementary Information

Employees' Retirement System

Schedule of the Net Pension Asset

Fiscal Year Ended December 31,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset	Plan Fiduciary Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Asset as Percentage of Covered Payroll
2014	\$ 225,074,684	\$ 261,473,731	\$ (36,399,047)	116.2%	\$ 36,274,550	-100.3%
2015	232,027,868	253,279,059	(21,251,191)	109.2%	37,463,853	-56.7%
2016	243,696,202	261,487,188	(17,790,986)	107.3%	37,854,795	-47.0%
2017	246,364,094	298,715,374	(52,351,280)	121.2%	37,891,976	-138.2%
2018	254,841,406	268,529,271	(13,687,865)	105.4%	37,281,066	-36.7%
2019	259,078,016	315,204,334	(56,126,318)	121.7%	38,040,191	-147.5%

See notes to required supplementary information.

BAY COUNTY, MICHIGAN

Required Supplementary Information

Employees' Retirement System

Schedule of Contributions

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2015	\$ 1,784,822	\$ 2,165,361	(380,539)	\$ 37,463,853	5.78%
2016	1,306,845	1,958,204	(651,359)	37,854,795	4.71%
2017	1,072,462	1,784,822	(712,360)	37,891,976	4.71%
2018	1,621,479	1,526,177	95,302	37,281,066	4.09%
2019	1,152,393	1,197,464	(45,071)	38,040,191	5.43%
2020	1,278,469	1,320,589	(42,120)	39,492,417	3.34%

See notes to required supplementary information.

BAY COUNTY, MICHIGAN

Required Supplementary Information

VEBA Trust - Retiree Healthcare Plan

Schedule of Changes in Net OPEB Liability and Related Ratios

	Year Ending December 31,		
	2019	2018	2017
Total OPEB liability			
Service cost	\$ 1,686,202	\$ 1,725,898	\$ 2,116,686
Interest	8,878,469	8,660,778	8,409,809
Changes in benefits	-	-	60,188
Changes in assumptions	-	(575,231)	-
Differences between expected and actual experience	(2,187,790)	(1,733,529)	(2,007,823)
Benefit payments, including refunds of member contributions	(4,800,459)	(5,095,943)	(4,500,449)
Net change in total OPEB liability	<u>3,576,422</u>	<u>2,981,973</u>	<u>4,078,411</u>
Total OPEB liability, beginning of year	<u>128,392,398</u>	<u>125,410,425</u>	<u>121,332,014</u>
Total OPEB liability, end of year	<u>131,968,820</u>	<u>128,392,398</u>	<u>125,410,425</u>
Plan fiduciary net position			
Employer contributions	6,855,355	8,324,269	4,798,896
Net investment income (loss)	7,641,774	(1,741,165)	3,932,499
Benefit payments, including refunds of member contributions	(4,800,459)	(5,095,943)	(4,500,449)
Administrative expenses	(59,788)	(11,767)	(43,437)
Net change in fiduciary net position	<u>9,636,882</u>	<u>1,475,394</u>	<u>4,187,509</u>
Fiduciary net position, beginning of year	<u>36,415,168</u>	<u>34,939,774</u>	<u>30,752,265</u>
Fiduciary net position, end of year	<u>46,052,050</u>	<u>36,415,168</u>	<u>34,939,774</u>
Net OPEB liability	<u>\$ 85,916,770</u>	<u>\$ 91,977,230</u>	<u>\$ 90,470,651</u>
Fiduciary net position as a percentage of total OPEB liability	34.90%	28.36%	27.86%
Covered payroll	<u>\$ 24,361,461</u>	<u>\$ 25,293,502</u>	<u>\$ 25,746,633</u>
Net OPEB liability as a percentage of covered payroll	352.67%	363.64%	351.39%

See notes to required supplementary information.

BAY COUNTY, MICHIGAN

Required Supplementary Information

VEBA Trust - Retiree Healthcare Plan

Schedule of the Net OPEB Liability

Fiscal Year Ended December 31,	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as Percentage of Total OPEB Liability	Covered Payroll	Net OPEB Liability as Percentage of Covered Payroll
2017	\$ 125,410,425	\$ 34,939,774	\$ 90,470,651	27.9%	\$ 25,746,633	351.4%
2018	128,392,398	36,415,168	91,977,230	28.4%	25,293,502	363.6%
2019	131,968,820	46,052,050	85,916,770	34.9%	24,361,461	352.7%

See notes to required supplementary information.

BAY COUNTY, MICHIGAN

Required Supplementary Information

VEBA Trust - Retiree Healthcare Plan
For the Year Ended December 31, 2020

Schedule of Contributions

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2018	\$ 9,966,040	\$ 8,324,269	\$ 1,641,771	\$ 25,293,502	32.91%
2019	9,913,517	6,855,355	3,516,682	24,361,461	26.26%
2020	11,278,791	6,542,923	4,735,868	23,365,490	28.00%

See notes to required supplementary information.

BAY COUNTY, MICHIGAN

Notes to Required Supplementary Information

VEBA Trust - Retiree Healthcare Plan

Notes to Schedule of Changes in Net OPEB Liability and Related Ratios

GASB 75 was implemented in fiscal year 2018. Information is presented as of the measurement date and is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of the Net OPEB Liability

GASB 75 was implemented in fiscal year 2018. Information is presented as of the measurement date and is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

GASB 75 was implemented in fiscal year 2018. Information is presented as of the measurement date and is being built prospectively. Ultimately, 10 years of data will be presented.

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent-of-payroll for the department of water and sewer Level dollar amount for all other groups
Remaining amortization period	13 years closed for the road commission 21 years closed for medical care facility 23 years closed for all other groups
Asset valuation method	Fair value of assets
Price inflation	2.50%
Wage inflation	3.25%
Salary increases	3.75% to 8.50%, including wage inflation
Investment rate of return	7.00%, net of plan investment expenses
Mortality	RP-2014 Employee Generational Mortality Tables RP-2014 Healthy Annuitant Generational Mortality Tables RP-2014 Disabled Generational Mortality Tables
Healthcare trend rates	9.00% trend, gradually decreasing to 3.50% in year 10
Excise tax	No load was applied in connection with the "Cadillac" tax.

Assumptions changes in the December 31, 2018 actuarial valuations were as follows:

- Adjustment to the retiree cost share applicable to the medical care facility
- Adjustment to the retiree benefit election assumption in order to better reflect actual plan experience for the general county and sheriff groups.

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue funds account for the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specific purposes other than debt service or capital projects.

The **Friend of the Court Fund** is used to account for judgment fees and for the operation of this office of the Circuit Court.

The **Gypsy Moth Control Fund** is used to account for revenues received from property taxes and Federal and State grants for controlling gypsy moths.

The **Register of Deeds Automation Fund** is used to account for the collection of \$5.00 of the total fee collected for each recording, which is used to fund the upgrading of technology in the Register of Deeds' Office.

The **Concealed Pistol Licensing Fund** is used to account for the deposit of fees collected from concealed pistol licensing, which is earmarked for concealed pistol licensing expenses.

The **Local C.F.O. Training Fund** is used to account for the County's share of the inmate booking fees to be utilized for local correctional officers training programs.

The **Drug Law Enforcement Fund** is used to account for revenue received from drug enforcement forfeitures that is earmarked for drug law enforcement.

The **Law Library Fund** is used to account for revenue received from penal fines and the General Fund that is earmarked for maintaining a law library.

The **Community Corrections Fund** is used to account for revenue received from State grants that is earmarked for programs designed to divert criminal offenders from the Bay County Law Enforcement Center (Jail) and the State prison system.

The **Home Rehabilitation Fund** is used to account for Michigan Community Development Block Grant (CDBG) funds and Michigan State Housing Development Authority (MSHDA) funds provided to the County for the rehabilitation of owner-occupied, single-family residential units in the out-county area.

The **Social Welfare Fund** is used to account for revenues primarily received from the State by the County Social Services Department to administer various public assistance programs.

The **Child Care Fund** is used to account for revenues received from the County's General Fund, Federal and State grants, private agencies, and individuals to provide care, guidance, and control of children coming under the jurisdiction of the Probate Court.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (concluded)

The ***Child Care / Social Services Fund*** is used to account for revenues received from the County's General Fund and the State to provide foster care to children under the jurisdiction of the Probate Court Juvenile Unit who do not qualify for the State Foster Care Program.

The ***Soldiers' Relief Fund*** is used to account for emergency assistance to eligible veterans.

The ***Historical Preservation Fund*** is used to account for revenues received from property taxes to foster any activity or project which tends to advance the historical interests of the County.

The ***Indigent Defense Fund*** is used to account for grant revenue received to provide legal services to the indigent residents of the County.

DEBT SERVICE FUNDS

Debt Service funds accounts for the payment of principal and interest on long-term general obligation debt other than that payable from special assessments and debt issued for an services primarily by an enterprise fund.

The ***Building Authority Debt Service Fund*** was established to accumulate resources to meet the annual debt service requirements of bonds issued for the construction of and improvements to Bay County buildings and structures.

BAY COUNTY, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
December 31, 2020

	Special Revenue Funds			
	Friend of the Court	Gypsy Moth Control	Register of Deeds Automation	Concealed Pistol Licensing
Assets				
Cash and cash equivalents	\$ 172,700	\$ 174,047	\$ 44,410	\$ 59,938
Investments	176,535	282,703	56,315	95,622
Accounts receivable, net of allowance	-	-	9	379
Property taxes receivable, net of allowance	-	272,316	-	-
Interest receivable	-	1,376	207	-
Due from other governmental units	-	3,861	-	-
Prepaid items and other assets	-	-	-	-
Total assets	<u>\$ 349,235</u>	<u>\$ 734,303</u>	<u>\$ 100,941</u>	<u>\$ 155,939</u>
Liabilities				
Accounts payable	\$ 7,978	\$ 288	\$ 6,434	\$ 16
Accrued liabilities	3,414	3,119	-	444
Due to other funds	63	214	-	8
Unearned revenue	-	-	-	-
Total liabilities	<u>11,455</u>	<u>3,621</u>	<u>6,434</u>	<u>468</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	-	284	-	-
Taxes levied for a subsequent period	-	285,671	-	-
Total deferred inflows of resources	<u>-</u>	<u>285,955</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	337,780	444,727	94,507	155,471
Assigned	-	-	-	-
Total fund balances	<u>337,780</u>	<u>444,727</u>	<u>94,507</u>	<u>155,471</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 349,235</u>	<u>\$ 734,303</u>	<u>\$ 100,941</u>	<u>\$ 155,939</u>



Special Revenue Funds

Local C.F.O. Training	Drug Law Enforcement	Law Library	Community Corrections	Home Rehabilitation	Social Welfare
\$ 56,106	\$ 24,375	\$ 19,848	\$ 26,570	\$ 131,572	\$ 14,629
-	-	-	-	-	25,998
1,198	-	-	-	2,013,663	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	14,891	-	-
-	-	-	-	-	-
<u>\$ 57,304</u>	<u>\$ 24,375</u>	<u>\$ 19,848</u>	<u>\$ 41,461</u>	<u>\$ 2,145,235</u>	<u>\$ 40,627</u>
\$ -	\$ -	\$ 10,136	\$ 1,941	\$ -	\$ 180
-	-	-	2,982	-	-
-	-	-	52	-	-
-	-	-	-	-	-
-	-	10,136	4,975	-	180
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
57,304	24,375	-	-	2,145,235	-
-	-	9,712	36,486	-	40,447
<u>57,304</u>	<u>24,375</u>	<u>9,712</u>	<u>36,486</u>	<u>2,145,235</u>	<u>40,447</u>
<u>\$ 57,304</u>	<u>\$ 24,375</u>	<u>\$ 19,848</u>	<u>\$ 41,461</u>	<u>\$ 2,145,235</u>	<u>\$ 40,627</u>

continued...

BAY COUNTY, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
December 31, 2020

	Special Revenue Funds				
	Child Care	Child Care / Social Services	Soldiers' Relief	Historical Preservation	Indigent Defense
Assets					
Cash and cash equivalents	\$ 801,049	\$ 16,258	\$ 156,688	\$ 23,241	\$ 206,694
Investments	-	-	249,558	-	-
Accounts receivable, net of allowance	-	-	-	-	-
Property taxes receivable, net of allowance	-	-	272,466	259,420	-
Interest receivable	-	-	1,133	-	-
Due from other governmental units	442,721	-	3,861	5,433	-
Prepaid items and other assets	-	-	6,050	-	-
Total assets	<u>\$ 1,243,770</u>	<u>\$ 16,258</u>	<u>\$ 689,756</u>	<u>\$ 288,094</u>	<u>\$ 206,694</u>
Liabilities					
Accounts payable	\$ 122,303	\$ -	\$ 18,524	\$ -	\$ 9,312
Accrued liabilities	80,274	-	913	-	30,622
Due to other funds	108,151	-	173	-	542
Unearned revenue	-	-	45,599	-	166,218
Total liabilities	<u>310,728</u>	<u>-</u>	<u>65,209</u>	<u>-</u>	<u>206,694</u>
Deferred inflows of resources					
Unavailable revenue - property taxes	-	-	434	442	-
Taxes levied for a subsequent period	-	-	285,671	271,960	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>286,105</u>	<u>272,402</u>	<u>-</u>
Fund balances					
Nonspendable	-	-	6,050	-	-
Restricted	-	1,125	332,392	15,692	-
Assigned	933,042	15,133	-	-	-
Total fund balances	<u>933,042</u>	<u>16,258</u>	<u>338,442</u>	<u>15,692</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,243,770</u>	<u>\$ 16,258</u>	<u>\$ 689,756</u>	<u>\$ 288,094</u>	<u>\$ 206,694</u>



Debt Service Fund		
Building Authority	Total Nonmajor Governmental Funds	
\$ -	\$ 1,928,125	
-	886,731	
-	2,015,249	
-	804,202	
-	2,716	
-	470,767	
-	6,050	
<u>\$ -</u>	<u>\$ 6,113,840</u>	
\$ -	\$ 177,112	
-	121,768	
-	109,203	
-	211,817	
<u>-</u>	<u>619,900</u>	
-	1,160	
-	843,302	
<u>-</u>	<u>844,462</u>	
-	6,050	
-	3,608,608	
-	1,034,820	
<u>-</u>	<u>4,649,478</u>	
<u>\$ -</u>	<u>\$ 6,113,840</u>	

concluded.

BAY COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2020

	Special Revenue Funds			
	Friend of the Court	Gypsy Moth Control	Register of Deeds Automation	Concealed Pistol Licensing
Revenues				
Property taxes	\$ -	\$ 281,582	\$ -	\$ -
Licenses and permits	-	-	-	69,596
Federal	86,044	-	-	-
State	39,437	3,861	-	-
Interest, rents and royalties	-	12,096	1,852	3,288
Charges for services	39,643	-	-	-
Fines and forfeits	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-
Total revenues	<u>165,124</u>	<u>297,539</u>	<u>1,852</u>	<u>72,884</u>
Expenditures				
Current:				
General government	-	230,561	44,103	23,509
Public safety	-	-	-	-
Community and economic development	-	-	-	-
Health and welfare	-	-	-	-
Judicial	144,571	-	-	-
Recreation and culture	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other fees	-	-	-	-
Total expenditures	<u>144,571</u>	<u>230,561</u>	<u>44,103</u>	<u>23,509</u>
Revenues over (under) expenditures	<u>20,553</u>	<u>66,978</u>	<u>(42,251)</u>	<u>49,375</u>
Other financing sources (uses)				
Transfers in	-	-	91,005	-
Transfers out	(19,547)	(34,507)	(15,872)	(13,478)
Total other financing sources (uses)	<u>(19,547)</u>	<u>(34,507)</u>	<u>75,133</u>	<u>(13,478)</u>
Net change in fund balances	1,006	32,471	32,882	35,897
Fund balances, beginning of year	<u>336,774</u>	<u>412,256</u>	<u>61,625</u>	<u>119,574</u>
Fund balances, end of year	<u>\$ 337,780</u>	<u>\$ 444,727</u>	<u>\$ 94,507</u>	<u>\$ 155,471</u>

Special Revenue Funds					
Local C.F.O. Training	Drug Law Enforcement	Law Library	Community Corrections	Home Rehabilitation	Social Welfare
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	97,204	-	-
-	-	-	-	66	-
10,050	-	-	-	500	-
-	955	6,500	-	-	-
-	-	-	290	-	-
<u>10,050</u>	<u>955</u>	<u>6,500</u>	<u>97,494</u>	<u>566</u>	<u>-</u>
-	-	-	-	-	-
4,760	-	-	129,744	-	-
-	-	-	-	44,681	-
-	-	-	-	-	52,176
-	-	46,460	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,760</u>	<u>-</u>	<u>46,460</u>	<u>129,744</u>	<u>44,681</u>	<u>52,176</u>
<u>5,290</u>	<u>955</u>	<u>(39,960)</u>	<u>(32,250)</u>	<u>(44,115)</u>	<u>(52,176)</u>
-	-	48,500	-	-	51,500
-	-	-	-	-	-
-	-	48,500	-	-	51,500
5,290	955	8,540	(32,250)	(44,115)	(676)
<u>52,014</u>	<u>23,420</u>	<u>1,172</u>	<u>68,736</u>	<u>2,189,350</u>	<u>41,123</u>
<u>\$ 57,304</u>	<u>\$ 24,375</u>	<u>\$ 9,712</u>	<u>\$ 36,486</u>	<u>\$ 2,145,235</u>	<u>\$ 40,447</u>

continued...

BAY COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2020

	Special Revenue Funds				
	Child Care	Child Care / Social Services	Soldiers' Relief	Historical Preservation	Indigent Defense
Revenues					
Property taxes	\$ -	\$ -	\$ 281,627	\$ 267,458	\$ -
Licenses and permits	-	-	-	-	-
Federal	24,115	-	-	-	-
State	242,525	-	13,282	12,644	569,317
Interest, rents and royalties	-	-	10,149	20	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Reimbursements, refunds, and other revenues	1,248,527	-	3,400	-	-
Total revenues	1,515,167	-	308,458	280,122	569,317
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community and economic development	-	-	-	-	-
Health and welfare	2,918,092	-	205,633	-	-
Judicial	-	-	-	-	1,094,395
Recreation and culture	-	-	-	267,458	-
Debt service:					
Principal	-	-	-	-	-
Interest and other fees	-	-	-	-	-
Total expenditures	2,918,092	-	205,633	267,458	1,094,395
Revenues over (under) expenditures	(1,402,925)	-	102,825	12,664	(525,078)
Other financing sources (uses)					
Transfers in	1,633,402	-	-	-	606,051
Transfers out	(200,738)	-	(59,843)	-	(80,973)
Total other financing sources (uses)	1,432,664	-	(59,843)	-	525,078
Net change in fund balances	29,739	-	42,982	12,664	-
Fund balances, beginning of year	903,303	16,258	295,460	3,028	-
Fund balances, end of year	\$ 933,042	\$ 16,258	\$ 338,442	\$ 15,692	\$ -

Debt Service Fund		Total Nonmajor Governmental Funds
Building Authority		
\$ -	\$ 830,667	
-	69,596	
-	110,159	
-	978,270	
12,352	39,823	
-	50,193	
-	7,455	
<u>1,342,706</u>	<u>2,594,923</u>	
<u>1,355,058</u>	<u>4,681,086</u>	
-	298,173	
-	134,504	
-	44,681	
-	3,175,901	
-	1,285,426	
-	267,458	
1,370,000	1,370,000	
<u>54,800</u>	<u>54,800</u>	
<u>1,424,800</u>	<u>6,630,943</u>	
<u>(69,742)</u>	<u>(1,949,857)</u>	
-	2,430,458	
<u>(368)</u>	<u>(425,326)</u>	
<u>(368)</u>	<u>2,005,132</u>	
(70,110)	55,275	
<u>70,110</u>	<u>4,594,203</u>	
<u>\$ -</u>	<u>\$ 4,649,478</u>	

concluded.

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Friend of the Court
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal	\$ 63,471	\$ 81,789	\$ 86,044	\$ 4,255
State	30,000	30,000	39,437	9,437
Charges for services	43,580	43,580	39,643	(3,937)
Total revenues	137,051	155,369	165,124	9,755
Expenditures				
Current:				
Judicial	136,900	161,100	144,571	(16,529)
Revenues over (under) expenditures	151	(5,731)	20,553	26,284
Other financing uses				
Transfers out	(25,000)	(25,000)	(19,547)	(5,453)
Net change in fund balance	(24,849)	(30,731)	1,006	31,737
Fund balance, beginning of year	336,774	336,774	336,774	-
Fund balance, end of year	<u>\$ 311,925</u>	<u>\$ 306,043</u>	<u>\$ 337,780</u>	<u>\$ 31,737</u>

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Gypsy Moth Control
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 274,962	\$ 274,962	\$ 281,582	\$ 6,620
State	11,030	11,030	3,861	(7,169)
Interest, rents and royalties	8,309	8,309	12,096	3,787
Total revenues	294,301	294,301	297,539	3,238
Expenditures				
Current:				
General government	332,773	329,034	230,561	(98,473)
Revenues over (under) expenditures	(38,472)	(34,733)	66,978	101,711
Other financing uses				
Transfers out	(34,507)	(34,507)	(34,507)	-
Net change in fund balance	(72,979)	(69,240)	32,471	101,711
Fund balance, beginning of year	412,256	412,256	412,256	-
Fund balance, end of year	<u>\$ 339,277</u>	<u>\$ 343,016</u>	<u>\$ 444,727</u>	<u>\$ 101,711</u>

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Register of Deeds Automation
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Interest, rents and royalties	\$ 2,000	\$ 2,000	\$ 1,852	\$ (148)
Expenditures				
Current:				
General government	88,516	88,516	44,103	(44,413)
Revenues under expenditures	(86,516)	(86,516)	(42,251)	44,265
Other financing sources (uses)				
Transfers in	90,000	90,000	91,005	1,005
Transfers out	(15,872)	(15,872)	(15,872)	-
Total other financing sources (uses)	74,128	74,128	75,133	(1,005)
Net change in fund balance	(12,388)	(12,388)	32,882	45,270
Fund balance, beginning of year	61,625	61,625	61,625	-
Fund balance, end of year	<u>\$ 49,237</u>	<u>\$ 49,237</u>	<u>\$ 94,507</u>	<u>\$ 45,270</u>

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Concealed Pistol Licensing
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Licenses and permits	\$ 60,000	\$ 60,000	\$ 69,596	\$ 9,596
Interest, rents and royalties	-	-	3,288	3,288
Total revenues	60,000	60,000	72,884	12,884
Expenditures				
Current:				
General government	85,806	85,806	23,509	(62,297)
Revenues over (under) expenditures	(25,806)	(25,806)	49,375	75,181
Other financing uses				
Transfers out	(13,478)	(13,478)	(13,478)	-
Net change in fund balance	(39,284)	(39,284)	35,897	75,181
Fund balance, beginning of year	119,574	119,574	119,574	-
Fund balance, end of year	<u>\$ 80,290</u>	<u>\$ 80,290</u>	<u>\$ 155,471</u>	<u>\$ 75,181</u>

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Local C.F.O. Training
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Charges for services	\$ 20,000	\$ 20,000	\$ 10,050	\$ (9,950)
Expenditures				
Current:				
Public safety	20,000	20,000	4,760	(15,240)
Net change in fund balance	-	-	5,290	5,290
Fund balance, beginning of year	52,014	52,014	52,014	-
Fund balance, end of year	<u>\$ 52,014</u>	<u>\$ 52,014</u>	<u>\$ 57,304</u>	<u>\$ 5,290</u>

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Drug Law Enforcement
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Fines and forfeits	\$ 3,287	\$ 3,287	\$ 955	\$ (2,332)
Expenditures				
Current:				
Public safety	3,287	3,287	-	(3,287)
Net change in fund balance	-	-	955	955
Fund balance, beginning of year	23,420	23,420	23,420	-
Fund balance, end of year	<u>\$ 23,420</u>	<u>\$ 23,420</u>	<u>\$ 24,375</u>	<u>\$ 955</u>

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Law Library
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Fines and forfeits	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
Expenditures				
Current:				
Judicial	37,000	55,000	46,460	(8,540)
Revenues under expenditures	(30,500)	(48,500)	(39,960)	8,540
Other financing sources				
Transfers in	30,500	48,500	48,500	-
Net change in fund balance	-	-	8,540	8,540
Fund balance, beginning of year	1,172	1,172	1,172	-
Fund balance, end of year	<u>\$ 1,172</u>	<u>\$ 1,172</u>	<u>\$ 9,712</u>	<u>\$ 8,540</u>

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Community Corrections
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
State	\$ 170,304	\$ 170,304	\$ 97,204	\$ (73,100)
Reimbursements, refunds, and other revenues	1,550	1,550	290	(1,260)
Total revenues	171,854	171,854	97,494	(74,360)
Expenditures				
Current:				
Public safety	188,090	189,168	129,744	(59,424)
Net change in fund balance	(16,236)	(17,314)	(32,250)	(14,936)
Fund balance, beginning of year	68,736	68,736	68,736	-
Fund balance, end of year	\$ 52,500	\$ 51,422	\$ 36,486	\$ (14,936)

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Home Rehabilitation
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Interest, rents and royalties	\$ -	\$ -	\$ 66	\$ 66
Charges for services	-	-	500	500
Total revenues	-	-	566	566
Expenditures				
Current:				
Community and economic development	34,486	62,384	44,681	(17,703)
Net change in fund balance	(34,486)	(62,384)	(44,115)	18,269
Fund balance, beginning of year	2,189,350	2,189,350	2,189,350	-
Fund balance, end of year	<u>\$ 2,154,864</u>	<u>\$ 2,126,966</u>	<u>\$ 2,145,235</u>	<u>\$ 18,269</u>

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Social Welfare

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Current:				
Health and welfare	\$ 55,725	\$ 55,725	\$ 52,176	\$ (3,549)
Other financing sources				
Transfers in	51,500	51,500	51,500	-
Net change in fund balance	(4,225)	(4,225)	(676)	3,549
Fund balance, beginning of year	35,900	35,900	41,123	5,223
Fund balance, end of year	<u>\$ 31,675</u>	<u>\$ 31,675</u>	<u>\$ 40,447</u>	<u>\$ 8,772</u>

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Child Care

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal	\$ 20,000	\$ 20,000	\$ 24,115	\$ 4,115
State	231,195	231,195	242,525	11,330
Reimbursements, refunds, and other revenues	1,279,755	1,279,755	1,248,527	(31,228)
Total revenues	1,530,950	1,530,950	1,515,167	(15,783)
Expenditures				
Current:				
Health and welfare	3,389,485	3,408,922	2,918,092	(490,830)
Revenues under expenditures	(1,858,535)	(1,877,972)	(1,402,925)	475,047
Other financing sources (uses)				
Transfers in	1,978,551	1,978,551	1,633,402	(345,149)
Transfers out	(132,494)	(132,494)	(200,738)	68,244
Total other financing sources (uses)	1,846,057	1,846,057	1,432,664	(413,393)
Net change in fund balance	(12,478)	(31,915)	29,739	61,654
Fund balance, beginning of year	903,303	903,303	903,303	-
Fund balance, end of year	\$ 890,825	\$ 871,388	\$ 933,042	\$ 61,654

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Child Care/Social Services
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Reimbursements, refunds, and other revenues	\$ 900	\$ 900	\$ -	\$ (900)
Expenditures				
Current:				
Health and welfare	5,000	5,000	-	(5,000)
Net change in fund balance	(4,100)	(4,100)	-	4,100
Fund balance, beginning of year	16,258	16,258	16,258	-
Fund balance, end of year	<u>\$ 12,158</u>	<u>\$ 12,158</u>	<u>\$ 16,258</u>	<u>\$ 4,100</u>

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Soldiers' Relief
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 274,962	\$ 274,962	\$ 281,627	\$ 6,665
State	11,030	101,160	13,282	(87,878)
Interest, rents and royalties	-	-	10,149	10,149
Reimbursements, refunds, and other revenues	-	-	3,400	3,400
Total revenues	285,992	376,122	308,458	(67,664)
Expenditures				
Current:				
Health and welfare	304,451	392,829	205,633	(187,196)
Revenues over (under) expenditures	(18,459)	(16,707)	102,825	119,532
Other financing uses				
Transfers out	(59,843)	(59,843)	(59,843)	-
Net change in fund balance	(78,302)	(76,550)	42,982	119,532
Fund balance, beginning of year	295,460	295,460	295,460	-
Fund balance, end of year	\$ 217,158	\$ 218,910	\$ 338,442	\$ 119,532

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Historical Preservation
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 267,364	\$ 267,364	\$ 267,458	\$ 94
State	40,000	40,000	12,644	(27,356)
Interest, rents and royalties	75	75	20	(55)
Total revenues	307,439	307,439	280,122	(27,317)
Expenditures				
Current:				
Recreation and culture	307,439	307,439	267,458	(39,981)
Net change in fund balance	-	-	12,664	12,664
Fund balance, beginning of year	3,028	3,028	3,028	-
Fund balance, end of year	\$ 3,028	\$ 3,028	\$ 15,692	\$ 12,664

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Indigent Defense
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
State	\$ 507,558	\$ 537,063	\$ 569,317	\$ 32,254
Expenditures				
Current:				
Judicial	610,316	1,165,541	1,094,395	(71,146)
Revenues under expenditures	(102,758)	(628,478)	(525,078)	103,400
Other financing sources (uses)				
Transfers in	104,012	667,207	606,051	(61,156)
Transfers out	(1,254)	(38,729)	(80,973)	42,244
Other financing sources (uses)	102,758	628,478	525,078	(103,400)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

BAY COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Building Authority Debt Service Fund
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Interest, rents and royalties	\$ 12,000	\$ 23,985	\$ 12,352	\$ (11,633)
Reimbursements, refunds, and other revenues	1,424,800	1,342,705	1,342,706	1
Total revenues	<u>1,436,800</u>	<u>1,366,690</u>	<u>1,355,058</u>	<u>(11,632)</u>
Expenditures				
Debt service:				
Principal	1,370,000	1,370,000	1,370,000	-
Interest and other fees	54,800	54,800	54,800	-
Total expenditures	<u>1,424,800</u>	<u>1,424,800</u>	<u>1,424,800</u>	<u>-</u>
Revenues over (under) expenditures	12,000	(58,110)	(69,742)	(11,632)
Other financing uses				
Transfers out	-	-	(368)	368
Net change in fund balance	12,000	(58,110)	(70,110)	(12,000)
Fund balance, beginning of year	<u>70,110</u>	<u>70,110</u>	<u>70,110</u>	<u>-</u>
Fund balance, end of year	<u>\$ 82,110</u>	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ (12,000)</u>

NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for the operations and services provided for County residents which are financed primarily through user charges.

The **Golf Course Fund** was established to account for the operations of the County golf course. Revenues are primarily generated from user fees.

The **Housing Fund** accounts for the operations of the Hampton Township Housing Project, which provides low-income housing to eligible County residents.

The **Delinquent Property Tax Foreclosure Fund** was established to account for various fees and costs related to the new delinquent tax reversion process.

The **Commissary Fund** was established to record the operations of commissary sales to inmates at the Bay County Law Enforcement Center. Costs are recovered through charges for items sold.

BAY COUNTY, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2020

	Golf Course	Housing	Delinquent Property Tax Foreclosure	Commissary	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 39,880	\$ 527,598	\$ 270,312	\$ 28,060	\$ 865,850
Investments	63,477	-	388,925	51,422	503,824
Accounts receivable, net	-	3,275	-	-	3,275
Accrued interest receivable	267	-	923	228	1,418
Inventories	3,833	-	-	-	3,833
Due from other funds	-	-	14,316	-	14,316
Due from component units	-	-	25,000	-	25,000
Prepaid items and other assets	-	1,104	12,544	-	13,648
Total current assets	107,457	531,977	712,020	79,710	1,431,164
Noncurrent assets:					
Net pension asset	91,145	220,927	-	-	312,072
Capital assets not being depreciated	136,933	90,538	-	-	227,471
Capital assets being depreciated, net	62,515	632,392	-	-	694,907
Total noncurrent assets	290,593	943,857	-	-	1,234,450
Total assets	398,050	1,475,834	712,020	79,710	2,665,614
Deferred outflows of resources					
Deferred pension amounts	6,016	14,581	-	-	20,597
Deferred OPEB amounts	-	31,541	-	-	31,541
Total deferred outflows of resources	6,016	46,122	-	-	52,138
Liabilities					
Current liabilities:					
Accounts payable	4,675	117,250	-	-	121,925
Accrued liabilities	4,905	32,328	-	-	37,233
Due to other funds	88	-	-	-	88
Unearned revenue	6,754	53,993	-	-	60,747
Current portion of compensated absences	1,674	8,572	-	-	10,246
Total current liabilities	18,096	212,143	-	-	230,239
Noncurrent liabilities:					
Net OPEB liability	-	244,794	-	-	244,794
Compensated absences, net of current portion	-	9,604	-	-	9,604
Total noncurrent liabilities	-	254,398	-	-	254,398
Total liabilities	18,096	466,541	-	-	484,637
Deferred inflows of resources					
Deferred pension amounts	46,951	113,804	-	-	160,755
Deferred OPEB amounts	-	22,154	-	-	22,154
Total deferred inflows of resources	46,951	135,958	-	-	182,909
Net position					
Investment in capital assets	199,448	722,930	-	-	922,378
Restricted for pension benefits	50,210	121,704	-	-	171,914
Unrestricted	89,361	74,823	712,020	79,710	955,914
Total net position	\$ 339,019	\$ 919,457	\$ 712,020	\$ 79,710	\$ 2,050,206

BAY COUNTY, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended December 31, 2020

	Golf Course	Housing	Delinquent Property Tax Foreclosure	Commissary	Total
Operating revenues					
Charges for services	\$ 523,256	\$ 278,836	\$ 644,198	\$ 196,899	\$ 1,643,189
Program grants and subsidies	-	187,751	-	-	187,751
Other	4,731	9,824	12,515	-	27,070
Total operating revenues	<u>527,987</u>	<u>476,411</u>	<u>656,713</u>	<u>196,899</u>	<u>1,858,010</u>
Operating expenses					
Personnel services	260,519	-	-	-	260,519
Supplies	73,121	-	-	-	73,121
Other services	126,397	622,944	189,969	138,779	1,078,089
Depreciation	21,964	123,760	-	-	145,724
Total operating expenses	<u>482,001</u>	<u>746,704</u>	<u>189,969</u>	<u>138,779</u>	<u>1,557,453</u>
Operating income (loss)	45,986	(270,293)	466,744	58,120	300,557
Nonoperating revenue					
Interest income	1,899	3,216	10,426	1,905	17,446
Income (loss) before transfers	47,885	(267,077)	477,170	60,025	318,003
Transfers					
Transfers out	-	-	(253,781)	(80,000)	(333,781)
Change in net position	47,885	(267,077)	223,389	(19,975)	(15,778)
Net position, beginning of year	291,134	1,186,534	488,631	99,685	2,065,984
Net position, end of year	<u>\$ 339,019</u>	<u>\$ 919,457</u>	<u>\$ 712,020</u>	<u>\$ 79,710</u>	<u>\$ 2,050,206</u>

BAY COUNTY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2020

	Golf Course	Housing	Delinquent Property Tax Foreclosure	Commissary	Total
Cash flows from operating activities					
Cash received from customers	\$ 531,744	\$ 576,658	\$ 638,428	\$ 196,899	\$ 1,943,729
Cash payments to suppliers for goods and services	(196,953)	(277,665)	(190,203)	(138,779)	(803,600)
Cash payments to employees and related taxes and insurance	(260,923)	(255,683)	-	-	(516,606)
Net cash provided by operating activities	<u>73,868</u>	<u>43,310</u>	<u>448,225</u>	<u>58,120</u>	<u>623,523</u>
Cash flows from noncapital financing activities					
Transfers out	-	-	(253,781)	(80,000)	(333,781)
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	-	(49,394)	-	-	(49,394)
Cash flows from investing activities					
Proceeds from sale of investments	-	211,640	-	22,142	233,782
Purchase of investments	(44,017)	-	(217,449)	-	(261,466)
Interest received	1,788	3,216	10,282	2,084	17,370
Net cash provided by (used in) investing activities	<u>(42,229)</u>	<u>214,856</u>	<u>(207,167)</u>	<u>24,226</u>	<u>(10,314)</u>
Net change in cash and cash equivalents	<u>31,639</u>	<u>208,772</u>	<u>(12,723)</u>	<u>2,346</u>	<u>230,034</u>
Cash and cash equivalents, beginning of year	<u>8,241</u>	<u>318,826</u>	<u>283,035</u>	<u>25,714</u>	<u>635,816</u>
Cash and cash equivalents, end of year	<u>\$ 39,880</u>	<u>\$ 527,598</u>	<u>\$ 270,312</u>	<u>\$ 28,060</u>	<u>\$ 865,850</u>

continued...

BAY COUNTY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2020

	Golf Course	Housing	Delinquent Property Tax Foreclosure	Commissary	Total
Reconciliation of operating income (loss) to net cash provided by (used in)					
operating activities					
Operating income (loss)	\$ 45,986	\$ (270,293)	\$ 466,744	\$ 58,120	\$ 300,557
Adjustments to reconcile operating income (loss) to net cash provided by (used in)					
operating activities:					
Depreciation	21,964	123,760	-	-	145,724
Changes in assets and liabilities that provided (used) cash:					
Accounts receivable, net	-	72,490	-	-	72,490
Inventories	2,521	-	-	-	2,521
Due from other funds	-	-	5,015	-	5,015
Prepaid items and other assets	-	-	(234)	-	(234)
Accounts payable	3,039	82,047	(23,300)	-	61,786
Accrued liabilities	2,394	(21,354)	-	-	(18,960)
Due to other funds	44	-	-	-	44
Unearned revenue	718	27,756	-	-	28,474
Net pension asset	(67,071)	(162,701)	-	-	(229,772)
Deferred outflows - pension	31,969	77,772	-	-	109,741
Deferred inflows - pension	31,432	76,269	-	-	107,701
Net OPEB liability	-	8,432	-	-	8,432
Deferred outflows - OPEB	-	7,389	-	-	7,389
Deferred inflows - OPEB	-	14,606	-	-	14,606
Compensated absences	872	7,137	-	-	8,009
Net cash provided by (used in) operating activities	<u>\$ 73,868</u>	<u>\$ 43,310</u>	<u>\$ 448,225</u>	<u>\$ 58,120</u>	<u>\$ 623,523</u>

concluded.

INTERNAL SERVICES FUNDS

Internal Service funds account for the financing of goods or services provided to other funds, departments or agencies of the primary government and its component units or to other governmental units on a cost reimbursement basis.

The **Self Insurance Fund** was established by the County to provide its own insurance coverage to its departments or funds for workers' compensation, sickness and accident, and unemployment compensation. It is funded by charges to the various funds covered under the program, with all claims being paid from the fund.

The **Healthcare Self Insurance Fund** was established by the County to provide its own insurance coverage to its departments or funds for employee health care.

BAY COUNTY, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2020

	Self Insurance	Healthcare Self Insurance	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 633,853	\$ 2,960,832	\$ 3,594,685
Investments	922,107	-	922,107
Accounts receivable, net of allowance	3,108	1,583	4,691
Accrued interest receivable	3,990	-	3,990
Due from other funds	19,266	624,034	643,300
Due from other governmental units	155	-	155
Prepaid items and other assets	81,069	157,539	238,608
Total current assets	<u>1,663,548</u>	<u>3,743,988</u>	<u>5,407,536</u>
Noncurrent assets:			
Net pension asset	<u>110,554</u>	<u>-</u>	<u>110,554</u>
Total assets	<u>1,774,102</u>	<u>3,743,988</u>	<u>5,518,090</u>
Deferred outflows of resources			
Deferred pension amounts	<u>7,297</u>	<u>-</u>	<u>7,297</u>
Liabilities			
Current liabilities:			
Accounts payable	94	676	770
Accrued liabilities	7,234	-	7,234
Estimated insurance claims payable	195,234	475,751	670,985
Compensated absences	<u>1,272</u>	<u>-</u>	<u>1,272</u>
Total liabilities	<u>203,834</u>	<u>476,427</u>	<u>680,261</u>
Deferred inflows of resources			
Deferred pension amounts	<u>56,949</u>	<u>-</u>	<u>56,949</u>
Net position			
Restricted for:			
Pension benefits	60,902	-	60,902
Insurance claims	<u>1,459,714</u>	<u>3,267,561</u>	<u>4,727,275</u>
Total net position	<u>\$ 1,520,616</u>	<u>\$ 3,267,561</u>	<u>\$ 4,788,177</u>

BAY COUNTY, MICHIGAN

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

Internal Service Funds

For the Year Ended December 31, 2020

	Self Insurance	Healthcare Self Insurance	Total
Operating revenues			
Charges for services	\$ 438,594	\$ 7,161,842	\$ 7,600,436
Operating expenses			
Personnel services	108,302	6,260,005	6,368,307
Other services	98,958	1,197,908	1,296,866
Total operating expenses	207,260	7,457,913	7,665,173
Operating income (loss)	231,334	(296,071)	(64,737)
Nonoperating revenues			
Interest income	33,304	-	33,304
Income (loss) before transfers	264,638	(296,071)	(31,433)
Transfers out	-	(1,473)	(1,473)
Change in net position	264,638	(297,544)	(32,906)
Net position, beginning of year	1,255,978	3,565,105	4,821,083
Net position, end of year	\$ 1,520,616	\$ 3,267,561	\$ 4,788,177

BAY COUNTY, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2020

	Self Insurance	Healthcare Self Insurance	Total
Cash flows from operating activities			
Cash received from interfund services provided	\$ 290,549	\$ 10,102,706	\$ 10,393,255
Cash payments to suppliers for goods and services	(90,103)	(1,136,006)	(1,226,109)
Cash payments to employees and related taxes and insurance	(204,181)	(6,260,005)	(6,464,186)
Net cash provided by (used in) operating activities	<u>(3,735)</u>	<u>2,706,695</u>	<u>2,702,960</u>
Cash flows from noncapital financing activities			
Transfers out	-	(1,473)	(1,473)
Cash flows from investing activities			
Proceeds from sale of investments	226,999	-	226,999
Interest received	36,163	-	36,163
Net cash provided by investing activities	<u>263,162</u>	<u>-</u>	<u>263,162</u>
Net change in cash and cash equivalents	259,427	2,705,222	2,964,649
Cash and cash equivalents, beginning of year	<u>374,426</u>	<u>255,610</u>	<u>630,036</u>
Cash and cash equivalents, end of year	<u>\$ 633,853</u>	<u>\$ 2,960,832</u>	<u>\$ 3,594,685</u>

continued...

BAY COUNTY, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2020

	Self Insurance	Healthcare Self Insurance	Total
Reconciliation of operating income (loss)			
to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 231,334	\$ (296,071)	\$ (64,737)
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operating activities:			
Changes in assets and liabilities			
that provided (used) cash:			
Accounts receivable, net	(21)	(1,583)	(1,604)
Due from other funds	(6,200)	2,898,286	2,892,086
Due from other governmental units	(44)	-	(44)
Prepaid items and other assets	10,000	61,902	71,902
Accounts payable	84	(56)	28
Accrued liabilities	(20,320)	-	(20,320)
Due to other governmental units	(1,145)	-	(1,145)
Estimated claims payable	(141,864)	44,217	(97,647)
Net pension asset	(107,755)	-	(107,755)
Deferred outflows - pension	(2,879)	-	(2,879)
Deferred inflows - pension	55,144	-	55,144
Net OPEB liability	(24,736)	-	(24,736)
Deferred outflows - OPEB	5,167	-	5,167
Deferred inflows - OPEB	(790)	-	(790)
Compensated absences	290	-	290
Net cash Provided by (used in) operating activities	\$ (3,735)	\$ 2,706,695	\$ 2,702,960

concluded.

FIDUCIARY FUNDS

Fiduciary funds account for assets held by the County in a trustee or agent capacity. Disbursements from these funds are contingent upon the trust agreement or applicable legislative enactment for each particular fund. The Bay County fiduciary funds encompass two broad categories:

Pension and Other Employee Benefit Trust Fiduciary Component Units - To account for resources required to be held in trust for the members and beneficiaries of retirement programs or other employee benefit programs.

Custodial Funds - To account for resources received and held by the County, in a custodial capacity, for individuals, organizations and other governments.

The **Employees' Retirement System Fiduciary Component Unit** is used to account for the financial transactions of the Bay County Employees' Retirement System. The system is administered by the Retirement Board of Trustees, while the County acts as custodian for the System. Combining statements for the pension and other postemployment plans are included in the notes to the financial statements.

The **VEBA Trust Fiduciary Component Unit** is used to accumulate financial resources in order to provide medical benefits for retirees', their spouses and dependents. Combining statements for the pension and other postemployment plans are included in the notes to the financial statements.

The **General Custodial Fund** is used to account for resources held by the County, which were received from various sources, and their subsequent disbursement to other parties.

The **Current Tax Collections Fund** is used to account for the collection of current property taxes and special assessments held by the County in a trustee capacity and the subsequent distribution to the appropriate local governmental unit or County fund.

The **Library Penal Fine Fund** is used to account for penal fines received by the District and Circuit courts and distributed to public libraries, as directed by the State Library Board and the County's Law Library Fund per State Act 286 of 1961.

The **District Court fund** is used to account for fees and fines collected by the District Court for other governments which are held by the County in a custodial capacity.

The **Probate Court Fund** is used to account for fees and fines collected by the Probate Court for other governments which are held by the County in a custodial capacity.

The **Trial Court Fund** is used to account for fees and fines collected by the Court for other governments which are held by the County in a custodial capacity.

The **Inmates Fund** is used to account for deposits from County jail inmates.

BAY COUNTY, MICHIGAN

Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefits - Employees' Retirement System and VEBA Trust

December 31, 2020

	Employees' Retirement System	VEBA Trust	Total
Assets			
Investments at fair value:			
Equities	\$ 178,612,820	\$ 17,670,655	\$ 196,283,475
Fixed income	90,511,444	10,782,500	101,293,944
Commingled funds	87,748,664	5,759,084	93,507,748
Mutual funds	55,576,051	44,908,201	100,484,252
Money market	6,621,550	1,481,533	8,103,083
Total investments	<u>419,070,529</u>	<u>80,601,973</u>	<u>499,672,502</u>
Receivables:			
Contributions	827,444	200,256	1,027,700
Interest and dividends	623,409	55,522	678,931
Total receivables	<u>1,450,853</u>	<u>255,778</u>	<u>1,706,631</u>
Other current assets:			
Prepaid items and other assets	1,686,613	5,088	1,691,701
Net pension asset	77,320	-	77,320
Total other current assets	<u>1,763,933</u>	<u>5,088</u>	<u>1,769,021</u>
Total assets	<u>422,285,315</u>	<u>80,862,839</u>	<u>503,148,154</u>
Deferred outflows of resources - pension	<u>5,103</u>	<u>-</u>	<u>5,103</u>
Liabilities			
Accounts payable	552,227	360,413	912,640
Accrued liabilities	1,249,021	700,000	1,949,021
Accrued vacation and sick pay	4,388	-	4,388
Unearned revenue	15,197	-	15,197
Total liabilities	<u>1,820,833</u>	<u>1,060,413</u>	<u>2,881,246</u>
Deferred inflows of resources - pension	<u>39,830</u>	<u>-</u>	<u>39,830</u>
Net position			
Restricted for:			
Pension benefits	420,429,755	-	420,429,755
Postemployment healthcare benefits	-	79,802,426	79,802,426
Total net position	<u>\$ 420,429,755</u>	<u>\$ 79,802,426</u>	<u>\$ 500,232,181</u>

BAY COUNTY, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefits - Employees' Retirement System and VEBA Trust
For the Year Ended December 31, 2020

	Employees' Retirement System	VEBA Trust	Total
Additions			
Investment income:			
Net appreciation in fair value of investments	\$ 53,387,858	\$ 10,017,375	\$ 63,405,233
Interest and dividends	6,787,031	1,654,473	8,441,504
Total investment earnings	60,174,889	11,671,848	71,846,737
Less investment expense	(1,974,321)	(159,733)	(2,134,054)
Net investment income	58,200,568	11,512,115	69,712,683
Contributions:			
Employer	2,232,133	6,542,923	8,775,056
Plan members	2,206,654	-	2,206,654
Total contributions	4,438,787	6,542,923	10,981,710
Other revenue	115,262	-	115,262
Total additions	62,754,617	18,055,038	80,809,655
Deductions			
Participant benefits (including refunds of contributions)	19,742,161	4,297,768	24,039,929
Administrative expenses	341,250	90,423	431,673
Total deductions	20,083,411	4,388,191	24,471,602
Change in net position	42,671,206	13,666,847	56,338,053
Net position, beginning of year	377,758,549	66,135,579	443,894,128
Net position, end of year	\$ 420,429,755	\$ 79,802,426	\$ 500,232,181

BAY COUNTY, MICHIGAN

Combining Statement of Fiduciary Net Position

Custodial Funds
December 31, 2020

	General	Current Tax Collections	Library Penal Fine
Assets			
Cash and cash equivalents	\$ 8,475,506	\$ 434,635	\$ -
Investments	13,172,368	-	-
Due from other governmental units	237	1,971	-
Due from other custodial funds	-	-	20,507
Total assets	21,648,111	436,606	20,507
Liabilities			
Accounts payable	12,030	-	-
Accrued liabilities	92,580	-	-
Due to other custodial funds	-	-	-
Due to component units	-	115,477	-
Due to other governmental units	21,520,847	321,129	20,507
Deposits	22,654	-	-
Total liabilities	21,648,111	436,606	20,507
Net position			
Restricted for:			
Inmates	\$ -	\$ -	\$ -



District Court	Probate Court	Trial Court	Inmates	Total
\$ 256,807	\$ 11,122	\$ 125,881	\$ 43,391	\$ 9,347,342
-	-	-	-	13,172,368
-	144	-	-	2,352
-	-	-	-	20,507
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
256,807	11,266	125,881	43,391	22,542,569
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	14,411	26,441
-	-	-	27,948	120,528
20,507	-	-	-	20,507
-	-	-	-	115,477
236,300	11,266	110,665	-	22,220,714
-	-	15,216	-	37,870
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
256,807	11,266	125,881	42,359	22,541,537
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ 1,032	\$ 1,032
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

BAY COUNTY, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended December 31, 2020

	General Agency	Current Tax Collections	Library Penal Fine
Additions			
State education tax collected for other governments	\$ -	\$ 16,566,025	\$ -
Real estate transfer tax collected for other governments	2,130,964	-	-
Fees and fines collected on behalf of other governments	218,948	-	195,162
Collections from or on behalf of inmates	-	-	-
Other taxes collected for other governments	22,612	-	-
Total additions	<u>2,372,524</u>	<u>16,566,025</u>	<u>195,162</u>
Deductions			
Payments of state education tax to other governments	-	16,566,025	-
Payments of real estate transfer tax to other governments	2,130,964	-	-
Fees and fines remitted to other governments	218,948	-	195,162
Payments to or on behalf of inmates	-	-	-
Payments of other taxes to other governments	22,612	-	-
Total deductions	<u>2,372,524</u>	<u>16,566,025</u>	<u>195,162</u>
Change in net position	-	-	-
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



District Court	Probate Court	Trial Court	Inmates	Total
\$ -	\$ -	\$ -	\$ -	\$ 16,566,025
-	-	-	-	2,130,964
462,033	70,866	51,435	-	998,444
-	-	-	563,022	563,022
-	-	-	-	22,612
<u>462,033</u>	<u>70,866</u>	<u>51,435</u>	<u>563,022</u>	<u>20,281,067</u>
-	-	-	-	16,566,025
-	-	-	-	2,130,964
462,033	70,866	51,435	-	998,444
-	-	-	563,010	563,010
-	-	-	-	22,612
<u>462,033</u>	<u>70,866</u>	<u>51,435</u>	<u>563,010</u>	<u>20,281,055</u>
-	-	-	12	12
-	-	-	1,020	1,020
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,032</u>	<u>\$ 1,032</u>

COMPONENT UNITS

LIBRARY SYSTEM

The ***Library System*** was established to account for the operations of the Bay County Library System, a component unit of Bay County, which provides services and materials in a variety of formats to satisfy the educational, personal and professional interests of the community with funds primarily raised through local property taxes.

DRAIN COMMISSION

The ***Drain Commission*** was established to account for the operations of the Bay County Drain Commission, a component unit of Bay County, and is used to track the collections and expenditures related to construction and maintenance of drainage districts throughout the County.

BAY COUNTY, MICHIGAN

Statement of Net Position and Balance Sheet

Library System Component Unit

December 31, 2020

	Library System	Adjustments	Statement of Net Position
Assets			
Current assets:			
Cash and cash equivalents	\$ 6,452,809	\$ -	\$ 6,452,809
Property taxes receivable	5,100,000	-	5,100,000
Accrued interest receivable	21,988	-	21,988
Due from other governmental units	364,786	-	364,786
Prepaid items and other assets	208,624	-	208,624
Total current assets	<u>12,148,207</u>	<u>-</u>	<u>12,148,207</u>
Noncurrent assets:			
Net pension asset	-	2,442,788	2,442,788
Capital assets not being depreciated	-	107,487	107,487
Capital assets being depreciated, net	-	1,933,393	1,933,393
Total noncurrent assets	<u>-</u>	<u>4,483,668</u>	<u>4,483,668</u>
Total assets	<u>\$ 12,148,207</u>	<u>4,483,668</u>	<u>16,631,875</u>
Deferred outflows of resources			
Deferred pension amounts		343,244	343,244
Deferred OPEB amounts		285,220	285,220
Total deferred outflows of resources		<u>628,464</u>	<u>628,464</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 61,183	-	61,183
Accrued liabilities	84,592	-	84,592
Current portion of compensated absences	-	17,120	17,120
Total current liabilities	<u>145,775</u>	<u>17,120</u>	<u>162,895</u>
Noncurrent liabilities:			
Compensated absences, net of current portion	-	154,080	154,080
Net OPEB liability	-	1,735,153	1,735,153
Total noncurrent liabilities	<u>-</u>	<u>1,889,233</u>	<u>1,889,233</u>
Total liabilities	<u>145,775</u>	<u>1,906,353</u>	<u>2,052,128</u>
Deferred inflows of resources			
Deferred pension amounts	-	1,137,825	1,137,825
Deferred OPEB amounts	-	135,250	135,250
Unavailable revenue - state revenue	266,734	(266,734)	-
Taxes levied for a subsequent period	5,100,000	-	5,100,000
Total deferred inflows of resources	<u>5,366,734</u>	<u>1,006,341</u>	<u>6,373,075</u>
Fund balances			
Nonspendable	208,624	(208,624)	-
Assigned - library events	81,900	(81,900)	-
Assigned - capital outlay	344,451	(344,451)	-
Unassigned	6,000,723	(6,000,723)	-
Total fund balances	<u>6,635,698</u>	<u>(6,635,698)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,148,207</u>		
Net position			
Investment in capital assets		2,040,880	2,040,880
Restricted for:			
Pension benefits		1,648,207	1,648,207
Unrestricted		5,146,049	5,146,049
Total net position		<u>\$ 8,835,136</u>	<u>\$ 8,835,136</u>

BAY COUNTY, MICHIGAN

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

Library System Component Unit

For the Year Ended December 31, 2020

	Library System	Adjustments	Statement of Activities
Revenues			
Property and other taxes	\$ 5,659,023	\$ -	\$ 5,659,023
Federal grants	11,426	-	11,426
State grants	303,730	(63,107)	240,623
Interest income	215,439	-	215,439
Charges for services	23,339	-	23,339
Donations	2,619	-	2,619
Penal fines	193,655	-	193,655
Total revenues	<u>6,409,231</u>	<u>(63,107)</u>	<u>6,346,124</u>
Expenditures / expenses			
Current:			
Recreation and culture	4,792,778	(221,872)	4,570,906
Depreciation	-	490,113	490,113
Contributions to other units	1,350,275	-	1,350,275
Total expenditures / expenses	<u>6,143,053</u>	<u>268,241</u>	<u>6,411,294</u>
Net change in fund balance / net position	266,178	(331,348)	(65,170)
Fund balance / net position, beginning of year	<u>6,369,520</u>	<u>2,530,786</u>	<u>8,900,306</u>
Fund balance / net position, end of year	<u>\$ 6,635,698</u>	<u>\$ 2,199,438</u>	<u>\$ 8,835,136</u>

BAY COUNTY, MICHIGAN

Combining Statement of Net Position and Balance Sheet

Drain Commission Component Unit

December 31, 2020

	Drain Debt Service Funds	Drain Operations and Maintenance	Drain Capital Projects Fund
Assets			
Cash and cash equivalents	\$ 496,321	\$ 439,443	\$ 4,547,764
Investments	(1,938)	421,734	1,259,923
Special assessments	6,462,622	3,140	93,454
Accrued interest receivable	2	1,888	5,409
Due from other funds	420,000	25,154	28,066
Due from other governmental units	41,465	500,640	103,409
Due from primary government	97,028	97,945	36,929
Prepaid items and other assets	-	-	1,323,840
Capital assets not being depreciated	-	-	-
Capital assets being depreciated, net	-	-	-
Total assets	<u>\$ 7,515,500</u>	<u>\$ 1,489,944</u>	<u>\$ 7,398,794</u>
Liabilities			
Accounts payable	\$ -	\$ 4,622	\$ 83,880
Accrued liabilities	-	2,700	4,854
Due to other funds	-	1,432	529,096
Due to primary government	-	72,577	43,809
Long-term debt:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	<u>-</u>	<u>81,331</u>	<u>661,639</u>
Deferred inflows of resources			
Unavailable revenue - long-term receivables	6,794,172	601,726	134,230
Fund balances			
Nonspendable	-	-	1,323,840
Restricted - debt service	721,328	-	-
Assigned	-	806,887	5,279,085
Total fund balances	<u>721,328</u>	<u>806,887</u>	<u>6,602,925</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,515,500</u>	<u>\$ 1,489,944</u>	<u>\$ 7,398,794</u>
Net position			
Net investment in capital assets			
Restricted for:			
Debt service			
Unrestricted			
Total net position			

Revolving Drain	Total Governmental Funds	Adjustments	Statement of Net Position
\$ -	\$ 5,483,528	\$ -	\$ 5,483,528
-	1,679,719	-	1,679,719
-	6,559,216	-	6,559,216
-	7,299	-	7,299
57,308	530,528	(530,528)	-
-	645,514	-	645,514
-	231,902	-	231,902
-	1,323,840	-	1,323,840
-	-	2,222,725	2,222,725
-	-	4,064,622	4,064,622
<u>\$ 57,308</u>	<u>\$ 16,461,546</u>	<u>5,756,819</u>	<u>22,218,365</u>
\$ -	\$ 88,502	-	88,502
-	7,554	46,844	54,398
-	530,528	(530,528)	-
57,308	173,694	-	173,694
-	-	742,615	742,615
-	-	5,563,199	5,563,199
<u>57,308</u>	<u>800,278</u>	<u>5,822,130</u>	<u>6,622,408</u>
-	7,530,128	(7,530,128)	-
-	1,323,840	(1,323,840)	-
-	721,328	(721,328)	-
-	6,085,972	(6,085,972)	-
-	8,131,140	(8,131,140)	-
<u>\$ 57,308</u>	<u>\$ 16,461,546</u>		
		4,420,410	4,420,410
		7,468,656	7,468,656
		<u>3,706,891</u>	<u>3,706,891</u>
		<u>\$ 15,595,957</u>	<u>\$ 15,595,957</u>

BAY COUNTY, MICHIGAN

Combining Statement of Activities and Statement of Revenues, Expenditures and Changes in

Fund Balances - Drain Commission Component Unit

For the Year Ended December 31, 2020

	Drain Debt Service Funds	Drains Operations and Maintenance	Drain Capital Projects Fund
Revenues			
Property and other taxes	\$ 707,238	\$ 16,120	\$ 89,541
Federal grants	-	-	176,032
Licenses and permits	-	1,000	12,618
Interest, rents and royalties	13	38,600	70,668
Reimbursements, refunds and other revenue	44,703	45,164	436,711
Contributions from local units	31,281	332,500	11,501
Total revenues	<u>783,235</u>	<u>433,384</u>	<u>797,071</u>
Expenditures / expenses			
Public works:			
Contractual services	-	429,227	1,720,867
Depreciation	-	-	-
Debt service:			
Principal	152,030	-	-
Interest and fiscal charges	24,091	-	-
Total expenditures / expenses	<u>176,121</u>	<u>429,227</u>	<u>1,720,867</u>
Revenues over (under) expenditures / expenses:	<u>607,114</u>	<u>4,157</u>	<u>(923,796)</u>
Other financing sources (uses)			
Issuance of long-term debt	-	-	5,630,495
Transfers in	-	-	27,707
Transfers out	-	(27,707)	-
Total other financing sources (uses)	<u>-</u>	<u>(27,707)</u>	<u>5,658,202</u>
Net change in fund balances / net position	607,114	(23,550)	4,734,406
Fund balances / net position, beginning of year	114,214	830,437	1,868,519
Fund balances / net position, end of year	<u>\$ 721,328</u>	<u>\$ 806,887</u>	<u>\$ 6,602,925</u>

Revolving Drain	Total Governmental Funds	Adjustments	Statement of Net Position
\$ -	\$ 812,899	\$ 6,197,954	\$ 7,010,853
-	176,032	-	176,032
-	13,618	-	13,618
-	109,281	-	109,281
-	526,578	-	526,578
-	375,282	-	375,282
-	2,013,690	6,197,954	8,211,644
-	2,150,094	(1,325,831)	824,263
-	-	318,234	318,234
-	152,030	(152,030)	-
-	24,091	32,792	56,883
-	2,326,215	(1,126,835)	1,199,380
-	(312,525)	7,324,789	7,012,264
-	5,630,495	(5,630,495)	-
-	27,707	(27,707)	-
-	(27,707)	27,707	-
-	5,630,495	(5,630,495)	-
-	5,317,970	1,694,294	7,012,264
-	2,813,170	5,770,523	8,583,693
\$ -	\$ 8,131,140	\$ 7,464,817	\$ 15,595,957

STATISTICAL SECTION

BAY COUNTY, MICHIGAN

Statistical Section Table of Contents

This part of the County’s Comprehensive Annual Financial Report presents detailed information to assist the user in understanding what the financial statements, note disclosures and required supplementary information say about the overall economic condition of Bay County.

		<u>Page</u>
Financial Trends Tables 1-4	These schedules contain trend information to help the reader understand and evaluate how the County’s financial condition, performance and well-being have changed over time.	171
Revenue Capacity Tables 5-8	These schedules contain information to help the reader assess the County’s ability to generate its most significant local revenue source, the property tax.	181
Debt Capacity Tables 9-14	These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and its ability to issue additional debt in the future.	187
Demographic and Economic Information Tables 15-16	These schedules present various demographic and economic indicators to help the reader understand the environment within which the County operates and how they affect the County’s financial activities.	196
Operating Information Tables 17-19	These schedules contain information about the County’s operations and resources to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.	199

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

BAY COUNTY, MICHIGAN

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 34,828	\$ 35,041	\$ 35,433	\$ 44,431
Restricted	2,755	2,701	13,510	14,379
Unrestricted (deficit)	14,818	12,924	274	(183)
Total governmental activities net position	52,401	50,666	49,217	58,627
Business-type activities				
Net investment in capital assets	7,798	7,353	6,953	7,563
Restricted	1,408	1,408	1,300	1,294
Unrestricted	11,326	10,268	10,713	9,768
Total business-type activities net position	20,532	19,029	18,966	18,625
Primary government				
Net investment in capital assets	42,626	42,394	42,386	51,994
Restricted	4,163	4,109	14,810	15,673
Unrestricted	26,144	23,192	10,987	9,585
Total primary government activities net position	\$ 72,933	\$ 69,695	\$ 68,183	\$ 77,252

Note 1: Variance may exist from the statement of net position to this statistical table due to rounding.

Note 2: The County implemented GASB 68 in 2015. Prior years were not restated.

Note 3: Beginning net position of governmental and business-type activities were restated in 2017 to correct an error in prior period. Prior years were not restated.

Note 4: The County implemented GASB 75 in 2018. Prior years were not restated.

Table 1
Unaudited

	2015	2016	2017	2018	2019	2020
\$	45,941	\$ 46,547	\$ 47,382	\$ 39,366	\$ 39,191	\$ 38,915
	22,222	23,861	26,348	26,904	25,193	31,244
	(4,557)	(8,895)	(8,701)	(17,543)	(12,993)	(13,665)
	<u>63,606</u>	<u>61,513</u>	<u>65,029</u>	<u>48,727</u>	<u>51,391</u>	<u>56,494</u>
	7,906	8,893	10,476	16,907	22,756	23,074
	10,265	7,969	8,308	8,802	7,460	7,503
	<u>12,539</u>	<u>11,894</u>	<u>11,388</u>	<u>(4,265)</u>	<u>(12,463)</u>	<u>(13,052)</u>
	<u>30,710</u>	<u>28,756</u>	<u>30,172</u>	<u>21,444</u>	<u>17,753</u>	<u>17,525</u>
	53,847	55,440	57,858	56,273	61,947	61,989
	32,487	31,830	34,656	35,706	32,653	38,747
	<u>7,982</u>	<u>2,999</u>	<u>2,687</u>	<u>(21,808)</u>	<u>(25,456)</u>	<u>(26,717)</u>
\$	<u>94,316</u>	<u>\$ 90,269</u>	<u>\$ 95,201</u>	<u>\$ 70,171</u>	<u>\$ 69,144</u>	<u>\$ 74,019</u>

BAY COUNTY, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 16,086	\$ 15,617	\$ 13,754	\$ 12,031
Public safety	12,716	11,784	11,722	11,443
Community and economic development	189	273	296	110
Health and welfare	9,144	11,207	10,921	10,703
Public works	7	4	178	1,560
Judicial	6,510	6,909	6,831	6,840
Legislative	437	435	342	329
Recreation and culture	1,432	1,374	1,617	2,181
Interest on long-term debt	734	657	875	371
Total governmental activities expenses	47,255	48,260	46,536	45,568
Business-type activities:				
Medical Care Facility	21,930	24,312	23,743	24,269
100% Tax Payment	123	140	322	163
Golf Course	694	692	616	556
Delinquent Property Tax Foreclosure	191	186	195	181
Commissary	106	122	136	125
Water plant	-	-	-	-
Housing	761	804	759	725
Total business-type activities expenses	23,805	26,256	25,771	26,019
Total primary government expenses	71,060	74,516	72,307	71,587
Program Revenues				
Governmental activities:				
Charges for services:				
General government	2,799	3,041	2,853	2,684
Public safety	2,145	1,873	1,972	2,049
Community and economic development	155	180	57	162
Health and welfare	2,614	2,471	2,347	2,532
Public works	11	7	10	2
Judicial	1,929	1,989	1,906	1,853
Legislative	-	21	-	-
Recreation and culture	762	757	710	816
Operating grants and contributions	13,828	12,515	10,173	17,154
Capital grants and contributions	1,800	80	94	309
Total governmental activities program revenues	26,043	22,934	20,122	27,561

Table 2
Unaudited

	2015	2016	2017	2018	2019	2020
\$	13,287	\$ 13,952	\$ 13,985	\$ 11,877	\$ 13,592	\$ 12,665
	11,721	12,194	12,488	10,768	12,631	11,097
	208	245	233	239	277	154
	11,205	12,318	12,232	13,051	13,033	12,726
	1,911	3,798	3,277	9,497	1	1
	7,085	7,504	7,746	6,854	7,434	6,729
	357	375	421	1,848	401	381
	1,859	1,567	1,929	1,796	1,810	1,355
	244	175	81	49	100	46
	47,877	52,128	52,392	55,979	49,279	45,154
	23,114	25,661	26,174	25,335	29,610	27,538
	147	232	187	156	166	154
	540	486	559	520	554	482
	185	169	200	222	238	190
	111	111	196	150	171	139
	-	-	-	2,624	2,042	1,989
	688	702	735	678	807	747
	24,785	27,361	28,051	29,685	33,588	31,239
	72,662	79,489	80,443	85,664	82,867	76,393
	3,045	3,221	3,151	3,087	3,206	3,396
	2,030	1,992	2,132	2,126	2,197	1,751
	44	207	66	174	88	164
	2,777	3,041	2,852	3,249	3,311	2,658
	3	3,887	3,983	2	8	-
	2,040	1,751	1,767	1,954	2,086	1,509
	-	-	-	-	-	-
	814	845	848	886	930	537
	9,957	9,836	10,250	10,708	15,404	13,972
	16	26	26	253	9	23
	20,726	24,806	25,075	22,439	27,239	24,010

continued...

BAY COUNTY, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2011	2012	2013	2014
Business-type activities:				
Charges for services:				
Medical Care Facility	\$ 20,358	\$ 21,600	\$ 20,949	\$ 21,576
100% Tax Payment	1,268	1,117	1,074	1,088
Golf Course	547	611	556	497
Delinquent Property Tax Foreclosure	328	244	290	199
Commissary	136	170	178	167
Housing	260	258	268	277
Operating grants and contributions	311	285	157	165
Capital grants and contributions	54	-	-	129
Total business-type activities program revenues	23,262	24,285	23,472	24,098
Total primary government program revenues	49,305	47,219	43,594	51,659
Net (expense)/revenue				
Governmental activities	(21,212)	(25,326)	(26,414)	(18,007)
Business-type activities	(543)	(1,971)	(2,299)	(1,921)
Total primary government net expense	(21,755)	(27,297)	(28,713)	(19,928)
General revenues and other changes in net position				
Governmental activities:				
Property taxes	21,445	21,204	22,476	22,334
Unrestricted investment earnings	523	505	620	1,636
Other revenue	467	238	658	2,223
Transfers - internal activities	811	1,350	1,210	1,225
Total governmental activities	23,246	23,297	24,964	27,418
Business-type activities:				
Property taxes	1,501	1,438	2,090	2,049
Unrestricted investment earnings	245	301	370	542
Other revenue	85	81	187	518
Transfers - internal activities	(811)	(1,350)	(1,210)	(1,225)
Total business-type activities	1,020	470	1,437	1,884
Total primary government	24,266	23,767	26,401	29,302
Change in Net Position				
Governmental activities	2,035	(2,029)	(1,450)	9,411
Business-type activities	477	(1,501)	(862)	(37)
Total primary government	\$ 2,512	\$ (3,530)	\$ (2,312)	\$ 9,374

Note 1: Variance may exist from the statement of net position to this statistical table due to rounding.

Note 2: Beginning net position of governmental and business-type activities were restated in 2017 to correct an error in prior period. Prior years were not restated.

Table 2
Unaudited

2015	2016	2017	2018	2019	2020
\$ 23,487	\$ 21,547	\$ 23,103	\$ 23,631	\$ 22,986	\$ 21,864
1,300	1,138	1,123	1,097	1,087	1,019
457	491	443	444	415	523
406	289	297	322	469	644
151	150	271	217	249	197
276	284	271	274	282	279
159	158	243	290	328	3,078
36	-	89	-	-	-
26,272	24,057	25,840	26,275	25,816	27,604
46,998	48,863	50,915	48,714	53,055	51,614
(27,151)	(27,322)	(27,317)	(33,540)	(22,040)	(21,144)
1,487	(3,304)	(2,211)	(3,410)	(7,772)	(3,635)
(25,664)	(30,626)	(29,528)	(36,950)	(29,812)	(24,779)
22,461	22,882	23,430	22,742	21,927	22,430
203	491	656	475	1,120	701
2,830	597	277	257	378	1,935
1,243	1,260	1,945	1,349	1,280	1,180
26,737	25,230	26,308	24,823	24,705	26,246
2,115	2,109	2,323	2,034	2,086	2,101
398	265	434	2,979	2,650	2,143
638	236	981	301	625	344
(1,243)	(1,260)	(1,945)	(1,349)	(1,280)	(1,180)
1,908	1,350	1,793	3,965	4,081	3,408
28,645	26,580	28,101	28,788	28,786	29,654
(414)	(2,092)	(1,009)	(8,717)	2,665	5,102
3,395	(1,954)	(418)	555	(3,691)	(227)
\$ 2,981	\$ (4,046)	\$ (1,427)	\$ (8,162)	\$ (1,026)	\$ 4,875

concluded

BAY COUNTY, MICHIGAN

Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2011	2012	2013	2014
General fund				
Nonspendable	\$ 469	\$ 209	\$ 626	\$ 1,222
Restricted	203	199	170	168
Committed	5,228	5,054	4,943	4,943
Assigned	5,407	7,134	6,681	1,183
Unassigned	-	-	-	5,700
Total general fund	<u>11,307</u>	<u>12,596</u>	<u>12,420</u>	<u>13,216</u>
All other governmental funds				
Nonspendable	8	17	1,872	1,880
Restricted	5,950	5,455	29,531	20,131
Committed	1,899	1,431	-	-
Assigned	312	535	1,793	2,407
Total all other governmental funds	<u>\$ 8,169</u>	<u>\$ 7,438</u>	<u>\$ 33,196</u>	<u>\$ 24,418</u>

Note 1: Variance may exist from the governmental funds balance sheet to this statistical table due to rounding.

Table 3
Unaudited

	2015	2016	2017	2018	2019	2020
\$	1,622	\$ 1,650	\$ 1,510	\$ 1,243	\$ 1,091	\$ 936
	174	198	171	161	136	151
	5,148	6,779	6,824	6,824	6,824	7,143
	547	1,167	4,317	1,130	875	375
	6,064	4,184	2,496	3,891	5,129	9,134
	<u>13,555</u>	<u>13,978</u>	<u>15,318</u>	<u>13,249</u>	<u>14,055</u>	<u>17,739</u>
	1,918	60	27	29	61	57
	11,666	13,946	11,885	7,409	6,643	10,127
	-	-	-	-	-	-
	1,601	711	2,921	2,547	6,297	2,759
\$	<u>15,185</u>	<u>14,717</u>	<u>14,833</u>	<u>9,985</u>	<u>13,001</u>	<u>12,943</u>

BAY COUNTY, MICHIGAN

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2011	2012	2013	2014
Revenues				
Property taxes	\$ 21,459	\$ 21,270	\$ 22,472	\$ 22,359
Special assessments (1)	-	-	-	-
Licenses and permits	382	407	423	403
Federal	9,892	6,930	4,560	9,859
State	4,811	4,908	4,805	6,775
Interest, rents and royalties	1,357	1,329	1,397	2,370
Charges for services	2,795	2,906	2,847	2,780
Fines and forfeits	536	584	546	527
Reimbursements, refunds and other revenue (1)	7,506	6,809	7,080	8,961
Total revenues	48,738	45,143	44,130	54,034
Expenditures				
General government	14,279	12,749	11,209	9,835
Public safety	12,008	10,813	11,264	10,601
Community and economic development	237	298	352	161
Health and welfare	10,446	10,565	10,195	10,946
Public works	6	4	4,764	44
Judicial	6,221	6,087	6,305	6,236
Legislative	450	445	354	330
Recreation and culture	1,753	1,588	1,623	1,984
Other functions	1,573	1,263	1,508	1,667
Capital outlay	-	-	-	36,151
Debt service:				
Principal	1,718	1,888	1,830	1,930
Interest and other fees	776	663	651	1,954
Contribution to component unit	-	-	-	-
Total expenditures	49,467	46,363	50,055	81,839
Excess of revenues over (under) expenditures	(729)	(1,220)	(5,925)	(27,805)
Other financing sources (uses)				
Transfers in	4,778	6,083	6,433	5,949
Payment to escrow agents to refund debt	-	(10,655)	-	-
Insurance recoveries/proceeds	4	10	7	5
Proceeds from sale of capital assets	-	-	-	-
Issuance of long-term debt	-	-	-	18,572
Proceeds of refunding bonds	-	9,775	30,000	-
Bond premium (discount)	-	1,004	(43)	-
Transfers (out)	(3,967)	(4,733)	(4,890)	(4,718)
Total other financing sources (uses)	815	1,484	31,507	19,808
Net change in fund balances	\$ 86	\$ 264	\$ 25,582	\$ (7,997)
Debt service as a percentage of noncapital expenditures	5.27%	5.60%	5.50%	5.05%

Note: Variance may exist from the governmental funds statement of revenues, expenditures and changes in fund balances to this statistical table due to rounding.

(1) Special assessment revenue broken out from reimbursements, refunds and other revenue starting in fiscal 2016. With the transfer of the water plant into a business-type fund in 2018, no special assessments were recorded under governmental activities.

Table 4
Unaudited

	2015	2016	2017	2018	2019	2020
\$	22,481	\$ 22,894	\$ 23,441	\$ 22,731	\$ 21,946	\$ 22,420
	-	3,885	3,980	-	-	-
	468	464	511	540	528	502
	3,853	3,940	4,036	4,013	3,901	6,464
	5,223	5,172	5,282	5,484	9,609	6,910
	1,087	1,248	1,398	1,243	1,823	1,180
	2,941	2,761	2,946	3,082	3,322	2,822
	639	532	587	662	616	324
	9,704	8,007	7,397	8,277	8,360	8,824
	<u>46,396</u>	<u>48,903</u>	<u>49,578</u>	<u>46,032</u>	<u>50,105</u>	<u>49,446</u>
	10,331	10,360	10,640	10,840	12,269	12,050
	10,540	10,830	11,371	13,702	11,797	12,083
	173	223	231	208	268	218
	11,064	11,319	11,403	12,070	12,415	12,693
	2	955	780	1	1	1
	6,259	6,198	6,432	6,539	7,185	7,364
	354	371	413	1,842	399	381
	1,825	1,944	1,827	1,781	1,799	1,369
	1,697	1,656	1,559	1,529	-	-
	17,951	431	40	-	-	-
	2,030	3,240	2,755	1,290	1,350	1,449
	2,280	2,697	2,665	160	109	55
	-	-	-	4,375	-	-
	<u>64,506</u>	<u>50,224</u>	<u>50,116</u>	<u>54,337</u>	<u>47,592</u>	<u>47,663</u>
	<u>(18,110)</u>	<u>(1,321)</u>	<u>(538)</u>	<u>(8,305)</u>	<u>2,513</u>	<u>1,783</u>
	6,144	6,338	6,876	6,386	6,827	6,851
	-	-	-	-	-	-
	11	-	38	31	24	32
	-	-	-	-	-	234
	7,963	-	-	-	-	397
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>(4,885)</u>	<u>(5,063)</u>	<u>(4,920)</u>	<u>(5,030)</u>	<u>(5,541)</u>	<u>(5,669)</u>
	<u>9,233</u>	<u>1,275</u>	<u>1,994</u>	<u>1,387</u>	<u>1,310</u>	<u>1,845</u>
\$	<u>(8,877)</u>	<u>(46)</u>	<u>1,456</u>	<u>(6,918)</u>	<u>3,823</u>	<u>3,628</u>
	9.54%	12.03%	11.03%	2.74%	3.11%	3.22%

Governmental Activities Tax Revenue By Year

Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year		Property Tax
2011	\$	21,444,988
2012		21,203,689
2013		22,475,803
2014		22,333,712
2015		22,461,189
2016		22,882,462
2017		23,431,134
2018		22,741,235
2019		21,927,262
2020		22,430,445

BAY COUNTY, MICHIGAN

Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended December 31,	Real Property		Personal Property	Total Assessed Value	Total Direct Tax Rate
	Residential	Commercial			
2011	\$ 1,884,708	\$ 394,747	\$ 249,238	\$ 2,528,693	10.8138
2012	1,850,561	394,855	270,064	2,515,480	11.4638
2013	1,819,824	392,452	281,567	2,493,843	11.4638
2014	1,878,624	381,200	277,453	2,537,277	11.4638
2015	1,879,325	371,950	294,062	2,545,337	11.4638
2016	1,940,345	370,281	245,516	2,556,142	11.6138
2017	1,969,223	388,729	219,610	2,577,562	11.2138
2018	1,994,688	399,121	215,701	2,609,510	11.2138
2019	2,069,894	438,386	221,147	2,729,427	11.3138
2020	2,202,365	501,486	278,470	2,982,321	12.0685

Source: Bay County Equalization Department

Note: Property in the County is reassessed annually. The County assesses property at approximately 50 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages.

Tax rates are per \$1,000 of taxable value.

Table 6
Unaudited

	Estimated Actual Assessed Value	Assessed Value as a Percentage of Actual Value
\$	5,057,386	50.00%
	5,030,960	50.00%
	4,987,686	50.00%
	5,074,554	50.00%
	5,090,674	50.00%
	5,112,284	50.00%
	5,155,124	50.00%
	5,219,020	50.00%
	5,458,854	50.00%
	5,964,642	50.00%

BAY COUNTY, MICHIGAN

Property Tax Rates

Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year (1) (2)	Bay County				Overlapping Rates		
	Operating Millage	Special Millage	Debt Millage	Total County Millage	SET Schools (3)	Inter-mediate Schools	Community College
2011	5.7257	5.0881	0.0000	10.8138	6.0000	0.1891	2.0427
2012	5.7257	5.7381	0.0000	11.4638	6.0000	0.1891	2.0427
2013	5.7257	5.7381	0.0000	11.4638	6.0000	0.1891	2.0427
2014	5.7257	5.7381	0.0000	11.4638	6.0000	0.1891	2.0427
2015	5.7257	5.7381	0.0000	11.4638	6.0000	0.1891	2.0427
2016	5.7257	5.8881	0.0000	11.6138	6.0000	0.1891	2.0427
2017	5.7257	5.4881	0.0000	11.2138	6.0000	0.1891	2.0427
2018	5.7257	5.4881	0.0000	11.2138	6.0000	0.1891	2.0427
2019	5.7257	5.5881	0.0000	11.3138	6.0000	0.1891	2.0427
2020	5.7257	6.3428	0.0000	12.0685	6.0000	0.1891	2.0427

Source: Bay County Equalization Department

- (1) Rates reduced to comply with the Headlee Amendment.
- (2) This is the year in which the tax is levied. 2006 refers to the 2007 tax collection, 2007 refers to the 2008 tax collection, and so on.
- (3) Proposal A voted in on March 15, 1994 implemented a 6 mill state education tax with the exception of 2003 which was reduced to 5 mills.

* Does not include DDA millage. Add 1.9260 in the City of Bay City and 1.0000 in the City of Essexville for properties in the DDA district and 2.0000 in the City of Midland for properties in the DDA district.

Table 7
Unaudited

Overlapping Rates						
Townships	Cities					Total Direct & Overlapping Rates
	Auburn	Bay City	Essexville	Pinconning	Midland	
1.3500	12.0000	19.5503	17.4877	14.6736	14.7900	98.8972
1.3500	12.0000	20.0935	19.1300	14.6736	14.7900	101.7327
1.3500	12.0000	21.3365 *	20.3000 *	14.6736	15.0800 *	104.4357
1.3500	12.0000	21.3365 *	20.7000 *	14.6736	15.0400 *	104.7957
1.3500	12.0000	21.3365 *	21.4172 *	14.6736	15.0000 *	105.4729
1.3500	12.0000	21.1865 *	23.8431 *	14.6736	15.0000 *	107.8988
1.3500	13.5000	21.4085 *	16.1431 *	14.6736	15.1385 *	101.6593
1.3500	15.5000	21.4615 *	17.4031 *	14.6736	15.1385 *	104.9723
1.3500	15.5000	20.7115 *	17.4031 *	14.6736	15.1385 *	104.3223
1.3500	15.4986	20.7115 *	17.4031 *	14.6736	15.1385 *	105.0756

BAY COUNTY, MICHIGAN

Table 8
Unaudited

Principal Property Taxpayers

December 31, 2020 and Nine Years Ago

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consumers Energy	\$ 166,689,766	1	5.66%	\$ 284,993,179	1	9.77%
Dow Corning Corporation	44,135,449	2	1.50%	62,937,552	2	2.16%
Michigan Electric Transmission	28,470,338	3	0.97%	18,542,280	5	0.64%
S C Johnson	24,880,706	4	0.84%	39,302,060	3	1.35%
Enbridge Energy	18,040,025	5	0.61%			
SSP Development LLC	16,805,124	6	0.57%			
Monitor/ Michigan Sugar	10,731,198	7	0.36%	24,425,594	4	0.84%
Charter Communications	8,647,600	8	0.29%			
Meijer/Goodwill Co, Inc	7,950,712	9	0.27%	8,233,887	8	0.28%
JE Enterprises & Real Estate LLC	6,735,864	10	0.23%			
General Motors/Delphi				16,460,393	6	0.56%
Bay City Mall Associates				9,373,469	7	0.32%
Northern Michigan Land				8,049,874	9	0.28%
The Herald Company				7,527,834	10	0.26%
Totals	<u>\$ 333,086,782</u>		<u>11.30%</u>	<u>\$ 479,846,122</u>		<u>16.46%</u>

Source: Bay County Equalization Department

Property Tax Levies and Collections

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquents Purchased by Treasurer	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2011	\$ 16,276	\$ 15,578	95.71%	\$ 670	\$ 27	\$ 16,275	99.99%
2012	16,177	15,560	96.19%	602	20	16,176	99.99%
2013	16,042	15,372	95.82%	656	13	16,041	99.99%
2014	16,597	15,883	95.70%	654	12	15,978	99.98%
2015	16,542	15,878	95.99%	636	10	15,884	99.98%
2016	16,101	14,984	93.06%	583	8	15,575	99.97%
2017	15,469	14,868	96.11%	582	14	15,464	99.97%
2018	15,673	15,068	96.14%	591	6	15,664	99.94%
2019	16,044	15,462	96.37%	571	6	16,039	99.97%
2020	16,423	15,825	96.36%	584	*	16,409	99.92%

Source: Bay County Treasurer

* This information is not yet available.

BAY COUNTY, MICHIGAN

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended December 31,	Governmental Activities				Business-Type Activities (3)		
	General Obligation Bonds	Unamortized Bond Prem/Discount	Capital Lease Payable	Installment Purchase Contracts	DWFR Loans	Revenue Bonds	Unamortized Bond Prem/Discount
2011	\$ 15,400,000	\$ 136,378	\$ -	\$ 8,550	\$ -	\$ -	\$ -
2012	12,810,000	999,535	-	-	-	-	-
2013	10,980,000	858,473	-	-	-	30,000,000	(41,269)
2014	9,050,000	717,411	-	-	18,572,473	30,000,000	(39,846)
2015	7,020,000	576,349	-	-	26,535,285	30,000,000	(38,423)
2016	5,255,000	446,320	-	-	25,485,000	29,575,000	(37,000)
2017	4,010,000	334,740	-	-	24,415,000	29,135,000	(35,577)
2018	2,720,000	223,360	-	-	26,025,000	28,675,000	(34,153)
2019	1,370,000	111,580	-	-	24,585,000	28,200,000	(32,730)
2020	-	-	317,600	-	23,115,000	27,705,000	(31,307)

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Statistical Table Number 15 for personal income and population data.

(2) This information is not yet available.

(3) Debt/discount related to the DWS Construction was accounted for in a newly formed business-type fund beginning in 2018.

Table 10
Unaudited

	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$	15,544,928	4.23%	145
	13,809,535	3.68%	129
	41,797,024	11.09%	391
	58,300,038	15.08%	549
	64,093,211	16.01%	607
	60,724,320	14.71%	580
	57,859,163	13.53%	555
	57,609,207	13.29%	554
	54,233,850	12.05%	526
	51,106,293	(2)	(2)

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Unamortized Bond Prem/Discount	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Taxable Value of Property (1)	Per Capita (2)
2011	\$ 15,400,000	\$ 136,378	\$ 21,233	\$ 15,515,145	0.53%	145
2012	12,810,000	999,535	65,394	13,744,141	0.47%	129
2013	10,980,000	858,473	85,397	11,753,076	0.41%	110
2014	9,050,000	717,411	112,545	9,654,866	0.34%	91
2015	7,020,000	576,349	116,548	7,479,801	0.26%	71
2016	5,255,000	446,320	133,085	5,568,235	0.20%	53
2017	4,010,000	334,740	21,824	4,287,339	0.15%	41
2018	2,720,000	223,360	45,049	2,898,311	0.11%	28
2019	1,370,000	111,580	70,110	1,411,470	0.05%	14
2020 (3)	-	-	-	-	0.00%	-

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Estimated taxable value data is the consolidation of the SEV and taxable values provided by the equalization department.

(2) See Statistical Table Number 15 for population data. Changed in 2015 to reflect estimated population 2011 forward.

(3) All General Obligation Debt was paid off as of 12/31/2020.

Direct and Overlapping Governmental Activities Debt

As of December 31, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping debt repaid with property taxes: County	\$ 178,186,863	71.01%	\$ 126,521,863
Bay County direct debt			<u>317,600</u>
Total direct and overlapping debt			<u><u>\$ 126,839,463</u></u>

Sources: Debt outstanding and estimated share of overlapping debt provided by Municipal Advisory Council of Michigan

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Bay County. This process recognizes that, when considering the government's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) Applicable percentages were estimated by determining the portion of the County's taxable value that is within the government's boundaries and dividing it by the County's total taxable value.

BAY COUNTY, MICHIGAN

Legal Debt Margin Information

Last Ten Fiscal Years

(amounts expressed in thousands)

	2011	2012	2013	2014
Debt limit	\$ 314,921	\$ 312,200	\$ 312,288	\$ 319,199
Total net debt applicable to limit	<u>23,191</u>	<u>20,501</u>	<u>48,076</u>	<u>63,920</u>
Legal debt margin	<u>\$ 291,730</u>	<u>\$ 291,699</u>	<u>\$ 264,212</u>	<u>\$ 255,279</u>
Total net debt applicable to the limit as a percentage of debt limit	7.36%	6.57%	15.39%	20.03%

Note: Under state finance law Bay County's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

(1) Includes primary government and component units.

Table 13
Unaudited

2015	2016	2017	2018	2019	2020
\$ 321,730	\$ 324,088	\$ 326,989	\$ 331,557	\$ 340,808	\$ 364,184
<u>67,627</u>	<u>65,167</u>	<u>61,872</u>	<u>61,169</u>	<u>57,429</u>	<u>54,021</u>
<u>\$ 254,103</u>	<u>\$ 258,921</u>	<u>\$ 265,117</u>	<u>\$ 270,388</u>	<u>\$ 283,379</u>	<u>\$ 310,163</u>
21.02%	20.11%	18.92%	18.45%	16.85%	14.83%

Legal Debt Margin Calculation for Current Fiscal Year

State equalized value of real property		\$ 3,363,366
State equalized value of personal property		<u>278,470</u>
Total state equalized value		3,641,836
Debt limit (10% of total state equalized value)		364,184
Debt applicable to limit: (1)	\$	60,327
Less:		
Assets in debt service funds available for payment of principal	\$	-
Debt not subject to legal debt limit:		
Special assessment debt		<u>6,306</u>
Total deductions		<u>(6,306)</u>
Total amount of debt applicable to debt limit		<u>54,021</u>
Legal debt margin		<u>\$ 310,163</u>

BAY COUNTY, MICHIGAN

Pledged-Revenue Coverage

Last Ten Fiscal Years

Fiscal Year	Operating Revenue (2)	Operating Expenses (3)	Net Available Revenue	Debt Service (4)	
				Principal	Interest
Water Supply System No. 1 Revenue Bonds (1)					
2011 (5)	\$ 4,136,205	\$ 2,769,142	\$ 1,367,063	\$ 180,000	\$ 183,669
2012 (5)	4,308,937	2,961,525	1,347,412	185,000	180,069
2013 (5) (6)	4,373,619	2,878,647	1,494,972	190,000	176,369
2014 (5) (6)	4,584,579	3,191,548	1,393,031	195,000	1,677,652
2015 (5) (6)	5,885,223	4,185,567	1,699,656	200,000	1,676,969
2016 (5) (6)	11,360,745	5,645,889	5,714,856	630,000	1,671,969
2017 (5) (6)	11,810,699	5,674,620	6,136,079	650,000	1,648,819
2018 (5) (6)	11,678,711	6,082,982	5,595,729	675,000	1,623,869
2019 (5) (6)	11,998,511	6,855,007	5,143,504	700,000	1,597,944
2020 (5) (6)	12,631,841	7,516,568	5,115,273	730,000	1,569,944

Note: Details regarding Bay County's outstanding debt can be found in the notes to the financial statements.

(1) Includes component unit - Department of Water and Sewer.

(2) Includes Department of Water and Sewer revenues, less all non-operating revenue except interest earned.

(3) Includes Department of Water and Sewer revenues, less depreciation and interest expense on bonded debt.

(4) Debt service requirements are met with net revenue available for debt service and net position.

(5) Includes the Water Supply West Side Regional Sewage Disposal System Revenue Bonds, Series 2010.

(6) Includes the Michigan Finance Authority Bay County 2013 Local Government Loan Program Revenue Bonds.

Table 14
Unaudited



Total	Coverage
-------	----------

\$	363,669	3.76
	365,069	3.69
	366,369	4.08
	1,872,652	0.74
	1,876,969	0.91
	2,301,969	2.48
	2,298,819	2.67
	2,298,869	2.43
	2,297,944	2.24
	2,299,944	2.22

BAY COUNTY, MICHIGAN

Table 15
Unaudited

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income	School Enrollment (3)	Unemployment Rate (4)
2011	107,229	\$ 3,677,507	\$ 34,296	14,420	9.80%
2012	106,890	3,750,645	35,089	14,320	8.70%
2013	106,832	3,770,457	35,293	13,958	9.10%
2014	106,179	3,866,902	36,419	13,751	7.10%
2015	105,659	4,002,825	37,884	13,442	5.50%
2016	104,747	4,127,462	39,404	13,513	5.20%
2017	104,239	4,276,348	41,024	13,462	5.60%
2018	103,923	4,335,883	41,722	13,029	5.80%
2019	103,126	4,502,212	43,657	12,932	4.70%
2020	(5)	(5)	(5)	12,231	9.20%

Data Sources:

- (1) Population Division, U.S. Census Bureau - Population is an estimate as of July 1, of fiscal year with the exception of 2010 which reflects the actual census.
- (2) Bureau of Economic Analysis, per capita income was computed using Census Bureau midyear population estimates. Amounts expressed in thousands.
- (3) Local school districts
- (4) U.S. Department of Labor Bureau of Labor Statistics Data - Unemployment rate information is a yearly average not seasonally adjusted.
- (5) Personal data not available at this time.

BAY COUNTY, MICHIGAN

Principal Employers

2020 and Nine Years Ago

Employer	2017 (1)		
	Employees	Rank	Percentage of Total County Employment
McLaren - Bay Region (2)	2,083	1	4.80%
The Dow Chemical Corporation	1,160	2	2.67%
Delta College	957	3	2.21%
Michigan Sugar Company (4)	900	4	2.07%
Bay City Public Schools (3)	875	5	2.02%
Bay County	593	6	1.37%
Meijer Inc.	550	7	1.27%
Consumers Energy	457	8	1.05%
General Motors Powertrain	392	9	0.90%
Bay Medical Care Facility	365	10	0.84%
SC Johnson			
Totals	<u>8,332</u>		<u>19.21%</u>

Source:

Bay Future

(1) 2018, 2019, and 2020 data not available.

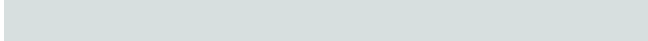
(2) Previously Bay Regional Medical Center and Bay Health Systems

(3) Excludes substitute teachers.

(4) Figure represents peak manufacturing/industry seasons.

(5) Figures may represent estimates based on information obtained.

Table 16
Unaudited



2011 (5)

Employees	Rank	Percentage of Total County Employment
1,748	1	4.98%
1,160	2	3.30%
1,000	4	2.85%
1,152	3	3.28%
922	5	2.63%
525	7	1.50%
600	6	1.71%
491	8	1.40%
325	10	0.93%
<u>398</u>	9	<u>1.13%</u>
<u><u>8,321</u></u>		<u><u>23.70%</u></u>

BAY COUNTY, MICHIGAN

Full-time Equivalent Government Employees by Function/Program

Last Ten Fiscal Years

	2011	2012	2013	2014
Function				
Public safety	112	111	111	112
Community and economic development	2	2	2	1
Health and welfare	73	68	68	75
General government	88	86	88	89
Judicial	79	78	78	77
Legislative	1	1	-	-
Recreation and culture	8	8	8	7
100% tax payment	2	2	2	2
Golf course	3	3	3	1
Total	368	359	360	364

Source: Bay County Payroll Department

Note: There are no full-time equivalent positions in the public works or commissary functions.

Full-time equivalent positions are not available for Medical Care Facility and Housing Department.

Table 17
Unaudited

2015	2016	2017	2018	2019	2020
109	101	115	118	118	118
2	2	1	2	2	2
71	70	70	73	73	84
84	90	93	97	98	99
77	77	75	72	72	72
-	-	-	-	-	-
9	11	11	10	13	10
2	2	2	2	2	2
1	2	2	2	2	2
<u>355</u>	<u>355</u>	<u>369</u>	<u>376</u>	<u>380</u>	<u>389</u>

BAY COUNTY, MICHIGAN

Operating Indicators by Function/Program

Last Ten Fiscal Years

	2011	2012	2013	2014
Function				
Public safety				
Number of incarcerated offenders	3,813	4,032	4,057	4,392
Health and welfare				
Department on aging				
Meal site meals served	40,148	37,867	37,928	36,404
Home delivered meals served	118,672	119,732	125,007	136,849
Public works				
Number of parking spaces leased	252	151	319	66
Judicial				
Circuit court total caseload	4,064	3,873	3,594	3,212
District court total caseload	24,178	25,720	24,612	23,635
Probate court total caseload	871	848	791	882
Recreation and culture				
Swimming pool admissions (1) (2)	3,124	3,033	4,150	3,935
Medical care facility				
Patient days	73,896	69,984	84,709	78,222
Patient admits	350	102	131	145
Golf course				
Memberships	154	193	176	131
Housing				
Number of lease days	36,017	35,261	35,607	36,096

Sources: Michigan Department of Corrections, State of Michigan Court Caseload Report, and County departments.

Note: Indicators are not available for the general government, legislative functions, community and economic development, 100% tax payment and commissary functions.

(1) This information contains some approximate values.

(2) The pool was not open in 2020 due to COVID-19.

(3) This information is not available for 2020.

Table 18
Unaudited

2015	2016	2017	2018	2019	2020
4,350	4,205	4,298	4,420	4,079	1,909
36,644	35,687	39,987	37,875	42,348	22,925
146,632	146,109	141,358	176,781	197,506	216,596
101	69	91	60	93	5
3,121	3,241	3,175	3,093	2,907	(3)
25,641	21,452	23,832	23,523	21,957	(3)
960	823	879	862	859	(3)
4,100	4,460	3,786	6,401	3,723	-
64,497	100,287	88,648	64,343	84,281	59,175
132	139	115	97	100	64
118	105	104	102	103	72
36,067	36,221	35,983	35,468	35,114	35,289

BAY COUNTY, MICHIGAN

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

	2011	2012	2013	2014
Function				
Public safety				
Sheriff				
Stations	1	1	1	1
Vehicles	23	25	34	35
Boats	3	3	3	3
Animal control				
Vehicles	4	4	5	5
Community and economic development				
Streets (miles)	1,566	1,567	1,567	1,568
Traffic signals	109	109	109	109
Health and welfare				
Department on aging				
Meal sites	5	5	5	5
Mosquito control				
Vehicles	31	32	32	32
Public works				
Pere Marquette/Madison Avenues				
Parking spaces available for lease	264	264	264	264
Recreation and culture				
Parks (1)	3	3	3	5
Medical care facility				
Beds	206	206	206	206
Golf course				
Golf carts	53	53	53	53
Housing				
Apartments	100	100	100	100

Sources: County departments

Note: No capital asset indicators are available for the general government, judicial, legislative, 100% tax payment or commissary functions.

Not all historical information is available, this table will continue to be populated as more information becomes available.

(1) Euclid/Linear Park was leased out beginning in 2013. In 2014, two additional pieces of undeveloped land were purchased, but are not maintained.

Table 19
Unaudited

2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
34	32	33	33	36	40
3	3	2	3	3	3
5	4	3	3	3	3
1,574	1,575	1,574	1,574	1,574	1,588
108	107	107	107	107	107
5	5	5	5	5	5
33	32	33	32	32	33
264	264	264	264	264	264
5	5	5	5	5	5
206	206	206	206	206	206
53	53	53	53	53	53
100	100	100	100	100	100